

CITY OF UNION CITY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2018



Prepared by:
Union City Finance Department

CITY OF UNION CITY, GEORGIA
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INTRODUCTORY SECTION



THE CITY OF
UNION CITY
GEORGIA

February 29, 2019

To the Honorable Mayor, Members of the City Council, and Citizens of
the City of Union City, Georgia:

State law requires that all general-purpose local governments publish for the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Union City, Georgia for the fiscal year ended August 31, 2018.

This report consists of management's representations concerning the finances of the City of Union City, 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 Union City, Georgia 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 Union City, Georgia's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Union City, Georgia'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 Union City, Georgia's financial statements have been audited by Mauldin & Jenkins, LLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Union City, Georgia for the fiscal year ended August 31, 2018, 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 Union City, Georgia's financial statements for the fiscal year ended August 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 (MD&A) and should be read in conjunction with it. The City of Union City, Georgia's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Union City was incorporated August 17, 1908, and was named for the Farmer's Union whose national headquarters was located in the area. Since that time, the City's population has grown to its current population of approximately 20,500. The City is located in North Central Georgia on Interstate 85 in South Fulton County, the largest county in the State of Georgia. Approximately 15 miles south of downtown Atlanta, Union City is only 5 miles from Hartsfield-Jackson International Airport and is part of the metropolitan statistical area as designated by the Bureau of Census; a small town America within the sphere of downtown Atlanta, home of the 1996 Olympic Games.

The City of Union City, Georgia, operates under a Mayor and Council-Chief Administrative Officer form of government. The Chief Administrative Officer is appointed by and serves at the pleasure of the City Council. The City Council annually adopts a balanced budget and establishes a tax rate for the support of City programs. The Chief Administrative Officer has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

Services provided by the City under general governmental functions include finance, human resources, information technology, police and fire protection, economic development, public services, recreation services and administrative services to the citizens. In addition, water and sewer services, solid waste collection and disposal services, and criminal justice management are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

City Management reviewed all potential component units to determine if any should be included in these financial statements and has concluded that the South Fulton Municipal Regional Jail Authority is a component unit that should be included in the financial statements.

The annual budget is the financial plan for the operation of the City for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. The City adopts an annual budget no later than the beginning of each fiscal year. The Chief Administrative Officer and the Finance Director are required to prepare and submit a budget to the Council for review and adoption. The budget is accompanied by a message from the Chief Administrative Officer containing a statement of general fiscal policies of the City, the important features of the budgets, explanations of the major changes recommended for the next fiscal year, a general summary of the budgets, and such other comments and information as may be deemed pertinent. The Council may approve, reject, or modify the proposed budget and shall adopt the final budget by ordinance no later than August 31. Upon recommendation of the Chief Administrative Officer and approval of the Mayor and Council, the City may make interfund or interdepartmental transfers in the current operating or capital improvements budgets at any regular or special meeting called for such purpose, provided funds are available. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles.

Annual budgets are adopted for the General Fund, Debt Service Funds, and Special Revenue Funds. Capital Projects Funds have legal budgets adopted on a total project basis rather than an annual basis. Annual operating budgets are prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. The legal level of budgetary control is the fund level. Increases in the total appropriations of a fund, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among funds, require the recommendation of the Chief Administrative Officer and approval of the Mayor and Council. Appropriations lapse at year-end except those for capital projects which are accounted for in future periods as "fund balance reserved for construction" until the appropriation is expended or the project completed.

Final budget amounts included on all budget comparisons in this report are as amended as of August 31, 2018, by the Mayor and Council.

Financial Position and Future Prospects

Union City, like most cities, was hit hard by the recession. Since the recession, the City has taken steps including increases in millage rates and strict budget controls so that we have sufficient cash reserves to safely navigate future downturns in the economy without diminishing services to our citizens.

Union City has a distinctive blend of new and established business clusters that are strategically designed to succeed. The digest reflects this diversification with a mix of commercial, industrial and residential properties. The majority of establishments located in Union City are in the services or retail trade sector. This is, in part, due to the existence of numerous businesses services and retail located along Georgia Highway 138 and 29.

Union City has gained the attention of top businesses from around the country. Over the past few years, the growing economic base has manifested in the acquisition of several high profile companies including ASOS, Proctor and Gamble, the Walmart Distribution Ecommerce facility, and Amazon. Due to the booming entertainment industry in the State, Union Station, an obsolete mall, was demolished and in its place now is one of our state's largest film studios, Atlanta Metro Studios of Union City. The economic impact of the movie industry in Georgia is \$6 billion. This development continues to provide the City with ability to create a niche market for film induced tourism which is one of the fastest growing markets in the industry. Having one of the largest movie studios in the state located in Union City provides a seat at the table in becoming a destination of choice for both film and entertainment.

The City works diligently to enhance job growth and to promote business stability. Incentives such as the Tax Allocation District (TAD) proposed a 600-acre mixed-use development that helps focus on redevelopment and local infrastructure improvements. With the district's parallel position and access to I-85, it is a strong candidate for major businesses and industrial investments. The City also maintains the Opportunity Zone designation to attract businesses by promoting job tax credits up to \$3,500 per job created. Businesses are able to utilize this credit against their Georgia Income Taxes and may claim excess credit against their withholding taxes. Union City maintains a federal designation as a Georgia Foreign Trade Zone (GFTZ) which helps businesses remain competitive, reducing processing fees, custom fees and enhancing the movement of goods in a global marketplace. With these incentives, Union City continues to maintain a solid yet distinctive blend of business clusters that are strategically designed to succeed. Land availability and location advantages, such as the interstate and close proximity to Hartsfield-Jackson International Airport, present Union City with an opportunity distinct to South Fulton County. These resources have enabled the City to capture development, both commercial and residential.

Federal and State Grants

The City has made a significant investment in applying for federal and state awards which use Federal and State dollars to benefit its citizens. In fiscal year 2018, Union City received grants sidewalks, street paving and resurfacing.

Awards & Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Union City for its Comprehensive Annual Financial Report (CAFR) for the fiscal period ended August 31, 2017. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We are pleased to present the City's seventeenth Comprehensive Annual Financial Report (CAFR), and submit the same to the Government Finance Officers Association (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. We believe that our current CAFR continues to meet the program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Fillingame', with a large, stylized flourish at the end.

Sonja Fillingame
City Manager



Government Finance Officers Association

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

Presented to

**City of Union City
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

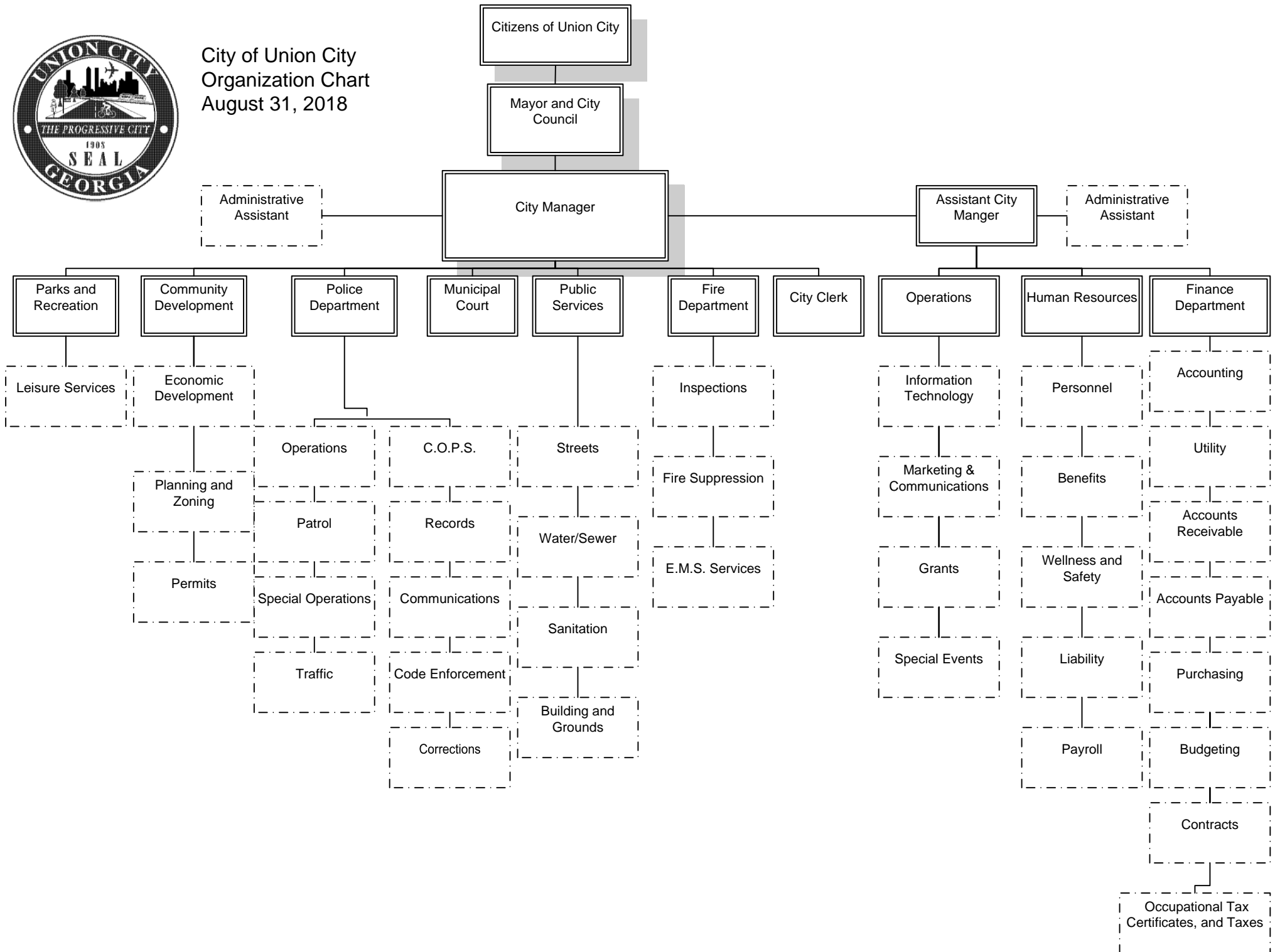
August 31, 2017

Christopher P. Morill

Executive Director/CEO



City of Union City
 Organization Chart
 August 31, 2018



CITY OF UNION CITY, GEORGIA

PRINCIPAL OFFICIALS AUGUST 31, 2018

Elected Officials

Vince Williams, Mayor

City Council

Christina Hobbs
Brian K. Jones
Angelette Mealing
Shayla J. Nealy

Appointed Officials

City Manager

Sonja Fillingame

City Clerk

Shandrella Jewett

Chief of Police

Cassandra Jones

Chief of Fire Administration

Joe Maddox

Director of Public Services

Lonnie Ferguson

Directors

Assistant City Manager

Tarsha Calloway

Director of Community Development

Vacant

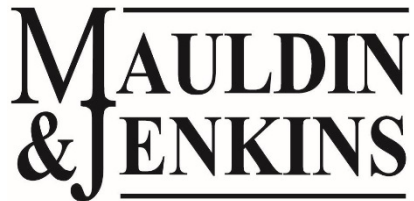
Director of Human Resources

Linda Goodman

Finance Director

Vacant

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Union City, Georgia** (the "City"), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Union City, Georgia, as of August 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), and the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions on pages 63 and 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of the City of Union City, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Union City, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Union City, Georgia's internal control over financial reporting and compliance.



Macon, Georgia
February 26, 2019

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Union City, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2018 are as follows:

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$42,331,940 (net position).
- The City's total net position increased by \$11,830,108 or 38.8%.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of \$29,060,184, an increase of \$10,178,681 from the prior year.
- The City's General Fund reported a positive fund balance of \$19,171,482 which represents 120% of the current years expenditures.
- General Fund results were \$5,560,001 better than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, judicial, public safety, public works, community services, recreation, and economic development.

The business-type activities of the City include water and sewer, sanitation, and criminal justice management.

The government-wide financial statements include not only the City itself (known as the primary government), but also the South Fulton Municipal Regional Jail Authority. This is a legally separate entity that is a component unit of the City due to the significance of its operational or financial relationship with the City. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The City's government-wide financial statements are presented on pages 15 and 16.

Reporting the City's Most Significant Funds

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the city as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The City's fund financial statements are divided into three broad categories, namely, (1) governmental funds, (2) proprietary funds, and (3) debt service funds.

Governmental Funds

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis at the bottom of the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (non-major funds). The City's governmental fund financial statements are presented on pages 17 – 22.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, statement of revenues, expenses, and changes in fund net position and statement of cash flows, and are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. For the most part, the balances and activities accounted for in the City's Enterprise Funds are also reported in the business-type activities columns of the government-wide financial statements.

The City presents in separate columns Enterprise Funds that are most significant to the City and all other Enterprise Funds are aggregated and reported in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 23 – 26.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements (see pages 15 and 16):

City of Union City's Net Position August 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 35,118,754	\$ 26,867,035	\$ 10,445,635	\$ 7,933,200	\$ 45,564,389	\$ 34,800,235
Capital assets, net	18,647,596	16,122,219	14,341,848	15,168,015	32,989,444	31,290,234
Total assets	<u>53,766,350</u>	<u>42,989,254</u>	<u>24,787,483</u>	<u>23,101,215</u>	<u>78,553,833</u>	<u>66,090,469</u>
Deferred outflows of resources	<u>1,946,987</u>	2,201,184	<u>108,632</u>	129,397	<u>2,055,619</u>	2,330,581
Other liabilities	11,248,000	9,824,892	3,061,259	2,658,892	14,309,259	12,483,784
Long-term liabilities outstanding	<u>14,133,224</u>	16,385,406	<u>8,476,276</u>	8,944,308	<u>22,609,500</u>	25,329,714
Total liabilities	<u>25,381,224</u>	<u>26,210,298</u>	<u>11,537,535</u>	<u>11,603,200</u>	<u>36,918,759</u>	<u>37,813,498</u>
Deferred inflows of resources	<u>1,271,929</u>	98,637	<u>86,824</u>	7,083	<u>1,358,753</u>	105,720
Net position:						
Net investment in capital assets	9,461,603	598,455	6,296,865	6,757,926	15,758,468	7,356,381
Restricted	6,624,974	8,394,962	1,449,250	1,535,293	8,074,224	9,930,255
Unrestricted	12,973,607	9,888,086	5,525,641	3,327,110	18,499,248	13,215,196
Total net position	<u>\$ 29,060,184</u>	<u>\$ 18,881,503</u>	<u>\$ 13,271,756</u>	<u>\$ 11,620,329</u>	<u>\$ 42,331,940</u>	<u>\$ 30,501,832</u>

Financial Position

The total net position of the City increased 11,830,108 or 38.8%, from \$30,501,832 to \$42,331,940 as noted in the table above. The increase is primarily the result of better than budgeted balances in the General fund and management's emphasis on generating reserves for future projects and any potential downturns in the economy.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Union City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 3,893,580	\$ 3,507,517	\$ 10,998,827	\$ 9,742,564	\$ 14,892,407	\$ 13,250,081
Operating grants and contributions	55,636	40,612	-	-	55,636	40,612
Capital grants and contributions	918,282	616,252	-	-	918,282	616,252
General revenues:						
Property taxes	11,459,372	9,791,509	-	-	11,459,372	9,791,509
Sales taxes	8,943,451	6,524,359	-	-	8,943,451	6,524,359
Franchise taxes	1,398,275	1,360,726	-	-	1,398,275	1,360,726
Other taxes	1,810,050	1,689,639	-	-	1,810,050	1,689,639
Unrestricted investment earnings	94,706	39,768	18,268	6,739	112,974	46,507
Total revenues	28,573,352	23,570,382	11,017,095	9,749,303	39,590,447	33,319,685
Expenses:						
General government	3,781,555	2,444,499	-	-	3,781,555	2,444,499
Judicial	426,489	454,518	-	-	426,489	454,518
Public safety	10,396,662	10,242,974	-	-	10,396,662	10,242,974
Public works	2,207,629	2,168,984	-	-	2,207,629	2,168,984
Parks and recreation	554,589	551,401	-	-	554,589	551,401
Economic development	852,933	646,318	-	-	852,933	646,318
Interest on long-term debt	436,104	621,643	-	-	436,104	621,643
Water and Sewer	-	-	7,261,987	7,178,488	7,261,987	7,178,488
Sanitation	-	-	1,611,225	1,642,981	1,611,225	1,642,981
Stormwater	-	-	231,166	271,592	231,166	271,592
Total expenses	18,655,961	17,130,337	9,104,378	9,093,061	27,760,339	26,223,398
Increase in net position before transfers	9,917,391	6,440,045	1,912,717	656,242	11,830,108	7,096,287
Transfers	261,290	-	(261,290)	-	-	-
Change in net position	10,178,681	6,440,045	1,651,427	656,242	11,830,108	7,096,287
Net position, beginning of year	18,881,503	12,441,458	11,620,329	10,964,087	30,501,832	23,405,545
Net position, end of year	\$ 29,060,184	\$ 18,881,503	\$ 13,271,756	\$ 11,620,329	\$ 42,331,940	\$ 30,501,832

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

As noted in the table on the preceding page, governmental revenues increased \$5,045,636 or 21.46%. The more significant increases were sales taxes which increased \$2,419,092 or 37.08% as a result of receiving a full year of the Transportation Special Purpose Local Option Sales Tax (TSPLOST). Property taxes increased \$1,710,529 or 17.58%, due to increased assessed property values and commercial growth.

In total, governmental expenses increased \$1,525,624 or 8.90% over the prior year. General Government expenses increased \$1,337,056 because of general increases in city administration costs and non-capitalizable capital outlay items. Public safety expenses increased \$153,688 or 1.50% as a result of increases in salaries and benefits. Changes in other categories of expense were not significant.

Business-Type Activities

Net position for business-type activities increased \$1,651,427 or 14.21%. The Water and Sewer Fund reported an increase in net position of \$833,508; the Criminal Justice Management Fund had an increase in net position of \$200,986; the Stormwater Fund had an increase in net position of \$434,203; and the Sanitation fund had an increase in net position of \$182,730.

The Water and Sewer Fund had net operating income of \$2,742,125; \$1,670,315; and \$1,651,758; for 2018, 2017 and 2016, respectively. Operating income increased in 2018 compared to 2017 because 2017 revenues reflected major write-offs of uncollectible balances that were not necessary in 2018. The Water and Sewer fund continues to bear non-operating expenses for obligations under an intergovernmental agreement with the South Fulton Regional Water Authority to fund the repayment of construction bonds for alternative water and sewer resources. These obligations were \$1,607,071; \$1,459,221; and \$1,555,865; for 2018, 2017 and 2016, respectively. (See Note 14, page 60).

The Criminal Justice Management Fund had net operating income (losses) of \$200,986; \$95,730; and \$(66,649); for 2018, 2017 and 2016, respectively. The losses for fiscal 2016 are attributable to major repair work required on the facility. Because of continuing losses prior to 2013, the City ceased operating the facility. Beginning August 2013, the City leased the jail facility to the Fulton County Sheriff department under an annual lease agreement. The facility was sold to Fulton County in October 2018.

The Stormwater Fund had net operating income of \$434,203; \$443,463; and \$213,930; for 2018, 2017 and 2016 respectively. Improvements in operating income for 2018 and 2017 as compared to 2016 are attributable to reduced repair and maintenance requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sanitation Fund. The City manages the billing and collection of revenues for its Sanitation customers, and outsources the collection and disposal of garbage to a private vendor for both residential and commercial customers. The City's goal in the process is to, at a minimum, break even and attempt to maintain a level retained earnings balance in order to refrain from having to transfer funds into the Sanitation activities from other sources. This is a service that the City provides to its residents which aides residents further by controlling and maintaining the lowest cost for these services, as opposed to allowing a private vendor to take over the entire process and expose residents to garbage fees that could be inflated for profit reasons. The Sanitation Fund had net income before transfers of \$311,730; \$231,240; and \$279,753; for 2018, 2017 and 2016, respectively.

Financial Analysis of the City's Funds

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

Governmental Fund Balance and Proprietary Net Position – Major Funds

The City's combined fund balances as of the end of the current year for governmental funds, presented on pages 19 and 20, were \$29,336,608. This balance represents an increase of \$6,085,247 or 26.17% from last year's ending balance. The tables below reflect changes in governmental fund balances.

The General Fund's fund balance has increased \$4,595,287 or 31.5% as the City continues to build reserves for funding future capital projects and as a hedge against future economic disruptions. The General Obligation Bond Fund's fund balance decreased \$1,615,194 or 32% as the City spends the related bond proceeds. The T-SPLOST Fund's fund balance has increased \$4,589,119 as the City collects T-SPLOST proceeds for transportation projects projected to start in future fiscal years.

City of Union City Major Funds' Fund Balances and/or Net Position August 31, 2018

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Governmental Major Funds' Fund Balances				
General Fund	\$ 19,171,482	\$ 14,576,195	\$ 4,595,287	
General Obligation Bonds Fund	3,370,109	4,985,303	(1,615,194)	
T-SPLOST Fund	4,589,119	-	4,589,119	
Capital Projects Fund	-	820,924	(820,924)	
Total Governmental Major Funds' Fund Balances	<u>\$ 27,130,710</u>	<u>\$ 20,382,422</u>	<u>\$ 6,748,288</u>	<u>33.11 %</u>
Proprietary Major Funds' Net Position				
Water and Sewer Fund	\$ 9,745,923	\$ 8,912,415	\$ 833,508	
Stormwater Fund	<u>2,256,057</u>	<u>1,821,854</u>	<u>434,203</u>	
Total Proprietary Major Funds' Net Position	<u>\$ 12,001,980</u>	<u>\$ 10,734,269</u>	<u>\$ 1,267,711</u>	<u>11.81 %</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted in the table on the following page, excess (deficiency) of revenues over (under) expenditures prior to other financing sources in the Governmental Funds was \$5,397,592 as compared to \$4,467,306 in the prior year. Governmental revenues increased \$5,045,636 or 21.46%. Property taxes increased \$1,710,529 or 17.58% due to increases in property values and additional commercial development within the city. Sales taxes increased \$2,419,092 or 37.08% as a result of a full years of collection of TSPLOST taxes which began in April 2017. Licenses and permits increased \$413,228 or 18.64% as commercial activity has improved along with the general economy. Intergovernmental revenue increases \$317,054 or 48.27% due to increased activity in federal and state grants.

Overall governmental expenditures increased \$4,115,350 or 21.62%. General government expenses increased \$378,340 or 13.24% because of general increases in city administration costs. Public safety expenses increased \$736,992 or 7.87% of increases in salaries and benefits. Capital outlay increased \$2,016,313 or 111.31% and included a community center building as well as various infrastructure projects. Debt service principal and interest increased \$650,344 (49.42%) and \$205,001 (65.34%), respectively, as a result of additional debt added in late fiscal 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Union City's Changes in Governmental Fund Balance August 31, 2018

	2018	2017	\$ Change	% Change
Revenues				
Property taxes	\$ 11,438,225	\$ 9,727,696	\$ 1,710,529	17.58 %
Sales taxes	8,943,451	6,524,359	2,419,092	37.08
Other taxes	1,810,049	1,689,639	120,410	7.13
Charges for services	558,076	643,280	(85,204)	(13.25)
Licenses and permits	2,630,270	2,217,042	413,228	18.64
Intergovernmental	973,918	656,864	317,054	48.27
Franchise fees	1,398,275	1,360,726	37,549	2.76
Fines and forfeitures	589,873	550,815	39,058	7.09
Interest revenue	94,707	39,768	54,939	138.15
Rental income	30,822	19,461	11,361	58.38
Other revenue	84,539	76,919	7,620	9.91
Total revenues	<u>28,552,205</u>	<u>23,506,569</u>	<u>5,045,636</u>	<u>21.46</u>
Expenditures				
Current:				
General government	3,236,922	2,858,582	378,340	13.24
Judicial	340,609	361,155	(20,546)	(5.69)
Public safety	10,107,383	9,370,391	736,992	7.87
Public works	1,783,430	1,708,825	74,605	4.37
Parks and recreation	477,397	453,919	23,478	5.17
Planning and economic development	852,933	646,318	206,615	31.97
Capital outlay	3,870,185	1,811,510	2,058,675	113.64
Debt service				
Principal (net of refunding)	1,966,332	1,315,988	650,344	49.42
Interest	518,758	313,757	205,001	65.34
Bond issuance costs	664	198,818	(198,154)	(99.67)
Total expenditures	<u>23,154,613</u>	<u>19,039,263</u>	<u>4,115,350</u>	<u>21.62</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,397,592</u>	<u>4,467,306</u>	<u>930,286</u>	<u>20.82</u>
Other financing sources				
Premium on bonds issued	-	767,177	(767,177)	
Bond proceeds	-	5,000,000	(5,000,000)	
Capital leases	426,365	351,234	75,131	
Payment to bond escrow agent	-	-	-	
Net transfers	261,290	-	261,290	
Total other financing sources	<u>687,655</u>	<u>6,118,411</u>	<u>(5,430,756)</u>	
Net change in fund balance	<u>\$ 6,085,247</u>	<u>\$ 10,585,717</u>	<u>\$ (4,500,470)</u>	<u>42.51 %</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Union City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Union City's business-type activities.

General Fund Budgetary Highlights

The final budgets passed by the City Council anticipated \$20,173,900 of revenues to cover expenditures of \$17,484,106 and net transfers out of \$3,654,508. Actual results were \$5,560,001 better than projected.

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 22.

- For the General Fund, the actual revenues were \$3,035,640 better than the final budget. Revenues were budgeted at \$20,173,900 and actual revenues were \$23,209,540. Property taxes were \$1,713,152 better than budgeted due to increases in property values and additional development. Sales taxes and other taxes were \$366,867 and \$181,944, respectively, better than budgeted due to improvements in the local economy. Licenses and permits were 671,270 better than budgeted due to significant increases in business licenses and building permits. Fines and forfeitures were (\$274,127) less than budgeted due penalties being assessed using community service as opposed to cash penalties.
- Actual expenditures of \$16,042,079 were \$1,442,027 less than the budgeted amount of \$17,484,106 as management continues to be very conservative in their budgeting. General government expenditures were \$435,988 better than budgeted primarily because a contingency budget of \$124,935 was not utilized and the finance department was \$218,624 under budget due to vacancies in the department and certain contractual services were not required. Public safety expenditures were \$623,456 better than budgeted because of vacancies in the police and fire departments.

Capital Asset and Debt Administration

Capital Assets

The City has invested \$32,989,444 in capital assets (net of depreciation). Capital assets held by the City at the end of the current and previous year are summarized below:

**City of Union City's Capital Assets, net of Accumulated Depreciation
August 31, 2018**

	Governmental Activities		Business -type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 691,851	\$ 691,851	\$ 493,194	\$ 493,194	\$ 1,185,045	\$ 1,185,045
Construction in progress	3,593,425	1,767,934	-	-	3,593,425	1,767,934
Buildings, grounds and improvements	5,621,451	5,920,481	8,718,157	9,102,513	14,339,608	15,022,994
Machinery and equipment	211,448	242,303	173,221	133,949	384,669	376,252
Infrastructure	7,014,700	6,329,887	692,409	735,686	7,707,109	7,065,573
Intangibles	-	-	4,214,325	4,639,300	4,214,325	4,639,300
Vehicles	1,514,721	1,169,763	50,542	63,373	1,565,263	1,233,136
Total	\$ 18,647,596	\$ 16,122,219	\$ 14,341,848	\$ 15,168,015	\$ 32,989,444	\$ 31,290,234

The detailed schedule capital assets are reported in Note 5 of the financial statements.

Total capital asset additions for 2018 were \$3,569,258 compared to \$2,146,372 in 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

At the end of the current year, the City had long-term debt related to governmental activities of \$12,520,293 and \$8,540,000 for business type activities. All debt is 100% backed by the full faith and credit of the government. Governmental debt is secured by property tax revenue sources and Water and Sewer bonds are secured by related revenues.

In 2012, the City issued Water and Sewer revenue bonds of \$11,275,000 for operations and renewal and extension activities. Moody's Investors Service has assigned a rating of "A2" on the 2012 Water and Sewer bonds

The Citizens of the City approved the 2006 Bond Referendum in March of 2006 for \$12,575,000 which required an increase in the property tax millage by 2 mills. The additional property tax revenue collected from the increase in the millage rate will be used to repay the 2006 Series Bonds. In September 2014, the City issued series 2014 general obligation bonds to partially refund series 2006 bonds.

The debt position of the City is summarized below and is more fully analyzed in Note 6 of the financial statements.

City of Union City's Outstanding Long-Term Liabilities August 31, 2018

	Governmental Activities		Business -type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds backed by property taxes	\$ 12,095,000	\$ 13,605,000	\$ -	\$ -	\$ 12,095,000	\$ 13,605,000
Revenue bonds	-	-	8,540,000	9,020,000	8,540,000	9,020,000
Capital lease	425,293	1,203,995	-	-	425,293	1,203,995
	<u>\$ 12,520,293</u>	<u>\$ 14,808,995</u>	<u>\$ 8,540,000</u>	<u>\$ 9,020,000</u>	<u>\$ 21,060,293</u>	<u>\$ 23,828,995</u>

Economic Factors and Next Year's Budgets and Rates

Union City, like most cities, has been hit hard by the recession. Due to the economy, the City was placed in a difficult financial position and was forced to make tough decisions. However, over the past few years, the City's strategic location and improving economic conditions has led to the acquisition of several high profile companies including Proctor and Gamble, the Walmart Distribution E-commerce facility, Amazon, and Atlanta Metro Studios of Union City. Millage rates for property taxes were set at 14.952 mills for the fiscal year 2019.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, City Hall, 5047 Union Street, Union City, Georgia 30291 or by calling (770) 964-2288.

CITY OF UNION CITY, GEORGIA

**STATEMENT OF NET POSITION
AUGUST 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	South Fulton Municipal Regional Jail Authority
ASSETS				
Cash and cash equivalents	\$ 32,372,749	\$ 6,568,910	\$ 38,941,659	\$ 2,473,813
Investments	107,434	322,655	430,089	-
Taxes receivable	264,801	-	264,801	-
Accounts receivable, net of allowances	-	1,873,419	1,873,419	-
Due from other governments	1,753,731	-	1,753,731	285,482
Due from others	189,094	111,750	300,844	-
Inventory	9,706	35,463	45,169	-
Prepaid expenses	421,239	-	421,239	-
Restricted assets:				
Cash and cash equivalents	-	1,420,244	1,420,244	-
Investments	-	113,194	113,194	-
Capital assets:				
Nondepreciable	4,285,276	493,194	4,778,470	286,986
Depreciable, net of accumulated depreciation	14,362,320	13,848,654	28,210,974	6,947,557
Total assets	<u>53,766,350</u>	<u>24,787,483</u>	<u>78,553,833</u>	<u>9,993,838</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,591,398	108,632	1,700,030	-
Deferred charges on refunding	355,589	-	355,589	-
Total deferred outflows of resources	<u>1,946,987</u>	<u>108,632</u>	<u>2,055,619</u>	<u>-</u>
LIABILITIES				
Accounts payable	5,098,004	1,212,136	6,310,140	-
Accrued liabilities	360,544	57,797	418,341	156,468
Unearned revenues	353,813	-	353,813	2,451,000
Due to other governments	69,122	-	69,122	-
Customer deposits payable	-	1,139,515	1,139,515	-
Due to component unit	-	285,482	285,482	-
Capital leases due within one year	98,319	-	98,319	-
Capital leases due in more than one year	326,974	-	326,974	-
Bonds payable due within one year	825,000	495,000	1,320,000	315,000
Bonds payable due in more than one year	12,260,258	7,956,827	20,217,085	11,525,000
Claims payable due within one year	277,939	-	277,939	-
Compensated absences due within one year	344,734	24,449	369,183	-
Net pension liability	5,366,517	366,329	5,732,846	-
Total liabilities	<u>25,381,224</u>	<u>11,537,535</u>	<u>36,918,759</u>	<u>14,447,468</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	1,271,929	86,824	1,358,753	-
Total deferred inflows of resources	<u>1,271,929</u>	<u>86,824</u>	<u>1,358,753</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,461,603	6,296,865	15,758,468	5,254,543
Restricted				
Law enforcement	363,002	-	363,002	-
Economic development	441,859	-	441,859	-
Debt service	7,857	1,271,308	1,279,165	-
Capital outlay	5,812,256	-	5,812,256	-
Customer deposits	-	177,942	177,942	-
Unrestricted	12,973,607	5,525,641	18,499,248	(9,708,173)
Total net position	<u>\$ 29,060,184</u>	<u>\$ 13,271,756</u>	<u>\$ 42,331,940</u>	<u>\$ (4,453,630)</u>

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit South Fulton Municipal Regional Jail Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 3,781,555	\$ 2,774,272	\$ 17,172	\$ -	\$ (990,111)	\$ -	\$ (990,111)	\$ -
Judicial	426,489	48,654	-	-	(377,835)	-	(377,835)	-
Public safety	10,396,662	759,439	38,464	-	(9,598,759)	-	(9,598,759)	-
Public works	2,207,629	17,150	-	918,282	(1,272,197)	-	(1,272,197)	-
Parks and recreation	554,589	71,553	-	-	(483,036)	-	(483,036)	-
Planning and economic development	852,933	222,512	-	-	(630,421)	-	(630,421)	-
Interest on long-term debt	436,104	-	-	-	(436,104)	-	(436,104)	-
Total governmental activities	<u>18,655,961</u>	<u>3,893,580</u>	<u>55,636</u>	<u>918,282</u>	<u>(13,788,463)</u>	<u>-</u>	<u>(13,788,463)</u>	<u>-</u>
Business-type activities:								
Water and Sewerage	7,261,987	8,077,227	-	-	-	815,240	815,240	-
Sanitation	1,611,225	2,123,941	-	-	-	512,716	512,716	-
Stormwater	231,166	797,659	-	-	-	566,493	566,493	-
Total business-type activities	<u>9,104,378</u>	<u>10,998,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,894,449</u>	<u>1,894,449</u>	<u>-</u>
Total primary government	<u>\$ 27,760,339</u>	<u>\$ 14,892,407</u>	<u>\$ 55,636</u>	<u>\$ 918,282</u>	<u>(13,788,463)</u>	<u>1,894,449</u>	<u>(11,894,014)</u>	<u>-</u>
Component unit:								
South Fulton Municipal Regional Jail Authority	\$ 725,309	\$ 781,866	\$ -	\$ -	-	-	-	56,557
Total component unit	<u>\$ 725,309</u>	<u>\$ 781,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,557</u>
General revenues:								
Property taxes					11,459,372	-	11,459,372	-
Sales taxes					8,943,451	-	8,943,451	-
Insurance premium tax					1,291,936	-	1,291,936	-
Alcoholic beverage taxes					20,009	-	20,009	-
Other taxes					498,105	-	498,105	-
Franchise taxes					1,398,275	-	1,398,275	-
Unrestricted investment earnings					94,706	18,268	112,974	-
Transfers					261,290	(261,290)	-	-
Total general revenues and transfers					<u>23,967,144</u>	<u>(243,022)</u>	<u>23,724,122</u>	<u>-</u>
Change in net position					<u>10,178,681</u>	<u>1,651,427</u>	<u>11,830,108</u>	<u>56,557</u>
Net position, beginning of year					<u>18,881,503</u>	<u>11,620,329</u>	<u>30,501,832</u>	<u>(4,510,187)</u>
Net position, end of year					<u>\$ 29,060,184</u>	<u>\$ 13,271,756</u>	<u>\$ 42,331,940</u>	<u>\$ (4,453,630)</u>

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

CITY OF UNION CITY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2018**

	General Fund	General Obligation Bonds Fund
ASSETS		
Cash and cash equivalents	\$ 21,023,590	\$ 3,953,933
Investments	107,434	-
Taxes receivable, net	226,091	-
Due from other governments	471,907	-
Due from others	189,094	-
Inventory	9,706	-
Due from other funds	276,410	-
Prepaid expenditures	266,239	-
Total assets	<u>\$ 22,570,471</u>	<u>\$ 3,953,933</u>
LIABILITIES		
Accounts payable	\$ 2,947,219	\$ 583,824
Accrued liabilities	151,373	-
Unearned revenue	31,412	-
Due to others	-	-
Due to other funds	159,151	-
Total liabilities	<u>3,289,155</u>	<u>583,824</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	109,834	-
Unavailable revenue - capital lease	-	-
Total deferred inflows of resources	<u>109,834</u>	<u>-</u>
FUND BALANCES		
Nonspendable:		
Inventory	9,706	-
Prepaid expenditures	266,239	-
Restricted for:		
Law enforcement	-	-
Economic development	-	-
Other capital projects	-	3,370,109
Debt service	-	-
Assigned to:		
Public safety - jail	-	-
Unassigned	18,895,537	-
Total fund balances	<u>19,171,482</u>	<u>3,370,109</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,570,471</u>	<u>\$ 3,953,933</u>

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

Capital 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 reported as unavailable revenue in the funds.

Deferred refunding charges are not financial resources and, therefore, are not reported 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.

Certain 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.

TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,607,475	\$ 2,787,751	\$ 32,372,749
-	-	107,434
-	38,710	264,801
303,504	978,320	1,753,731
-	-	189,094
-	-	9,706
-	159,151	435,561
-	155,000	421,239
<u>\$ 4,910,979</u>	<u>\$ 4,118,932</u>	<u>\$ 35,554,315</u>
\$ 321,860	\$ 1,245,101	\$ 5,098,004
-	-	151,373
-	-	31,412
-	69,122	69,122
-	276,410	435,561
<u>321,860</u>	<u>1,590,633</u>	<u>5,785,472</u>
-	-	109,834
-	322,401	322,401
<u>-</u>	<u>322,401</u>	<u>432,235</u>
-	-	9,706
-	155,000	421,239
-	363,002	363,002
-	441,859	441,859
4,589,119	1,821,997	9,781,225
-	7,857	7,857
-	69,222	69,222
-	(653,039)	18,242,498
<u>4,589,119</u>	<u>2,205,898</u>	<u>29,336,608</u>
<u>\$ 4,910,979</u>	<u>\$ 4,118,932</u>	
		18,647,596
		109,834
		355,589
		(5,047,048)
		<u>(14,342,395)</u>
		<u>\$ 29,060,184</u>

CITY OF UNION CITY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	General Fund	General Obligation Bonds Fund
Revenues		
Property taxes	\$ 11,222,952	\$ -
Sales taxes	5,416,867	-
Other taxes	1,311,944	-
Charges for services	451,807	-
Licenses and permits	2,630,270	-
Intergovernmental	17,172	-
Franchise taxes	1,398,275	-
Fines and forfeitures	589,873	-
Interest revenue	55,019	10,717
Rental income	30,822	-
Other revenues	84,539	-
Total revenues	<u>23,209,540</u>	<u>10,717</u>
Expenditures		
Current:		
General government	3,236,894	-
Judicial	340,609	-
Public safety	9,490,907	-
Public works	1,671,281	-
Parks and recreation	477,397	-
Planning and economic development	723,201	-
Capital outlay	-	1,625,247
Debt service:		
Principal	94,967	-
Interest	6,823	-
Bond issuance costs	-	664
Total expenditures	<u>16,042,079</u>	<u>1,625,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,167,461</u>	<u>(1,615,194)</u>
Other financing sources (uses)		
Capital leases	-	-
Transfers in	758,198	-
Transfers out	(3,330,372)	-
Total other financing sources (uses)	<u>(2,572,174)</u>	<u>-</u>
Net change in fund balances	<u>4,595,287</u>	<u>(1,615,194)</u>
Fund balances, beginning of year	<u>14,576,195</u>	<u>4,985,303</u>
Fund balances, end of year	<u>\$ 19,171,482</u>	<u>\$ 3,370,109</u>

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

TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 215,273	\$ 11,438,225
3,526,584	-	8,943,451
-	498,105	1,810,049
-	106,269	558,076
-	-	2,630,270
-	956,746	973,918
-	-	1,398,275
-	-	589,873
-	28,971	94,707
-	-	30,822
-	-	84,539
3,526,584	1,805,364	28,552,205
-	28	3,236,922
-	-	340,609
-	616,476	10,107,383
-	112,149	1,783,430
-	-	477,397
-	129,732	852,933
338,383	1,906,555	3,870,185
-	1,871,365	1,966,332
-	511,935	518,758
-	-	664
338,383	5,148,240	23,154,613
3,188,201	(3,342,876)	5,397,592
-	426,365	426,365
-	3,330,372	4,088,570
-	(496,908)	(3,827,280)
-	3,259,829	687,655
3,188,201	(83,047)	6,085,247
1,400,918	2,288,945	23,251,361
\$ 4,589,119	\$ 2,205,898	\$ 29,336,608

CITY OF UNION CITY, 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 AUGUST 31, 2018

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

Net change in fund balances - total governmental funds	\$ 6,085,247
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	2,525,377
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	21,147
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,539,936
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>6,974</u>
Change in net position of governmental activities	<u>\$ 10,178,681</u>

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 9,509,800	\$ 9,509,800	\$ 11,222,952	\$ 1,713,152
Sales taxes	5,050,000	5,050,000	5,416,867	366,867
Other taxes	1,130,000	1,130,000	1,311,944	181,944
Charges for services	257,000	257,000	451,807	194,807
Licenses and permits	1,959,000	1,959,000	2,630,270	671,270
Intergovernmental revenues	-	-	17,172	17,172
Franchise taxes	1,357,400	1,357,400	1,398,275	40,875
Fines and forfeitures	864,000	864,000	589,873	(274,127)
Interest revenue	10,000	10,000	55,019	45,019
Rental income	16,500	16,500	30,822	14,322
Other revenues	20,200	20,200	84,539	64,339
Total revenues	<u>20,173,900</u>	<u>20,173,900</u>	<u>23,209,540</u>	<u>3,035,640</u>
Expenditures:				
Current:				
General government:				
City clerk	267,274	270,705	239,968	30,737
Finance	724,308	724,307	505,683	218,624
City administrator	535,138	535,926	516,567	19,359
Mayor and council	288,760	297,971	295,835	2,136
Human resources	481,973	481,972	441,773	40,199
Operations	1,476,388	1,362,001	1,237,068	124,933
Total general government	<u>3,773,841</u>	<u>3,672,882</u>	<u>3,236,894</u>	<u>435,988</u>
Judicial:				
Municipal court	415,079	415,078	340,609	74,469
Public safety:				
Police	5,563,491	5,599,153	5,270,447	328,706
Fire	4,470,914	4,515,210	4,220,460	294,750
Total public safety	<u>10,034,405</u>	<u>10,114,363</u>	<u>9,490,907</u>	<u>623,456</u>
Public works:				
Buildings and grounds	1,738,215	1,738,213	1,671,281	66,932
Planning and economic development	702,200	723,203	723,201	2
Parks and recreation	718,577	718,577	477,397	241,180
Debt service	101,790	101,790	101,790	-
Total expenditures	<u>17,484,107</u>	<u>17,484,106</u>	<u>16,042,079</u>	<u>1,442,027</u>
Excess of revenues over expenditures	<u>2,689,793</u>	<u>2,689,794</u>	<u>7,167,461</u>	<u>4,477,667</u>
Other financing sources (uses):				
Transfers in	603,766	603,766	758,198	154,432
Transfers out	(4,258,274)	(4,258,274)	(3,330,372)	927,902
Total other financing uses, net	<u>(3,654,508)</u>	<u>(3,654,508)</u>	<u>(2,572,174)</u>	<u>1,082,334</u>
Net change in fund balances	<u>\$ (964,715)</u>	<u>\$ (964,714)</u>	<u>4,595,287</u>	<u>\$ 5,560,001</u>
Fund balance, beginning of year			<u>14,576,195</u>	
Fund balance, end of year			<u>\$ 19,171,482</u>	

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2018**

ASSETS	Water and Sewerage Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,035,571	\$ 1,180,241	\$ 1,353,098	\$ 6,568,910
Investments	322,655	-	-	322,655
Accounts receivable, net of allowances	1,342,506	277,906	253,007	1,873,419
Inventory	35,463	-	-	35,463
Due from others	-	-	111,750	111,750
Restricted assets				
Cash and cash equivalents	1,420,244	-	-	1,420,244
Investments	113,194	-	-	113,194
Total current assets	<u>7,269,633</u>	<u>1,458,147</u>	<u>1,717,855</u>	<u>10,445,635</u>
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	493,194	-	-	493,194
Depreciable, net of accumulated depreciation	12,927,300	921,354	-	13,848,654
Total noncurrent assets	<u>13,420,494</u>	<u>921,354</u>	<u>-</u>	<u>14,341,848</u>
Total assets	<u>20,690,127</u>	<u>2,379,501</u>	<u>1,717,855</u>	<u>24,787,483</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	100,812	-	7,820	108,632
Total deferred outflows of resources	<u>100,812</u>	<u>-</u>	<u>7,820</u>	<u>108,632</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	951,654	123,444	137,038	1,212,136
Accrued liabilities	7,226	-	758	7,984
Compensated absences	24,449	-	-	24,449
Due to component unit	-	-	285,482	285,482
Payables from restricted assets:				
Customer deposits payable	1,139,515	-	-	1,139,515
Revenue bonds payable - current portion	495,000	-	-	495,000
Accrued interest on bonds payable	49,813	-	-	49,813
Total current liabilities	<u>2,667,657</u>	<u>123,444</u>	<u>423,278</u>	<u>3,214,379</u>
NONCURRENT LIABILITIES				
Revenue bonds payable - net of unamortized discounts and current portion	7,956,827	-	-	7,956,827
Net pension liability	339,958	-	26,371	366,329
Total noncurrent liabilities	<u>8,296,785</u>	<u>-</u>	<u>26,371</u>	<u>8,323,156</u>
Total liabilities	<u>10,964,442</u>	<u>123,444</u>	<u>449,649</u>	<u>11,537,535</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	80,574	-	6,250	86,824
Total deferred inflows of resources	<u>80,574</u>	<u>-</u>	<u>6,250</u>	<u>86,824</u>
NET POSITION				
Net investment in capital assets	5,375,511	921,354	-	6,296,865
Restricted				
Debt service	1,271,308	-	-	1,271,308
Customer deposits	177,942	-	-	177,942
Unrestricted	2,921,162	1,334,703	1,269,776	5,525,641
Total net position	<u>\$ 9,745,923</u>	<u>\$ 2,256,057</u>	<u>\$ 1,269,776</u>	<u>\$ 13,271,756</u>

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals
OPERATING REVENUES				
Charges for services	\$ 7,126,818	\$ 797,659	\$ 2,028,217	\$ 9,952,694
Tap fees	206,310	-	-	206,310
Other charges	744,099	-	95,724	839,823
Total operating revenues	<u>8,077,227</u>	<u>797,659</u>	<u>2,123,941</u>	<u>10,998,827</u>
OPERATING EXPENSES				
Water purchases	2,334,123	-	-	2,334,123
Purchased or contracted services	2,187,860	159,388	1,611,225	3,958,473
Depreciation expense	813,119	71,778	-	884,897
Total operating expenses	<u>5,335,102</u>	<u>231,166</u>	<u>1,611,225</u>	<u>7,177,493</u>
Operating income	<u>2,742,125</u>	<u>566,493</u>	<u>512,716</u>	<u>3,821,334</u>
NONOPERATING INCOME (EXPENSES)				
Interest income	18,268	-	-	18,268
Interest expense	(319,814)	-	-	(319,814)
Intergovernmental agreement	(1,607,071)	-	-	(1,607,071)
Total nonoperating expenses, net	<u>(1,908,617)</u>	<u>-</u>	<u>-</u>	<u>(1,908,617)</u>
Income before transfers	833,508	566,493	512,716	1,912,717
TRANSFERS				
Transfers out	-	(132,290)	(129,000)	(261,290)
Total transfers	<u>-</u>	<u>(132,290)</u>	<u>(129,000)</u>	<u>(261,290)</u>
Change in net position	833,508	434,203	383,716	1,651,427
NET POSITION, beginning of year	<u>8,912,415</u>	<u>1,821,854</u>	<u>886,060</u>	<u>11,620,329</u>
NET POSITION, end of year	<u>\$ 9,745,923</u>	<u>\$ 2,256,057</u>	<u>\$ 1,269,776</u>	<u>\$ 13,271,756</u>

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 7,876,224	\$ 814,219	\$ 1,936,838	\$ 10,627,281
Payments to suppliers	(3,500,761)	(42,173)	(1,647,988)	(5,190,922)
Payments to employees	(591,964)	-	-	(591,964)
Net cash provided by operating activities	<u>3,783,499</u>	<u>772,046</u>	<u>288,850</u>	<u>4,844,395</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments on intergovernmental agreement	(1,607,071)	-	-	(1,607,071)
Transfers	-	(132,290)	(129,000)	(261,290)
Net cash used in noncapital financing activities	<u>(1,607,071)</u>	<u>(132,290)</u>	<u>(129,000)</u>	<u>(1,868,361)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(58,730)	-	(58,730)
Principal paid on bonds	(480,000)	-	-	(480,000)
Interest paid	(310,876)	-	-	(310,876)
Net cash used in capital and related financing activities	<u>(790,876)</u>	<u>(58,730)</u>	<u>-</u>	<u>(849,606)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,551)	-	-	(1,551)
Interest and dividends received	18,268	-	-	18,268
Net cash provided by investing activities	<u>16,717</u>	<u>-</u>	<u>-</u>	<u>16,717</u>
Change in cash and cash equivalents	1,402,269	581,026	159,850	2,143,145
Cash and cash equivalents:				
Beginning of year	<u>4,053,546</u>	<u>599,215</u>	<u>1,193,248</u>	<u>5,846,009</u>
End of year	<u>\$ 5,455,815</u>	<u>\$ 1,180,241</u>	<u>\$ 1,353,098</u>	<u>\$ 7,989,154</u>
Classified as:				
Cash and cash equivalents	\$ 4,035,571	1,180,241	\$ 1,353,098	\$ 6,568,910
Restricted assets, cash	1,420,244	-	-	1,420,244
	<u>\$ 5,455,815</u>	<u>\$ 1,180,241</u>	<u>\$ 1,353,098</u>	<u>\$ 7,989,154</u>

(Continued)

CITY OF UNION CITY, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Water and Sewerage Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,742,125	\$ 566,493	\$ 512,716	\$ 3,821,334
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	813,119	71,778	-	884,897
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(201,003)	16,560	(71,471)	(255,914)
(Increase) decrease in due from others	169	-	(111,750)	(111,581)
Increase in inventory	(10,814)	-	-	(10,814)
Decrease in prepaids	3,045	-	7,526	10,571
Increase (decrease) in accounts payable	369,342	117,215	(41,097)	445,460
Increase (decrease) in accrued liabilities	4,073	-	(1,434)	2,639
Decrease in due to component unit	-	-	(3,882)	(3,882)
Increase in customer deposits	85,587	-	-	85,587
Decrease in net pension liability	(22,144)	-	(1,758)	(23,902)
Net cash provided by operating activities	<u>\$ 3,783,499</u>	<u>\$ 772,046</u>	<u>\$ 288,850</u>	<u>\$ 4,844,395</u>

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

CITY OF UNION CITY, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
AUGUST 31, 2018**

	<u>Municipal Court</u>
ASSETS	
Cash and cash equivalents	\$ 39,502
Total assets	<u>\$ 39,502</u>
LIABILITIES	
Due to others	\$ 39,502
Total liabilities	<u>\$ 39,502</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

The City was incorporated on August 17, 1908 and operates under an elected Mayor and Council-City Manager form of government. The City Manager is appointed by and serves at the pleasure of the City Council. As such, she is responsible for the day-to-day operations of city government. The legislative branch of the City is vested in the Mayor and four Council members. The City provides the following services and operations as authorized by its charter: public safety (police and fire); planning and engineering; code enforcement; street maintenance; traffic control; solid waste collection and disposal; water and sewerage; parks and recreation; community development; and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit, a legally-separate entity for which the City is financially accountable.

Based upon criteria set forth by GASB Statement 14 and as amended by GASB Statement 39 and 61, the City was determined to have the following component unit as of August 31, 2018:

South Fulton Municipal Regional Jail Authority (the “Authority”). The Authority is responsible for the operations of the South Fulton Municipal Regional Justice Center, which provides services to the City as well as other municipalities and governmental agencies in the geographical area. The Board of Directors of the Authority consists of five members, three of which are appointed by the City. The City has the ability to impose its will on the Authority and the Authority is therefore reported in a separate column as a discretely presented component unit in the City’s government-wide financial statements to emphasize that it is legally separate from the City. Separate financial statements are not available.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants 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.

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 and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, however, grant revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, 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.

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 **General Obligation Bonds Fund** accounts for the issuance of general obligation bonds and its related acquisition and construction of capital facilities.

The **T-SPLOST Fund** accounts for proceeds of the Transportation Special Purpose Local Option Sales Tax. Funds are used for various transportation projects within the City.

The City reports the following major proprietary funds:

The **Water and Sewerage Fund** accounts for the operations of the City operated water distribution system, sewerage treatment plant, sewerage pumping stations and collection systems. All activities necessary to provide such services are accounted for in this fund.

The **Stormwater Fund** accounts for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

The **Capital Projects Funds** account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The **Debt Service Funds** account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **Agency Fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other governments and individuals.

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 payments-in-lieu of taxes and other charges between the City's water and sanitation functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales 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. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are completed in April.
2. Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Council at the annual retreat.
3. Public hearings on the proposed budget are held in May and June.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

4. The budget is legally adopted by the Mayor and City Council prior to August 31.
5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of \$250,000 between departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council made several immaterial supplemental budget appropriations during the year.
6. Formal budgetary integration is employed as a management control device during the year for all the governmental funds and the enterprise funds. Budgets for the enterprise funds are prepared for planning and control purposes only.
7. Budgets for the governmental funds and the enterprise funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

A budget was not adopted for the Inmate Welfare Fund and 2010 General Obligation Bond Debt Service Fund due to the City's anticipation that there would not be any revenues or expenditures relating to these funds during the fiscal year.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1").

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

The investment in the Georgia Fund 1, created by O.C.G.A. 36-83-8, represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

G. Prepaid Items

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 August 31.

H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position as "internal balances". In the fund level balance sheets, these receivables and payables are classified as "due from other funds" and "due to other funds". Items that are more long-term in nature are reflected as advances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, or land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The City has retroactively reported major general infrastructure assets. In this case, the City chose to include all items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended August 31, 2018, there was no capitalized interest.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Depreciation is provided on the straight-line method over the following estimated useful lives:

Buildings, grounds and improvements	15 - 40 years
Machinery and equipment	3 - 10 years
Infrastructure	15 - 50 years
Vehicles	5 - 10 years
Distribution system	50 years

K. Long-Term Liabilities

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

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

L. Deferred Outflows/Inflows of Resources

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, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to the pension items discussed on the following page, the City has one additional item that qualifies for reporting in this category. The item is the deferred charge on refunding and is reported in the government wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item in addition to the pension items discussed below, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

M. Inventories

Inventories consist of expendable supplies and items acquired for infrastructure repair and maintenance or for possible future expansion. Inventories are stated at average cost. The consumption method is used to account for inventories.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation pay benefits. Vacation accrues in hours based on years of service. Maximum accrual is 120 hours on a calendar year basis. The government-wide and proprietary fund financial statements reflect an accrual for the full earned, but unused vacation pay.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are reappropriated in the following year, except for encumbrances in the Capital Project Funds which are continuing. Encumbrances do not represent GAAP expenditures. At August 31, 2018, there were no encumbrances outstanding.

P. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities 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 through the adoption of a resolution. Only the City Council may modify or rescind 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 City Manager or Finance Director to assign fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Fund Balance (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Q. Use of Estimates

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

R. Tax Abatement Programs

Fulton County, Georgia enters into tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses.

During the year ended August 31, 2018, the City's ad valorem tax revenues were reduced by \$1,055,569 under other government agreements entered into by Fulton County, Georgia.

NOTES TO FINANCIAL STATEMENTS

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that “certain 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:

Bonds payable	\$ (12,095,000)
Plus: Premium on bond issuance (to be amortized over the life of the debt)	(990,258)
Capital leases	(425,293)
Claims payable	(277,939)
Compensated absences	(344,734)
Accrued interest	(209,171)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (14,342,395)</u></u>

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:

Pension - deferred outflows of resources	\$ 1,591,398
Pension - deferred inflows of resources	(1,271,929)
Net pension liability	<u>(5,366,517)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (5,047,048)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net 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	\$ 3,510,528
Depreciation expense	<u>(985,151)</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><u>\$ 2,525,377</u></u>

Another element of that reconciliation explains 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:

Change in accrued interest	\$ 3,218
Change in claims payable	(130,592)
Change in compensated absences	(29,569)
Change in net pension liability	83,817
Amortization expense	<u>80,100</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><u>\$ 6,974</u></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 (e.g., bonds, leases) provides current financial resources to governmental funds, while the repay 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:

Capital lease proceeds	\$ (1,175,131)
Principal payments	
Capital leases	1,205,067
Bonds payable	1,510,000
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>	\$ 1,539,936

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of August 31, 2018, are summarized as follows:

As reported in the Statement of Net Position

Primary government	
Cash and cash equivalents	\$ 38,941,659
Investments	430,089
Restricted Assets:	
Cash and cash equivalents	1,420,244
Investments	113,194
Agency fund - Municipal Court	39,502
Component unit - cash and cash equivalents	2,473,813
	\$ 43,418,501
Cash deposited with financial institutions	\$ 42,875,218
Cash deposited with Georgia Fund 1	113,194
Investment in U.S. government securities	430,089
	\$ 43,418,501

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City's investment policy limits its investments to only such investments permitted by the State of Georgia including 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. As of August 31, 2018, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's and the weighted average maturity was 22 days. At August 31, 2018, the City had the following investments:

Investment	Fair Value	Investment Maturities (in Years) Less than 1
Georgia Fund 1	\$ 113,194	\$ 113,194
U.S. Government Securities	430,089	430,089
Total	\$ 543,283	\$ 543,283

Interest Rate Risk. The City's investment policy limits investment maturities to a maximum of one year, except for special circumstances where an interest rate differential and certainty of ability to hold the investment to maturity would justify a longer maturity, as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's Administrator is authorized to approve any such exceptions and is required to disclose the exception to City Council.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of August 31, 2018:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. Government Securities				
Total investments measured at fair value	\$ 430,089	\$ -	\$ -	\$ 430,089
Investments not subject to level disclosure				
Georgia Fund 1				113,194
Total Investments				\$ 543,283

The Morgan Stanley Mutual Funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of August 31, 2018, all of the City funds were insured and properly collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewerage</u>	<u>Stormwater</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
Receivables:							
Taxes	\$ 889,264	\$ -	\$ 38,710	\$ -	\$ -	\$ -	\$ 927,974
Accounts Due from other govts	-	-	-	2,262,697	385,489	339,787	2,987,973
	<u>471,907</u>	<u>303,504</u>	<u>978,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,753,731</u>
Gross receivables	1,361,171	303,504	1,017,030	2,262,697	385,489	339,787	5,669,678
Less allowance	<u>(663,173)</u>	<u>-</u>	<u>-</u>	<u>(920,191)</u>	<u>(107,583)</u>	<u>(86,780)</u>	<u>(1,777,727)</u>
Net receivables	<u>\$ 697,998</u>	<u>\$ 303,504</u>	<u>\$ 1,017,030</u>	<u>\$ 1,342,506</u>	<u>\$ 277,906</u>	<u>\$ 253,007</u>	<u>\$ 3,891,951</u>

Property Taxes

Property taxes were levied on November 15, 2017 based upon property values assessed as of January 1. The billings were mailed on November 19, 2017, and were payable on or before January 22, 2018, after which the applicable property is subject to lien and penalties and interest are assessed. The City bills and collects its own property taxes. Property taxes levied for 2018 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended August 31, 2018 and collected by October 31, 2018, are recognized as revenues in the year ended August 31, 2018. Net receivables estimated to be collected subsequent to October 31, 2018, are deferred as of August 31, 2018, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. The tax rate levied during fiscal year 2018 for the City's operations was 16.45 mills (mill equals \$1 per thousand dollars of assessed value).

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended August 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 691,851	\$ -	\$ -	\$ -	\$ 691,851
Construction in progress	1,767,934	2,782,700	-	(957,209)	3,593,425
Total capital assets, not being depreciated	<u>2,459,785</u>	<u>2,782,700</u>	<u>-</u>	<u>(957,209)</u>	<u>4,285,276</u>
Capital assets, being depreciated:					
Buildings, grounds, and improvements	11,331,300	-	-	-	11,331,300
Machinery and equipment	1,195,765	-	-	-	1,195,765
Infrastructure	14,385,273	-	-	957,209	15,342,482
Vehicles	4,587,526	727,828	(40,825)	-	5,274,529
Total capital assets, being depreciated	<u>31,499,864</u>	<u>727,828</u>	<u>(40,825)</u>	<u>957,209</u>	<u>33,144,076</u>
Less accumulated depreciation for:					
Buildings, grounds, and improvements	(5,410,819)	(299,030)	-	-	(5,709,849)
Machinery and equipment	(953,462)	(30,855)	-	-	(984,317)
Infrastructure	(8,055,386)	(272,396)	-	-	(8,327,782)
Vehicles	(3,417,763)	(382,870)	40,825	-	(3,759,808)
Total accumulated depreciation	<u>(17,837,430)</u>	<u>(985,151)</u>	<u>40,825</u>	<u>-</u>	<u>(18,781,756)</u>
Total capital assets, being depreciated, net	<u>13,662,434</u>	<u>(257,323)</u>	<u>-</u>	<u>957,209</u>	<u>14,362,320</u>
Governmental activities capital assets, net	<u>\$ 16,122,219</u>	<u>\$ 2,525,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,647,596</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 493,194	\$ -	\$ -	\$ -	\$ 493,194
Total capital assets, not being depreciated	<u>493,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,194</u>
Capital assets, being depreciated:					
Distribution system	18,757,841	-	-	-	18,757,841
Machinery and equipment	329,753	58,730	-	-	388,483
Infrastructure	969,187	-	-	-	969,187
Wastewater treatment capacity	6,374,612	-	-	-	6,374,612
Vehicles	255,880	-	-	-	255,880
Total capital assets, being depreciated	<u>26,687,273</u>	<u>58,730</u>	<u>-</u>	<u>-</u>	<u>26,746,003</u>
Less accumulated depreciation for:					
Distribution system	(9,655,328)	(384,356)	-	-	(10,039,684)
Machinery and equipment	(195,804)	(19,458)	-	-	(215,262)
Infrastructure	(233,501)	(43,277)	-	-	(276,778)
Wastewater treatment capacity	(1,735,312)	(424,975)	-	-	(2,160,287)
Vehicles	(192,507)	(12,831)	-	-	(205,338)
Total accumulated depreciation	<u>(12,012,452)</u>	<u>(884,897)</u>	<u>-</u>	<u>-</u>	<u>(12,897,349)</u>
Total capital assets, being depreciated, net	<u>14,674,821</u>	<u>(826,167)</u>	<u>-</u>	<u>-</u>	<u>13,848,654</u>
Business-type activities capital assets, net	<u>\$ 15,168,015</u>	<u>\$ (826,167)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,341,848</u>

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

Governmental activities:	
General government	\$ 78,097
Judicial	85,152
Public safety	316,565
Public works	429,867
Parks and recreation	75,470
Total depreciation expense - governmental activities	<u>\$ 985,151</u>
Business-type activities:	
Water and sewerage	\$ 813,119
Stormwater	71,778
Total depreciation expense - business-type activities	<u>\$ 884,897</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – South Fulton Municipal Regional Jail Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 286,986	\$ -	\$ -	\$ -	\$ 286,986
Total capital assets, not being depreciated	<u>286,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,986</u>
Capital assets, being depreciated:					
Buildings, grounds, and improvements	11,282,640	-	-	-	11,282,640
Furniture	286,079	-	-	-	286,079
Machinery and equipment	126,902	-	-	-	126,902
Infrastructure	11,733	-	-	-	11,733
Total capital assets, being depreciated	<u>11,707,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,707,354</u>
Less accumulated depreciation for:					
Buildings, grounds, and improvements	(4,134,311)	(232,494)	-	-	(4,366,805)
Furniture	(244,615)	(14,303)	-	-	(258,918)
Machinery and equipment	(117,792)	(4,554)	-	-	(122,346)
Infrastructure	(11,728)	-	-	-	(11,728)
Total accumulated depreciation	<u>(4,508,446)</u>	<u>(251,351)</u>	<u>-</u>	<u>-</u>	<u>(4,759,797)</u>
Total capital assets, being depreciated, net	<u>7,198,908</u>	<u>(251,351)</u>	<u>-</u>	<u>-</u>	<u>6,947,557</u>
Capital assets, net	<u>\$ 7,485,894</u>	<u>\$ (251,351)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,234,543</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT

A. General Obligation Bonds

General obligation bonds outstanding at August 31, 2018, are as follows:

	Original Amount	Interest Rates	Balance August 31, 2018
2014 General Obligation Bonds	\$ 8,560,000	2.00% - 4.00%	\$ 7,095,000
2017 General Obligation Bonds	5,000,000	2.00% - 5.00%	5,000,000
	\$ 13,560,000		\$ 12,095,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2019	\$ 825,000	\$ 477,625	\$ 1,302,625
2020	855,000	451,375	1,306,375
2021	895,000	424,125	1,319,125
2022	950,000	395,675	1,345,675
2023	990,000	363,225	1,353,225
2024-2028	3,540,000	1,215,150	4,755,150
2029-2033	735,000	922,375	1,657,375
2034-2038	985,000	708,875	1,693,875
2039-2043	1,325,000	421,875	1,746,875
2044-2047	995,000	76,375	1,071,375
	\$ 12,095,000	\$ 5,456,675	\$ 17,551,675

B. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue (the City's Water and Sewerage Fund).

The City's 2012 Water and Sewerage Revenue Bonds were issued in April 2012 for the purpose of a) making certain additions, extensions and improvements to the City's water system; b) funding a debt service reserve for the bonds; and c) paying the cost of issuing the bonds. The bonds are special limited obligations of the City secured by and payable solely from a first lien on and pledge of revenues derived by the City from the ownership and operation of the City's water system. These bonds are due on July 1, 2032.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds (Continued)

Revenue bonds outstanding at August 31, 2018, are as follows:

	Original Amount	Interest Rate	Balance August 31, 2018
2012 Water and Sewerage Revenue Bonds	\$ 11,275,000	2.0 - 4.0%	\$ 8,540,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2019	\$ 495,000	\$ 298,875	\$ 793,875
2020	505,000	284,025	789,025
2021	525,000	268,875	793,875
2022	540,000	268,875	808,875
2023	555,000	253,125	808,125
2024-2028	3,050,000	1,002,750	4,052,750
2029-2032	2,870,000	431,775	3,301,775
	\$ 8,540,000	\$ 2,808,300	\$ 11,348,300

C. Capital Leases

During 2009, the City entered into a capital lease agreement with a local financial institution to finance the purchase of a new fire truck. Annual lease payments are due including interest at 3.53% in the amount of \$101,790 through January 15, 2019.

During 2017, the City entered into another capital lease agreement with a local financial institution to finance the purchase of police and staff vehicles and a fire truck. Quarterly lease payments are due including interest at 1.93% in the amount of \$94,567 through March 3, 2020.

As of August 31, 2018, the City reflects a total cost of leased assets of \$854,000 and accumulated depreciation of \$540,866. Total accumulated depreciation of leased assets under capital lease includes current year depreciation expense of \$56,866.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

C. Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of August 31, 2018, were as follows:

Fiscal Year Ending August 31,	Governmental Activities
2019	\$ 157,688
2020	283,701
Total minimum lease payments	441,389
Less: amount representing interest	(16,096)
Present value of minimum lease payments	<u>\$ 425,293</u>

D. Changes in Long-Term Liabilities – Primary Government

Long-term liability activity for the year ended August 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 13,605,000	\$ -	\$ (1,510,000)	\$ 12,095,000	\$ 825,000
Plus: Premium	1,113,899	-	(123,641)	990,258	-
Total bonds payable	14,718,899	-	(1,633,641)	13,085,258	825,000
Capital lease	1,203,995	426,365	(1,205,067)	425,293	98,319
Net pension liability	6,834,282	2,123,433	(3,591,198)	5,366,517	-
Claims payable	147,347	318,950	(188,358)	277,939	277,939
Compensated absences	315,165	518,085	(488,516)	344,734	344,734
Governmental activity Long-term liabilities	<u>\$ 23,219,688</u>	<u>\$ 3,386,833</u>	<u>\$ (7,106,780)</u>	<u>\$ 19,499,741</u>	<u>\$ 1,545,992</u>
Business-type activities:					
Revenue bonds	\$ 9,020,000	\$ -	\$ (480,000)	\$ 8,540,000	\$ 495,000
Less: Discount	(99,112)	-	10,939	(88,173)	-
Total bonds payable	8,920,888	-	(469,061)	8,451,827	495,000
Net pension liability	490,737	104,817	(229,225)	366,329	-
Compensated absences	23,420	25,594	(24,565)	24,449	24,449
Business-type activity Long-term liabilities	<u>\$ 9,435,045</u>	<u>\$ 130,411</u>	<u>\$ (722,851)</u>	<u>\$ 8,842,605</u>	<u>\$ 519,449</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

D. Changes in Long-Term Liabilities – Primary Government (Continued)

For governmental activities, compensated absences, claims payable, and the net pension liability are generally liquidated by the General Fund. For both governmental activities and business-type activities, compensated absences are all reported as current due to historical trends of City employee use of leave annually.

E. Component Unit

In November 2012, the Authority issued Taxable Refunding Revenue Bonds, Series 2012 for the purposes of: (1) refunding the Authority’s previously issued Taxable Refunding Revenue Bonds, Series 2008, (2) paying certain operating costs of the jail owned by the Authority, and (3) paying the costs of issuing the 2012 Series Bonds. The Authority’s revenue bonds outstanding at August 31, 2018, are as follows:

	Original Amount	Interest Rate	Balance August 31, 2018
2012 South Fulton Municipal Jail Authority Refunding Revenue Bonds	<u>\$ 13,350,000</u>	3.65%	<u>\$ 11,840,000</u>

Annual debt service requirements to maturity for the Authority’s bonds are as listed below. The following maturity schedule was based on the rate as of year-end.

Fiscal Year Ending August 31,	Principal	Interest	Total
2019	\$ 315,000	\$ 465,877	\$ 780,877
2020	325,000	458,393	783,393
2021	620,000	445,338	1,065,338
2022	640,000	426,213	1,066,213
2023	660,000	405,182	1,065,182
2024-2028	3,695,000	1,633,433	5,328,433
2029-2033	4,545,000	775,488	5,320,488
2034-2036	1,040,000	24,097	1,064,097
	<u>\$ 11,840,000</u>	<u>\$ 4,634,021</u>	<u>\$ 16,474,021</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

E. Component Unit (Continued)

Long-term liability activity for the Authority for the year ended August 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 12,150,000	\$ -	\$ (310,000)	\$ 11,840,000	\$ 315,000

NOTE 7. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Union City, Georgia, has established a non-contributory defined benefit pension plan (City of Union City Retirement Plan), covering substantially all of the City's employees. 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 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 2% multiplied by the average of the three 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 the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership. As of January 1, 2018, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	68
Terminated employees entitled to benefits but not yet receiving them	113
Active plan members	161
Total membership in plan	342

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN

Plan Description (Continued)

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. Employees make no contributions to the Plan. The City is required to contribute at an actuarially determined rate. For the year ended August 31, 2018, the City's contribution rate was 18.17% of annual payroll. City contributions to the Plan were \$976,424 for the year ended August 31, 2018.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2017.

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Net Investment rate of return	7.50%

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 January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

The cost of living adjustment is assumed to be 2.75%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	100%	

*Rates shown are net of the 2.75% assumed rate of inflation

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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 August 31, 2018, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at August 31, 2017	<u>\$ 22,873,833</u>	<u>\$ 15,548,814</u>	<u>\$ 7,325,019</u>
<i>Changes for the year:</i>			
Service cost	395,133	-	395,133
Interest cost	1,736,122	-	1,736,122
Differences between expected and actual experience	(482,217)	-	(482,217)
Contributions-employer	-	987,884	(987,884)
Net investment income	-	2,350,322	(2,350,322)
Benefit payments, including refunds of employee contributions	(944,523)	(944,523)	-
Administrative expense	-	(46,092)	46,092
Other	50,903	-	50,903
<i>Net changes</i>	<u>755,418</u>	<u># 2,347,591</u>	<u>(1,592,173)</u>
Balances at August 31, 2018	<u>\$ 23,629,251</u>	<u>\$ 17,896,405</u>	<u>\$ 5,732,846</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 multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City of Union City's net pension liability	\$ 9,080,668	\$ 5,732,846	\$ 2,950,491

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2017, and the current sharing pattern of costs between employer and employee.

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

For the year ended August 31, 2018, the City recognized pension expense of \$944,701. At August 31, 2018, 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	\$ 682,880	\$ (385,772)
Changes in assumptions	40,726	(47,457)
Net difference between projected and actual earnings on pension plan investments	-	(925,524)
City contributions subsequent to the measurement date	976,424	-
Total	\$ 1,700,030	\$ (1,358,753)

City contributions subsequent to the measurement date of \$976,424 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending August 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a component of pension expense as follows:

Year ending August 31:	
2019	\$ (158,787)
2020	(158,787)
2021	(158,787)
2022	(158,786)
Total	\$ (635,147)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED CONTRIBUTION PLAN

The City offers its employees a defined contribution plan administered by Citistreet Associates created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional and requires the City to contribute an amount equal to 100% up to the first 2% an employee defers, 75% of the next 2%, and 50% of the next 6% deferred. Employers' contributions are fully vested after the participant completes three full years of service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Pursuant to GASB Statement Number 32 of the *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not have a fiduciary relationship with the 457 plan. Accordingly, the balances and transactions of the City's 457 plan are not reported in the City's financial statements. Contributions are established and may be amended by the City Council. The City's contribution to the Plan approximated \$274,763 and the employees' contributions approximated \$369,872 for the year ended August 31, 2018.

NOTE 9. DEFICIT FUND BALANCE AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Emergency 911 Fund and the 2010 Certificate of Participation Fund reported a deficit fund balance in the amount of \$3,617 and \$494,422, respectively, as of August 31, 2018. These deficits will be reduced in future years by reduced expenditures and transfers in from other funds. For the year ended August 31, 2018, the expenditures exceeded the appropriations by \$9,732 for economic development in the Hotel/Motel Tax Fund, by \$4,297 for public safety in the Emergency 911 Fund, and by \$28 for general government in the Capital Projects Fund. These over-expenditures were funded by opening fund balance and transfers from other funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances and advances as of August 31, 2018, are as follows:

<u>Due To</u>	Due From		<u>Total</u>
	General Fund	Nonmajor Governmental	
General Fund	\$ -	\$ 159,151	\$ 159,151
Nonmajor Governmental	276,410	-	276,410
Total	\$ 276,410	\$ 159,151	\$ 435,561

Interfund receivables and payables result from timing differences related to collection of taxes in Special Revenue Funds and payroll and other year-end transactions, which normally clear within one to two months.

Interfund transfers for the year ended August 31, 2018, consisted of the following:

<u>Transfer from</u>	Transfer to		<u>Total</u>
	General	Nonmajor Governmental	
General Fund	\$ -	\$ 3,330,372	\$ 3,330,372
Stormwater Fund	132,290	-	132,290
Nonmajor Enterprise	129,000	-	129,000
Nonmajor Governmental	496,908	-	496,908
Total	\$ 758,198	\$ 3,330,372	\$ 4,088,570

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.

NOTE 11. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. For the fiscal year ended August 31, 2018, \$325,300 of hotel/motel tax was collected. Of the total collected in the current and prior years, \$129,732 was used for the promotion of tourism within the City. The remainder of the funds collected in prior years remains unspent at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. EXCISE TAX ON RENTAL MOTOR VEHICLES

The City has imposed and collected an excise tax on rental motor vehicles under the provisions of the Official Code of Georgia Annotated (O.C.G.A.) Section 48-13-93. The code section requires the City to spend the taxes collected for the purpose of promoting tourism, conventions, trade shows, etc. and promoting the City and businesses therein. For the fiscal year ended August 31, 2018, \$172,805 of excise tax was collected and \$176,000 was used to pay for tourism outlays within the City.

NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay dues thereto. During its year ending August 31, 2018, the City paid no annual dues to the ARC because currently all dues are paid on the City's behalf by Fulton County. Membership in an ARC is required by the O.C.G.A., Section 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 an RC. Separate financial statements may be obtained from: Atlanta Regional Commission, 40 Courtland St. NE, Atlanta, Georgia 30303.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINTLY GOVERNED ORGANIZATION

On March 13, 2001, the City, the City of Fairburn, and the City of Palmetto created by joint resolutions pursuant to the authority of the General Assembly of the State of Georgia, the South Fulton Municipal Regional Water and Sewer Authority (the Water and Sewer Authority). The Water and Sewer Authority was created to provide alternative water and sewer resources for the Cities of Union, Fairburn and Palmetto. The Water and Sewer Authority is governed by a board of seven directors, three of whom are the chief elected official of each member city, three of whom are appointed one each by each of the member cities, and one director being appointed by members of the local delegation of the Georgia General Assembly who represent all, or any part of, a member city.

The City does not provide financial support to the Water and Sewer Authority, but has contractually obligated itself to use its full taxing powers to guarantee the repayment of approximately 55.75% of the principal and interest on the Water and Sewer Authority's Series 2007 Variable Rate Revenue Bonds. During the year ended August 31, 2018, the City agreed to pay the Water and Sewer Authority \$1,456,650 for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewerage Fund.

As of December 31, 2017, the Water and Sewer Authority's debt service requirements on the Series 2007 Variable Rate Revenue Bonds were as follows using a variable interest rate of 3-5%:

<u>Fiscal Year Ending December 31,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,620,425	\$ 1,270,000	\$ 1,350,425
2019	2,646,350	1,335,000	1,311,350
2020	2,663,325	1,400,000	1,263,325
2021	2,695,525	1,490,000	1,205,525
2022	2,719,226	1,575,000	1,144,226
2023 - 2027	13,988,748	9,495,000	4,493,748
2028 - 2032	14,651,712	12,605,000	2,046,712
2033 - 2035	3,014,100	2,955,000	59,100
	<u>\$ 44,999,411</u>	<u>\$ 32,125,000</u>	<u>\$ 12,874,411</u>

Separate financial statements for the Water and Sewer Authority can be obtained at the following address: South Fulton Municipal Regional Water and Sewer Authority, P.O. Box 855, Fairburn, Georgia 30213.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RELATED ORGANIZATION

The City's governing body is responsible for appointing a majority of the board members of the City of Union City Housing Authority. However, the City has no further accountability for this organization.

NOTE 16. COMMITMENTS AND CONTINGENCIES

The City is involved in various claims and matters of litigation resulting from normal operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

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

NOTE 17. RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 17. RISK MANAGEMENT (CONTINUED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF UNION CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 395,133	\$ 376,569	\$ 364,644	\$ 445,614
Interest on total pension liability	1,736,122	1,622,957	1,472,322	1,380,840
Differences between expected and actual experience	(482,217)	381,421	968,158	333,822
Changes on assumptions	50,903	-	-	(237,288)
Benefit payments, including refunds of employee contributions	(944,523)	(896,982)	(825,925)	(659,221)
Net change in total pension liability	755,418	1,483,965	1,979,199	1,263,767
Total pension liability - beginning	22,873,833	21,389,868	19,410,669	18,146,902
Total pension liability - ending (a)	<u>\$ 23,629,251</u>	<u>\$ 22,873,833</u>	<u>\$ 21,389,868</u>	<u>\$ 19,410,669</u>
Plan fiduciary net position				
Contributions - employer	987,884	794,563	1,006,474	942,047
Net investment income	2,350,322	1,572,297	145,050	1,404,681
Benefit payments, including refunds of employee contributions	(944,523)	(896,982)	(825,925)	(659,221)
Administrative expenses	(46,092)	(22,234)	(24,688)	(20,144)
Net change in plan fiduciary net position	2,347,591	1,447,644	300,911	1,667,363
Plan fiduciary net position - beginning	15,548,814	14,101,170	13,800,259	12,132,896
Plan fiduciary net position - ending (b)	<u>\$ 17,896,405</u>	<u>\$ 15,548,814</u>	<u>\$ 14,101,170</u>	<u>\$ 13,800,259</u>
City's net pension liability - ending (a) - (b)	<u>\$ 5,732,846</u>	<u>\$ 7,325,019</u>	<u>\$ 7,288,698</u>	<u>\$ 5,610,410</u>
Plan fiduciary net position as a percentage of the total pension liability	75.74%	67.98%	65.92%	71.10%
Covered payroll	\$ 7,097,123	\$ 6,801,085	\$ 6,490,346	\$ 6,121,491
City's net pension liability as a percentage of covered payroll	80.78%	107.70%	112.30%	91.65%

Notes to the schedule

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

**CITY OF UNION CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,251,274	\$ 1,246,093	\$ 1,169,509	\$ 1,241,986
Contributions in relation to the actuarially determined contribution	987,884	794,563	1,006,474	942,047
Contribution deficiency (excess)	<u>\$ 263,390</u>	<u>\$ 451,530</u>	<u>\$ 163,035</u>	<u>\$ 299,939</u>
Covered payroll	\$ 8,295,869	\$ 7,097,123	\$ 6,801,085	\$ 6,490,346
Contributions as a percentage of covered payroll	11.91%	11.20%	14.80%	14.51%

Notes to the Schedule

Valuation date	January 1, 2018
Cost method	Projected unit cost
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	7.50%
Projected salary increases	2.75% plus service based merit increases
Cost-of-living adjustment	2.75%
Amortization method	Closed level dollar for unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years

Notes to the schedule

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

COMBINING STATEMENTS AND SCHEDULES

**CITY OF UNION CITY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Federal Seized Funds Fund** accounts for the collection and use of funds confiscated from convicted offenders.

The **Vehicle Rental Excise Tax Fund** accounts for the collection of rental car fees that are required to be remitted to the Economic Development Department.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel tax receipts and distributions of funds used to promote tourism within the City.

The **Emergency 911 Fund** accounts for the fee collection and operations of the Emergency 911 system within the City.

The **Inmate Welfare Fund** accounts for certain funds collected at the commissary located at the City jail.

The **Tax Allocation District Fund** accounts for the increased property tax generated by new development to finance capital and other costs related to redevelopment.

The **Multiple Operating Grant Fund** accounts for federal and state grant revenues to be used for City expenditures.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Capital Grants Fund** accounts for various capital projects of the City. Funding is provided by state and federal agencies and transfers from the General Fund.

The **Capital Projects Fund** accounts for various capital projects of the City. Funding is provided by the issuance of capital leases and transfers from the General Fund.

The **CDBG Fund** accounts for various community capital projects of the City. Funding is provided by state and federal agencies and transfers from the General Fund.

**CITY OF UNION CITY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS**

DEBT SERVICE FUNDS

The **2010 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2010 General Obligation Bond Issue.

The **2014 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2014 General Obligation Bond Issue.

The **2010 Certificate of Participation Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2010 Certificate of Participation Issue.

The **2017 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2017 General Obligation Bond Issue.

CITY OF UNION CITY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2018**

ASSETS	Special Revenue Funds						Multiple Operating Grant Fund
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Emergency 911 Fund	Inmate Welfare Fund	Tax Allocation District Fund	
Cash and cash equivalents	\$ 31,981	\$ 43,923	\$ 451,485	\$ -	\$ 264,754	\$ 598,038	\$ 463,180
Taxes receivable	-	12,716	25,994	-	-	-	-
Due from other governments	-	-	-	-	-	-	280
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	155,000	-	-	-
Total assets	<u>\$ 31,981</u>	<u>\$ 56,639</u>	<u>\$ 477,479</u>	<u>\$ 155,000</u>	<u>\$ 264,754</u>	<u>\$ 598,038</u>	<u>\$ 463,460</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 92,259	\$ 8,617	\$ -	\$ -	\$ 132,439
Due to others	-	-	-	-	69,122	-	-
Due to other funds	-	-	-	150,000	126,410	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>92,259</u>	<u>158,617</u>	<u>195,532</u>	<u>-</u>	<u>132,439</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - capital lease	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable:							
Prepaid expenditures	-	-	-	155,000	-	-	-
Restricted for:							
Law enforcement	31,981	-	-	-	-	-	331,021
Economic development	-	56,639	385,220	-	-	-	-
Other capital projects	-	-	-	-	-	598,038	-
Debt service	-	-	-	-	-	-	-
Assigned to:							
Public safety - jail	-	-	-	-	69,222	-	-
Unassigned	-	-	-	(158,617)	-	-	-
Total fund balances (deficits)	<u>31,981</u>	<u>56,639</u>	<u>385,220</u>	<u>(3,617)</u>	<u>69,222</u>	<u>598,038</u>	<u>331,021</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,981</u>	<u>\$ 56,639</u>	<u>\$ 477,479</u>	<u>\$ 155,000</u>	<u>\$ 264,754</u>	<u>\$ 598,038</u>	<u>\$ 463,460</u>

(Continued)

Capital Projects Funds			Debt Service Funds				Totals
Capital Grants Fund	CDBG Fund	Capital Projects Fund	2010 General Obligation Bond	2014 General Obligation Bond	2010 Certificate of Participation	2017 General Obligation Bond	
\$ 53,681	\$ 23,937	\$ 848,915	\$ 1,469	\$ 4,312	\$ -	\$ 2,076	\$ 2,787,751
-	-	-	-	-	-	-	38,710
455,639	200,000	322,401	-	-	-	-	978,320
-	-	159,151	-	-	-	-	159,151
-	-	-	-	-	-	-	155,000
<u>\$ 509,320</u>	<u>\$ 223,937</u>	<u>\$ 1,330,467</u>	<u>\$ 1,469</u>	<u>\$ 4,312</u>	<u>\$ -</u>	<u>\$ 2,076</u>	<u>\$ 4,118,932</u>
\$ 281,742	\$ 198,748	\$ 36,874	\$ -	\$ -	\$ 494,422	\$ -	\$ 1,245,101
-	-	-	-	-	-	-	69,122
-	-	-	-	-	-	-	276,410
<u>281,742</u>	<u>198,748</u>	<u>36,874</u>	<u>-</u>	<u>-</u>	<u>494,422</u>	<u>-</u>	<u>1,590,633</u>
-	-	322,401	-	-	-	-	322,401
-	-	322,401	-	-	-	-	322,401
-	-	-	-	-	-	-	155,000
-	-	-	-	-	-	-	363,002
-	-	-	-	-	-	-	441,859
227,578	25,189	971,192	-	-	-	-	1,821,997
-	-	-	1,469	4,312	-	2,076	7,857
-	-	-	-	-	-	-	69,222
-	-	-	-	-	(494,422)	-	(653,039)
<u>227,578</u>	<u>25,189</u>	<u>971,192</u>	<u>1,469</u>	<u>4,312</u>	<u>(494,422)</u>	<u>2,076</u>	<u>2,205,898</u>
<u>\$ 509,320</u>	<u>\$ 223,937</u>	<u>\$ 1,330,467</u>	<u>\$ 1,469</u>	<u>\$ 4,312</u>	<u>\$ -</u>	<u>\$ 2,076</u>	<u>\$ 4,118,932</u>

(Concluded)

CITY OF UNION CITY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	Special Revenue Funds						
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Emergency 911 Fund	Inmate Welfare Fund	Tax Allocation District Fund	Multiple Operating Grant Fund
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,273	\$ -
Other taxes	-	172,805	325,300	-	-	-	-
Charges for services	-	-	-	106,269	-	-	-
Intergovernmental revenue	-	-	-	-	-	-	334,508
Interest revenue	28,693	-	-	-	-	-	62
Total revenues	<u>28,693</u>	<u>172,805</u>	<u>325,300</u>	<u>106,269</u>	<u>-</u>	<u>215,273</u>	<u>334,570</u>
Expenditures:							
Current							
General government	-	-	-	-	-	-	-
Public safety	12,175	-	-	582,297	119	-	21,885
Public works	-	-	-	-	-	-	112,149
Economic development	-	-	129,732	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>12,175</u>	<u>-</u>	<u>129,732</u>	<u>582,297</u>	<u>119</u>	<u>-</u>	<u>134,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,518</u>	<u>172,805</u>	<u>195,568</u>	<u>(476,028)</u>	<u>(119)</u>	<u>215,273</u>	<u>200,536</u>
Other financing sources (uses)							
Capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	482,425	-	342,932	-
Transfers out	-	(176,000)	(194,598)	-	(126,310)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(176,000)</u>	<u>(194,598)</u>	<u>482,425</u>	<u>(126,310)</u>	<u>342,932</u>	<u>-</u>
Net change in fund balances	16,518	(3,195)	970	6,397	(126,429)	558,205	200,536
Fund balances (deficits), beginning of year	<u>15,463</u>	<u>59,834</u>	<u>384,250</u>	<u>(10,014)</u>	<u>195,651</u>	<u>39,833</u>	<u>130,485</u>
Fund balances (deficits), end of year	<u>\$ 31,981</u>	<u>\$ 56,639</u>	<u>\$ 385,220</u>	<u>\$ (3,617)</u>	<u>\$ 69,222</u>	<u>\$ 598,038</u>	<u>\$ 331,021</u>

(Continued)

Capital Projects Funds			Debt Service Funds				Totals
Capital Grants Fund	CDBG Fund	Capital Projects Fund	2010 General Obligation Bond	2014 General Obligation Bond	2010 Certificate of Participation	2017 General Obligation Bond	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,273
-	-	-	-	-	-	-	498,105
-	-	-	-	-	-	-	106,269
422,238	200,000	-	-	-	-	-	956,746
-	-	-	-	-	197	19	28,971
<u>422,238</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197</u>	<u>19</u>	<u>1,805,364</u>
-	-	28	-	-	-	-	28
-	-	-	-	-	-	-	616,476
-	-	-	-	-	-	-	112,149
-	-	-	-	-	-	-	129,732
576,388	240,147	1,090,020	-	-	-	-	1,906,555
-	-	361,365	-	705,000	805,000	-	1,871,365
-	-	17,335	-	249,575	13,081	231,944	511,935
<u>576,388</u>	<u>240,147</u>	<u>1,468,748</u>	<u>-</u>	<u>954,575</u>	<u>818,081</u>	<u>231,944</u>	<u>5,148,240</u>
<u>(154,150)</u>	<u>(40,147)</u>	<u>(1,468,748)</u>	<u>-</u>	<u>(954,575)</u>	<u>(817,884)</u>	<u>(231,925)</u>	<u>(3,342,876)</u>
-	-	426,365	-	-	-	-	426,365
229,589	-	1,192,651	-	955,775	-	127,000	3,330,372
-	-	-	-	-	-	-	(496,908)
<u>229,589</u>	<u>-</u>	<u>1,619,016</u>	<u>-</u>	<u>955,775</u>	<u>-</u>	<u>127,000</u>	<u>3,259,829</u>
75,439	(40,147)	150,268	-	1,200	(817,884)	(104,925)	(83,047)
<u>152,139</u>	<u>65,336</u>	<u>820,924</u>	<u>1,469</u>	<u>3,112</u>	<u>323,462</u>	<u>107,001</u>	<u>2,288,945</u>
<u>\$ 227,578</u>	<u>\$ 25,189</u>	<u>\$ 971,192</u>	<u>\$ 1,469</u>	<u>\$ 4,312</u>	<u>\$ (494,422)</u>	<u>\$ 2,076</u>	<u>\$ 2,205,898</u>

(Concluded)

**CITY OF UNION CITY, GEORGIA
T-SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Sales tax	\$ 5,195,478	\$ 5,195,478	\$ 3,526,584	\$ (1,668,894)
Total revenues	<u>5,195,478</u>	<u>5,195,478</u>	<u>3,526,584</u>	<u>(1,668,894)</u>
EXPENDITURES				
Capital outlay	5,195,478	5,195,478	338,383	4,857,095
Total expenditures	<u>5,195,478</u>	<u>5,195,478</u>	<u>338,383</u>	<u>4,857,095</u>
Net change in fund balance	-	-	3,188,201	3,188,201
FUND BALANCES, beginning of year	<u>1,400,918</u>	<u>1,400,918</u>	<u>1,400,918</u>	-
FUND BALANCES, end of year	<u>\$ 1,400,918</u>	<u>\$ 1,400,918</u>	<u>\$ 4,589,119</u>	<u>\$ 3,188,201</u>

**CITY OF UNION CITY, GEORGIA
GENERAL OBLIGATION BONDS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Interest revenues	\$ -	\$ -	\$ 10,717	\$ 10,717
Total revenues	<u>-</u>	<u>-</u>	<u>10,717</u>	<u>10,717</u>
EXPENDITURES:				
Capital outlay	4,952,303	4,952,303	1,625,247	3,327,056
Debt service:				
Bond issuance costs	-	-	664	(664)
Total expenditures	<u>4,952,303</u>	<u>4,952,303</u>	<u>1,625,911</u>	<u>3,326,392</u>
Net change in fund balance	(4,952,303)	(4,952,303)	(1,615,194)	3,337,109
FUND BALANCES, beginning of year	<u>4,985,303</u>	<u>4,985,303</u>	<u>4,985,303</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 33,000</u>	<u>\$ 33,000</u>	<u>\$ 3,370,109</u>	<u>\$ 3,337,109</u>

**CITY OF UNION CITY, GEORGIA
FEDERAL SEIZED FUNDS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Interest	\$ -	\$ -	\$ 28,693	\$ 28,693
Total revenues	<u>-</u>	<u>-</u>	<u>28,693</u>	<u>28,693</u>
EXPENDITURES:				
Public safety	13,963	13,963	12,175	1,788
Total expenditures	<u>13,963</u>	<u>13,963</u>	<u>12,175</u>	<u>1,788</u>
Net change in fund balance	(13,963)	(13,963)	16,518	30,481
FUND BALANCES, beginning of year	<u>15,463</u>	<u>15,463</u>	<u>15,463</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 31,981</u>	<u>\$ 30,481</u>

**CITY OF UNION CITY, GEORGIA
VEHICLE RENTAL EXCISE TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Other taxes	\$ 176,000	\$ 176,000	\$ 172,805	\$ (3,195)
Total revenues	<u>176,000</u>	<u>176,000</u>	<u>172,805</u>	<u>(3,195)</u>
Excess of revenues over expenditures	<u>176,000</u>	<u>176,000</u>	<u>172,805</u>	<u>(3,195)</u>
OTHER FINANCING USES:				
Transfers out	<u>(176,000)</u>	<u>(176,000)</u>	<u>(176,000)</u>	<u>-</u>
Total other financing uses	<u>(176,000)</u>	<u>(176,000)</u>	<u>(176,000)</u>	<u>-</u>
Net change in fund balance	-	-	(3,195)	(3,195)
FUND BALANCES, beginning of year	<u>59,834</u>	<u>59,834</u>	<u>59,834</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 59,834</u>	<u>\$ 59,834</u>	<u>\$ 56,639</u>	<u>\$ (3,195)</u>

CITY OF UNION CITY, GEORGIA
HOTEL/MOTEL TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Other taxes	\$ 300,000	\$ 300,000	\$ 325,300	\$ 25,300
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>325,300</u>	<u>25,300</u>
EXPENDITURES:				
Economic development	120,000	120,000	129,732	(9,732)
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>129,732</u>	<u>(9,732)</u>
Excess of revenues over expenditures	<u>180,000</u>	<u>180,000</u>	<u>195,568</u>	<u>15,568</u>
OTHER FINANCING USES:				
Transfers out	(180,000)	(180,000)	(194,598)	(14,598)
Total other financing uses	<u>(180,000)</u>	<u>(180,000)</u>	<u>(194,598)</u>	<u>(14,598)</u>
Net change in fund balance	-	-	970	970
FUND BALANCES, beginning of year	<u>384,250</u>	<u>384,250</u>	<u>384,250</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 384,250</u>	<u>\$ 384,250</u>	<u>\$ 385,220</u>	<u>\$ 970</u>

CITY OF UNION CITY, GEORGIA
EMERGENCY 911 FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Charges for services	\$ 95,575	\$ 95,575	\$ 106,269	\$ 10,694
Total revenues	<u>95,575</u>	<u>95,575</u>	<u>106,269</u>	<u>10,694</u>
EXPENDITURES:				
Public safety	578,000	578,000	582,297	(4,297)
Total expenditures	<u>578,000</u>	<u>578,000</u>	<u>582,297</u>	<u>(4,297)</u>
Deficiency of revenues under expenditures	<u>(482,425)</u>	<u>(482,425)</u>	<u>(476,028)</u>	<u>6,397</u>
OTHER FINANCING SOURCES:				
Transfers in	482,425	482,425	482,425	-
Total other financing sources	<u>482,425</u>	<u>482,425</u>	<u>482,425</u>	<u>-</u>
Net change in fund balance	-	-	6,397	6,397
FUND BALANCES (DEFICITS), beginning of year	<u>(10,014)</u>	<u>(10,014)</u>	<u>(10,014)</u>	<u>-</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ (10,014)</u>	<u>\$ (10,014)</u>	<u>\$ (3,617)</u>	<u>\$ 6,397</u>

CITY OF UNION CITY, GEORGIA
TAX ALLOCATION DISTRICT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ 215,273	\$ 215,273
Total revenues	<u>-</u>	<u>-</u>	<u>215,273</u>	<u>215,273</u>
EXPENDITURES:				
Capital outlay	39,833	39,833	-	39,833
Total expenditures	<u>39,833</u>	<u>39,833</u>	<u>-</u>	<u>39,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,833)</u>	<u>(39,833)</u>	<u>215,273</u>	<u>175,440</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	342,932	342,932
Total other financing sources	<u>-</u>	<u>-</u>	<u>342,932</u>	<u>342,932</u>
Net change in fund balance	(39,833)	(39,833)	558,205	518,372
FUND BALANCES, beginning of year	<u>39,833</u>	<u>39,833</u>	<u>39,833</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598,038</u>	<u>\$ 518,372</u>

**CITY OF UNION CITY, GEORGIA
MULTIPLE OPERATING GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental revenue	\$ 677,613	\$ 677,613	\$ 334,508	\$ (343,105)
Interest revenue	-	-	62	62
Total revenues	<u>677,613</u>	<u>677,613</u>	<u>334,570</u>	<u>(343,043)</u>
EXPENDITURES:				
Public safety	701,800	701,800	21,885	679,915
Public works	508,868	508,868	112,149	396,719
Total expenditures	<u>1,210,668</u>	<u>1,210,668</u>	<u>134,034</u>	<u>1,076,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533,055)</u>	<u>(533,055)</u>	<u>200,536</u>	<u>733,591</u>
OTHER FINANCING SOURCES:				
Transfers in	430,553	430,553	-	(430,553)
Total other financing sources	<u>430,553</u>	<u>430,553</u>	<u>-</u>	<u>(430,553)</u>
Net change in fund balance	(102,502)	(102,502)	200,536	303,038
FUND BALANCES, beginning of year	<u>130,485</u>	<u>130,485</u>	<u>130,485</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 27,983</u>	<u>\$ 27,983</u>	<u>\$ 331,021</u>	<u>\$ 303,038</u>

CITY OF UNION CITY, GEORGIA
CAPITAL GRANTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental revenues	\$ 850,432	\$ 850,432	\$ 422,238	\$ (428,194)
Total revenues	<u>850,432</u>	<u>850,432</u>	<u>422,238</u>	<u>(428,194)</u>
EXPENDITURES:				
Capital outlay	1,080,021	1,080,021	576,388	503,633
Total expenditures	<u>1,080,021</u>	<u>1,080,021</u>	<u>576,388</u>	<u>503,633</u>
Deficiency of revenues under expenditures	<u>(229,589)</u>	<u>(229,589)</u>	<u>(154,150)</u>	<u>75,439</u>
OTHER FINANCING SOURCES:				
Transfers in	229,589	229,589	229,589	-
Total other financing sources	<u>229,589</u>	<u>229,589</u>	<u>229,589</u>	<u>-</u>
Net change in fund balance	-	-	75,439	75,439
FUND BALANCES, beginning of year	<u>152,139</u>	<u>152,139</u>	<u>152,139</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 152,139</u>	<u>\$ 152,139</u>	<u>\$ 227,578</u>	<u>\$ 75,439</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:				
Current:				
General government	\$ -	\$ -	\$ 28	\$ (28)
Capital outlay	2,424,737	2,424,737	1,090,020	1,334,717
Debt service				
Principal	361,365	361,365	361,365	-
Interest	16,902	16,902	17,335	(433)
Total expenditures	<u>2,803,004</u>	<u>2,803,004</u>	<u>1,468,748</u>	<u>1,334,256</u>
Deficiency of revenues under expenditures	<u>(2,803,004)</u>	<u>(2,803,004)</u>	<u>(1,468,748)</u>	<u>(1,334,256)</u>
OTHER FINANCING SOURCES:				
Capital leases	748,766	748,766	426,365	322,401
Transfers in	1,192,651	1,192,651	1,192,651	-
Total other financing sources	<u>1,941,417</u>	<u>1,941,417</u>	<u>1,619,016</u>	<u>322,401</u>
Net change in fund balance	(861,587)	(861,587)	150,268	(1,011,855)
FUND BALANCES, beginning of year	<u>820,924</u>	<u>820,924</u>	<u>820,924</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ (40,663)</u>	<u>\$ (40,663)</u>	<u>\$ 971,192</u>	<u>\$ (1,011,855)</u>

CITY OF UNION CITY, GEORGIA
CDBG FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental revenues	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	220,000	220,000	240,147	(20,147)
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>240,147</u>	<u>(20,147)</u>
Net change in fund balance	(20,000)	(20,000)	(40,147)	(20,147)
FUND BALANCES, beginning of year	<u>65,336</u>	<u>65,336</u>	<u>65,336</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 45,336</u></u>	<u><u>\$ 45,336</u></u>	<u><u>\$ 25,189</u></u>	<u><u>\$ (20,147)</u></u>

CITY OF UNION CITY, GEORGIA
2014 GENERAL OBLIGATION BOND DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:				
Debt service				
Principal	\$ 705,000	\$ 705,000	\$ 705,000	\$ -
Interest	250,775	250,775	249,575	1,200
Total expenditures	<u>955,775</u>	<u>955,775</u>	<u>954,575</u>	<u>1,200</u>
Deficiency of revenues under expenditures	<u>(955,775)</u>	<u>(955,775)</u>	<u>(954,575)</u>	<u>1,200</u>
OTHER FINANCING SOURCES:				
Transfers in	955,775	955,775	955,775	-
Total other financing sources	<u>955,775</u>	<u>955,775</u>	<u>955,775</u>	<u>-</u>
Net change in fund balance	-	-	1,200	1,200
FUND BALANCES, beginning of year	<u>3,112</u>	<u>3,112</u>	<u>3,112</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,112</u>	<u>\$ 3,112</u>	<u>\$ 4,312</u>	<u>\$ 1,200</u>

CITY OF UNION CITY, GEORGIA
2010 CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Interest revenues	\$ 75	\$ 75	\$ 197	\$ 122
Total revenues	<u>75</u>	<u>75</u>	<u>197</u>	<u>122</u>
EXPENDITURES:				
Debt service				
Principal	805,000	805,000	805,000	-
Interest	15,281	15,281	13,081	2,200
Total expenditures	<u>820,281</u>	<u>820,281</u>	<u>818,081</u>	<u>2,200</u>
Deficiency of revenues under expenditures	<u>(820,206)</u>	<u>(820,206)</u>	<u>(817,884)</u>	<u>2,322</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>820,206</u>	<u>820,206</u>	-	(820,206)
Net change in fund balance	-	-	(817,884)	(817,884)
FUND BALANCES, beginning of year	<u>323,462</u>	<u>323,462</u>	<u>323,462</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 323,462</u>	<u>\$ 323,462</u>	<u>\$ (494,422)</u>	<u>\$ (817,884)</u>

CITY OF UNION CITY, GEORGIA
2017 GENERAL OBLIGATION BOND DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Interest revenues	\$ -	\$ -	\$ 19	\$ 19
Total revenues	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
EXPENDITURES				
Debt service				
Interest	127,000	127,000	231,944	(104,944)
Total expenditures	<u>127,000</u>	<u>127,000</u>	<u>231,944</u>	<u>(104,944)</u>
Deficiency of revenues under expenditures	<u>(127,000)</u>	<u>(127,000)</u>	<u>(231,925)</u>	<u>(104,925)</u>
OTHER FINANCING SOURCES:				
Transfers in	127,000	127,000	127,000	-
Total other financing sources	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>-</u>
Net change in fund balance	-	-	(104,925)	(104,925)
FUND BALANCES, beginning of year	<u>107,001</u>	<u>107,001</u>	<u>107,001</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 107,001</u>	<u>\$ 107,001</u>	<u>\$ 2,076</u>	<u>\$ (104,925)</u>

**CITY OF UNION CITY, GEORGIA
NONMAJOR ENTERPRISE FUNDS**

The **Criminal Justice Management Fund** accounts for the operations related to the City's management of the jail facility for the South Fulton Municipal Regional Jail Authority. All activities necessary to provide such services are accounted for in this fund.

The **Sanitation Fund** accounts for the operations of commercial and residential waste removal within the City. All activities necessary to provide such services are accounted for in this fund.

CITY OF UNION CITY, GEORGIA

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2018**

	Criminal Justice Management Fund	Sanitation Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 734,134	\$ 618,964	\$ 1,353,098
Due from others	111,750	-	111,750
Accounts receivable, net of allowances	-	253,007	253,007
Total assets	<u>845,884</u>	<u>871,971</u>	<u>1,717,855</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	7,820	-	7,820
Total deferred outflows of resources	<u>7,820</u>	<u>-</u>	<u>7,820</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	30,347	106,691	137,038
Accrued liabilities	758	-	758
Due to component unit	285,482	-	285,482
Total current liabilities	<u>316,587</u>	<u>106,691</u>	<u>423,278</u>
NONCURRENT LIABILITIES			
Net pension liability	26,371	-	26,371
Total noncurrent liabilities	<u>26,371</u>	<u>-</u>	<u>26,371</u>
Total liabilities	<u>342,958</u>	<u>106,691</u>	<u>449,649</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	6,250	-	6,250
Total deferred inflows of resources	<u>6,250</u>	<u>-</u>	<u>6,250</u>
NET POSITION			
Unrestricted	504,496	765,280	1,269,776
Total net position	<u>\$ 504,496</u>	<u>\$ 765,280</u>	<u>\$ 1,269,776</u>

CITY OF UNION CITY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	Criminal Justice Management Fund	Sanitation Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 560,556	\$ 1,467,661	\$ 2,028,217
Other charges	-	95,724	95,724
Total operating revenues	<u>560,556</u>	<u>1,563,385</u>	<u>2,123,941</u>
OPERATING EXPENSES			
Purchased or contracted services	359,570	1,251,655	1,611,225
Total operating expenses	<u>359,570</u>	<u>1,251,655</u>	<u>1,611,225</u>
Operating income	200,986	311,730	512,716
TRANSFERS			
Transfers out	-	(129,000)	(129,000)
Total transfers	<u>-</u>	<u>(129,000)</u>	<u>(129,000)</u>
Change in net position	<u>200,986</u>	<u>182,730</u>	<u>383,716</u>
NET POSITION, beginning of year	<u>303,510</u>	<u>582,550</u>	<u>886,060</u>
NET POSITION, end of year	<u>\$ 504,496</u>	<u>\$ 765,280</u>	<u>\$ 1,269,776</u>

CITY OF UNION CITY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

	Criminal Justice Management Fund	Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 444,924	\$ 1,491,914	\$ 1,936,838
Payments to suppliers	(402,515)	(1,245,473)	(1,647,988)
Net cash provided by operating activities	<u>42,409</u>	<u>246,441</u>	<u>288,850</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	-	(129,000)	(129,000)
Net cash used in noncapital financing activities	<u>-</u>	<u>(129,000)</u>	<u>(129,000)</u>
Change in cash and cash equivalents	42,409	117,441	159,850
Cash and cash equivalents:			
Beginning of year	<u>691,725</u>	<u>501,523</u>	<u>1,193,248</u>
End of year	<u>\$ 734,134</u>	<u>\$ 618,964</u>	<u>\$ 1,353,098</u>
Classified as:			
Cash and cash equivalents	<u>\$ 734,134</u>	<u>\$ 618,964</u>	<u>\$ 1,353,098</u>
	<u>\$ 734,134</u>	<u>\$ 618,964</u>	<u>\$ 1,353,098</u>

(Continued)

CITY OF UNION CITY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

	<u>Criminal Justice Management Fund</u>	<u>Sanitation Fund</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 200,986	\$ 311,730	\$ 512,716
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Increase in accounts receivable	-	(71,471)	(71,471)
Increase in due from others	(111,750)	-	(111,750)
Decrease in prepaids	7,526	-	7,526
Increase (decrease) in accounts payable	(47,279)	6,182	(41,097)
Decrease in accrued liabilities	(1,434)	-	(1,434)
Decrease in due to component unit	(3,882)	-	(3,882)
Decrease in net pension liability	(1,758)	-	(1,758)
Net cash provided by operating activities	<u>\$ 42,409</u>	<u>\$ 246,441</u>	<u>\$ 288,850</u>

**CITY OF UNION CITY, GEORGIA
FIDUCIARY FUND**

AGENCY FUND

The **Municipal Court Fund** accounts for the collections of cash appearance bonds by the Municipal Court.

CITY OF UNION CITY, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

	<u>Balance September 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance August 31, 2018</u>
MUNICIPAL COURT FUND				
ASSETS				
Cash and cash equivalents	\$ 19,326	\$ 723,514	\$ 703,338	\$ 39,502
Total assets	<u>\$ 19,326</u>	<u>\$ 723,514</u>	<u>\$ 703,338</u>	<u>\$ 39,502</u>
LIABILITIES				
Due to others	\$ 19,326	\$ 723,514	\$ 703,338	\$ 39,502
Total liabilities	<u>\$ 19,326</u>	<u>\$ 723,514</u>	<u>\$ 703,338</u>	<u>\$ 39,502</u>

COMPONENT UNIT

CITY OF UNION CITY, GEORGIA

**STATEMENT OF CASH FLOWS
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 785,748
Refunds of prepaid expenditures	625,500
Net cash provided by operating activities	1,411,248
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on bonds	(310,000)
Interest paid	(474,325)
Net cash used in capital and related financing activities	(784,325)
Change in cash and cash equivalents	626,923
 Cash and cash equivalents:	
Beginning of year	1,846,890
End of year	\$ 2,473,813
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 529,065
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	251,351
Changes in assets and liabilities:	
Decrease in due from primary government	3,882
Decrease in accounts payable	(50)
Increase in due to primary government	627,000
Net cash provided by operating activities	\$ 1,411,248

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	89 – 95
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	96 – 99
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	100 – 104
<i>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.</i>	
Demographic and Economic Information	105 and 106
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	107 – 109
<i>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.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF UNION CITY, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 5,125,892	\$ 4,350,167	\$ 2,298,610	\$ 2,363,313	\$ 2,046,237	\$ 3,597,239	\$ 3,531,201	\$ 5,049,949	\$ 598,455	\$ 9,461,603
Restricted	6,867,079	4,645,673	857,484	1,478,182	1,734,932	1,879,206	2,088,414	2,040,997	8,394,962	6,624,974
Unrestricted	2,179,160	2,692,528	3,697,905	1,603,503	(102,458)	1,903,353	2,254,399	5,350,512	9,888,086	12,973,607
Total governmental activities net position	<u>\$ 14,172,131</u>	<u>\$ 11,688,368</u>	<u>\$ 6,853,999</u>	<u>\$ 5,444,998</u>	<u>\$ 3,678,711</u>	<u>\$ 7,379,798</u>	<u>\$ 7,874,014</u>	<u>\$ 12,441,458</u>	<u>\$ 18,881,503</u>	<u>\$ 29,060,184</u>
Business-type activities										
Net investment in capital assets	\$ 7,463,759	\$ 12,298,174	\$ 11,905,504	\$ 9,993,975	\$ 10,385,111	\$ 8,901,118	\$ 7,991,837	\$ 7,209,006	\$ 6,757,926	\$ 6,296,865
Restricted	2,455,231	-	-	-	925,910	2,059,130	1,970,454	1,834,024	1,535,293	1,449,250
Unrestricted	5,180,074	255,748	(532,061)	824,012	964,801	1,038,859	862,585	1,921,057	3,327,110	5,525,641
Total business-type activities net position	<u>\$ 15,099,064</u>	<u>\$ 12,553,922</u>	<u>\$ 11,373,443</u>	<u>\$ 10,817,987</u>	<u>\$ 12,275,822</u>	<u>\$ 11,999,107</u>	<u>\$ 10,824,876</u>	<u>\$ 10,964,087</u>	<u>\$ 11,620,329</u>	<u>\$ 13,271,756</u>
Primary government										
Net investment in capital assets	\$ 12,589,651	\$ 16,648,341	\$ 14,204,114	\$ 12,357,288	\$ 12,431,348	\$ 12,498,357	\$ 11,523,038	\$ 12,258,955	\$ 7,356,381	\$ 15,758,468
Restricted	9,322,310	4,645,673	857,484	1,478,182	2,660,842	3,938,336	4,058,868	3,875,021	9,930,255	8,074,224
Unrestricted	7,359,234	2,948,276	3,165,844	2,427,515	862,343	2,942,212	3,116,984	7,271,569	13,215,196	18,499,248
Total primary government net position	<u>\$ 29,271,195</u>	<u>\$ 24,242,290</u>	<u>\$ 18,227,442</u>	<u>\$ 16,262,985</u>	<u>\$ 15,954,533</u>	<u>\$ 19,378,905</u>	<u>\$ 18,698,890</u>	<u>\$ 23,405,545</u>	<u>\$ 30,501,832</u>	<u>\$ 42,331,940</u>

CITY OF UNION CITY, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Primary government:										
Governmental activities:										
General government	\$ 2,009,015	\$ 2,490,131	\$ 2,197,152	\$ 2,211,266	\$ 2,470,084	\$ 2,054,613	\$ 2,468,658	\$ 2,424,138	\$ 2,444,499	\$ 3,781,555
Judicial	421,864	426,544	467,691	468,800	452,295	436,347	383,138	444,132	454,518	426,489
Public safety	9,373,021	9,806,401	10,127,843	10,193,857	9,865,376	9,590,617	8,941,842	9,852,273	10,242,974	10,396,662
Public works	5,679,502	3,034,056	4,906,720	2,818,491	1,766,343	1,611,785	2,005,906	2,329,099	2,168,984	2,207,629
Community services	107,786	-	-	-	-	-	-	-	-	-
Parks and recreation	207,907	330,248	443,054	447,059	495,841	523,992	473,370	522,901	551,401	554,589
Economic development	551,982	932,850	643,677	815,159	832,622	751,348	710,296	684,237	646,318	852,933
Interest on long-term debt	875,728	839,703	665,503	666,233	591,502	531,627	329,512	221,368	422,825	436,104
Issuance cost on long-term debt	-	-	-	-	-	-	183,416	-	198,818	-
Total governmental activities expenses	19,226,805	17,859,933	19,451,640	17,620,865	16,474,063	15,500,329	15,496,138	16,478,148	17,130,337	18,655,961
Business-type activities:										
Water and sewerage	5,954,684	6,551,474	5,961,017	6,651,946	6,690,719	7,279,343	7,137,318	-	7,178,488	7,261,987
Sanitation	1,191,681	700,470	677,006	763,164	736,123	611,799	1,063,063	1,493,200	1,642,981	1,611,225
Stormwater	-	-	-	-	55,470	223,238	1,685,368	734,022	271,592	231,166
Criminal justice management	3,813,337	3,568,864	2,889,058	3,387,775	2,372,405	365,455	-	-	-	-
Total business-type activities expenses	10,959,702	10,820,808	9,527,081	10,802,885	9,854,717	8,479,835	9,885,749	2,227,222	9,093,061	9,104,378
Total primary government expenses	30,186,507	28,680,741	28,978,721	28,423,750	26,328,780	23,980,164	25,381,887	18,705,370	26,223,398	27,760,339
Program revenues:										
Primary government:										
Governmental activities:										
Charges for services										
General government	1,548,023	1,714,518	1,472,105	1,479,642	1,745,430	1,894,426	2,125,471	2,378,255	2,352,516	2,774,272
Judicial	155,137	158,576	128,438	137,908	130,030	77,926	43,564	61,063	46,479	48,654
Public safety	1,929,612	2,009,280	1,856,768	1,757,157	1,413,518	1,224,270	938,139	1,036,884	935,486	759,439
Public works	-	-	-	-	-	-	19,355	19,066	13,977	17,150
Community services	1,880	-	-	-	-	-	-	-	-	-
Parks and recreation	-	10,053	58,992	69,132	66,116	59,616	52,069	58,800	69,765	71,553
Economic development	8,924	8,917	9,585	6,425	8,790	29,430	47,051	29,773	89,294	222,512
Operating grants and contributions	1,449,588	533,300	495,636	778,084	501,184	237,834	113,940	29,930	40,612	55,636
Capital grants and contributions	110,000	50,000	98,986	461,879	270,551	213,471	386,851	545,682	616,252	918,282
Total governmental activities program revenues	\$ 5,203,164	\$ 4,484,644	\$ 4,120,510	\$ 4,690,227	\$ 4,135,619	\$ 3,736,973	\$ 3,726,440	\$ 4,159,453	\$ 4,164,381	\$ 4,867,498

(Continued)

CITY OF UNION CITY, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services	\$ 9,961,600	\$ 8,242,375	\$ 8,750,735	\$ 10,664,099	\$ 9,733,232	\$ 8,919,049	\$ 9,202,096	\$ 10,100,193	\$ 9,742,564	\$ 10,998,827
Total business-type activities program revenues	9,961,600	8,242,375	8,750,735	10,664,099	9,733,232	8,919,049	9,202,096	10,100,193	9,742,564	10,998,827
Total primary government program revenues	15,164,764	12,727,019	12,871,245	15,354,326	13,868,851	12,656,022	12,928,536	14,259,646	13,906,945	15,866,325
Net (expense)/ revenue										
Governmental activities	(14,023,641)	(13,375,289)	(15,331,130)	(12,930,638)	(12,338,444)	(11,763,356)	(11,769,698)	(12,318,695)	(12,965,956)	(13,788,463)
Business-type activities	(998,102)	(2,578,433)	(776,346)	(138,786)	(121,485)	439,214	(683,653)	7,872,971	649,503	1,894,449
Total primary government net expense	(15,021,743)	(15,953,722)	(16,107,476)	(13,069,424)	(12,459,929)	(11,324,142)	(12,453,351)	(4,445,724)	(12,316,453)	(11,894,014)
General revenues and other changes in net position:										
Primary government:										
Governmental activities										
Property taxes	5,667,102	5,891,035	5,314,492	5,608,053	5,619,122	7,582,758	7,656,577	8,747,818	9,791,509	11,459,372
Sales taxes	2,628,353	2,825,733	2,753,242	3,010,345	3,015,388	4,506,448	5,051,758	5,079,836	6,524,359	8,943,451
Insurance premium tax	650,407	644,340	625,579	912,568	969,300	1,003,618	1,049,733	1,121,467	1,214,767	1,291,936
Alcoholic beverage taxes	4,117	4,860	11,754	17,208	19,393	21,659	25,439	21,220	21,216	20,009
Other taxes	323,516	275,659	229,639	311,868	341,579	415,704	457,764	453,738	453,656	498,105
Franchise taxes	931,025	1,165,361	1,110,159	1,206,596	1,158,518	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275
Unrestricted investment earnings	230,035	84,538	25,896	15,999	5,954	13,551	13,001	33,119	39,768	94,706
Transfers	-	-	426,000	439,000	(157,492)	734,627	59,591	64,044	-	261,290
Total governmental activities general revenues and other changes in net position	10,434,555	10,891,526	10,496,761	11,521,637	10,971,762	15,464,443	15,514,795	16,886,139	19,406,001	23,967,144
Business-type activities										
Unrestricted investment earnings	149,378	33,291	21,867	22,330	5,320	18,698	-	22,317	6,739	18,268
Transfers	-	-	(426,000)	(439,000)	157,492	(734,627)	(59,591)	(64,044)	-	(261,290)
Total business-type activities general revenues and other changes in net position	\$ 149,378	\$ 33,291	\$ (404,133)	\$ (416,670)	\$ 162,812	\$ (715,929)	\$ (59,591)	\$ (41,727)	\$ 6,739	\$ (243,022)

(Continued)

CITY OF UNION CITY, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Change in Net Position										
Governmental activities	\$ (3,589,086)	\$ (2,483,763)	\$ (4,834,369)	\$ (1,409,001)	\$ (1,366,682)	\$ 3,701,087	\$ 3,745,097	\$ 4,567,444	\$ 6,440,045	\$ 10,178,681
Business-type activities	(848,724)	(2,545,142)	(1,180,479)	(555,456)	41,327	(276,715)	(743,244)	7,831,244	656,242	1,651,427
Total primary government change in net position	<u>\$ (4,437,810)</u>	<u>\$ (5,028,905)</u>	<u>\$ (6,014,848)</u>	<u>\$ (1,964,457)</u>	<u>\$ (1,325,355)</u>	<u>\$ 3,424,372</u>	<u>\$ 3,001,853</u>	<u>\$ 12,398,688</u>	<u>\$ 7,096,287</u>	<u>\$ 11,830,108</u>

CITY OF UNION CITY, GEORGIA

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 284,974	\$ 1,753,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,146,163	4,050,270	-	-	-	-	-	-	-	-
Nonspendable	-	-	3,340,966	1,069,319	294,883	299,762	374,667	371,200	452,918	275,945
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	366,464	779,072	659,313	2,913,410	6,451,766	10,052,404	14,123,277	18,895,537
Total general fund	\$ 7,431,137	\$ 5,804,097	\$ 3,707,430	\$ 1,848,391	\$ 954,196	\$ 3,213,172	\$ 6,826,433	\$ 10,423,604	\$ 14,576,195	\$ 19,171,482
All Other Governmental Funds										
Reserved	\$ 6,867,079	\$ 4,302,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,304,291	996,461	-	-	-	-	-	-	-	-
Capital projects funds	(7,344)	20,259	-	-	-	-	-	-	-	-
Debt service funds	859,846	345,518	-	-	-	-	-	-	-	-
Nonspendable, reported in:										
Special revenue funds	-	-	-	12,604	-	-	198,204	165,170	165,170	155,000
Capital projects funds	-	-	-	6,250	-	-	-	-	94,567	-
Restricted, reported in:										
Special revenue funds	-	-	510,589	326,324	266,446	600,367	681,707	665,886	629,865	1,402,899
Capital projects funds	-	-	2,350,414	1,974,957	1,148,622	957,267	1,102,894	1,047,549	5,929,135	9,183,187
Debt service funds	-	-	346,559	341,615	319,864	321,572	323,813	327,562	1,835,962	7,857
Assigned, reported in:										
Special revenue funds	-	-	239,065	219,307	195,904	195,904	195,858	195,745	195,651	69,222
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	(144,836)	-	(144,836)	(175,184)	(158,617)
Capital projects funds	-	-	-	-	(37,592)	(15,036)	(177,870)	(15,036)	-	(494,422)
Debt service fund	-	-	-	-	-	-	(38)	-	-	-
Total all other governmental funds	\$ 9,023,872	\$ 5,664,945	\$ 3,446,627	\$ 2,881,057	\$ 1,893,244	\$ 1,915,238	\$ 2,324,568	\$ 2,242,040	\$ 8,675,166	\$ 10,165,126

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF UNION CITY, GEORGIA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property taxes	\$ 5,604,176	\$ 5,543,663	\$ 5,673,239	\$ 5,571,360	\$ 5,650,963	\$ 7,315,208	\$ 8,069,214	\$ 8,751,035	\$ 9,727,696	\$ 11,438,225
Sales taxes	-	-	-	-	-	-	-	-	6,524,359	8,943,451
Other taxes	3,565,186	3,750,593	3,664,155	4,251,989	4,345,660	5,947,429	6,584,694	6,676,261	1,689,639	1,810,049
Charges for services	475,609	509,548	548,195	479,612	471,330	506,748	464,498	481,364	643,280	558,076
Licenses and permits	1,476,682	1,647,128	1,377,168	1,439,821	1,632,620	1,778,056	2,038,210	2,252,917	2,217,042	2,630,270
Intergovernmental	216,189	168,100	223,481	873,332	759,641	436,801	500,791	575,612	656,864	973,918
Franchise taxes	931,025	1,165,361	1,110,159	1,206,596	1,158,518	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275
Fines and forfeitures	1,497,840	1,589,500	1,484,361	1,404,660	1,134,879	890,810	642,156	730,864	550,815	589,873
Interest revenue	230,035	84,538	25,896	15,999	5,954	13,551	13,001	33,119	39,768	94,707
Rental income	13,500	12,609	13,030	13,785	20,425	18,870	20,311	18,346	19,461	30,822
Other revenues	1,523,344	557,758	474,275	479,017	116,724	105,688	60,474	100,350	76,919	84,539
Total revenues	<u>\$ 15,533,586</u>	<u>\$ 15,028,798</u>	<u>\$ 14,593,959</u>	<u>\$ 15,736,171</u>	<u>\$ 15,296,714</u>	<u>\$ 18,199,239</u>	<u>\$ 19,594,281</u>	<u>\$ 20,984,765</u>	<u>\$ 23,506,569</u>	<u>\$ 28,552,205</u>
Expenditures										
Current:										
General government	\$ 1,973,574	\$ 2,573,528	\$ 2,174,146	\$ 2,137,715	\$ 2,050,824	\$ 1,927,849	\$ 2,152,585	\$ 2,582,460	\$ 2,858,582	\$ 3,236,922
Judicial	330,968	342,954	384,047	377,543	360,126	341,796	298,711	357,346	361,155	340,609
Public safety	8,791,779	9,625,312	9,703,075	9,673,917	9,224,427	8,825,056	8,711,449	9,155,803	9,370,391	10,107,383
Public works	1,723,615	1,713,341	1,727,828	1,574,058	1,390,823	1,423,334	1,584,853	1,799,620	1,708,825	1,783,430
Community services	107,712	-	-	-	-	-	-	-	-	-
Parks and recreation	118,604	245,778	376,373	338,913	368,894	374,883	359,452	384,182	453,919	477,397
Economic development	547,596	932,850	643,677	796,900	817,605	751,348	710,296	684,237	646,318	852,933
Capital outlay	4,365,198	2,533,517	4,083,991	1,576,565	1,393,579	507,667	403,015	735,032	1,811,510	3,870,185
Debt service:										
Principal	815,000	6,180,687	1,079,492	1,623,662	1,728,241	1,772,797	1,310,580	1,458,601	1,315,988	1,966,332
Interest	870,077	856,817	662,315	660,550	617,203	568,294	280,212	356,885	313,757	518,758
Bond issuance costs	-	176,033	-	-	-	-	183,416	-	198,818	664
Total expenditures	<u>19,644,123</u>	<u>25,180,817</u>	<u>20,834,944</u>	<u>18,759,823</u>	<u>17,951,722</u>	<u>16,493,024</u>	<u>15,994,569</u>	<u>17,514,166</u>	<u>19,039,263</u>	<u>23,154,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,110,537)</u>	<u>(10,152,019)</u>	<u>(6,240,985)</u>	<u>(3,023,652)</u>	<u>(2,655,008)</u>	<u>1,706,215</u>	<u>3,599,712</u>	<u>3,470,599</u>	<u>4,467,306</u>	<u>5,397,592</u>

(Continued)

CITY OF UNION CITY, GEORGIA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Bond issuance	\$ -	\$ 5,065,000	\$ -	\$ -	\$ -	\$ -	\$ 8,560,000	\$ -	\$ 5,000,000	\$ -
Premium on bonds	-	101,052	-	-	-	-	525,671	-	767,177	-
Payment to escrow agent	-	-	-	-	-	-	(8,902,255)	-	-	-
Capital lease	854,000	-	1,500,000	160,043	-	-	-	-	351,234	426,365
Transfers in	1,842,574	6,406,225	2,656,524	2,954,516	3,174,200	3,296,255	2,741,365	3,260,132	2,877,080	4,088,570
Transfers out	(1,842,574)	(6,406,225)	(2,230,524)	(2,515,516)	(2,401,200)	(2,561,628)	(2,681,774)	(3,196,088)	(2,877,080)	(3,827,280)
Total other financing sources (uses)	<u>854,000</u>	<u>5,166,052</u>	<u>1,926,000</u>	<u>599,043</u>	<u>773,000</u>	<u>734,627</u>	<u>243,007</u>	<u>64,044</u>	<u>6,118,411</u>	<u>687,655</u>
Net change in fund balances	<u>\$ (3,256,537)</u>	<u>\$ (4,985,967)</u>	<u>\$ (4,314,985)</u>	<u>\$ (2,424,609)</u>	<u>\$ (1,882,008)</u>	<u>\$ 2,440,842</u>	<u>\$ 3,842,719</u>	<u>\$ 3,534,643</u>	<u>\$ 10,585,717</u>	<u>\$ 6,085,247</u>
Debt service as a percentage of noncapital expenditures	<u>9.0%</u>	<u>30.1%</u>	<u>8.9%</u>	<u>12.9%</u>	<u>13.9%</u>	<u>14.8%</u>	<u>9.9%</u>	<u>10.2%</u>	<u>9.6%</u>	<u>12.7%</u>

CITY OF UNION CITY, GEORGIA

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

Tax Year	Personal Property			Privately Owned Public Utilities	Total Property		Total Direct Tax Rate	Assessed Value as a % of Actual Value
	Real Property	Property (2)	Motor Vehicles (3)	Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value		
2009	\$ 535,807,660	\$ 30,541,970	\$ 27,390,550	\$ 5,570,295	\$ 599,310,475	\$ 1,498,276,188	9.50	40%
2010	479,324,440	24,496,587	27,643,090	5,516,443	536,980,560	1,342,451,400	9.50	40%
2011	435,644,030	55,138,458	25,604,340	5,532,947	521,919,775	1,304,799,438	10.24	40%
2012	451,574,153	50,036,827	26,687,160	6,754,886	535,053,026	1,337,632,565	10.60	40%
2013	433,339,950	38,398,892	27,653,800	6,905,395	506,298,037	1,265,745,093	15.60	40%
2014	428,501,870	29,682,537	21,982,160	7,116,549	487,283,116	1,218,207,790	15.69	40%
2015	483,920,600	43,726,218	14,538,020	7,250,890	549,435,728	1,373,589,320	15.69	40%
2016	513,015,770	93,676,001 (a)	10,305,160	6,870,151	623,867,082	1,559,667,705	15.69	40%
2017	590,981,340	76,462,970	7,448,103	8,163,077	683,055,490	1,707,638,725	16.43	40%
2018	632,007,980	145,918,360	5,617,774	7,572,362	791,116,476	1,977,791,190	14.95	40%

SOURCE: Fulton County Tax Assess

(a) Increase is due to the relocation of Google, Inc. to Union City. This added \$37,677,981 of additional assessed value for personal property.

CITY OF UNION CITY, GEORGIA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN TAX DIGEST YEARS
(Rate per \$1,000 of assessed value)**

Tax Digest Year	Direct Rates			Overlapping Rates			Total Direct and Overlapping Millage Rates
	City of Union City			State of Georgia	Fulton County	County School System	
	Operating Millage	Debt Service	Total				
2009	7.508	1.992	9.500	0.25	10.28	17.50	37.53
2010	7.650	1.850	9.500	0.25	10.28	18.50	38.53
2011	8.165	2.073	10.238	0.25	10.55	18.50	39.54
2012	8.331	2.268	10.599	0.20	10.55	18.50	39.85
2013	13.178	2.420	15.598	0.15	10.48	18.50	44.73
2014	13.122	2.570	15.692	0.15	12.05	18.50	46.39
2015	13.412	2.280	15.692	0.05	10.75	18.50	44.99
2016	14.572	1.120	15.692	0.00	10.70	18.48	34.18
2017	14.665	1.760	16.425	0.00	10.63	18.55	45.60
2018	13.322	1.630	14.952	0.00	10.43	17.80	43.18

CITY OF UNION CITY, GEORGIA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended August 31,	Total Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2009	\$ 5,369,912	\$ 5,048,824	94.02%	\$ 315,978	\$ 5,364,802	99.90%	\$ 5,110
2010	5,316,893	4,803,669	90.35%	453,159	5,256,828	98.87%	61,504
2011	4,759,160	4,533,053	95.25%	199,408	4,732,461	99.44%	270,073
2012	5,102,178	4,797,313	94.02%	251,248	5,048,561	98.95%	54,065
2013	5,351,680	5,235,029	97.82%	75,726	5,310,755	99.24%	42,144
2014	6,989,117	6,503,551	93.05%	439,074	6,942,625	99.33%	49,110
2015	7,011,056	6,811,199	97.15%	135,418	6,946,617	99.08%	66,036
2016	8,176,456	7,983,582	97.64%	101,818	8,085,400	98.89%	95,831
2017	9,219,975	9,090,025	98.59%	20,682	9,090,025	98.59%	129,950
2018	10,768,051	10,521,699	97.71%	-	10,521,699	97.71%	246,352

CITY OF UNION CITY, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	\$ 148,125,370	1	18.72%	\$		
Google Inc	88,345,363	2	11.17%			
Proctor & Gamble Distributing	22,088,944	3	2.79%			
Kraft Heinz Foods Company	15,613,645	4	1.97%			
Kellogg Sales Company	14,324,333	5	1.81%			
Costco Wholesale Corporation	12,917,859	6	1.63%			
Hunter Road Industrial LLC	11,637,800	7	1.47%			
Amazon.com	11,558,981	8	1.46%			
ROC III Ga Legacy Ridge LLC	11,358,280	9	1.44%			
South Fulton Parkway LLC	9,769,200	10	1.23%			
Thurman Investments, LLC				7,523,990	1	2.32%
Wal Mart Stores, Inc.				6,098,480	2	1.88%
CM Buffington Road, LLC				5,286,800	3	1.63%
WyndSOR Forest Apartments, LLC				4,600,510	4	1.42%
D.L. Claborn				4,201,280	5	1.30%
W D O P Sub 1 LP				2,471,400	6	0.76%
Shannon Mall Investments, LLC				3,600,000	7	1.11%
Summer Glen Associates				2,863,600	8	0.88%
Hidden Lake, LTD				2,558,600	9	0.79%
JDN Realty Corporation				2,553,040	10	0.79%
	\$ 345,739,775		43.70%	\$ 41,757,700		12.89%

CITY OF UNION CITY, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Percentage of Estimated Actual Value of Taxable Property	Per Capita	Business-Type Activities		Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Lease	Notes Payable			Water Revenue Bonds	Total Primary Government			
2009	13,665,000	3,580,000	854,000	-	1.21%	1,067.10	5,040,000	23,139,000	1.54%	7.07%	1,364.25
2010	12,900,000	3,310,000	773,313	-	1.27%	1,001.32	-	16,983,313	1.27%	5.30%	1,001.32
2011	12,190,000	3,015,000	2,198,821	-	1.33%	894.52	-	17,403,821	1.33%	4.74%	894.52
2012	11,470,000	2,730,000	1,628,305	111,897	1.19%	793.87	11,275,000	27,215,202	2.03%	7.35%	1,355.41
2013	10,715,000	2,410,000	1,049,170	38,464	1.12%	693.27	10,840,000	25,052,634	1.98%	6.64%	1,222.02
2014	10,025,521	2,060,000	459,164	-	1.03%	613.19	10,400,000	22,944,685	1.88%	6.50%	1,121.55
2015	9,963,689	1,675,000	373,584	-	0.87%	592.91	9,827,833	21,840,106	1.59%	6.25%	1,077.99
2016	8,924,160	1,255,000	284,983	-	0.67%	502.96	9,379,531	19,843,674	1.27%	5.75%	953.79
2017	13,913,899	805,000	1,203,995	-	0.93%	774.46	8,920,888	24,843,782	1.45%	6.99%	1,208.36
2018	13,085,258	-	425,293	-	0.68%	632.22	8,451,827	21,962,378	1.11%	5.84%	1,027.72

CITY OF UNION CITY, GEORGIA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Property Assessed Value	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross Bonded Debt	Restricted Debt Service Funds	Net Bonded Debt		
2009	16,961	599,310,475	13,665,000	1,219,369	12,445,631	2.08%	733.78
2010	16,961	536,980,560	12,900,000	1,161,632	11,738,368	2.19%	692.08
2011	19,456	521,919,775	12,190,000	792,417	11,397,583	2.18%	585.81
2012	20,079	535,053,026	11,470,000	786,676	10,683,324	2.00%	532.06
2013	20,501	506,298,037	10,715,000	350,864	10,364,136	2.05%	505.54
2014	20,458	487,283,116	10,025,521	351,615	9,673,906	1.99%	472.87
2015	20,260	549,435,728	9,963,689	323,813	9,639,876	1.75%	475.81
2016	20,805	623,867,082	8,924,160	327,720	8,596,440	1.38%	413.19
2017	20,560	683,055,490	13,913,899	435,044	13,478,855	1.97%	655.59
2018	21,370	791,116,476	13,085,258	435,044	12,650,214	1.60%	591.96

CITY OF UNION CITY, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 59,931,048	\$ 53,698,056	\$ 52,191,978	\$ 56,858,181	\$ 49,493,881	\$ 48,728,312	\$ 54,943,573	\$ 62,386,708	\$ 68,883,979	\$ 79,111,648
Total net debt applicable to limit	16,383,154	15,048,433	14,412,583	13,413,324	12,774,136	12,223,113	11,314,876	9,581,440	14,283,855	13,077,401
Legal Debt Margin	<u>\$ 43,101,899</u>	<u>\$ 38,649,623</u>	<u>\$ 37,779,395</u>	<u>\$ 43,444,857</u>	<u>\$ 36,719,745</u>	<u>\$ 36,505,199</u>	<u>\$ 43,628,697</u>	<u>\$ 52,805,268</u>	<u>54,600,124</u>	<u>\$ 66,034,247</u>
Total net debt applicable to the limit as a percentage of debt limit	28.52%	28.02%	27.61%	23.59%	25.81%	25.08%	20.59%	15.36%	20.74%	16.53%
										\$ 791,116,476
										79,111,648
										13,085,258
										(7,857)
										<u>13,077,401</u>
										<u>\$ 66,034,247</u>

NOTE: Under state finance law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

CITY OF UNION CITY, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2018**

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable ^(a)	Amount Applicable to the City of Union City
Fulton County, Georgia- Overlapping Debt			
Certificates of Participation	\$ 37,715,000	1.29%	\$ 486,358
Library General Obligation Bonds	167,000,000	1.29%	2,153,568
Economic Recovery Zone Bonds	64,274,000	1.29%	828,853
Fulton County School District - Overlapping Debt	42,520,000	1.29%	548,322
Subtotal, overlapping debt			<u>4,017,102</u>
South Fulton Regional Jail Authority			11,840,000
City of Union City, Georgia - Direct Debt			13,085,258
City of Union City, Georgia - Capital Leases			<u>425,293</u>
Total Direct and Overlapping Debt			<u><u>\$ 29,367,653</u></u>

SOURCES: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of December 31, 2017) and City Finance Departments.

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

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

CITY OF UNION CITY, GEORGIA

**PLEDGED-REVENUE COVERAGE
LAST TEN YEARS**

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2009	4,889,828	4,264,770	625,058	-	345,163	1.81
2010	4,952,379	5,026,404	(74,025)	5,040,000 (1)	168,114	(0.01)
2011	5,560,899	4,443,345	1,117,554	-	-	-
2012	6,708,111	4,532,630	2,175,481	-	77,637 (2)	28.02
2013	6,511,408	4,885,824 (3)	1,625,584	435,000	358,325	2.05
2014	6,509,855	5,375,472	1,134,383	440,000	349,626	1.44
2015	6,919,542	5,218,226	1,701,316	450,000	342,466	2.15
2016	7,445,937	5,794,179	1,651,758	460,000	341,989	2.06
2017	7,057,558	5,387,243	1,670,315	470,000	332,024	2.08
2018	8,077,227	5,335,102	2,742,125	480,000	319,814	3.43

(1) Bonds were paid off in 2010.

(2) 2012 Series Bond issued during FY 2012.

(3) Operating expenses include one time fee of \$6,374,613 paid to Fulton County for additional capacity at Camp Creek Water Reclamation Facility.

NOTES:

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

Utility service charges include tap fees, but exclude interest.

Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF UNION CITY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Unemployment Rate ⁽²⁾	School Enrollment ⁽³⁾
2009	16,961	327,466,027	19,307	32.2	10.30%	1,252
2010	16,961	320,155,836	18,876	32.2	10.30%	1,252
2011	19,456	367,251,456	18,876	30.5	8.10%	1,252
2012	20,079	370,457,550	18,450	30.5	8.40%	1,252
2013	20,501	377,525,915	18,415	30.5	8.10%	1,288
2014	20,458	352,941,416	17,252	30.5	8.10%	1,288
2015	20,260	349,525,520	17,252	30.0	6.24%	3,547
2016	20,805	345,175,755	16,591	30.4	5.00%	3,547
2017	20,560	355,605,760	17,296	31.2	7.90%	3,627
2018	21,370	376,112,000	17,600	31.2	5.50%	3,627

SOURCES:

- (1) U.S. Census Bureau
- (2) Georgia Department of Labor
- (3) Clayton County Board of Education

CITY OF UNION CITY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Business	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal Mart	2241	1	37.42%			
Kraft Foods/Excel Logistics	864	2	14.43%			
Christian City/Pruitt Health	308	3	5.14%			
Diverse Staffing	320	4	5.34%			
XPO Logistics Worldwide	241	5	4.02%			
Dendreon Pharmaceuticals, Inc	234	6	3.91%			
Aurora Parts & Accessories, LLC	229	7	3.82%			
Amazon.com Services Inc.	210	8	3.51%			
Ryder Integrated Logistics LLC	200	9	3.34%			
Nalley Chevrolet/Honda/Toyota	172	10	2.87%			
Christian City Retirement Center				460	1	25.80%
Universal Forest Products Inc				225	2	12.62%
Walmart Super Center				200	3	11.22%
Gene Evans Team Ford				195	4	10.94%
City of Union City				192	5	10.77%
Bill Heard Chevrolet of Union City				130	6	7.29%
The Kroger Co.				125	7	7.01%
Lexus of South Atlanta				100	8	5.61%
Steve Rayman Chrysler Jeep				80	9	4.49%
Don Jackson of Lincoln Mercury				75	10	4.21%

SOURCE: Union City Business Permit Renewals

CITY OF UNION CITY, GEORGIA

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Administration	3	2	1	3	3	3	2	2	2	4
City Clerk	7	2	2	2	2	2	1	2	1	1
Finance	10	4	4	4	4	4	5	6	6	4
Finance- water and sewer		5	5	6	6	5	4	4	4	5
Human Resources	2	2	2	1	2	2	1	2	2	2
Information Technology	-	-	1	2	2	2	1	1	1	1
Judicial										
Municipal Court	4	4	4	4	4	4	4	4	4	5
Health and Welfare										
Leisure Services	1	-	-	-	-	-	-	-	-	-
Housing and Development										
Planning Department	3	3	3	2	1	2	3	3	3	4
Public Safety										
Police	61	62	61	61	57	54	58	65	63	64
Fire	48	52	49	51	46	46	47	50	48	50
Jail	48	44	50	42	-	1	1	1	1	1
E-911 Communications	12	10	10	9	10	8	-	-	-	-
Public Works										
Building and Grounds	3	3	3	4	3	3	1	4	3	3
Code Enforcement	4	4	4	4	4	3	2	3	3	3
Roads and Bridges	17	20	17	16	12	13	13	14	14	15
Water and Sewer	12	12	10	9	10	10	9	9	9	9
Parks and Recreation	3	3	3	6	6	5	4	5	4	9
Operations	-	1	2	-	-	1	1	1	2	2
Total	238	233	231	226	172	168	157	176	170	182

SOURCE: Human Resources

NOTES: All full-time employees, except fire employees, are scheduled to work 2,080 hours per year (including vacation and sick).
Fire Department employees are scheduled to work 2,750 hours per year (including sick and vacation).

CITY OF UNION CITY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
Inspections Conducted	817	720	948	948	998	879	756	3	1,171	890
Police										
Number of Law Violations										
Physical Arrests	2,742	2,256	2,437	2,437	1,816	1,028	1,263	907	812	836
Traffic and Parking Violations	16,550	12,597	15,006	15,006	8,673	6,257	6,067	5,078	3,391	4,650
Public Service - Sewerage System										
Daily Average Treatment in Gallons	1,500,000	1,663,372	1,553,414	1,553,414	1,922,000	1,922,000	1,922,000	1,922,000	1,715,000	2,878,000
Max. Daily Capacity of Plant in Gallons	2,400,000	2,400,000	2,400,000	2,400,000	3,713,000	3,713,000	3,713,000	3,713,000	3,982,200	3,982,200
Service Connections	4,500	4,500	4,206	4,206	4,100	4,100	4,100	4,100	4,100	4,100
Public Service - Streets										
Highway and Streets Resurfacing	21	15	17	17	6	5	3	2	0	22
Public Service - Water System										
Daily Average Consumption in Gallons	1,180,000	1,180,000	1,200,000	1,200,000	1,110,000	1,110,000	1,110,000	1,200,000	1,357,672	1,400,000
Max. Daily Capacity of Plant in Gallons	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased
Service Connections	4,500	4,500	4,523	4,523	4,500	4,506	4,506	4,506	4,506	4,506

SOURCE: Various City Departments

NOTES: Indicators are not available for the general government or culture and recreation functions.
Departments maintain statistical information on a calendar-year basis.

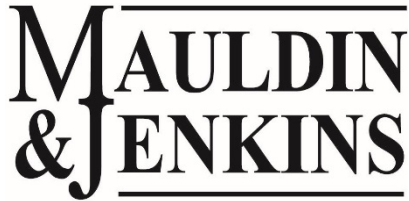
CITY OF UNION CITY, GEORGIA

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Culture and Recreation</i>										
Park Acreage	22	22	22	34	34	34	34	34	34	55
Parks	2	2	2	2	2	2	2	2	2	2
Tennis Courts	0	0	0	0	0	0	0	0	0	1
Baseball Fields	2	2	2	2	5	5	5	5	5	5
Community Centers & Depot	2	2	2	2	2	2	2	2	2	2
<i>Fire</i>										
Fire Stations	2	3	3	3	3	3	3	3	3	3
<i>Police</i>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	48	48	48	48	48	56	56	64	68	44
Patrol Zones	4	5	5	5	5	5	5	5	5	5
<i>Public Service - Sewerage System</i>										
Sanitary Sewer (Miles)	76.0	79.9	79.9	79.9	79.9	90	90	90	90	90
Treatment Plants	0	0	0	0	0	0	0	0	0	0
<i>Public Service - Streets</i>										
Streets (Miles)	90.0	115.1	115.1	115.1	115.1	115.7	115.7	115.7	115.7	115.7
Streets (Lights)	912	912	912	1,068	1,188	1188	1188	1223	1205	1236
<i>Public Service - Water System</i>										
Water Mains (Miles)	68	69	69	69	68	80	80	80	80	80
Number of Fire Hydrants	796	538	540	540	565	591	591	591	591	591

SOURCE: Various City Departments

COMPLIANCE SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Union City, Georgia (the "City"), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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


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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
February 26, 2019

CITY OF UNION CITY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

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

A single audit was not performed for the fiscal year ended August 31, 2018 due to the City not expending \$750,000 in federal funds.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF UNION CITY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

STATUS OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.