

CITY OF UNION CITY

EAGLES



2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
August 31, 2020



CITY OF UNION CITY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2020

Prepared by:
Union City Finance Department

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

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INTRODUCTORY SECTION



THE CITY OF
UNION CITY
GEORGIA

August 6, 2021

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

State law requires all general-purpose local governments publish for the close of each fiscal year a complete set of financial statements. The statements must be presented in conformity with generally accepted accounting principles (GAAP). Additionally, they must be 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. This action must be completed 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, 2020.

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

The City 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 for the fiscal year ended August 31, 2020, 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 financial statements for the fiscal year ended August 31, 2020, 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 management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of 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 has grown to its current population of approximately 20,500. The community is located in North Central Georgia on Interstate 85 in South Fulton County, the largest county in the State. 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.

The City 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, community development, public services, and parks and recreation. 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 and the Union City Development Authority are component units 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, 2020, by the Mayor and Council.

Financial Position and Future Prospects

Union City has great accessibility to three major interstate highways: I-20, I-75, and I-85, all of which provide superior logistical connectivity to cities in the southeastern region of the U.S. With major employers such as Amazon, Coca Cola, Walmart Ecommerce, and ASOS investing in the city, employment opportunities are a draw for new residents. ASOS, a global online fashion and beauty retailer, employs over 1700 people in their Union City fulfillment center, making them a major contributor to the community's workforce. Atlanta Metro Studios, whose redesign of a vacant mall property created one of the largest purpose-built film studios in North America, can be attributed as a catalyst to the burgeoning film industry within the community. As a further benefit, filming is done not only onsite but in other areas of the city as well.

As Union City grows, there is a continuous effort to ensure infrastructure is sustainable, including the city's transportation system. To manage congestion and protect air quality, the city is encouraging active transportation as well as a network of continuous bike and sidewalk routes. An additional \$23 million in City funding was made available through TSPLOST – a special purpose, local option sales tax, which funds critical transportation projects like roads and bridges and active transportation.

The City is working with the development community to ensure housing inventory also thrives. Several new residential subdivisions including Stonewall Station, Chatteron Springs, and Bentley Ridge developments are either in progress or currently completed. 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. 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 this incentive, Union City continues to maintain a solid yet distinctive blend of business clusters that are strategically designed to succeed.

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 2020, Union City received grants for public safety, sidewalks, park amenities, 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 Annual Comprehensive Financial Report for the fiscal period ended August 31, 2019. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized financial report 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 Annual Comprehensive Financial Report, 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 Annual Comprehensive Financial Report 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

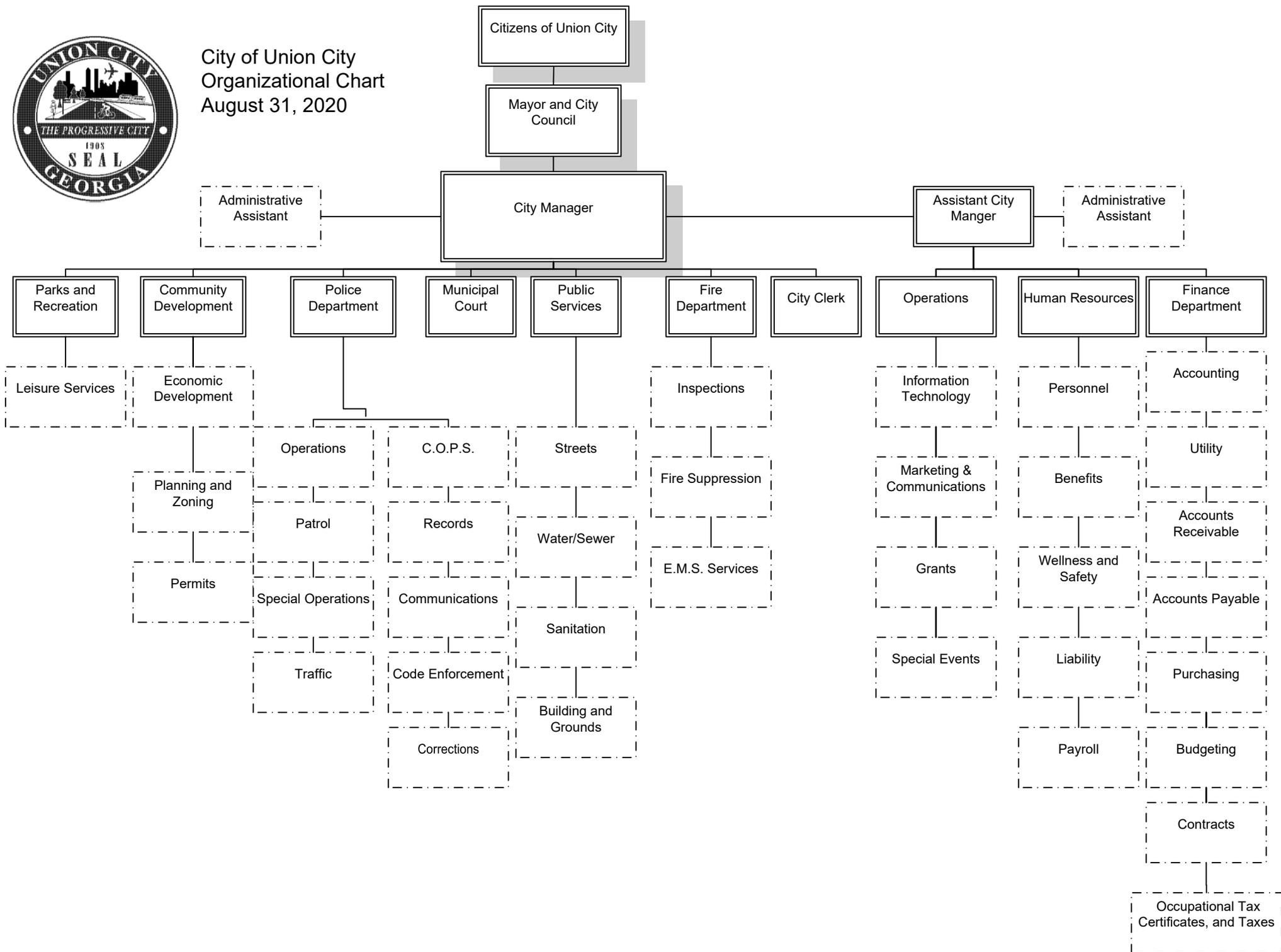
August 31, 2019

Christopher P. Morill

Executive Director/CEO



City of Union City
Organizational Chart
August 31, 2020



CITY OF UNION CITY, GEORGIA

LIST OF PRINCIPAL OFFICIALS AUGUST 31, 2020

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

Other Officials

Assistant City Manager

Tarsha Calloway

Director of Community Development

Ellis Still

Director of Human Resources

Linda Goodman-Warren

Comptroller

Crystal Lazarus

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 units, 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, 2020, 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 units, each major fund, and the aggregate remaining fund information of the City of Union City, Georgia, as of August 31, 2020, 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 ("MD&A") (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 57 and 58 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 ("GASB"), 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 fund financial statements and schedules, the schedule of projects constructed with proceeds from transportation special purpose local option sales tax (as required by the Official Code of Georgia Annotated 48-8-249), and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The combining and individual fund financial statements and schedules and the schedule of projects constructed with proceeds from transportation special purpose local option sales tax 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 fund financial statements and schedules and the schedule of projects constructed with proceeds from transportation special purpose local option sales tax 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 August 6, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 6, 2021

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, 2020. 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 2020 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$61,380,664 (net position).
- The City's total net position increased by \$8,217,987 or 15.46%.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of \$47,172,074 which was an increase of \$7,164,828 or 17.91% from the prior fiscal year.
- The City's General Fund reported a positive fund balance of \$23,698,070 which represents 117.86% of the current year expenditures.
- In fiscal 2019, The South Fulton Municipal Regional Jail Authority, a component unit of the City, sold the jail facility to Fulton County, Georgia, thereby relieving the City of any obligation on outstanding bonds issued by the Authority.
- General Fund results were \$7,426,030 better than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to 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 these items 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

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

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 and sanitation.

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 and the Union City Development Authority. These are legally separate entities that are component units of the City due to the significance of their operational or financial relationship with the City. Financial information for these component units are 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) agency fund.

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, deferred inflows of resources 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 fiscal year.

CITY OF UNION CITY, GEORGIA

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 – 21.

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 22 – 25.

Agency Fund

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 and can be found on page 26.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two fiscal 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, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Union City's Net Position August 31, 2020 and 2019

| | Governmental | | Business Type | | Total | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 44,737,387 | \$ 40,224,392 | \$ 11,707,573 | \$ 10,206,661 | \$ 56,444,960 | \$ 50,431,053 |
| Capital assets, net | 25,835,417 | 24,165,550 | 13,028,320 | 13,615,601 | 38,863,737 | 37,781,151 |
| Total assets | 70,572,804 | 64,389,942 | 24,735,893 | 23,822,262 | 95,308,697 | 88,212,204 |
| Deferred outflow s of resources | 3,023,575 | 2,705,044 | 142,782 | 159,895 | 3,166,357 | 2,864,939 |
| Other liabilities | 7,794,498 | 12,134,705 | 3,292,483 | 2,751,032 | 11,086,981 | 14,885,737 |
| Long-term liabilities outstanding | 18,324,330 | 13,701,072 | 7,361,768 | 7,992,041 | 25,686,098 | 21,693,113 |
| Total liabilities | 26,118,828 | 25,835,777 | 10,654,251 | 10,743,073 | 36,773,079 | 36,578,850 |
| Deferred inflow s of resources | 305,477 | 1,251,963 | 15,832 | 83,653 | 321,309 | 1,335,616 |
| Net position: | | | | | | |
| Net investment in capital assets | 14,990,907 | 12,268,365 | 5,705,750 | 5,797,207 | 20,696,657 | 18,065,572 |
| Restricted | 14,950,289 | 13,516,860 | 1,294,574 | 1,374,641 | 16,244,863 | 14,891,501 |
| Unrestricted | 17,230,878 | 14,222,021 | 7,208,266 | 5,983,583 | 24,439,144 | 20,205,604 |
| Total net position | \$ 47,172,074 | \$ 40,007,246 | \$ 14,208,590 | \$ 13,155,431 | \$ 61,380,664 | \$ 53,162,677 |

Financial Position

The total net position of the City increased \$8,217,987 or 15.46%, from \$53,162,677 to \$61,380,664 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 further downturns in the economy.

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

| City of Union City's Changes in Net Position | | | | | | |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | Governmental | | Business Type | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 4,557,476 | \$ 4,403,689 | \$ 10,822,642 | \$ 10,878,717 | \$ 15,380,118 | \$ 15,282,406 |
| Operating grants and contributions | 291,203 | - | - | - | 291,203 | - |
| Capital grants and contributions | 619,893 | 1,673,477 | - | - | 619,893 | 1,673,477 |
| General revenues: | | | | | | |
| Property taxes | 13,450,992 | 12,773,085 | - | - | 13,450,992 | 12,773,085 |
| Sales taxes | 8,893,566 | 9,411,819 | - | - | 8,893,566 | 9,411,819 |
| Insurance premium taxes | 1,471,609 | 1,394,090 | - | - | 1,471,609 | 1,394,090 |
| Franchise taxes | 1,569,209 | 1,506,941 | - | - | 1,569,209 | 1,506,941 |
| Other taxes | 579,425 | 668,225 | - | - | 579,425 | 668,225 |
| Miscellaneous | 106,008 | - | - | - | 106,008 | - |
| Unrestricted investment earnings | 534,631 | 658,402 | 11,957 | 30,804 | 546,588 | 689,206 |
| Total revenues | 32,074,012 | 32,489,728 | 10,834,599 | 10,909,521 | 42,908,611 | 43,399,249 |
| Expenses: | | | | | | |
| General government | 4,888,582 | 5,300,953 | - | - | 4,888,582 | 5,300,953 |
| Judicial | 548,549 | 490,390 | - | - | 548,549 | 490,390 |
| Public safety | 13,080,397 | 11,417,818 | - | - | 13,080,397 | 11,417,818 |
| Public works | 3,392,895 | 3,212,888 | - | - | 3,392,895 | 3,212,888 |
| Parks and recreation | 1,359,836 | 938,851 | - | - | 1,359,836 | 938,851 |
| Economic development | 1,149,391 | 934,250 | - | - | 1,149,391 | 934,250 |
| Interest on long-term debt | 438,781 | 437,610 | - | - | 438,781 | 437,610 |
| Water and Sewer | - | - | 7,690,586 | 7,797,294 | 7,690,586 | 7,797,294 |
| Sanitation | - | - | 1,497,294 | 1,538,470 | 1,497,294 | 1,538,470 |
| Stormwater | - | - | 644,313 | 499,988 | 644,313 | 499,988 |
| Total expenses | 24,858,431 | 22,732,760 | 9,832,193 | 9,835,752 | 34,690,624 | 32,568,512 |
| Increase in net position before transfers | 7,215,581 | 9,756,968 | 1,002,406 | 1,073,769 | 8,217,987 | 10,830,737 |
| Transfers | (50,753) | 1,190,094 | 50,753 | (1,190,094) | - | - |
| Change in net position | 7,164,828 | 10,947,062 | 1,053,159 | (116,325) | 8,217,987 | 10,830,737 |
| Net position, beginning of fiscal year | 40,007,246 | 29,060,184 | 13,155,431 | 13,271,756 | 53,162,677 | 42,331,940 |
| Net position, end of fiscal year | \$ 47,172,074 | \$ 40,007,246 | \$ 14,208,590 | \$ 13,155,431 | \$ 61,380,664 | \$ 53,162,677 |

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

As noted in the table on the preceding page, governmental revenues decreased \$415,716 or 1.28%. The more significant changes were capital grants and contributions which decreased \$1,053,584 or 62.96% as certain Georgia Department of Transportation capital grants were completed in the prior fiscal year. Operating grants and contributions increased \$291,203 from federal pandemic relief. Sales taxes which include Local Option Sales Taxes (LOST) and Transportation Special Purpose Local Option Sales Taxes (TSPLOST), decreased \$518,253 or 5.51% as the pandemic impacted in the local retail economy. Property taxes increased \$677,907 or 5.31%, due to increased assessed property values and commercial growth.

In total, governmental expenses increased \$2,125,671 or 9.35% over the prior fiscal year. General Government expenses decreased \$412,371 or 7.78% for a couple of reasons as prior fiscal year expenses included approximately \$780,000 of non-capitalizable assets reclassified as general government expenses which was not required in 2020. This was offset by general increases in General Fund expenditures of \$415,045 primarily from pandemic related increases in spending. Public safety expenses increased \$1,662,579 or 14.56% because of additional pandemic related expenses. Parks and recreation expense increased \$420,985 or 44.84% because of increases in staff and related benefits and increased depreciation related to new facilities. Changes in other categories of expense were not significant.

Business-Type Activities

Net position for business-type activities increased \$1,053,159 or 8.01%. The Water and Sewer Fund reported an increase in net position of \$860,987; the Stormwater Fund had an increase in net position of \$65,005; and the Sanitation Fund had an increase in net position of \$127,167.

The Water and Sewer Fund had net operating income of \$2,308,887; \$1,833,777; and \$2,742,125; for 2020, 2019 and 2018, respectively. Operating income increased \$475,110 in 2020 compared to 2019. Contributing to this increase were increases in water and sewer revenue of \$332,411 or 4.74% as a result of increase in usage as well as increases in other charges of \$73,859 or 12.32% primarily from increases in sewer connection permits. Operating expenses decreased \$71,380 as decreases in personnel costs offset any increases in water purchase costs. 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 \$1,496,640; \$1,516,551; and \$1,607,071; for 2020, 2019 and 2018, respectively. (See Note 13, page 55).

The Stormwater Fund had net operating income of \$205,352; \$349,410; and \$566,493; for 2020, 2019 and 2018, respectively. Contributing to the decreases in operating income over this period were outsourced professional services of \$281,000 in 2019 for city wide stormwater planning and an increase of approximately \$110,000 in 2020 for storm drain replacements.

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 of 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

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$264,317; \$267,030; and \$311,730; for 2020, 2019 and 2018, 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 17 and 19, are \$38,685,059. This balance represents an increase of \$5,214,984 or 15.58% from last fiscal year's ending balance.

The General Fund's fund balance has increased \$3,577,297 or 17.78% as the City continues to build reserves for funding future capital projects and as a hedge against future economic disruptions. The T-SPLOST Fund's fund balance has increased \$2,983,078 or 41.11% as the City collects T-SPLOST proceeds for transportation projects projected to start in future fiscal years. The Capital Projects Fund decreased \$1,861,786 or 47.19% as planned capital projects are in progress.

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 \$5,265,737 as compared to \$2,120,972 in the prior fiscal year. Governmental revenues increased \$948,803 or 3.01%. Property taxes increased \$504,533 or 3.97% due to increases in property values and additional commercial development within the city. Sales taxes decreased \$518,253 or 5.51% as the pandemic reduced retail activity in the City. Licenses and permits increased \$316,382 or 11.94% as the City continues to attract new development. Intergovernmental revenues increased \$775,512 or 100.46% as the City recognized revenues for transportation grants from prior fiscal years which had been deferred until collected. Interest revenues decreased \$123,771 or 18.8% as interest rates have decreased.

Overall governmental expenditures decreased \$2,195,962 or 7.47%. The primary reason for the decrease was a significant decrease in capital outlay from the prior fiscal year as general obligation bond proceeds were expended in the prior fiscal year for capital projects. General government expenditures increased \$411,048 or 10.47% because of overall increases in general operating costs. Public safety expenditures increased \$1,294,359 or 11.86% to additional costs from pandemic related activities. Parks and recreation expenditures increased \$247,269 or 32.24% due to increases in personnel and related benefits. Capital outlay decreased \$4,478,332 or 57.42% as the prior fiscal year included a community center building as well as various infrastructure projects.

**CITY OF UNION CITY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Union City's Changes in Governmental Fund Balance
August 31, 2020 and 2019**

| | <u>2020</u> | <u>2019</u> | <u>\$ Change</u> | <u>% Change</u> |
|---|---------------------|---------------------|---------------------|-----------------|
| Revenues | | | | |
| Property taxes | \$ 13,218,821 | \$ 12,714,288 | \$ 504,533 | 3.97 % |
| Sales taxes | 8,893,566 | 9,411,819 | (518,253) | (5.51) |
| Other taxes | 2,051,034 | 2,062,315 | (11,281) | (0.55) |
| Charges for services | 882,277 | 867,050 | 15,227 | 1.76 |
| Licenses and permits | 2,966,018 | 2,649,636 | 316,382 | 11.94 |
| Intergovernmental | 1,547,499 | 771,987 | 775,512 | 100.46 |
| Franchise fees | 1,569,209 | 1,506,941 | 62,268 | 4.13 |
| Fines and forfeitures | 684,401 | 729,045 | (44,644) | (6.12) |
| Interest revenue | 534,631 | 658,402 | (123,771) | (18.80) |
| Rental income | 24,780 | 22,436 | 2,344 | 10.45 |
| Other revenue | 106,008 | 135,522 | (29,514) | (21.78) |
| Total revenues | <u>32,478,244</u> | <u>31,529,441</u> | <u>948,803</u> | <u>3.01</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 4,337,858 | 3,926,810 | 411,048 | 10.47 |
| Judicial | 446,479 | 397,435 | 49,044 | 12.34 |
| Public safety | 12,210,190 | 10,915,831 | 1,294,359 | 11.86 |
| Public works | 2,892,626 | 2,750,999 | 141,627 | 5.15 |
| Parks and recreation | 1,014,209 | 766,940 | 247,269 | 32.24 |
| Planning and economic development | 1,138,403 | 934,250 | 204,153 | 21.85 |
| Capital outlay | 3,320,679 | 7,799,011 | (4,478,332) | (57.42) |
| Debt service | | | | |
| Principal | 1,385,954 | 1,413,753 | (27,799) | (1.97) |
| Interest | 466,109 | 503,440 | (37,331) | (7.42) |
| Total expenditures | <u>27,212,507</u> | <u>29,408,469</u> | <u>(2,195,962)</u> | <u>(7.47)</u> |
| Excess of revenues over expenditures | <u>5,265,737</u> | <u>2,120,972</u> | <u>3,144,765</u> | <u>148.27</u> |
| Other financing sources (uses) | | | | |
| Financed purchases | - | 822,401 | (822,401) | (100.00) |
| Net transfers | (50,753) | 1,190,094 | (1,240,847) | (104.26) |
| Total other financing sources (uses) | <u>(50,753)</u> | <u>2,012,495</u> | <u>(2,063,248)</u> | <u>(102.52)</u> |
| Net change in fund balance | <u>\$ 5,214,984</u> | <u>\$ 4,133,467</u> | <u>\$ 1,081,517</u> | <u>26.16 %</u> |

CITY OF UNION CITY, GEORGIA

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 \$24,423,300 of revenues to cover expenditures of \$23,888,805 and net transfers out of \$4,383,228. Actual results were \$7,426,030 better than projected.

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 21.

- For the General Fund, the actual revenues were \$2,234,827 better than the final budget. Revenues were budgeted at \$24,423,300 and actual revenues were \$26,658,127. Property taxes were \$1,139,821 better than budgeted due to increases in property values and additional development. Sales taxes were \$157,804 less than budgeted as a result of the impact of the pandemic. Other taxes and charges for services were \$215,911 and \$447,475 better than budgeted, respectively, as the city used a very conservative estimate for these revenue sources. Licenses and permits were \$526,018 better than budgeted due to significant increases in business licenses and building permits. Fines and forfeitures were \$135,599 less than budgeted due to penalties being assessed using community service as opposed to cash penalties.
- Actual expenditures of \$20,107,035 were \$3,781,770 less than the budgeted amount of \$23,888,805 as management continues to be very conservative in their budgeting. General government expenditures were \$1,112,723 less than budgeted primarily because a contingency budget of \$350,000 was not utilized and the general operations department was \$714,104 under budget because certain contractual services were not required. Public safety expenditures were \$1,552,564 less than budgeted because of vacancies in the police and fire departments. Public works expenditures were \$672,067 better than budgeted because projects were delayed due to the pandemic.

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets

The City has invested \$38,953,737 in capital assets (net of depreciation). Capital assets held by the City at the end of the current and previous fiscal year are summarized below:

City of Union City's Capital Assets, net of Accumulated Depreciation
August 31, 2020 and 2019

| | Government Type | | Business Type | | Total | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 1,008,556 | \$ 691,851 | \$ 493,194 | \$ 493,194 | \$ 1,501,750 | \$ 1,185,045 |
| Construction in progress | 517,346 | 3,130,961 | - | 108,686 | 517,346 | 3,239,647 |
| Buildings, grounds and improvements | 11,322,948 | 11,617,243 | 7,949,444 | 8,333,801 | 19,272,392 | 19,951,044 |
| Machinery and equipment | 419,017 | 248,611 | 277,801 | 179,159 | 696,818 | 427,770 |
| Infrastructure | 11,165,881 | 6,881,016 | 862,498 | 652,930 | 12,028,379 | 7,533,946 |
| Intangibles | - | - | 3,364,378 | 3,810,119 | 3,364,378 | 3,810,119 |
| Vehicles | 1,491,669 | 1,595,868 | 81,005 | 37,712 | 1,572,674 | 1,633,580 |
| Total | <u>\$ 25,925,417</u> | <u>\$ 24,165,550</u> | <u>\$ 13,028,320</u> | <u>\$ 13,615,601</u> | <u>\$ 38,953,737</u> | <u>\$ 37,781,151</u> |

The detailed schedule capital assets are reported in Note 4 of the financial statements. Total capital asset additions for 2020 were \$3,513,362 compared to \$6,706,131 in 2019.

Long-Term Debt

At the end of the current fiscal year, the City had long-term debt related to governmental activities of \$10,542,987 and \$7,540,000 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.

The debt position of the City is summarized below and is more fully analyzed in Note 5 of the financial statements.

City of Union City's Outstanding Long-Term Liabilities
August 31, 2020 and 2019

| | Government Type | | Business Type | | Total | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General obligation bonds backed by property taxes | \$10,415,000 | \$11,270,000 | \$ - | \$ - | \$10,415,000 | \$11,270,000 |
| Revenue bonds | - | - | 7,540,000 | 8,045,000 | 7,540,000 | 8,045,000 |
| Financed purchases | 127,987 | 658,941 | - | - | 127,987 | 658,941 |
| | <u>\$10,542,987</u> | <u>\$11,928,941</u> | <u>\$ 7,540,000</u> | <u>\$ 8,045,000</u> | <u>\$18,082,987</u> | <u>\$19,973,941</u> |

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

Union City, like most cities, has been hit hard by the pandemic. Due to uncertain economic conditions, the City, will make very conservative budget forecasts. The City continues to benefit from its strategic location and this 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 14.043 mills for the fiscal year 2021.

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, 2020

| | Primary Government | | | Component Units | | |
|--|-------------------------|--------------------------|--------------------------|--|----------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | South Fulton Municipal Regional Jail Authority | Union City Development Authority | Total Component Units |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 42,126,770 | \$ 7,980,220 | \$ 50,106,990 | \$ - | \$ 100,005 | \$ 100,005 |
| Taxes receivable | 448,223 | - | 448,223 | - | - | - |
| Accounts receivable, net of allowances | 134,082 | 2,183,343 | 2,317,425 | - | - | - |
| Interest receivable | - | - | - | 122,965 | - | 122,965 |
| Due from other governments | 1,399,561 | - | 1,399,561 | - | - | - |
| Intergovernmental receivable from Fulton County | - | - | - | 12,405,000 | - | 12,405,000 |
| Inventory | 12,892 | 25,727 | 38,619 | - | - | - |
| Prepaid items | 418,488 | - | 418,488 | - | - | - |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | 107,371 | 1,518,283 | 1,625,654 | - | - | - |
| Capital assets: | | | | | | |
| Nondepreciable | 1,525,902 | 493,194 | 2,019,096 | - | - | - |
| Depreciable, net of accumulated depreciation | 24,399,515 | 12,535,126 | 36,934,641 | - | - | - |
| Total assets | <u>70,572,804</u> | <u>24,735,893</u> | <u>95,308,697</u> | <u>12,527,965</u> | <u>100,005</u> | <u>12,627,970</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension related items | 2,755,070 | 142,782 | 2,897,852 | - | - | - |
| Deferred charges on refunding | 268,505 | - | 268,505 | 817,417 | - | 817,417 |
| Total deferred outflows of resources | <u>3,023,575</u> | <u>142,782</u> | <u>3,166,357</u> | <u>817,417</u> | <u>-</u> | <u>817,417</u> |
| LIABILITIES | | | | | | |
| Accounts payable | 4,914,679 | 1,462,678 | 6,377,357 | - | - | - |
| Accrued liabilities | 446,091 | 52,158 | 498,249 | - | - | - |
| Interest payable | - | - | - | 122,965 | - | 122,965 |
| Unearned revenues | 31,411 | - | 31,411 | - | - | - |
| Due to other governments | 116,638 | - | 116,638 | - | - | - |
| Customer deposits payable | - | 1,233,609 | 1,233,609 | - | - | - |
| Financed purchases due within one fiscal year | 127,987 | - | 127,987 | - | - | - |
| Bonds payable due within one fiscal year | 895,000 | 525,000 | 1,420,000 | 720,000 | - | 720,000 |
| Bonds payable due in more than one fiscal year | 10,326,807 | 6,947,294 | 17,274,101 | 11,685,000 | - | 11,685,000 |
| Claims payable due within one fiscal year | 690,369 | - | 690,369 | - | - | - |
| Compensated absences due within one fiscal year | 572,323 | 19,040 | 591,363 | - | - | - |
| Net pension liability due in more than one fiscal year | 7,997,523 | 414,474 | 8,411,997 | - | - | - |
| Total liabilities | <u>26,118,828</u> | <u>10,654,253</u> | <u>36,773,081</u> | <u>12,527,965</u> | <u>-</u> | <u>12,527,965</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension related items | 305,477 | 15,832 | 321,309 | - | - | - |
| Total deferred inflows of resources | <u>305,477</u> | <u>15,832</u> | <u>321,309</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 14,990,907 | 5,705,750 | 20,696,657 | - | - | - |
| Restricted | | | | | | |
| Law enforcement | 777,704 | - | 777,704 | - | - | - |
| Economic development | 683,931 | - | 683,931 | - | - | - |
| Emergency telephone operations | 46,591 | - | 46,591 | - | - | - |
| Debt service | 5,465 | 1,294,574 | 1,300,039 | 817,417 | - | 817,417 |
| Capital projects | 13,436,598 | - | 13,436,598 | - | - | - |
| Unrestricted | 17,230,878 | 7,208,266 | 24,439,144 | - | 100,005 | 100,005 |
| Total net position | <u>\$ 47,172,074</u> | <u>\$ 14,208,590</u> | <u>\$ 61,380,664</u> | <u>\$ 817,417</u> | <u>\$ 100,005</u> | <u>\$ 917,422</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, 2020

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | | | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|--|----------------------------------|-------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Units | | |
| | | | | | Governmental Activities | Business-type Activities | Total | South Fulton Municipal Regional Jail Authority | Union City Development Authority | Total |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 4,888,582 | \$ 2,227,594 | \$ - | \$ - | \$ (2,660,988) | \$ - | \$ (2,660,988) | \$ - | \$ - | \$ - |
| Judicial | 548,549 | 731,458 | - | - | 182,909 | - | 182,909 | - | - | - |
| Public safety | 13,080,397 | 93,417 | 291,203 | - | (12,695,777) | - | (12,695,777) | - | - | - |
| Public works | 3,392,895 | 861,443 | - | 619,893 | (1,911,559) | - | (1,911,559) | - | - | - |
| Parks and recreation | 1,359,836 | 20,754 | - | - | (1,339,082) | - | (1,339,082) | - | - | - |
| Planning and economic development | 1,149,391 | 622,810 | - | - | (526,581) | - | (526,581) | - | - | - |
| Interest on long-term debt | 438,781 | - | - | - | (438,781) | - | (438,781) | - | - | - |
| Total governmental activities | <u>24,858,431</u> | <u>4,557,476</u> | <u>291,203</u> | <u>619,893</u> | <u>(19,389,859)</u> | <u>-</u> | <u>(19,389,859)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Business-type activities: | | | | | | | | | | |
| Water and Sewerage | 7,690,586 | 8,211,366 | - | - | - | 520,780 | 520,780 | - | - | - |
| Stormwater | 644,313 | 849,665 | - | - | - | 205,352 | 205,352 | - | - | - |
| Sanitation | 1,497,294 | 1,761,611 | - | - | - | 264,317 | 264,317 | - | - | - |
| Total business-type activities | <u>9,832,193</u> | <u>10,822,642</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>990,449</u> | <u>990,449</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 34,690,624</u> | <u>\$ 15,380,118</u> | <u>\$ 291,203</u> | <u>\$ 619,893</u> | <u>(19,389,859)</u> | <u>990,449</u> | <u>(18,399,410)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Component unit: | | | | | | | | | | |
| South Fulton Municipal Regional Jail Authority | \$ 234,020 | \$ - | \$ - | \$ - | - | - | - | (234,020) | - | (234,020) |
| Union City Development Authority | - | - | - | - | - | - | - | - | - | - |
| Total component unit | <u>\$ 234,020</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(234,020)</u> | <u>-</u> | <u>(234,020)</u> |
| General revenues: | | | | | | | | | | |
| Property taxes | | | | | 13,450,992 | - | 13,450,992 | - | - | - |
| Sales taxes | | | | | 8,893,566 | - | 8,893,566 | - | - | - |
| Insurance premium tax | | | | | 1,471,609 | - | 1,471,609 | - | - | - |
| Other taxes | | | | | 579,425 | - | 579,425 | - | - | - |
| Franchise taxes | | | | | 1,569,209 | - | 1,569,209 | - | - | - |
| Payments from primary government | | | | | - | - | - | - | 100,000 | 100,000 |
| Unrestricted investment earnings | | | | | 534,631 | 11,957 | 546,588 | 122,965 | 5 | 122,970 |
| Miscellaneous | | | | | 106,008 | - | 106,008 | - | - | - |
| Transfers | | | | | (50,753) | 50,753 | - | - | - | - |
| Total general revenues and transfers | | | | | <u>26,554,687</u> | <u>62,710</u> | <u>26,617,397</u> | <u>122,965</u> | <u>100,005</u> | <u>222,970</u> |
| Change in net position | | | | | <u>7,164,828</u> | <u>1,053,159</u> | <u>8,217,987</u> | <u>(111,055)</u> | <u>100,005</u> | <u>(11,050)</u> |
| Net position, beginning of fiscal year | | | | | <u>40,007,246</u> | <u>13,155,431</u> | <u>53,162,677</u> | <u>928,472</u> | <u>-</u> | <u>928,472</u> |
| Net position, end of fiscal year | | | | | <u>\$ 47,172,074</u> | <u>\$ 14,208,590</u> | <u>\$ 61,380,664</u> | <u>\$ 817,417</u> | <u>\$ 100,005</u> | <u>\$ 917,422</u> |

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

CITY OF UNION CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

| | General Fund | TSPLOST Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 26,484,882 | \$ 10,035,276 | \$ 2,628,759 | \$ 2,977,853 | \$ 42,126,770 |
| Taxes receivable, net | 407,846 | - | - | 40,377 | 448,223 |
| Intergovernmental receivable | 527,539 | 304,222 | - | 567,800 | 1,399,561 |
| Accounts receivable | 134,082 | - | - | - | 134,082 |
| Inventory | 12,892 | - | - | - | 12,892 |
| Due from other funds | 570,361 | - | - | 23,095 | 593,456 |
| Prepaid items | 263,488 | - | - | 155,000 | 418,488 |
| Restricted cash | 107,371 | - | - | - | 107,371 |
| Total assets | <u>\$ 28,508,461</u> | <u>\$ 10,339,498</u> | <u>\$ 2,628,759</u> | <u>\$ 3,764,125</u> | <u>\$ 45,240,843</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 4,126,113 | \$ 95,780 | \$ 104,064 | \$ 588,722 | \$ 4,914,679 |
| Accrued liabilities | 228,689 | 5,022 | - | - | 233,711 |
| Unearned revenue | 31,411 | - | - | - | 31,411 |
| Due to others | 23,368 | - | - | 93,270 | 116,638 |
| Due to other funds | - | - | 440,944 | 152,512 | 593,456 |
| Total liabilities | <u>4,409,581</u> | <u>100,802</u> | <u>545,008</u> | <u>834,504</u> | <u>5,889,895</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - property taxes | 400,802 | - | - | - | 400,802 |
| Unavailable revenue - intergovernmental revenues | - | - | - | 265,087 | 265,087 |
| Total deferred inflows of resources | <u>400,802</u> | <u>-</u> | <u>-</u> | <u>265,087</u> | <u>665,889</u> |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Inventory | 12,892 | - | - | - | 12,892 |
| Prepaid items | 263,488 | - | - | 155,000 | 418,488 |
| Restricted for: | | | | | |
| Law enforcement | - | - | - | 529,715 | 529,715 |
| Economic development | - | - | - | 683,931 | 683,931 |
| Emergency telephone operations | - | - | - | 46,591 | 46,591 |
| Debt service | - | - | - | 5,465 | 5,465 |
| Capital projects | - | 10,238,696 | 2,083,751 | 1,243,832 | 13,566,279 |
| Unassigned | 23,421,698 | - | - | - | 23,421,698 |
| Total fund balances | <u>23,698,078</u> | <u>10,238,696</u> | <u>2,083,751</u> | <u>2,664,534</u> | <u>38,685,059</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 28,508,461</u> | <u>\$ 10,339,498</u> | <u>\$ 2,628,759</u> | <u>\$ 3,764,125</u> | <u>\$ 45,240,843</u> |

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

CITY OF UNION CITY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
AUGUST 31, 2020

| | | |
|--|---------------------|--------------------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ | 38,685,059 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | |
| Cost | \$ 47,264,656 | |
| Less accumulated depreciation | <u>(21,339,239)</u> | 25,925,417 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. | | |
| Property taxes | \$ 400,802 | |
| intergovernmental revenues | <u>265,087</u> | 665,889 |
| Deferred refunding charges are not financial resources and, therefore, are not reported in the governmental funds. | | |
| | | 268,505 |
| 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. | | |
| Net pension liability | \$ (7,997,523) | |
| Deferred outflows of resources - pension related items | 2,755,070 | |
| Deferred inflows of resources - pension related items | <u>(305,477)</u> | (5,547,930) |
| Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Accrued interest | \$ (212,380) | |
| Financed purchases | (127,987) | |
| Bonds payable | (10,415,000) | |
| Premium | (806,807) | |
| Claims payable | (690,369) | |
| Compensated absences | <u>(572,323)</u> | <u>(12,824,866)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>47,172,074</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
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | General Fund | TSPLOST Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| Revenues | | | | | |
| Property taxes | \$ 13,218,821 | \$ - | \$ - | \$ - | \$ 13,218,821 |
| Sales taxes | 5,342,196 | 3,551,370 | - | - | 8,893,566 |
| Other taxes | 1,486,911 | - | - | 564,123 | 2,051,034 |
| Charges for services | 866,475 | - | - | 15,802 | 882,277 |
| Licenses and permits | 2,966,018 | - | - | - | 2,966,018 |
| Intergovernmental | - | - | - | 1,547,499 | 1,547,499 |
| Franchise taxes | 1,569,209 | - | - | - | 1,569,209 |
| Fines and forfeitures | 684,401 | - | - | - | 684,401 |
| Interest | 415,609 | 89,174 | 27,917 | 1,931 | 534,631 |
| Rental income | 24,780 | - | - | - | 24,780 |
| Other revenues | 83,707 | - | - | 22,301 | 106,008 |
| Total revenues | <u>26,658,127</u> | <u>3,640,544</u> | <u>27,917</u> | <u>2,151,656</u> | <u>32,478,244</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 4,333,626 | - | - | 4,232 | 4,337,858 |
| Judicial | 446,479 | - | - | - | 446,479 |
| Public safety | 11,181,258 | - | - | 1,028,932 | 12,210,190 |
| Public works | 2,091,688 | - | - | 800,938 | 2,892,626 |
| Parks and recreation | 1,012,296 | - | - | 1,913 | 1,014,209 |
| Planning and economic development | 1,041,688 | - | - | 96,715 | 1,138,403 |
| Capital outlay | - | 657,466 | 2,345,766 | 317,447 | 3,320,679 |
| Debt service: | | | | | |
| Principal | - | - | 530,954 | 855,000 | 1,385,954 |
| Interest | - | - | 12,983 | 453,126 | 466,109 |
| Total expenditures | <u>20,107,035</u> | <u>657,466</u> | <u>2,889,703</u> | <u>3,558,303</u> | <u>27,212,507</u> |
| Excess (deficiency) of revenues over (under) expenditures | 6,551,092 | 2,983,078 | (2,861,786) | (1,406,647) | 5,265,737 |
| Other financing sources (uses) | | | | | |
| Transfers in | 745,183 | - | 1,000,000 | 2,390,728 | 4,135,911 |
| Transfers out | (3,718,978) | - | - | (467,686) | (4,186,664) |
| Total other financing sources (uses) | <u>(2,973,795)</u> | <u>-</u> | <u>1,000,000</u> | <u>1,923,042</u> | <u>(50,753)</u> |
| Net change in fund balances | 3,577,297 | 2,983,078 | (1,861,786) | 516,395 | 5,214,984 |
| Fund balances, beginning of fiscal year | <u>20,120,781</u> | <u>7,255,618</u> | <u>3,945,537</u> | <u>2,148,139</u> | <u>33,470,075</u> |
| Fund balances, end of fiscal year | <u>\$ 23,698,078</u> | <u>\$ 10,238,696</u> | <u>\$ 2,083,751</u> | <u>\$ 2,664,534</u> | <u>\$ 38,685,059</u> |

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

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, 2020

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

Net change in fund balances - total governmental funds \$ 5,214,984

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

| | | |
|----------------------|--------------------|-----------|
| Capital outlay | \$ 3,207,668 | |
| Depreciation expense | <u>(1,443,144)</u> | 1,764,524 |

The net effect of various miscellaneous transactions involving capital assets (disposals) is to decrease net position.

| | |
|----------------------------|---------|
| Disposal of capital assets | (4,657) |
|----------------------------|---------|

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

| | | |
|---------------------------|------------------|-----------|
| Property taxes | \$ 232,171 | |
| Intergovernmental revenue | <u>(636,403)</u> | (404,232) |

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.

| | | |
|-------------------------------|----------------|-----------|
| Payment on financed purchases | \$ 530,954 | |
| Bond principal payments | <u>855,000</u> | 1,385,954 |

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.

| | | |
|----------------------|---------------|------------------|
| Accrued interest | \$ (15,182) | |
| Compensated absences | (120,991) | |
| Pension expense | (435,652) | |
| Claims expense | (262,430) | |
| Amortization expense | <u>42,510</u> | <u>(791,745)</u> |

Change in net position of governmental activities \$ 7,164,828

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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-----------------------|-----------------------|----------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 12,079,000 | \$ 12,079,000 | \$ 13,218,821 | \$ 1,139,821 |
| Sales taxes | 5,500,000 | 5,500,000 | 5,342,196 | (157,804) |
| Other taxes | 1,271,000 | 1,271,000 | 1,486,911 | 215,911 |
| Charges for services | 419,000 | 419,000 | 866,475 | 447,475 |
| Licenses and permits | 2,440,000 | 2,440,000 | 2,966,018 | 526,018 |
| Franchise taxes | 1,468,700 | 1,468,700 | 1,569,209 | 100,509 |
| Fines and forfeitures | 820,000 | 820,000 | 684,401 | (135,599) |
| Interest | 300,000 | 300,000 | 415,609 | 115,609 |
| Rental income | 53,000 | 53,000 | 24,780 | (28,220) |
| Other revenues | 72,600 | 72,600 | 83,707 | 11,107 |
| Total revenues | <u>24,423,300</u> | <u>24,423,300</u> | <u>26,658,127</u> | <u>2,234,827</u> |
| Expenditures | | | | |
| Current | | | | |
| General government: | | | | |
| City clerk | 514,996 | 514,996 | 545,361 | (30,365) |
| Finance | 723,097 | 723,097 | 597,578 | 125,519 |
| City administrator | 773,279 | 773,279 | 584,267 | 189,012 |
| Mayor and council | 481,072 | 481,072 | 388,857 | 92,215 |
| Human resources | 694,881 | 694,881 | 672,643 | 22,238 |
| Operations | 2,259,024 | 2,259,024 | 1,544,920 | 714,104 |
| Total general government | <u>5,446,349</u> | <u>5,446,349</u> | <u>4,333,626</u> | <u>1,112,723</u> |
| Judicial: | | | | |
| Municipal court | 591,881 | 591,881 | 446,479 | 145,402 |
| Public safety: | | | | |
| Police | 7,598,609 | 7,598,609 | 6,647,655 | 950,954 |
| Fire | 5,135,213 | 5,135,213 | 4,533,603 | 601,610 |
| Total public safety | <u>12,733,822</u> | <u>12,733,822</u> | <u>11,181,258</u> | <u>1,552,564</u> |
| Public works: | | | | |
| Buildings and grounds | 2,763,755 | 2,763,755 | 2,091,688 | 672,067 |
| Planning and economic development | 1,052,465 | 1,052,465 | 1,041,688 | 10,777 |
| Parks and recreation | 1,198,744 | 1,198,744 | 1,012,296 | 186,448 |
| Debt service | 101,789 | 101,789 | - | 101,789 |
| Total expenditures | <u>23,888,805</u> | <u>23,888,805</u> | <u>20,107,035</u> | <u>3,781,770</u> |
| Excess of revenues over expenditures | <u>534,495</u> | <u>534,495</u> | <u>6,551,092</u> | <u>6,016,597</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 713,496 | 713,496 | 745,183 | 31,687 |
| Transfers out | (5,096,724) | (5,096,724) | (3,718,978) | 1,377,746 |
| Total other financing uses, net | <u>(4,383,228)</u> | <u>(4,383,228)</u> | <u>(2,973,795)</u> | <u>1,409,433</u> |
| Net change in fund balances | <u>\$ (3,848,733)</u> | <u>\$ (3,848,733)</u> | <u>3,577,297</u> | <u>\$ 7,426,030</u> |
| Fund balance, beginning of fiscal year | | | 20,120,781 | |
| Fund balance, end of fiscal year | | | <u>\$ 23,698,078</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, 2020

| ASSETS | Water and Sewerage Fund | Stormwater Fund | Nonmajor Sanitation Fund | Totals |
|--|-------------------------------|---------------------|--------------------------------|----------------------|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 5,936,224 | \$ 1,193,690 | \$ 850,306 | \$ 7,980,220 |
| Accounts receivable, net | 1,573,774 | 299,602 | 309,967 | 2,183,343 |
| Inventory | 25,727 | - | - | 25,727 |
| Restricted assets | | | | |
| Cash and cash equivalents | 1,518,283 | - | - | 1,518,283 |
| Total current assets | <u>9,054,008</u> | <u>1,493,292</u> | <u>1,160,273</u> | <u>11,707,573</u> |
| NON-CURRENT ASSETS | | | | |
| Capital assets | | | | |
| Nondepreciable | 493,194 | - | - | 493,194 |
| Depreciable, net of accumulated depreciation | 11,301,693 | 1,233,433 | - | 12,535,126 |
| Total non-current assets | <u>11,794,887</u> | <u>1,233,433</u> | <u>-</u> | <u>13,028,320</u> |
| Total assets | <u>20,848,895</u> | <u>2,726,725</u> | <u>1,160,273</u> | <u>24,735,893</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related items | 142,782 | - | - | 142,782 |
| Total deferred outflows of resources | <u>142,782</u> | <u>-</u> | <u>-</u> | <u>142,782</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 1,136,214 | 192,513 | 133,951 | 1,462,678 |
| Accrued liabilities | 7,345 | - | - | 7,345 |
| Compensated absences | 19,040 | - | - | 19,040 |
| Payables from restricted assets: | | | | |
| Customer deposits payable | 1,233,609 | - | - | 1,233,609 |
| Revenue bonds payable - current portion | 525,000 | - | - | 525,000 |
| Accrued interest on bonds payable | 44,813 | - | - | 44,813 |
| Total current liabilities | <u>2,966,021</u> | <u>192,513</u> | <u>133,951</u> | <u>3,292,485</u> |
| NON-CURRENT LIABILITIES | | | | |
| Revenue bonds payable - net of unamortized discounts and current portion | 6,947,294 | - | - | 6,947,294 |
| Net pension liability | 414,474 | - | - | 414,474 |
| Total non-current liabilities | <u>7,361,768</u> | <u>-</u> | <u>-</u> | <u>7,361,768</u> |
| Total liabilities | <u>10,327,789</u> | <u>192,513</u> | <u>133,951</u> | <u>10,654,253</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related items | 15,832 | - | - | 15,832 |
| Total deferred inflows of resources | <u>15,832</u> | <u>-</u> | <u>-</u> | <u>15,832</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 4,472,317 | 1,233,433 | - | 5,705,750 |
| Restricted | | | | |
| Debt service | 1,294,574 | - | - | 1,294,574 |
| Unrestricted | 4,881,165 | 1,300,779 | 1,026,322 | 7,208,266 |
| Total net position | <u>\$ 10,648,056</u> | <u>\$ 2,534,212</u> | <u>\$ 1,026,322</u> | <u>\$ 14,208,590</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, 2020

| | Water and Sewerage Fund | Stormwater Fund | Nonmajor Sanitation Fund | Totals |
|---|-------------------------------|---------------------|--------------------------------|----------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 7,351,767 | \$ 849,665 | \$ 1,671,028 | \$ 9,872,460 |
| Tap fees | 186,260 | - | - | 186,260 |
| Other charges | 673,339 | - | 90,583 | 763,922 |
| Total operating revenues | <u>8,211,366</u> | <u>849,665</u> | <u>1,761,611</u> | <u>10,822,642</u> |
| OPERATING EXPENSES | | | | |
| Water purchases | 2,578,930 | - | - | 2,578,930 |
| Personnel costs | 522,033 | - | - | 522,033 |
| Purchased or contracted services | 1,989,029 | 563,825 | 1,497,294 | 4,050,148 |
| Depreciation expense | 812,487 | 80,488 | - | 892,975 |
| Total operating expenses | <u>5,902,479</u> | <u>644,313</u> | <u>1,497,294</u> | <u>8,044,086</u> |
| Operating income | 2,308,887 | 205,352 | 264,317 | 2,778,556 |
| NON-OPERATING INCOME (EXPENSES) | | | | |
| Interest income | 11,957 | - | - | 11,957 |
| Interest expense | (291,467) | - | - | (291,467) |
| Intergovernmental agreement | (1,496,640) | - | - | (1,496,640) |
| Total non-operating expenses, net | <u>(1,776,150)</u> | <u>-</u> | <u>-</u> | <u>(1,776,150)</u> |
| Income before transfers | 532,737 | 205,352 | 264,317 | 1,002,406 |
| TRANSFERS | | | | |
| Transfers in | 328,250 | - | - | 328,250 |
| Transfers out | - | (140,347) | (137,150) | (277,497) |
| Total transfers | <u>328,250</u> | <u>(140,347)</u> | <u>(137,150)</u> | <u>50,753</u> |
| Change in net position | 860,987 | 65,005 | 127,167 | 1,053,159 |
| NET POSITION, beginning of fiscal year | <u>9,787,069</u> | <u>2,469,207</u> | <u>899,155</u> | <u>13,155,431</u> |
| NET POSITION, end of fiscal year | <u>\$ 10,648,056</u> | <u>\$ 2,534,212</u> | <u>\$ 1,026,322</u> | <u>\$ 14,208,590</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, 2020

| | Water and Sewerage Fund | Stormwater Fund | Nonmajor Sanitation Fund | Totals |
|---|-------------------------------|---------------------|--------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 8,242,954 | \$ 828,970 | \$ 1,714,835 | \$ 10,786,759 |
| Payments to suppliers | (4,249,043) | (477,145) | (1,484,958) | (6,211,146) |
| Payments to employees | (572,021) | - | - | (572,021) |
| Net cash provided by operating activities | <u>3,421,890</u> | <u>351,825</u> | <u>229,877</u> | <u>4,003,592</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Payments on intergovernmental agreement | (1,496,640) | - | - | (1,496,640) |
| Transfers in | 328,250 | - | - | 328,250 |
| Transfers out | - | (140,347) | (137,150) | (277,497) |
| Net cash used in non-capital financing activities | <u>(1,168,390)</u> | <u>(140,347)</u> | <u>(137,150)</u> | <u>(1,445,887)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchase of capital assets | - | (305,694) | - | (305,694) |
| Principal paid on bonds | (505,000) | - | - | (505,000) |
| Interest paid | (284,024) | - | - | (284,024) |
| Net cash used in capital and related financing activities | <u>(789,024)</u> | <u>(305,694)</u> | <u>-</u> | <u>(1,094,718)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and dividends received | 11,957 | - | - | 11,957 |
| Net cash provided by investing activities | <u>11,957</u> | <u>-</u> | <u>-</u> | <u>11,957</u> |
| Change in cash and cash equivalents | 1,476,433 | (94,216) | 92,727 | 1,474,944 |
| Cash and cash equivalents: | | | | |
| Beginning of fiscal year | <u>5,978,074</u> | <u>1,287,906</u> | <u>757,579</u> | <u>8,023,559</u> |
| End of fiscal year | <u>\$ 7,454,507</u> | <u>\$ 1,193,690</u> | <u>\$ 850,306</u> | <u>\$ 9,498,503</u> |
| Classified as: | | | | |
| Cash and cash equivalents | \$ 5,936,224 | 1,193,690 | \$ 850,306 | \$ 7,980,220 |
| Restricted assets, cash | 1,518,283 | - | - | 1,518,283 |
| | <u>\$ 7,454,507</u> | <u>\$ 1,193,690</u> | <u>\$ 850,306</u> | <u>\$ 9,498,503</u> |

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | <u>Water and Sewerage Fund</u> | <u>Stormwater Fund</u> | <u>Nonmajor Sanitation Fund</u> | <u>Totals</u> |
|---|--|----------------------------|---|---------------------|
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 2,308,887 | \$ 205,352 | \$ 264,317 | \$ 2,778,556 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation expense | 812,487 | 80,488 | - | 892,975 |
| Changes in assets, deferred outflows/inflows of resources, and liabilities: | | | | |
| (Increase) decrease in accounts receivable | 31,588 | (20,695) | (46,776) | (35,883) |
| Decrease in inventory | 9,736 | - | - | 9,736 |
| Decrease in deferred outflows from pension | 17,113 | - | - | 17,113 |
| Increase in accounts payable | 308,111 | 86,680 | 12,336 | 407,127 |
| Increase in accrued liabilities | 1,069 | - | - | 1,069 |
| Increase in customer deposits | 9,754 | - | - | 9,754 |
| Decrease in compensated absences | (5,676) | - | - | (5,676) |
| Decrease in net pension liability | (3,358) | - | - | (3,358) |
| Decrease in deferred inflows from pension | (67,821) | - | - | (67,821) |
| Net cash provided by operating activities | <u>\$ 3,421,890</u> | <u>\$ 351,825</u> | <u>\$ 229,877</u> | <u>\$ 4,003,592</u> |

CITY OF UNION CITY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
AUGUST 31, 2020

| | <u>Municipal Court</u> |
|---------------------------|------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 115,421 |
| Total assets | <u>\$ 115,421</u> |
| LIABILITIES | |
| Due to others | <u>\$ 115,421</u> |
| Total liabilities | <u>\$ 115,421</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, the City Manager 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 GAAP 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 units as of August 31, 2020:

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.

Union City Development Authority (the “Development Authority”). The Development Authority was established for the purposes of attracting development, industry, and employment opportunities to the City and to promote the general welfare of the State of Georgia by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City. The Board is comprised of six (6) members who are appointed by the Mayor and City Council. While there is a financial benefit or burden relationship as the City has provided support to the Development Authority, the Development Authority intends to issue debt on behalf of 3rd parties and will be collecting a fee to do so. It will not be functioning as a financing entity exclusively for the benefit of the City but rather for the community as a whole. Therefore, the Development Authority is reported in the City's financial statements as a proprietary type discretely presented component unit. Separate financial statements for the Development Authority are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

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 or committed 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.
4. The budget is legally adopted by the Mayor and City Council prior to August 31.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

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 GAAP.

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

The following funds had the following departments with excess of actual expenditures over appropriations as of August 31, 2020:

| | | |
|---------------------------------|----|--------|
| General Fund: | | |
| General Government - City Clerk | \$ | 30,365 |
| Emergency 911 Fund: | | |
| Public Safety | | 13,274 |
| TAD Fund: | | |
| Capital Outlay | | 7,272 |

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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").

The investment in the Georgia Fund 1, created by the Official Code of Georgia Annotated ("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 value as of fiscal 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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.

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

| | <u>Years</u> |
|--------------------------------------|--------------|
| Buildings, grounds, and improvements | 15-40 |
| Machinery and equipment | 3-10 |
| Infrastructure | 15-50 |
| Vehicles | 5-10 |
| Distribution system | 50 |

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 a 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 a 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 intergovernmental revenues 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 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 are recognized as deferred inflows of resources 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 re-appropriated in the following year, except for encumbrances in the Capital Project Funds which are continuing. Encumbrances do not represent GAAP expenditures. At August 31, 2020, 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.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 fiscal year ended August 31, 2020, the City's ad valorem tax revenues were reduced by \$981,468 under other government agreements entered into by Fulton County, Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of August 31, 2020, are summarized as follows:

As reported in the Statement of Net Position

| | |
|---|----------------------|
| Primary government | |
| Cash and cash equivalents | \$ 50,106,990 |
| Restricted Assets: | |
| Cash and cash equivalents | 1,625,654 |
| Agency fund - Municipal Court | 115,421 |
| Component units - cash and cash equivalents | 100,005 |
| | <u>\$ 51,948,070</u> |
| | |
| Cash deposited with financial institutions | \$ 51,830,898 |
| Cash deposited with Georgia Fund 1 | 117,172 |
| | <u>\$ 51,948,070</u> |

Georgia Fund 1 is reported as restricted cash equivalent as of August 31, 2020.

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, 2020, the City's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's and the weighted average maturity was 35 days.

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.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. 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 investment in the Georgia Fund 1 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of August 31, 2020, 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.

NOTE 3. RECEIVABLES

Receivables as of fiscal 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 Sanitation</u> |
|-------------------|----------------------------|--------------------------|----------------------------------|-------------------------------|--------------------------|--------------------------------|
| Receivables: | | | | | | |
| Taxes | \$ 1,063,072 | \$ - | \$ 40,377 | \$ - | \$ - | \$ - |
| Accounts | 134,082 | - | - | 2,463,702 | 451,777 | 402,006 |
| Intergovernmental | 527,539 | 304,222 | 567,800 | - | - | - |
| Gross receivables | <u>1,724,693</u> | <u>304,222</u> | <u>608,177</u> | <u>2,463,702</u> | <u>451,777</u> | <u>402,006</u> |
| Less allowance | (655,226) | - | - | (889,928) | (152,175) | (92,039) |
| Net receivables | <u><u>\$ 1,069,467</u></u> | <u><u>\$ 304,222</u></u> | <u><u>\$ 608,177</u></u> | <u><u>\$ 1,573,774</u></u> | <u><u>\$ 299,602</u></u> | <u><u>\$ 309,967</u></u> |

Property Taxes

Property taxes were levied on September 19, 2019 based upon property values assessed as of January 1. The billings were mailed on September 23, 2019, and were payable on or before November 25, 2019, 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 2020 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended August 31, 2020 and collected by October 31, 2020, are recognized as revenues in the year ended August 31, 2020. Net receivables estimated to be collected subsequent to October 31, 2020, are deferred as of August 31, 2020, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually. The tax rate levied during fiscal year 2019 for the City's operations was 14.952 mills (mill equals \$1 per thousand dollars of assessed value).

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES (CONTINUED)

Component Units – Intergovernmental Receivable

In October 2018, in conjunction with the issuance of the Series 2018 Bond, the South Fulton Municipal Regional Jail Authority entered into an intergovernmental contract with Fulton County in which Fulton County unconditionally agreed to make debt payments on behalf of the Authority in an amount equal to the debt service requirements of the Series 2018 Bond. These payments and the intergovernmental contract are pledged to the payment of the principal and interest on the Series 2018 Bond.

The estimated annual payments to be paid by Fulton County on behalf of the Authority under this intergovernmental contract as of August 31, 2020 are as follows:

| Fiscal Year Ending August 31, | Principal | Interest | Total |
|--------------------------------------|----------------------|---------------------|----------------------|
| 2021 | \$ 720,000 | \$ 360,146 | \$ 1,080,146 |
| 2022 | 745,000 | 338,244 | 1,083,244 |
| 2023 | 765,000 | 315,669 | 1,080,669 |
| 2024 | 790,000 | 292,422 | 1,082,422 |
| 2025 | 815,000 | 268,427 | 1,083,427 |
| 2026-2030 | 4,470,000 | 955,006 | 5,425,006 |
| 2031-2034 | 4,100,000 | 250,312 | 4,350,312 |
| | <u>\$ 12,405,000</u> | <u>\$ 2,780,226</u> | <u>\$ 15,185,226</u> |

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended August 31, 2020, 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 | \$ 316,705 | \$ - | \$ - | \$ 1,008,556 |
| Construction in progress | 3,130,961 | 2,051,621 | - | (4,665,236) | 517,346 |
| Total capital assets, not being depreciated | <u>3,822,812</u> | <u>2,368,326</u> | <u>-</u> | <u>(4,665,236)</u> | <u>1,525,902</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings, grounds and improvements | 17,682,630 | - | - | 187,433 | 17,870,063 |
| Machinery and equipment | 1,266,094 | 229,827 | - | - | 1,495,921 |
| Infrastructure | 15,612,159 | 237,640 | - | 4,477,803 | 20,327,602 |
| Vehicles | 5,731,087 | 371,875 | (57,794) | - | 6,045,168 |
| Total capital assets, being depreciated | <u>40,291,970</u> | <u>839,342</u> | <u>(57,794)</u> | <u>4,665,236</u> | <u>45,738,754</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings, grounds and improvements | (6,065,387) | (481,728) | - | - | (6,547,115) |
| Machinery and equipment | (1,017,483) | (59,421) | - | - | (1,076,904) |
| Infrastructure | (8,731,143) | (430,578) | - | - | (9,161,721) |
| Vehicles | (4,135,219) | (471,417) | 53,137 | - | (4,553,499) |
| Total accumulated depreciation | <u>(19,949,232)</u> | <u>(1,443,144)</u> | <u>53,137</u> | <u>-</u> | <u>(21,339,239)</u> |
| Total capital assets, being depreciated, net | <u>20,342,738</u> | <u>(603,802)</u> | <u>(4,657)</u> | <u>4,665,236</u> | <u>24,399,515</u> |
| Governmental activities capital assets, net | <u>\$ 24,165,550</u> | <u>\$ 1,764,524</u> | <u>\$ (4,657)</u> | <u>\$ -</u> | <u>\$ 25,925,417</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. 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 |
| Construction in progress | 108,686 | - | - | (108,686) | - |
| Total capital assets, not being depreciated | <u>601,880</u> | <u>-</u> | <u>-</u> | <u>(108,686)</u> | <u>493,194</u> |
| Capital assets, being depreciated: | | | | | |
| Distribution system | 18,757,841 | - | - | - | 18,757,841 |
| Machinery and equipment | 428,373 | 111,788 | (48,638) | - | 491,523 |
| Infrastructure | 969,187 | 137,106 | - | 108,686 | 1,214,979 |
| Wastewater treatment capacity | 6,374,612 | - | - | - | 6,374,612 |
| Vehicles | 255,880 | 56,800 | - | - | 312,680 |
| Total capital assets, being depreciated | <u>26,785,893</u> | <u>305,694</u> | <u>(48,638)</u> | <u>108,686</u> | <u>27,151,635</u> |
| Less accumulated depreciation for: | | | | | |
| Distribution system | (10,424,040) | (384,357) | - | - | (10,808,397) |
| Machinery and equipment | (228,447) | (33,913) | 48,638 | - | (213,722) |
| Infrastructure | (316,257) | (36,224) | - | - | (352,481) |
| Wastewater treatment capacity | (2,585,260) | (424,974) | - | - | (3,010,234) |
| Vehicles | (218,168) | (13,507) | - | - | (231,675) |
| Total accumulated depreciation | <u>(13,772,172)</u> | <u>(892,975)</u> | <u>48,638</u> | <u>-</u> | <u>(14,616,509)</u> |
| Total capital assets, being depreciated, net | <u>13,013,721</u> | <u>(587,281)</u> | <u>-</u> | <u>108,686</u> | <u>12,535,126</u> |
| Business-type activities capital assets, net | <u>\$ 13,615,601</u> | <u>\$ (587,281)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,028,320</u> |

The beginning balance of accumulated depreciation for Machinery and Equipment and for Wastewater Treatment Capacity in the business-type activities were restated due to a misclassified deletion from accumulated depreciation of \$20,769 in Machinery and Equipment which was erroneously recorded as a deletion from Wastewater Treatment Capacity. No aggregate misstatement occurred and it is only being disclosed here for clarity.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 92,364 |
| Judicial | 85,307 |
| Public safety | 481,429 |
| Public works | 464,423 |
| Parks and recreation | 319,621 |
| Total depreciation expense - governmental activities | <u>\$ 1,443,144</u> |
| Business-type activities: | |
| Water and sewer | \$ 812,487 |
| Stormwater | 80,488 |
| Total depreciation expense - governmental activities | <u>\$ 892,975</u> |

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NOTES TO FINANCIAL STATEMENTS

NOTE 5. GENERAL LONG-TERM DEBT

A. General Obligation Bonds

In 2014, the City issued \$8,650,000 of General Obligation Bonds for the purpose of refunding the 2006 Series General Obligation Bonds. The bonds were called and paid in full in April 2016, and no balance is outstanding for the 2006 General Obligation Bonds as of August 31, 2020. The refunding resulted in a deferred loss of \$522,497, which is being amortized over the life of the 2014 Series, with the current balance being \$268,505 as of August 31, 2020. The 2014 Series Bonds were issued with interest rates of 2.0%-4.0% and are payable on April 1 and October 1 each year, maturing on April 1, 2026. As of August 31, 2020, the total principal outstanding is \$5,570,000.

In 2017, the City issued \$5,000,000 of General Obligation Bonds for the acquisition, construction, and equipping of a community center. The Bonds were issued with interest rates of 2.0%-5.0% and are payable on April 1 and October 1 each year, maturing on April 1, 2046. As of August 31, 2020, the total principal outstanding is \$4,845,000.

General Obligation Bonds are direct obligations and pledged by the full faith and credit of the City. These Bonds generally are issued as 25-year serial bonds with equal amounts of principal maturing each year. Annual debt service requirements to maturity for General Obligation Bonds are as follows:

| Fiscal Year Ending August 31, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|----------------------|---------------------|----------------------|
| 2021 | \$ 895,000 | \$ 424,125 | \$ 1,319,125 |
| 2022 | 950,000 | 395,675 | 1,345,675 |
| 2023 | 990,000 | 365,475 | 1,355,475 |
| 2024 | 1,045,000 | 339,600 | 1,384,600 |
| 2025 | 1,090,000 | 306,350 | 1,396,350 |
| 2026-2030 | 1,675,000 | 1,081,450 | 2,756,450 |
| 2031-2035 | 825,000 | 865,000 | 1,690,000 |
| 2036-2040 | 1,110,000 | 632,000 | 1,742,000 |
| 2041-2045 | 1,485,000 | 318,500 | 1,803,500 |
| 2046 | 350,000 | 17,500 | 367,500 |
| | <u>\$ 10,415,000</u> | <u>\$ 4,745,675</u> | <u>\$ 15,160,675</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

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.

Revenue bonds outstanding at August 31, 2020, are as follows:

| | Original Amount | Interest Rates | Balance August 31, 2020 |
|---------------------------------------|--------------------|-------------------|-------------------------------|
| 2012 Water and Sewer Revenue Bonds | \$ 11,275,000 | 2.00% – 4.00% | \$ 7,540,000 |

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

| Fiscal Year Ending August 31, | Principal | Interest | Total |
|-------------------------------|--------------|--------------|--------------|
| 2021 | \$ 525,000 | \$ 268,875 | \$ 793,875 |
| 2022 | 540,000 | 253,125 | 793,125 |
| 2023 | 555,000 | 239,925 | 794,925 |
| 2024 | 570,000 | 220,275 | 790,275 |
| 2025 | 590,000 | 201,750 | 791,750 |
| 2026-2030 | 3,270,000 | 685,575 | 3,955,575 |
| 2031-2032 | 1,490,000 | 89,999 | 1,579,999 |
| | \$ 7,540,000 | \$ 1,959,524 | \$ 9,499,524 |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

C. Financed Purchases – Direct Placement

During 2019, the City entered into a financed purchase agreement with a local financial institution to finance the purchase of equipment and vehicles. Quarterly payments are due including interest at 3.15% in the amount of \$64,735 through January 2021. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). As of August 31, 2020, the principal amount outstanding is \$127,987.

As of August 31, 2020, the City reflects a total cost of assets under the finance purchase agreement of \$506,201 and accumulated depreciation of \$135,577.

Annual debt service requirements to maturity for financed purchases are as follows:

| Fiscal Year Ending August 31, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|------------------|-----------------|--------------|
| 2021 | \$ 127,987 | \$ 1,513 | \$ 129,500 |

D. Changes in Long-Term Liabilities – Primary Government

Long-term liability activity for the year ended August 31, 2020, 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 | \$ 11,270,000 | \$ - | \$ (855,000) | \$ 10,415,000 | \$ 895,000 |
| Plus: Premium | 892,860 | - | (86,053) | 806,807 | - |
| | <u>12,162,860</u> | <u>-</u> | <u>(941,053)</u> | <u>11,221,807</u> | <u>895,000</u> |
| Financed purchases | 658,941 | | (530,954) | 127,987 | 127,987 |
| Net pension liability | 6,253,311 | 3,196,019 | (1,451,807) | 7,997,523 | - |
| Claims payable | 427,939 | 557,093 | (294,663) | 690,369 | 690,369 |
| Compensated absences | 451,332 | 614,319 | (493,328) | 572,323 | 572,323 |
| Governmental activity Long-term liabilities | <u>\$ 19,954,383</u> | <u>\$ 4,367,431</u> | <u>\$ (3,711,805)</u> | <u>\$ 20,610,009</u> | <u>\$ 2,285,679</u> |
| Business-type activities: | | | | | |
| Revenue bonds | \$ 8,045,000 | \$ - | \$ (505,000) | \$ 7,540,000 | \$ 525,000 |
| Less: Discount | (77,676) | - | 9,970 | (67,706) | - |
| Total bonds payable | <u>7,967,324</u> | <u>-</u> | <u>(495,030)</u> | <u>7,472,294</u> | <u>525,000</u> |
| Net pension liability | 417,832 | 165,634 | (168,992) | 414,474 | - |
| Compensated absences | 24,717 | 24,728 | (30,405) | 19,040 | 19,040 |
| Business-type activity Long-term liabilities | <u>\$ 8,409,873</u> | <u>\$ 190,362</u> | <u>\$ (694,427)</u> | <u>\$ 7,905,808</u> | <u>\$ 544,040</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. 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 while financed purchases are liquidated by the Capital Projects 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 Units

In October 2018, the South Fulton Municipal Regional Jail Authority issued Taxable Refunding Revenue Bonds, Series 2018 for the purposes of: 1) refunding the Authority's previously issued Taxable Refunding Revenue Bonds, Series 2012, 2) paying the costs of issuing the 2018 Series Bonds, and 3) to assist in the sale of the jail to Fulton County, Georgia. The issue price of the 2018 Series Bond was less than the reacquisition price of the refunded Series 2012 Bond resulting in a deferred loss on refunding of \$928,472. This deferred loss will be amortized over the remaining life of the refunded bonds using the effective interest method. The difference in the present value of the old debt requirements and the present value of the new debt requirements, discounted at the effective interest rate resulted in an economic loss of \$250,000. The revenue bonds were issued with an interest rate of 3.65% and are payable on November 1 and May 1, maturing on November 1, 2023. As of August 31, 2020, the principal outstanding is \$12,405,000.

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 the fiscal year-end.

| Fiscal Year Ending August 31, | Principal | Interest | Total |
|-------------------------------|---------------|--------------|---------------|
| 2021 | \$ 720,000 | \$ 360,146 | \$ 1,080,146 |
| 2022 | 745,000 | 338,244 | 1,083,244 |
| 2023 | 765,000 | 315,669 | 1,080,669 |
| 2024 | 790,000 | 292,422 | 1,082,422 |
| 2025 | 815,000 | 268,427 | 1,083,427 |
| 2026-2030 | 4,470,000 | 955,006 | 5,425,006 |
| 2031-2035 | 4,100,000 | 250,312 | 4,350,312 |
| | \$ 12,405,000 | \$ 2,780,226 | \$ 15,185,226 |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

E. Component Units (Continued)

Long-term liability activity for the Authority for the fiscal year ended August 31, 2020, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------|----------------------|-----------|--------------|-------------------|------------------------|
| Component units: | | | | | |
| Revenue bonds | \$ 12,825,000 | \$ - | \$ (420,000) | \$ 12,405,000 | \$ 720,000 |

NOTE 6. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Union City, Georgia, has established a non-contributory defined benefit pension plan, the City of Union City Retirement Plan (the "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, 2020, pension plan membership consisted of the following:

| | |
|---|-----|
| Retirees and beneficiaries currently receiving benefits | 84 |
| Vested terminated employees | 125 |
| Active members | 187 |
| | 396 |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 fiscal year ended August 31, 2020, the City's contribution rate was 13.50% of annual payroll. City contributions to the Plan were \$1,205,458 for the fiscal year ended August 31, 2020.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|---------------------------------|
| Inflation | 2.25% |
| Projected salary increases | 3.00% - 8.50%, net of inflation |
| Net Investment rate of return | 7.375% |

Mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019 conducted by Segal in November and December of 2019.

The cost of living adjustment is assumed to be 2.10%.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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 March 31, 2019, are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|-----------------------|----------------------|---|
| Domestic equity | 45% | 6.41% |
| International Equity | 20% | 6.96% |
| Domestic fixed income | 20% | 1.96% |
| Real estate | 10% | 4.76% |
| Global fixed income | 5% | 3.06% |
| Cash | 0% | |
| Total | 100% | |

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

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. This is a decrease from the prior year rate of 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 6. 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 fiscal year ended August 31, 2020, were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at August 31, 2019 | \$ 26,113,568 | \$ 19,442,425 | \$ 6,671,143 |
| <i>Changes for the fiscal year:</i> | | | |
| Service cost | 391,786 | - | 391,786 |
| Interest cost | 1,941,144 | - | 1,941,144 |
| Differences between expected and actual experiences | 461,000 | - | 461,000 |
| Contributions - employer | - | 1,034,872 | (1,034,872) |
| Net investment income | - | 585,927 | (585,927) |
| Benefit payments, including refunds of employee contributions | (1,246,878) | (1,246,878) | - |
| Administrative expense | - | (42,334) | 42,334 |
| Other | 525,389 | - | 525,389 |
| <i>Net changes</i> | <u>2,072,441</u> | <u>331,587</u> | <u>1,740,854</u> |
| Balances at August 31, 2020 | \$ 28,186,009 | \$ 19,774,012 | \$ 8,411,997 |

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

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

| | 1% Decrease (6.375%) | Current Discount Rate (7.375%) | 1% Increase (8.375%) |
|-----------------------|-------------------------|--------------------------------------|-------------------------|
| Net pension liability | \$ 12,270,007 | \$ 8,411,997 | \$ 5,224,180 |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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, 2019, and the current sharing pattern of costs between employer and employee.

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

For the fiscal year ended August 31, 2020, the City recognized pension expense of \$1,587,042. At August 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 1,277,991 | \$ 192,886 |
| Changes in assumptions | 414,403 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 128,423 |
| City contributions subsequent to the measurement date | 1,205,458 | - |
| | \$ 2,897,852 | \$ 321,309 |

City contributions subsequent to the measurement date of \$1,205,458 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending August 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a component of pension expense as follows:

| Fiscal year ending August 31, | | |
|--------------------------------------|----|------------------|
| 2021 | \$ | 280,685 |
| 2022 | | 301,258 |
| 2023 | | 616,599 |
| 2024 | | 172,543 |
| | \$ | 1,371,085 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. 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 \$86,921 and the employees' contributions approximated \$353,945 for the fiscal year ended August 31, 2020.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of August 31, 2020, are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|-------------------|
| General Fund | Capital Projects Fund | \$ 417,849 |
| General Fund | Nonmajor Governmental Funds | 152,512 |
| Nonmajor Governmental Funds | Capital Projects Fund | 23,095 |
| | | <u>\$ 593,456</u> |

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended August 31, 2020, consisted of the following:

| Transfers In | Transfers Out | Amount |
|-----------------------------|-----------------------------|---------------------|
| General Fund | Nonmajor Governmental Funds | \$ 467,686 |
| General Fund | Stormwater Fund | 140,347 |
| General Fund | Nonmajor Sanitation Fund | 137,150 |
| | | \$ 745,183 |
| Capital Projects Fund | General Fund | \$ 1,000,000 |
| Nonmajor Governmental Funds | General Fund | 2,390,728 |
| Water and Sewer Fund | General Fund | 328,250 |
| | | \$ 3,718,978 |

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 9. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. For the fiscal year ended August 31, 2020, \$241,788 of hotel/motel tax was collected. Of the total collected in the current and prior fiscal years, \$96,715 was used for the promotion of tourism within the City. The remainder of the funds collected in prior fiscal years remains unspent at fiscal year-end.

NOTE 10. EXCISE TAX ON RENTAL MOTOR VEHICLES

The City has imposed and collected an excise tax on rental motor vehicles under the provisions of the O.C.G.A §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, 2020, \$322,335 of excise tax was collected and \$250,000 was used to pay for tourism outlays within the City.

NOTE 11. 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 fiscal year ending August 31, 2020, 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. §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 12. 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 13. 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 fiscal year ended August 31, 2020, the City agreed to pay the Water and Sewer Authority \$1,496,640 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.

On July 1, 2014, the Authority entered into an agreement to refinance the Series 2007 Variable Rate Revenue Bonds Authority with the Series 2014 bonds. The net results of the refinancing resulted in an economic loss of \$3,953,000 and a deferred outflow on the refunding of \$4,087,845.

As of December 31, 2020, the Water and Sewer Authority's debt service requirements on the Series 2014 Variable Rate Revenue Bonds were as follows using a variable interest rate of 3-5%:

| Fiscal Year Ending December 31, | Principal | Interest | Total |
|--|----------------------|---------------------|----------------------|
| 2021 | \$ 1,490,000 | \$ 1,205,525 | \$ 2,695,525 |
| 2022 | 1,575,000 | 1,144,226 | 2,719,226 |
| 2023 | 1,675,000 | 1,070,850 | 2,745,850 |
| 2024 | 1,780,000 | 984,475 | 2,764,475 |
| 2025 | 1,900,000 | 892,475 | 2,792,475 |
| 2026-2030 | 11,280,000 | 3,121,110 | 14,401,110 |
| 2031-2033 | 8,420,000 | 530,650 | 8,950,650 |
| | <u>\$ 28,120,000</u> | <u>\$ 8,949,311</u> | <u>\$ 37,069,311</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 14. 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 15. 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.

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 fiscal 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
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | |
| Service cost | \$ 391,786 | \$ 380,915 | \$ 395,133 | \$ 376,569 | \$ 364,644 | \$ 445,614 |
| Interest on total pension liability | 1,941,144 | 1,760,138 | 1,736,122 | 1,622,957 | 1,472,322 | 1,380,840 |
| Differences between expected and actual experience | 461,000 | 1,426,594 | (482,217) | 381,421 | 968,158 | 333,822 |
| Changes on assumptions | 525,389 | - | 50,903 | - | - | (237,288) |
| Benefit payments, including refunds of employee contributions | (1,246,878) | (1,083,330) | (944,523) | (896,982) | (825,925) | (659,221) |
| Other changes | - | - | - | - | - | - |
| Net change in total pension liability | 2,072,441 | 2,484,317 | 755,418 | 1,483,965 | 1,979,199 | 1,263,767 |
| Total pension liability - beginning | 26,113,568 | 23,629,251 | 22,873,833 | 21,389,868 | 19,410,669 | 18,146,902 |
| Total pension liability - ending (a) | \$ 28,186,009 | \$ 26,113,568 | \$ 23,629,251 | \$ 22,873,833 | \$ 21,389,868 | \$ 19,410,669 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 1,034,872 | \$ 900,433 | \$ 987,884 | \$ 794,563 | \$ 1,006,474 | \$ 942,047 |
| Net investment income | 585,927 | 1,773,020 | 2,350,322 | 1,572,297 | 145,050 | 1,404,681 |
| Benefit payments, including refunds of employee contributions | (1,246,878) | (1,083,330) | (944,523) | (896,982) | (825,925) | (659,221) |
| Administrative expenses | (42,334) | (44,103) | (46,092) | (22,234) | (24,688) | (20,144) |
| Net change in plan fiduciary net position | 331,587 | 1,546,020 | 2,347,591 | 1,447,644 | 300,911 | 1,667,363 |
| Plan fiduciary net position - beginning | 19,442,425 | 17,896,405 | 15,548,814 | 14,101,170 | 13,800,259 | 12,132,896 |
| Plan fiduciary net position - ending (b) | \$ 19,774,012 | \$ 19,442,425 | \$ 17,896,405 | \$ 15,548,814 | \$ 14,101,170 | \$ 13,800,259 |
| City's net pension liability - ending (a) - (b) | \$ 8,411,997 | \$ 6,671,143 | \$ 5,732,846 | \$ 7,325,019 | \$ 7,288,698 | \$ 5,610,410 |
| Plan fiduciary net position as a percentage of the total pension liability | 70.16% | 74.45% | 75.74% | 67.98% | 65.92% | 71.10% |
| Covered payroll | \$ 7,792,153 | \$ 7,075,950 | \$ 7,097,123 | \$ 6,801,085 | \$ 6,490,346 | \$ 6,121,491 |
| City's net pension liability as a percentage of covered payroll | 107.95% | 94.28% | 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
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 1,504,209 | \$ 1,313,081 | \$ 1,309,670 | \$ 1,221,351 | \$ 1,169,509 | \$ 1,241,986 |
| Contributions in relation to the actuarially determined contribution | <u>1,205,458</u> | <u>1,034,872</u> | <u>976,424</u> | <u>911,893</u> | <u>865,396</u> | <u>935,461</u> |
| Contribution deficiency (excess) | <u>\$ 298,751</u> | <u>\$ 278,209</u> | <u>\$ 333,246</u> | <u>\$ 309,458</u> | <u>\$ 304,113</u> | <u>\$ 306,525</u> |
| Covered payroll | \$ 8,930,015 | \$ 8,912,707 | \$ 7,075,950 | \$ 7,097,123 | \$ 6,801,085 | \$ 6,490,346 |
| Contributions as a percentage of covered payroll | 13.50% | 11.61% | 13.80% | 12.85% | 12.72% | 14.41% |

Notes to the Schedule:

| | |
|---------------------------------------|---|
| Valuation date | January 1, 2020 |
| Cost method | Projected unit credit |
| Actuarial asset valuation method | Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value. |
| Assumed rate of return on investments | 7.38% |
| Projected salary increases | 2.25% plus service based merit increases |
| Cost-of-living adjustment | 2.10% |
| Amortization method | Closed level dollar for remaining unfunded liability |
| Remaining amortization period | Varies for the bases, with a net effective amortization period of 10 years |

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 or committed 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 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 **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.

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

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 **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, 2020

| | 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 | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 107,618 | \$ 273,408 | \$ 465,362 | \$ 47,125 | \$ - | \$ 584,391 | \$ 813,207 |
| Taxes receivable | - | 23,923 | 16,454 | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | 271,825 |
| Due from other funds | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | 155,000 | - | - | - |
| Total assets | <u>\$ 107,618</u> | <u>\$ 297,331</u> | <u>\$ 481,816</u> | <u>\$ 202,125</u> | <u>\$ -</u> | <u>\$ 584,391</u> | <u>\$ 1,085,032</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 95,216 | \$ 534 | \$ - | \$ 7,273 | \$ 321,676 |
| Unearned revenue | - | - | - | - | - | - | - |
| Due to others | 93,270 | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>93,270</u> | <u>-</u> | <u>95,216</u> | <u>534</u> | <u>-</u> | <u>7,273</u> | <u>321,676</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - intergovernmental revenue | - | - | - | - | - | - | 247,989 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>247,989</u> |
| FUND BALANCES (DEFICITS) | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | - | - | - | 155,000 | - | - | - |
| Restricted for: | | | | | | | |
| Law enforcement | 14,348 | - | - | - | - | - | 515,367 |
| Economic development | - | 297,331 | 386,600 | - | - | - | - |
| Emergency telephone operations | - | - | - | 46,591 | - | - | - |
| Capital projects | - | - | - | - | - | 577,118 | - |
| Debt service | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund balances | <u>14,348</u> | <u>297,331</u> | <u>386,600</u> | <u>201,591</u> | <u>-</u> | <u>577,118</u> | <u>515,367</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 107,618</u> | <u>\$ 297,331</u> | <u>\$ 481,816</u> | <u>\$ 202,125</u> | <u>\$ -</u> | <u>\$ 584,391</u> | <u>\$ 1,085,032</u> |

| Capital Projects Funds | | | Debt Service Funds | | | Totals |
|------------------------|-------------------|-------------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| Capital Grants Fund | CDBG Fund | General Obligation Bonds Fund | 2010 General Obligation Bond | 2014 General Obligation Bond | 2017 General Obligation Bond | |
| \$ 428,816 | \$ 241,715 | \$ 10,746 | \$ 1,469 | \$ 3,922 | \$ 74 | \$ 2,977,853 |
| - | - | - | - | - | - | 40,377 |
| 116,390 | 179,585 | - | - | - | - | 567,800 |
| - | - | 23,095 | - | - | - | 23,095 |
| - | - | - | - | - | - | 155,000 |
| <u>\$ 545,206</u> | <u>\$ 421,300</u> | <u>\$ 33,841</u> | <u>\$ 1,469</u> | <u>\$ 3,922</u> | <u>\$ 74</u> | <u>\$ 3,764,125</u> |
| \$ - | \$ 164,023 | \$ - | \$ - | \$ - | \$ - | \$ 588,722 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 93,270 |
| - | 152,512 | - | - | - | - | 152,512 |
| - | 316,535 | - | - | - | - | 834,504 |
| - | 17,098 | - | - | - | - | 265,087 |
| - | 17,098 | - | - | - | - | 265,087 |
| - | - | - | - | - | - | 155,000 |
| - | - | - | - | - | - | 529,715 |
| - | - | - | - | - | - | 683,931 |
| - | - | - | - | - | - | 46,591 |
| 545,206 | 87,667 | 33,841 | - | - | - | 1,243,832 |
| - | - | - | 1,469 | 3,922 | 74 | 5,465 |
| - | - | - | - | - | - | - |
| <u>545,206</u> | <u>87,667</u> | <u>33,841</u> | <u>1,469</u> | <u>3,922</u> | <u>74</u> | <u>2,664,534</u> |
| <u>\$ 545,206</u> | <u>\$ 421,300</u> | <u>\$ 33,841</u> | <u>\$ 1,469</u> | <u>\$ 3,922</u> | <u>\$ 74</u> | <u>\$ 3,764,125</u> |

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, 2020

| | 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 | |
| Revenues | | | | | | | |
| Other taxes | \$ - | \$ 322,335 | \$ 241,788 | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | 15,802 | - | - | - |
| Intergovernmental | - | - | - | - | - | - | 473,191 |
| Interest | 324 | - | - | - | - | - | 1,492 |
| Other revenues | - | - | - | - | - | - | 22,301 |
| Total revenues | <u>324</u> | <u>322,335</u> | <u>241,788</u> | <u>15,802</u> | <u>-</u> | <u>-</u> | <u>496,984</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | 4,232 |
| Public safety | 2,555 | - | - | 579,774 | - | - | 446,603 |
| Public works | - | - | - | - | - | - | 800,938 |
| Parks and recreation | - | - | - | - | - | - | 1,913 |
| Planning and economic development | - | - | 96,715 | - | - | - | - |
| Capital outlay | - | - | - | - | - | 68,548 | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - |
| Total expenditures | <u>2,555</u> | <u>-</u> | <u>96,715</u> | <u>579,774</u> | <u>-</u> | <u>68,548</u> | <u>1,253,686</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,231)</u> | <u>322,335</u> | <u>145,073</u> | <u>(563,972)</u> | <u>-</u> | <u>(68,548)</u> | <u>(756,702)</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | - | 705,617 | - | - | 323,875 |
| Transfers out | - | (250,000) | (145,073) | - | (72,613) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(250,000)</u> | <u>(145,073)</u> | <u>705,617</u> | <u>(72,613)</u> | <u>-</u> | <u>323,875</u> |
| Net change in fund balances | <u>(2,231)</u> | <u>72,335</u> | <u>-</u> | <u>141,645</u> | <u>(72,613)</u> | <u>(68,548)</u> | <u>(432,827)</u> |
| Fund balances (deficit), beginning of fiscal year | <u>16,579</u> | <u>224,996</u> | <u>386,600</u> | <u>59,946</u> | <u>72,613</u> | <u>645,666</u> | <u>948,194</u> |
| Fund balances, end of fiscal year | <u>\$ 14,348</u> | <u>\$ 297,331</u> | <u>\$ 386,600</u> | <u>\$ 201,591</u> | <u>\$ -</u> | <u>\$ 577,118</u> | <u>\$ 515,367</u> |

| Capital Projects Funds | | | Debt Service Funds | | | Totals |
|------------------------|-----------|--|------------------------------|------------------------------|------------------------------|--------------|
| Capital Grants Fund | CDBG Fund | General Obligation Bond Capital Projects | 2010 General Obligation Bond | 2014 General Obligation Bond | 2017 General Obligation Bond | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 564,123 |
| - | - | - | - | - | - | 15,802 |
| 911,821 | 162,487 | - | - | - | - | 1,547,499 |
| - | - | 115 | - | - | - | 1,931 |
| - | - | - | - | - | - | 22,301 |
| 911,821 | 162,487 | 115 | - | - | - | 2,151,656 |
| - | - | - | - | - | - | 4,232 |
| - | - | - | - | - | - | 1,028,932 |
| - | - | - | - | - | - | 800,938 |
| - | - | - | - | - | - | 1,913 |
| - | - | - | - | - | - | 96,715 |
| 67,314 | 181,585 | - | - | - | - | 317,447 |
| - | - | - | - | 775,000 | 80,000 | 855,000 |
| - | - | - | - | 205,874 | 247,252 | 453,126 |
| 67,314 | 181,585 | - | - | 980,874 | 327,252 | 3,558,303 |
| 844,507 | (19,098) | 115 | - | (980,874) | (327,252) | (1,406,647) |
| - | - | 56,937 | - | 980,049 | 324,250 | 2,390,728 |
| - | - | - | - | - | - | (467,686) |
| - | - | 56,937 | - | 980,049 | 324,250 | 1,923,042 |
| 844,507 | (19,098) | 57,052 | - | (825) | (3,002) | 516,395 |
| (299,301) | 106,765 | (23,211) | 1,469 | 4,747 | 3,076 | 2,148,139 |
| \$ 545,206 | \$ 87,667 | \$ 33,841 | \$ 1,469 | \$ 3,922 | \$ 74 | \$ 2,664,534 |

CITY OF UNION CITY, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|----------------------|---------------------|
| REVENUES | | | | |
| Sales tax | \$ 3,500,000 | \$ 3,500,000 | \$ 3,551,370 | \$ 51,370 |
| Interest | - | - | 89,174 | 89,174 |
| Total revenues | <u>3,500,000</u> | <u>3,500,000</u> | <u>3,640,544</u> | <u>140,544</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>3,841,818</u> | <u>3,841,818</u> | <u>657,466</u> | <u>3,184,352</u> |
| Total expenditures | <u>3,841,818</u> | <u>3,841,818</u> | <u>657,466</u> | <u>3,184,352</u> |
| Net change in fund balance | (341,818) | (341,818) | 2,983,078 | 3,043,808 |
| FUND BALANCES, beginning of fiscal year | <u>7,255,618</u> | <u>7,255,618</u> | <u>7,255,618</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 6,913,800</u> | <u>\$ 6,913,800</u> | <u>\$ 10,238,696</u> | <u>\$ 3,043,808</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|-----------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 27,917 | \$ 27,917 |
| Total revenues | <u>-</u> | <u>-</u> | <u>27,917</u> | <u>27,917</u> |
| EXPENDITURES | | | | |
| Capital outlay | 6,964,820 | 2,345,766 | 2,345,766 | - |
| Debt service: | | | | |
| Principal | 531,664 | 530,954 | 530,954 | - |
| Interest | <u>12,273</u> | <u>12,983</u> | <u>12,983</u> | <u>-</u> |
| Total expenditures | <u>7,508,757</u> | <u>2,889,703</u> | <u>2,889,703</u> | <u>-</u> |
| Deficiency of revenues under expenditures | (7,508,757) | (2,889,703) | (2,861,786) | 27,917 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from sale of capital assets | 535,038 | 535,038 | - | (535,038) |
| Transfers in | <u>2,894,424</u> | <u>2,894,424</u> | <u>1,000,000</u> | <u>(1,894,424)</u> |
| Total other financing sources | <u>3,429,462</u> | <u>3,429,462</u> | <u>1,000,000</u> | <u>(2,429,462)</u> |
| Net change in fund balance | (4,079,295) | 539,759 | (1,861,786) | (2,401,545) |
| FUND BALANCES, beginning of fiscal year | <u>3,945,537</u> | <u>3,945,537</u> | <u>3,945,537</u> | <u>-</u> |
| FUND BALANCES (DEFICITS), end of fiscal year | <u>\$ (133,758)</u> | <u>\$ 4,485,296</u> | <u>\$ 2,083,751</u> | <u>\$ (2,401,545)</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|------------------|--------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 324 | \$ 324 |
| Total revenues | <u>-</u> | <u>-</u> | <u>324</u> | <u>324</u> |
| EXPENDITURES | | | | |
| Public safety | <u>16,320</u> | <u>16,320</u> | <u>2,555</u> | <u>13,765</u> |
| Total expenditures | <u>16,320</u> | <u>16,320</u> | <u>2,555</u> | <u>13,765</u> |
| Net change in fund balance | (16,320) | (16,320) | (2,231) | (13,441) |
| FUND BALANCES, beginning of fiscal year | <u>16,579</u> | <u>16,579</u> | <u>16,579</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 259</u> | <u>\$ 259</u> | <u>\$ 14,348</u> | <u>\$ (13,441)</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|------------------|
| REVENUES: | | | | |
| Other taxes | \$ 250,000 | \$ 250,000 | \$ 322,335 | \$ 72,335 |
| Total revenues | <u>250,000</u> | <u>250,000</u> | <u>322,335</u> | <u>72,335</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (250,000) | (250,000) | (250,000) | - |
| Total other financing use | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Net change in fund balance | - | - | 72,335 | 72,335 |
| FUND BALANCES, beginning of fiscal year | <u>224,996</u> | <u>224,996</u> | <u>224,996</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 224,996</u> | <u>\$ 224,996</u> | <u>\$ 297,331</u> | <u>\$ 72,335</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|-----------------|
| REVENUES | | | | |
| Other taxes | \$ 310,000 | \$ 310,000 | \$ 241,788 | \$ (68,212) |
| Total revenues | <u>310,000</u> | <u>310,000</u> | <u>241,788</u> | <u>(68,212)</u> |
| EXPENDITURES | | | | |
| Economic development | 124,000 | 124,000 | 96,715 | 27,285 |
| Total expenditures | <u>124,000</u> | <u>124,000</u> | <u>96,715</u> | <u>27,285</u> |
| | | | | |
| Excess of revenues over expenditures | <u>186,000</u> | <u>186,000</u> | <u>145,073</u> | <u>(40,927)</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (186,000) | (186,000) | (145,073) | 40,927 |
| Total other financing use | <u>(186,000)</u> | <u>(186,000)</u> | <u>(145,073)</u> | <u>40,927</u> |
| | | | | |
| Net change in fund balance | - | - | - | - |
| | | | | |
| FUND BALANCES, beginning of fiscal year | <u>386,600</u> | <u>386,600</u> | <u>386,600</u> | <u>-</u> |
| | | | | |
| FUND BALANCES, end of fiscal year | <u>\$ 386,600</u> | <u>\$ 386,600</u> | <u>\$ 386,600</u> | <u>\$ -</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|-------------------|
| REVENUES | | | | |
| Charges for services | \$ 14,500 | \$ 14,500 | \$ 15,802 | \$ 1,302 |
| Total revenues | <u>14,500</u> | <u>14,500</u> | <u>15,802</u> | <u>1,302</u> |
| EXPENDITURES | | | | |
| Public safety | 566,500 | 566,500 | 579,774 | (13,274) |
| Total expenditures | <u>566,500</u> | <u>566,500</u> | <u>579,774</u> | <u>(13,274)</u> |
| Deficiency of revenues under expenditures | <u>(552,000)</u> | <u>(552,000)</u> | <u>(563,972)</u> | <u>(11,972)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 555,617 | 555,617 | 705,617 | 150,000 |
| Total other financing sources | <u>555,617</u> | <u>555,617</u> | <u>705,617</u> | <u>150,000</u> |
| Net change in fund balance | 3,617 | 3,617 | 141,645 | 138,028 |
| FUND BALANCES, beginning of fiscal year | <u>59,946</u> | <u>59,946</u> | <u>59,946</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 63,563</u> | <u>\$ 63,563</u> | <u>\$ 201,591</u> | <u>\$ 138,028</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, 2020**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 300,000 | \$ 300,000 | \$ - | \$ (300,000) |
| Total revenues | <u>300,000</u> | <u>300,000</u> | <u>-</u> | <u>(300,000)</u> |
| EXPENDITURES | | | | |
| Capital outlay | 1,050,000 | 61,276 | 68,548 | (7,272) |
| Total expenditures | <u>1,050,000</u> | <u>61,276</u> | <u>68,548</u> | <u>(7,272)</u> |
| Net change in fund balance | (750,000) | 238,724 | (68,548) | (307,272) |
| FUND BALANCES, beginning of fiscal year | <u>645,666</u> | <u>645,666</u> | <u>645,666</u> | <u>-</u> |
| FUND BALANCES (DEFICITS), end of fiscal year | <u>\$ (104,334)</u> | <u>\$ 884,390</u> | <u>\$ 577,118</u> | <u>\$ (307,272)</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 671,266 | \$ 671,266 | \$ 473,191 | \$ (198,075) |
| Other revenues | 336,735 | 336,735 | 22,301 | (314,434) |
| Interest | - | - | 1,492 | 1,492 |
| Total revenues | <u>1,008,001</u> | <u>1,008,001</u> | <u>496,984</u> | <u>(511,017)</u> |
| EXPENDITURES | | | | |
| General government | 40,995 | 40,995 | 4,232 | 36,763 |
| Public safety | 781,226 | 781,226 | 446,603 | 334,623 |
| Public works | 1,019,177 | 1,019,177 | 800,938 | 218,239 |
| Parks and recreation | 2,620 | 2,620 | 1,913 | 707 |
| Total expenditures | <u>1,844,018</u> | <u>1,844,018</u> | <u>1,253,686</u> | <u>590,332</u> |
| Deficiency of revenues under expenditures | <u>(836,017)</u> | <u>(836,017)</u> | <u>(756,702)</u> | <u>79,315</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 333,875 | 333,875 | 323,875 | (10,000) |
| Total other financing sources | <u>333,875</u> | <u>333,875</u> | <u>323,875</u> | <u>(10,000)</u> |
| Net change in fund balance | (502,142) | (502,142) | (432,827) | 69,315 |
| FUND BALANCES, beginning of fiscal year | <u>948,194</u> | <u>948,194</u> | <u>948,194</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 446,052</u> | <u>\$ 446,052</u> | <u>\$ 515,367</u> | <u>\$ 69,315</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|------------------|--------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 339,487 | \$ 339,487 | \$ 162,487 | \$ (177,000) |
| Total revenues | <u>339,487</u> | <u>339,487</u> | <u>162,487</u> | <u>(177,000)</u> |
| EXPENDITURES: | | | | |
| Capital outlay | 373,436 | 373,436 | 181,585 | 191,851 |
| Total expenditures | <u>373,436</u> | <u>373,436</u> | <u>181,585</u> | <u>191,851</u> |
| Deficiency of revenues under expenditures | <u>(33,949)</u> | <u>(33,949)</u> | <u>(19,098)</u> | <u>14,851</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 33,949 | 33,949 | - | (33,949) |
| Total other financing sources | <u>33,949</u> | <u>33,949</u> | <u>-</u> | <u>(33,949)</u> |
| Net change in fund balance | - | - | (19,098) | (19,098) |
| FUND BALANCES, beginning of fiscal year | <u>106,765</u> | <u>106,765</u> | <u>106,765</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 106,765</u> | <u>\$ 106,765</u> | <u>\$ 87,667</u> | <u>\$ (19,098)</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-----------------|-----------------|
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | \$ 775,000 | \$ 775,000 | \$ 775,000 | \$ - |
| Interest | 207,125 | 207,125 | 205,874 | 1,251 |
| Total expenditures | <u>982,125</u> | <u>982,125</u> | <u>980,874</u> | <u>1,251</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>980,049</u> | <u>980,049</u> | <u>980,049</u> | <u>-</u> |
| Total other financing sources | <u>980,049</u> | <u>980,049</u> | <u>980,049</u> | <u>-</u> |
| Net change in fund balance | (2,076) | (2,076) | (825) | 1,251 |
| FUND BALANCES, beginning of fiscal year | <u>4,747</u> | <u>4,747</u> | <u>4,747</u> | <u>-</u> |
| FUND BALANCES, end of fiscal year | <u>\$ 2,671</u> | <u>\$ 2,671</u> | <u>\$ 3,922</u> | <u>\$ 1,251</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, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|----------------|-------------------|
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ - |
| Interest | 248,250 | 248,250 | 247,252 | 998 |
| Total expenditures | <u>328,250</u> | <u>328,250</u> | <u>327,252</u> | <u>998</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 328,250 | 328,250 | 324,250 | (4,000) |
| Total other financing sources | <u>328,250</u> | <u>328,250</u> | <u>324,250</u> | <u>(4,000)</u> |
| Net change in fund balance | - | - | (3,002) | (3,002) |
| FUND BALANCES, beginning of fiscal year | <u>3,076</u> | <u>3,076</u> | <u>3,076</u> | - |
| FUND BALANCES, end of fiscal year | <u>\$ 3,076</u> | <u>\$ 3,076</u> | <u>\$ 74</u> | <u>\$ (3,002)</u> |

CITY OF UNION CITY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| PROJECT | ESTIMATED COST | | PRIOR | EXPENDITURES | | TOTAL | PROJECT COMPLETION |
|---|----------------------|----------------------|---------------------|-------------------|---------------------|-------|--------------------|
| | ORIGINAL | CURRENT | | CURRENT | TOTAL | | |
| Resurfacing and Transportation Enhancement Projects Tier I | \$ 16,167,006 | \$ 16,167,006 | \$ 1,445,625 | \$ 657,466 | \$ 2,103,091 | 13% | |
| Resurfacing and Transportation Enhancement Projects Tier II | 2,231,444 | 2,231,444 | - | - | - | 0% | |
| Resurfacing and Transportation Enhancement Projects Tier II | 3,299,719 | 3,299,719 | - | - | - | 0% | |
| TOTAL TSPLOST | \$ 21,698,169 | \$ 21,698,169 | \$ 1,445,625 | \$ 657,466 | \$ 2,103,091 | | |

Note: TSPLOST projects in the City of Union City city limits will be completed with the TSPLOST revenue collected by Fulton County and distributed monthly to the City.

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, 2020

| MUNICIPAL COURT FUND | <u>Balance August 31, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance August 31, 2020</u> |
|-----------------------------|--|---------------------|---------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 37,258 | \$ 1,155,566 | \$ 1,077,403 | \$ 115,421 |
| Total assets | <u>\$ 37,258</u> | <u>\$ 1,155,566</u> | <u>\$ 1,077,403</u> | <u>\$ 115,421</u> |
| LIABILITIES | | | | |
| Due to others | \$ 37,258 | \$ 1,155,566 | \$ 1,077,403 | \$ 115,421 |
| Total liabilities | <u>\$ 37,258</u> | <u>\$ 1,155,566</u> | <u>\$ 1,077,403</u> | <u>\$ 115,421</u> |

COMPONENT UNITS

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

| | South Fulton Municipal Regional Jail Authority | Union City Development Authority | Totals |
|---|---|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments from other governments | \$ 498,711 | \$ - | \$ 498,711 |
| Payments from primary government | <u>-</u> | <u>100,000</u> | <u>100,000</u> |
| Net cash provided by operating activities | <u>498,711</u> | <u>100,000</u> | <u>598,711</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal paid on bonds | (420,000) | - | (420,000) |
| Interest paid | <u>(234,020)</u> | <u>-</u> | <u>(234,020)</u> |
| Net cash used in capital and related financing activities | <u>(654,020)</u> | <u>-</u> | <u>(654,020)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment interest | \$ 122,965 | \$ 5 | \$ 122,970 |
| Net cash provided by investing activities | <u>122,965</u> | <u>5</u> | <u>122,970</u> |
| Change in cash and cash equivalents | (32,344) | 100,005 | 67,661 |
| Cash and cash equivalents: | | | |
| Beginning of fiscal year | <u>32,344</u> | <u>-</u> | <u>32,344</u> |
| End of fiscal year | <u>\$ -</u> | <u>\$ 100,005</u> | <u>\$ 100,005</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ - | \$ - | \$ - |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | |
| Changes in assets and liabilities: | | | |
| Decrease in intergovernmental receivable | 420,000 | - | - |
| Decrease in deferred outflows of resources - deferred charge of refunding | 111,055 | - | - |
| Decrease in due to primary government | <u>(32,344)</u> | <u>-</u> | <u>-</u> |
| Net cash provided by operating activities | <u>\$ 498,711</u> | <u>\$ -</u> | <u>\$ -</u> |

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 | 77 – 81 |
| <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 | 82 – 85 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i> | |
| Debt Capacity | 86 – 90 |
| <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 | 91 – 93 |
| <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 | 94 and 95 |
| <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 | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 2,298,610 | \$ 2,363,313 | \$ 2,046,237 | \$ 3,597,239 | \$ 3,531,201 | \$ 5,049,949 | \$ 598,455 | \$ 9,461,603 | \$ 12,268,365 | \$ 14,990,907 |
| Restricted | 857,484 | 1,478,182 | 1,734,932 | 1,879,206 | 2,088,414 | 2,040,997 | 8,394,962 | 6,624,974 | 13,516,860 | 14,950,289 |
| Unrestricted | 3,697,905 | 1,603,503 | (102,458) | 1,903,353 | 2,254,399 | 5,350,512 | 9,888,086 | 12,973,607 | 14,222,021 | 17,230,878 |
| Total governmental activities net position | \$ 6,853,999 | \$ 5,444,998 | \$ 3,678,711 | \$ 7,379,798 | \$ 7,874,014 | \$ 12,441,458 | \$ 18,881,503 | \$ 29,060,184 | \$ 40,007,246 | \$ 47,172,074 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 11,905,504 | \$ 9,993,975 | \$ 10,385,111 | \$ 8,901,118 | \$ 7,991,837 | \$ 7,209,006 | \$ 6,757,926 | \$ 6,296,865 | \$ 5,797,207 | \$ 5,705,750 |
| Restricted | - | - | 925,910 | 2,059,130 | 1,970,454 | 1,834,024 | 1,535,293 | 1,449,250 | 1,374,641 | 1,294,574 |
| Unrestricted | (532,061) | 824,012 | 964,801 | 1,038,859 | 862,585 | 1,921,057 | 3,327,110 | 5,525,641 | 5,983,583 | 7,208,266 |
| Total business-type activities net position | \$ 11,373,443 | \$ 10,817,987 | \$ 12,275,822 | \$ 11,999,107 | \$ 10,824,876 | \$ 10,964,087 | \$ 11,620,329 | \$ 13,271,756 | \$ 13,155,431 | \$ 14,208,590 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 14,204,114 | \$ 12,357,288 | \$ 12,431,348 | \$ 12,498,357 | \$ 11,523,038 | \$ 12,258,955 | \$ 7,356,381 | \$ 15,758,468 | \$ 18,065,572 | \$ 20,696,657 |
| Restricted | 857,484 | 1,478,182 | 2,660,842 | 3,938,336 | 4,058,868 | 3,875,021 | 9,930,255 | 8,074,224 | 14,891,501 | 16,244,863 |
| Unrestricted | 3,165,844 | 2,427,515 | 862,343 | 2,942,212 | 3,116,984 | 7,271,569 | 13,215,196 | 18,499,248 | 20,205,604 | 24,439,144 |
| Total primary government net position | \$ 18,227,442 | \$ 16,262,985 | \$ 15,954,533 | \$ 19,378,905 | \$ 18,698,890 | \$ 23,405,545 | \$ 30,501,832 | \$ 42,331,940 | \$ 53,162,677 | \$ 61,380,664 |

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,197,152 | \$ 2,211,266 | \$ 2,470,084 | \$ 2,054,613 | \$ 2,468,658 | \$ 2,424,138 | \$ 2,444,499 | \$ 3,781,555 | \$ 5,300,953 | \$ 4,888,582 |
| Judicial | 467,691 | 468,800 | 452,295 | 436,347 | 383,138 | 444,132 | 454,518 | 426,489 | 490,390 | 548,549 |
| Public safety | 10,127,843 | 10,193,857 | 9,865,376 | 9,590,617 | 8,941,842 | 9,852,273 | 10,242,974 | 10,396,662 | 11,417,818 | 13,080,397 |
| Public works | 4,906,720 | 2,818,491 | 1,766,343 | 1,611,785 | 2,005,906 | 2,329,099 | 2,168,984 | 2,207,629 | 3,212,888 | 3,392,895 |
| Community services | - | - | - | - | - | - | - | - | - | - |
| Parks and recreation | 443,054 | 447,059 | 495,841 | 523,992 | 473,370 | 522,901 | 551,401 | 554,589 | 938,851 | 1,359,836 |
| Economic development | 643,677 | 815,159 | 832,622 | 751,348 | 710,296 | 684,237 | 646,318 | 852,933 | 934,250 | 1,149,391 |
| Interest on long-term debt | 665,503 | 666,233 | 591,502 | 531,627 | 329,512 | 221,368 | 422,825 | 436,104 | 437,610 | 438,781 |
| Issuance cost on long-term debt | - | - | - | - | 183,416 | - | 198,818 | - | - | - |
| Total governmental activities expenses | <u>19,451,640</u> | <u>17,620,865</u> | <u>16,474,063</u> | <u>15,500,329</u> | <u>15,496,138</u> | <u>16,478,148</u> | <u>17,130,337</u> | <u>18,655,961</u> | <u>22,732,760</u> | <u>24,858,431</u> |
| Business-type activities: | | | | | | | | | | |
| Water and sewerage | 5,961,017 | 6,651,946 | 6,690,719 | 7,279,343 | 7,137,318 | - | 7,178,488 | 7,261,987 | 7,797,294 | 7,690,586 |
| Sanitation | 677,006 | 763,164 | 736,123 | 611,799 | 1,063,063 | 1,493,200 | 1,642,981 | 1,611,225 | 1,538,470 | 1,497,294 |
| Stormwater | - | - | 55,470 | 223,238 | 1,685,368 | 734,022 | 271,592 | 231,166 | 499,988 | 644,313 |
| Criminal justice management | 2,889,058 | 3,387,775 | 2,372,405 | 365,455 | - | - | - | - | - | - |
| Total business-type activities expenses | <u>9,527,081</u> | <u>10,802,885</u> | <u>9,854,717</u> | <u>8,479,835</u> | <u>9,885,749</u> | <u>2,227,222</u> | <u>9,093,061</u> | <u>9,104,378</u> | <u>9,835,752</u> | <u>9,832,193</u> |
| Total primary government expenses | <u>28,978,721</u> | <u>28,423,750</u> | <u>26,328,780</u> | <u>23,980,164</u> | <u>25,381,887</u> | <u>18,705,370</u> | <u>26,223,398</u> | <u>27,760,339</u> | <u>32,568,512</u> | <u>34,690,624</u> |
| Program revenues | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 1,472,105 | 1,479,642 | 1,745,430 | 1,894,426 | 2,125,471 | 2,378,255 | 2,352,516 | 2,774,272 | 2,855,996 | 2,227,594 |
| Judicial | 128,438 | 137,908 | 130,030 | 77,926 | 43,564 | 61,063 | 46,479 | 48,654 | 59,523 | 731,458 |
| Public safety | 1,856,768 | 1,757,157 | 1,413,518 | 1,224,270 | 938,139 | 1,036,884 | 935,486 | 759,439 | 819,721 | 93,417 |
| Public works | - | - | - | - | 19,355 | 19,066 | 13,977 | 17,150 | 15,721 | 861,443 |
| Community services | - | - | - | - | - | - | - | - | - | - |
| Parks and recreation | 58,992 | 69,132 | 66,116 | 59,616 | 52,069 | 58,800 | 69,765 | 71,553 | 58,396 | 20,754 |
| Economic development | 9,585 | 6,425 | 8,790 | 29,430 | 47,051 | 29,773 | 89,294 | 222,512 | 594,332 | 622,810 |
| Operating grants and contributions | 495,636 | 778,084 | 501,184 | 237,834 | 113,940 | 29,930 | 40,612 | 55,636 | - | 291,203 |
| Capital grants and contributions | 98,986 | 461,879 | 270,551 | 213,471 | 386,851 | 545,682 | 616,252 | 918,282 | 1,673,477 | 619,893 |
| Total governmental activities program revenues | <u>\$ 4,120,510</u> | <u>\$ 4,690,227</u> | <u>\$ 4,135,619</u> | <u>\$ 3,736,973</u> | <u>\$ 3,726,440</u> | <u>\$ 4,159,453</u> | <u>\$ 4,164,381</u> | <u>\$ 4,867,498</u> | <u>\$ 6,077,166</u> | <u>\$ 5,468,572</u> |

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|--------------|---------------|---------------|---------------|---------------|----------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Program revenues (Continued) | | | | | | | | | | |
| Primary government (Continued): | | | | | | | | | | |
| Business-type activities: | | | | | | | | | | |
| Charges for services | \$ 8,750,735 | \$ 10,664,099 | \$ 9,733,232 | \$ 8,919,049 | \$ 9,202,096 | \$ 10,100,193 | \$ 9,742,564 | \$ 10,998,827 | \$ 10,878,717 | \$ 10,822,642 |
| Total business-type activities program revenues | 8,750,735 | 10,664,099 | 9,733,232 | 8,919,049 | 20,080,813 | 10,100,193 | 20,621,281 | 10,998,827 | 10,878,717 | 10,822,642 |
| Total primary government program revenues | 12,871,245 | 15,354,326 | 13,868,851 | 12,656,022 | 23,807,253 | 14,259,646 | 24,785,662 | 15,866,325 | 16,955,883 | 16,291,214 |
| Net (expense)/ revenue | | | | | | | | | | |
| Governmental activities | (15,331,130) | (12,930,638) | (12,338,444) | (11,763,356) | (11,769,698) | (12,318,695) | (12,965,956) | (13,788,463) | (16,655,594) | (19,389,859) |
| Business-type activities | (776,346) | (138,786) | (121,485) | 439,214 | 10,195,064 | 7,872,971 | 11,528,220 | 1,894,449 | 1,042,965 | 990,449 |
| Total primary government net expense | (16,107,476) | (13,069,424) | (12,459,929) | (11,324,142) | (1,574,634) | (4,445,724) | (1,437,736) | (11,894,014) | (15,612,629) | (18,399,410) |
| General revenues and other changes in net position | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | 5,314,492 | 5,608,053 | 5,619,122 | 7,582,758 | 7,656,577 | 8,747,818 | 9,791,509 | 11,459,372 | 12,773,085 | 13,450,992 |
| Sales taxes | 2,753,242 | 3,010,345 | 3,015,388 | 4,506,448 | 5,051,758 | 5,079,836 | 6,524,359 | 8,943,451 | 9,411,819 | 8,893,566 |
| Insurance premium tax | 625,579 | 912,568 | 969,300 | 1,003,618 | 1,049,733 | 1,121,467 | 1,214,767 | 1,291,936 | 1,394,090 | 1,471,609 |
| Other taxes | 241,393 | 329,076 | 360,972 | 437,363 | 483,203 | 474,958 | 474,872 | 518,114 | 668,225 | 579,425 |
| Franchise taxes | 1,110,159 | 1,206,596 | 1,158,518 | 1,186,078 | 1,200,932 | 1,364,897 | 1,360,726 | 1,398,275 | 1,506,941 | 1,569,209 |
| Unrestricted investment earnings | 25,896 | 15,999 | 5,954 | 13,551 | 13,001 | 33,119 | 39,768 | 94,706 | 658,402 | 534,631 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | 106,008 |
| Transfers | 426,000 | 439,000 | (157,492) | 734,627 | 59,591 | 64,044 | - | 261,290 | 1,190,094 | (50,753) |
| Total governmental activities general revenues and other changes in net position | 10,496,761 | 11,521,637 | 10,971,762 | 15,464,443 | 15,514,795 | 16,886,139 | 19,406,001 | 23,967,144 | 27,602,656 | 26,554,687 |
| Business-type activities | | | | | | | | | | |
| Unrestricted investment earnings | 21,867 | 22,330 | 5,320 | 18,698 | - | 22,317 | 6,739 | 18,268 | 30,804 | 11,957 |
| Transfers | (426,000) | (439,000) | 157,492 | (734,627) | (59,591) | (64,044) | - | (261,290) | (1,190,094) | 50,753 |
| Total business-type activities general revenues and other changes in net position | \$ (404,133) | \$ (416,670) | \$ 162,812 | \$ (715,929) | \$ (59,591) | \$ (41,727) | \$ 6,739 | \$ (243,022) | \$ (1,159,290) | \$ 62,710 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (4,834,369) | \$ (1,409,001) | \$ (1,366,682) | \$ 3,701,087 | \$ 3,745,097 | \$ 4,567,444 | \$ 6,440,045 | \$ 10,178,681 | \$ 10,947,062 | \$ 7,164,828 |
| Business-type activities | (1,180,479) | (555,456) | 41,327 | (276,715) | 10,135,473 | 7,831,244 | 11,534,959 | 1,651,427 | (116,325) | 1,053,159 |
| Total primary government change in net position | \$ (6,014,848) | \$ (1,964,457) | \$ (1,325,355) | \$ 3,424,372 | \$ 13,880,570 | \$ 12,398,688 | \$ 17,975,004 | \$ 11,830,108 | \$ 10,830,737 | \$ 8,217,987 |

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 3,340,966 | \$ 1,069,319 | \$ 294,883 | \$ 299,762 | \$ 374,667 | \$ 371,200 | \$ 452,918 | \$ 275,945 | \$ 278,451 | \$ 276,380 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 366,464 | 779,072 | 659,313 | 2,913,410 | 6,451,766 | 10,052,404 | 14,123,277 | 18,895,537 | 19,842,330 | 23,421,698 |
| Total general fund | <u>\$ 3,707,430</u> | <u>\$ 1,848,391</u> | <u>\$ 954,196</u> | <u>\$ 3,213,172</u> | <u>\$ 6,826,433</u> | <u>\$ 10,423,604</u> | <u>\$ 14,576,195</u> | <u>\$ 19,171,482</u> | <u>\$ 20,120,781</u> | <u>\$ 23,698,078</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable, reported in: | | | | | | | | | | |
| Special revenue funds | \$ - | \$ 12,604 | \$ - | \$ - | \$ 198,204 | \$ 165,170 | \$ 165,170 | \$ 155,000 | \$ 155,000 | \$ 155,000 |
| Capital projects funds | - | 6,250 | - | - | - | - | 94,567 | - | 95,000 | - |
| Restricted, reported in: | | | | | | | | | | |
| Special revenue funds | 510,589 | 326,324 | 266,446 | 600,367 | 681,707 | 665,886 | 629,865 | 1,402,899 | 1,648,982 | 1,837,355 |
| 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 | 11,858,586 | 12,989,161 |
| Debt service funds | 346,559 | 341,615 | 319,864 | 321,572 | 323,813 | 327,562 | 1,835,962 | 7,857 | 9,292 | 5,465 |
| 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) | (417,566) | - |
| Capital projects funds | - | - | (37,592) | (15,036) | (177,870) | (15,036) | - | (494,422) | - | - |
| Debt service fund | - | - | - | - | (38) | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 3,446,627</u> | <u>\$ 2,881,057</u> | <u>\$ 1,893,244</u> | <u>\$ 1,915,238</u> | <u>\$ 2,324,568</u> | <u>\$ 2,242,040</u> | <u>\$ 8,675,166</u> | <u>\$ 10,165,126</u> | <u>\$ 13,349,294</u> | <u>\$ 14,986,981</u> |

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 5,673,239 | \$ 5,571,360 | \$ 5,650,963 | \$ 7,315,208 | \$ 8,069,214 | \$ 8,751,035 | \$ 9,727,696 | \$ 11,438,225 | \$ 12,714,288 | \$ 13,218,821 |
| Sales taxes | - | - | - | - | - | - | 6,524,359 | 8,943,451 | 9,411,819 | 8,893,566 |
| Other taxes | 3,664,155 | 4,251,989 | 4,345,660 | 5,947,429 | 6,584,694 | 6,676,261 | 1,689,639 | 1,810,049 | 2,062,315 | 2,051,034 |
| Charges for services | 548,195 | 479,612 | 471,330 | 506,748 | 464,498 | 481,364 | 643,280 | 558,076 | 867,050 | 882,277 |
| Licenses and permits | 1,377,168 | 1,439,821 | 1,632,620 | 1,778,056 | 2,038,210 | 2,252,917 | 2,217,042 | 2,630,270 | 2,649,636 | 2,966,018 |
| Intergovernmental | 223,481 | 873,332 | 759,641 | 436,801 | 500,791 | 575,612 | 656,864 | 973,918 | 771,987 | 1,547,499 |
| Franchise taxes | 1,110,159 | 1,206,596 | 1,158,518 | 1,186,078 | 1,200,932 | 1,364,897 | 1,360,726 | 1,398,275 | 1,506,941 | 1,569,209 |
| Fines and forfeitures | 1,484,361 | 1,404,660 | 1,134,879 | 890,810 | 642,156 | 730,864 | 550,815 | 589,873 | 729,045 | 684,401 |
| Interest revenue | 25,896 | 15,999 | 5,954 | 13,551 | 13,001 | 33,119 | 39,768 | 94,707 | 658,402 | 534,631 |
| Rental income | 13,030 | 13,785 | 20,425 | 18,870 | 20,311 | 18,346 | 19,461 | 30,822 | 22,436 | 24,780 |
| Other revenues | 474,275 | 479,017 | 116,724 | 105,688 | 60,474 | 100,350 | 76,919 | 84,539 | 135,522 | 106,008 |
| Total revenues | \$ 14,593,959 | \$ 15,736,171 | \$ 15,296,714 | \$ 18,199,239 | \$ 19,594,281 | \$ 20,984,765 | \$ 23,506,569 | \$ 28,552,205 | \$ 31,529,441 | \$ 32,478,244 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | \$ 2,174,146 | \$ 2,137,715 | \$ 2,050,824 | \$ 1,927,849 | \$ 2,152,585 | \$ 2,582,460 | \$ 2,858,582 | \$ 3,236,922 | \$ 3,926,810 | \$ 4,337,858 |
| Judicial | 384,047 | 377,543 | 360,126 | 341,796 | 298,711 | 357,346 | 361,155 | 340,609 | 397,435 | 446,479 |
| Public safety | 9,703,075 | 9,673,917 | 9,224,427 | 8,825,056 | 8,711,449 | 9,155,803 | 9,370,391 | 10,107,383 | 10,915,831 | 12,210,190 |
| Public works | 1,727,828 | 1,574,058 | 1,390,823 | 1,423,334 | 1,584,853 | 1,799,620 | 1,708,825 | 1,783,430 | 2,750,999 | 2,892,626 |
| Community services | - | - | - | - | - | - | - | - | - | - |
| Parks and recreation | 376,373 | 338,913 | 368,894 | 374,883 | 359,452 | 384,182 | 453,919 | 477,397 | 766,940 | 1,014,209 |
| Economic development | 643,677 | 796,900 | 817,605 | 751,348 | 710,296 | 684,237 | 646,318 | 852,933 | 934,250 | 1,138,403 |
| Capital outlay | 4,083,991 | 1,576,565 | 1,393,579 | 507,667 | 403,015 | 735,032 | 1,811,510 | 3,870,185 | 7,799,011 | 3,320,679 |
| Debt service: | | | | | | | | | | |
| Principal | 1,079,492 | 1,623,662 | 1,728,241 | 1,772,797 | 1,310,580 | 1,458,601 | 1,315,988 | 1,966,332 | 1,413,753 | 1,385,954 |
| Interest | 662,315 | 660,550 | 617,203 | 568,294 | 280,212 | 356,885 | 313,757 | 518,758 | 503,440 | 466,109 |
| Bond issuance costs | - | - | - | - | 183,416 | - | 198,818 | 664 | - | - |
| Total expenditures | 20,834,944 | 18,759,823 | 17,951,722 | 16,493,024 | 15,994,569 | 17,514,166 | 19,039,263 | 23,154,613 | 29,408,469 | 27,212,507 |
| Excess (deficiency) of revenues over (under) expenditures | (6,240,985) | (3,023,652) | (2,655,008) | 1,706,215 | 3,599,712 | 3,470,599 | 4,467,306 | 5,397,592 | 2,120,972 | 5,265,737 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond issuance | \$ - | \$ - | \$ - | \$ - | \$ 8,560,000 | \$ - | \$ 5,000,000 | \$ - | \$ - | \$ - |
| Premium on bonds | - | - | - | - | 525,671 | - | 767,177 | - | - | - |
| Payment to escrow agent | - | - | - | - | (8,902,255) | - | - | - | - | - |
| Capital lease | 1,500,000 | 160,043 | - | - | - | - | 351,234 | 426,365 | 822,401 | - |
| Transfers in | 2,656,524 | 2,954,516 | 3,174,200 | 3,296,255 | 2,741,365 | 3,260,132 | 2,877,080 | 4,088,570 | 9,973,312 | 4,135,911 |
| Transfers out | (2,230,524) | (2,515,516) | (2,401,200) | (2,561,628) | (2,681,774) | (3,196,088) | (2,877,080) | (3,827,280) | (8,783,218) | (4,186,664) |
| Total other financing sources (uses) | 1,926,000 | 599,043 | 773,000 | 734,627 | 243,007 | 64,044 | 6,118,411 | 687,655 | 2,012,495 | (50,753) |
| Net change in fund balances | \$ (4,314,985) | \$ (2,424,609) | \$ (1,882,008) | \$ 2,440,842 | \$ 3,842,719 | \$ 3,534,643 | \$ 10,585,717 | \$ 6,085,247 | \$ 4,133,467 | \$ 5,214,984 |
| Debt service as a percentage of noncapital expenditures | 11.6% | 15.3% | 16.5% | 17.2% | 11.5% | 12.1% | 10.6% | 14.8% | 9.7% | 7.7% |

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

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 | | |
| 2011 | \$ 435,644,030 | \$ 55,138,458 | \$ 25,604,340 | \$ 5,532,947 | \$ 521,919,775 | \$ 1,304,799,438 | 10.238 | 40% |
| 2012 | 451,574,153 | 50,036,827 | 26,687,160 | 6,754,886 | 535,053,026 | 1,337,632,565 | 10.599 | 40% |
| 2013 | 433,339,950 | 38,398,892 | 27,653,800 | 6,905,395 | 506,298,037 | 1,265,745,093 | 15.598 | 40% |
| 2014 | 428,501,870 | 29,682,537 | 21,982,160 | 7,116,549 | 487,283,116 | 1,218,207,790 | 15.692 | 40% |
| 2015 | 483,920,600 | 43,726,218 | 14,538,020 | 7,250,890 | 549,435,728 | 1,373,589,320 | 15.692 | 40% |
| 2016 | 513,015,770 | 93,676,001 (a) | 10,305,160 | 6,870,151 | 623,867,082 | 1,559,667,705 | 15.692 | 40% |
| 2017 | 590,981,340 | 76,462,970 | 7,448,103 | 8,163,077 | 683,055,490 | 1,707,638,725 | 16.425 | 40% |
| 2018 | 632,007,980 | 145,918,360 | 5,617,774 | 7,572,362 | 791,116,476 | 1,977,791,190 | 14.952 | 40% |
| 2019 | 716,739,300 | 144,409,005 | 4,512,549 | 12,370,634 | 878,031,488 | 2,195,078,720 | 14.326 | 40% |
| 2020 | 799,824,540 | 319,079,410 (b) | 3,900,423 | 11,621,051 | 1,134,425,424 | 2,836,063,560 | 14.043 | 40% |

Source: Fulton County Tax Assessor

(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.

(b) Increase is due to increase in values mainly for Development Authority and Google Inc.

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 | | | | |
| 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 |
| 2019 | 12.952 | 1.374 | 14.326 | 0.00 | 10.119 | 17.80 | 42.24 |
| 2020 | 12.893 | 1.150 | 14.043 | 0.00 | 9.776 | 17.80 | 41.62 |

Source: Fulton County Tax Assessor

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 | |
| 2011 | \$ 4,759,160 | \$ 4,533,053 | 95.25% | \$ 200,473 | \$ 4,733,417 | 99.46% | \$ 25,634 |
| 2012 | 5,102,178 | 4,797,313 | 94.02% | 255,789 | 5,052,408 | 99.02% | 49,076 |
| 2013 | 5,351,680 | 5,235,029 | 97.82% | 85,267 | 5,317,851 | 99.37% | 31,384 |
| 2014 | 6,989,117 | 6,503,551 | 93.05% | 449,241 | 6,951,904 | 99.47% | 36,325 |
| 2015 | 7,011,056 | 6,811,199 | 97.15% | 153,888 | 6,963,419 | 99.32% | 45,969 |
| 2016 | 8,176,456 | 7,983,582 | 97.64% | 124,203 | 8,105,723 | 99.13% | 68,671 |
| 2017 | 9,219,975 | 9,090,025 | 98.59% | 60,849 | 9,146,984 | 99.21% | 69,101 |
| 2018 | 10,768,051 | 10,521,699 | 97.71% | 174,001 | 10,656,729 | 98.97% | 72,351 |
| 2019 | 11,855,967 | 11,657,143 | 98.32% | 91,818 | 11,748,961 | 99.10% | 107,006 |
| 2020 | 12,547,951 | 12,168,746 | 96.98% | - | 12,168,746 | 96.98% | 379,205 |

Source: Fulton County Tax Assessor; Union City Finance Department

CITY OF UNION CITY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2020 | | | 2011 | | |
|--|------------------------|------|--|------------------------|------|--|
| | 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 | \$ 124,982,574 | 1 | 14.23% | \$ 18,029,460 | 2 | 3.45% |
| Majestic South Fulton Bldg 4 | 21,199,040 | 2 | 2.41% | | | |
| Google Inc | 20,538,838 | 3 | 2.34% | | | |
| ROC III Ga Legacy Ridge LLC | 15,838,080 | 4 | 1.80% | | | |
| PPF Industrial 5390 Hunter ROA | 11,200,000 | 5 | 1.28% | | | |
| TBB Evergreen Commons LLC | 10,408,800 | 6 | 1.19% | | | |
| Triangle Hidden Lake Inc | 9,200,000 | 7 | 1.05% | | | |
| USEF I85 Distribution Center | 9,121,440 | 8 | 1.04% | | | |
| South Fulton Parkway LLC | 9,024,760 | 9 | 1.03% | 6,043,270 | 10 | 1.16% |
| Landings Property Holdings LLC | 8,840,000 | 10 | 1.01% | | | |
| Airport Center III at Oakley | | | | 21,902,660 | 1 | 4.20% |
| AEW LT Huner Road LLC | | | | 8,355,060 | 3 | 1.60% |
| Northwestern Mutual Life Insurance | | | | 7,821,430 | 4 | 1.50% |
| Pancal Goodson 5 LLC | | | | 7,800,000 | 5 | 1.49% |
| Royal Eighty Five LLC | | | | 7,141,780 | 6 | 1.37% |
| Walmart Stores Inc | | | | 6,723,160 | 7 | 1.29% |
| Wyndor Forest Apartments LLC | | | | 6,562,040 | 8 | 1.26% |
| Woodside Vista LLC | | | | 6,455,310 | 9 | 1.24% |
| | \$ 232,460,176 | | 27.37% | \$ 84,185,990 | | 18.56% |

Source: Fulton County Tax Assessor

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 | Financed Purchases | Notes Payable | | | Water Revenue Bonds | Total Primary Government | | | |
| 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 |
| 2019 | 12,162,860 | - | 658,941 | - | 0.58% | 586.19 | 7,967,324 | 20,789,125 | 0.95% | 5.19% | 950.45 |
| 2020 | 11,221,807 | - | 127,987 | - | 0.40% | 506.71 | 7,472,294 | 18,822,088 | 0.66% | 4.36% | 840.31 |

Source: Union City Finance Department

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 | | |
| 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 | 7,857 | 13,077,401 | 1.65% | 611.95 |
| 2019 | 21,873 | 878,031,488 | 12,162,860 | 9,292 | 12,153,568 | 1.38% | 555.64 |
| 2020 | 22,399 | 1,134,425,424 | 11,221,807 | 5,465 | 11,216,342 | 0.99% | 500.75 |

Source: Union City Finance Department

CITY OF UNION CITY, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Debt Limit | \$ 52,191,978 | \$ 56,858,181 | \$ 49,493,881 | \$ 48,728,312 | \$ 54,943,573 | \$ 62,386,708 | \$ 68,883,979 | \$ 79,111,648 | \$ 87,803,149 | \$ 113,442,542 |
| Total net debt applicable to limit | 14,412,583 | 13,413,324 | 12,774,136 | 12,223,113 | 11,314,876 | 9,581,440 | 14,283,855 | 13,077,401 | 12,153,568 | 11,216,342 |
| Legal Debt Margin | <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> | <u>\$ 75,649,581</u> | <u>\$ 102,226,200</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 27.61% | 23.59% | 25.81% | 25.08% | 20.59% | 15.36% | 20.74% | 16.53% | 13.84% | 9.89% |
| Assessed Value | | | | | | | | | | \$ 1,134,425,424 |
| Debt limit (10% of assessed value) | | | | | | | | | | 113,442,542 |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds and certificates of participation | | | | | | | | | | 11,221,807 |
| Less: Amount set aside for repayment of general obligation debt | | | | | | | | | | <u>(5,465)</u> |
| Total net debt applicable to limit | | | | | | | | | | <u>11,216,342</u> |
| Legal debt margin | | | | | | | | | | <u>\$ 102,226,200</u> |

Notes: 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.

Source: Fulton County Tax Assessor; Union City Finance Department

CITY OF UNION CITY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AUGUST 31, 2020

| Jurisdiction | Debt Outstanding | Estimated Percentage Applicable ^(a) | Amount Applicable to the City of Union City |
|---|---------------------|--|--|
| Fulton County, Georgia - Overlapping Debt | | | |
| Library General Obligation Bonds | \$ 239,939,243 | 1.45% | \$ 3,482,638 |
| Economic Recovery Zone Bonds | 94,221 | 1.45% | 1,368 |
| | | | 3,484,005 |
| Fulton County School District - Overlapping Debt | | | |
| Subtotal, overlapping debt | 22,385,000 | 1.45% | 324,911 |
| City of Union City, Georgia - Direct Debt | | | 11,221,807 |
| City of Union City, Georgia - Financed Purchases | | | 127,987 |
| Total Direct and Overlapping Debt | | | \$ 15,158,710 |

Source: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of December 31, 2018) 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 |
|-------------|-------------------------|--------------------------|-----------------------|-----------|------------|----------|
| 2011 | \$ 5,560,899 | \$ 4,443,345 | \$ 1,117,554 | \$ - | \$ - | - |
| 2012 | 6,708,111 | 4,532,630 | 2,175,481 | - | 77,637 (1) | 28.02 |
| 2013 | 6,511,408 | 4,885,824 (2) | 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 |
| 2019 | 7,807,636 | 5,973,859 | 1,833,777 | 495,000 | 306,884 | 2.29 |
| 2020 | 8,211,366 | 5,902,479 | 2,308,887 | 505,000 | 284,025 | 2.93 |

(1) 2012 Series Bond issued during fiscal year 2012.

(2) 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.

Source: Union City Finance Department

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⁾ |
|----------------|---------------------------|-----------------------------------|---|---------------------------|-------------------------------------|-------------------------------------|
| 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 |
| 2019 | 21,873 | 400,275,900 | 18,300 | 31.8 | 3.90% | 3,683 |
| 2020 | 22,399 | 431,539,134 | 19,266 | 31.8 | 8.90% | 3,683 |

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 | 2020 | | | 2011 | | |
|------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| DSC Logistics | 4200 | 1 | 38.01% | 164 | 8 | 2.98% |
| WalMart.com USA LLC | 1963 | 2 | 17.77% | | | |
| Amazon.com Services Inc | 1537 | 3 | 13.91% | | | |
| DHL Supply Chain | 1397 | 4 | 12.64% | | | |
| Excel Inc | 1243 | 5 | 11.25% | | | |
| Coca-Cola Bottling Company | 623 | 6 | 5.64% | | | |
| Walmart Supercenter #855 | 347 | 7 | 3.14% | | | |
| Costco Wholesale Corp | 278 | 8 | 2.52% | 202 | 5 | 3.67% |
| XPO Logistics Worldwide, Inc | 257 | 9 | 2.33% | | | |
| Pruitt Health-Christian City | 250 | 10 | 2.26% | | | |
| Christian City | | | | 471 | 1 | 8.56% |
| Dendreon | | | | 450 | 2 | 8.18% |
| Exel (Kraft) | | | | 432 | 3 | 7.85% |
| Walmart Stores East LP | | | | 387 | 4 | 7.04% |
| Toyota of Union City | | | | 185 | 6 | 3.36% |
| Nissan of Union City | | | | 174 | 7 | 3.16% |
| Kroger | | | | 130 | 9 | 2.36% |
| UFP Eastern Division Inc | | | | 123 | 10 | 2.24% |

Source: Union City Business Permit Renewals

CITY OF UNION CITY, GEORGIA

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

| Function/Program | Fiscal Year | | | | | | | | | |
|--------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government | | | | | | | | | | |
| Administration | 1 | 3 | 3 | 3 | 2 | 2 | 2 | 4 | 4 | 5 |
| City Clerk | 2 | 2 | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 2 |
| Finance | 4 | 4 | 4 | 4 | 5 | 6 | 6 | 4 | 4 | 4 |
| Finance-water and sewer | 5 | 6 | 6 | 5 | 4 | 4 | 4 | 5 | 4 | 5 |
| Human Resources | 2 | 1 | 2 | 2 | 1 | 2 | 2 | 2 | 3 | 4 |
| Information Technology | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Judicial | | | | | | | | | | |
| Municipal Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 4 |
| Housing and Development | | | | | | | | | | |
| Planning Department | 3 | 2 | 1 | 2 | 3 | 3 | 3 | 4 | 5 | 5 |
| Public Safety | | | | | | | | | | |
| Police | 61 | 61 | 57 | 54 | 58 | 65 | 63 | 64 | 68 | 75 |
| Fire | 49 | 51 | 46 | 46 | 47 | 50 | 48 | 50 | 57 | 62 |
| Jail | 50 | 42 | 40 | 1 | 1 | 1 | 1 | 1 | 1 | - |
| E-911 Communications | 10 | 9 | 10 | 8 | 0 | - | - | - | - | - |
| Public Works | | | | | | | | | | |
| Building and Grounds | 3 | 4 | 3 | 3 | 1 | 4 | 3 | 3 | 1 | 4 |
| Code Enforcement | 4 | 4 | 4 | 3 | 2 | 3 | 3 | 3 | 3 | 4 |
| Roads and Bridges | 17 | 16 | 12 | 13 | 13 | 14 | 14 | 15 | 22 | 23 |
| Water and Sewer | 10 | 9 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 9 |
| Parks and Recreation | | | | | | | | | | |
| | 3 | 6 | 6 | 5 | 4 | 5 | 4 | 9 | 10 | 10 |
| Operations | | | | | | | | | | |
| | 2 | - | 0 | 1 | 1 | 1 | 2 | 2 | 3 | 5 |
| Total | 231 | 226 | 212 | 168 | 157 | 176 | 170 | 182 | 200 | 222 |

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 | | | | | | | | | |
|---|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Fire | | | | | | | | | | |
| Inspections Conducted | 948 | 948 | 998 | 879 | 756 | 3 | 1,171 | 890 | 937 | 755 |
| Police | | | | | | | | | | |
| Number of Law Violations | | | | | | | | | | |
| Physical Arrests | 2,437 | 2,437 | 1,816 | 1,028 | 1,263 | 907 | 812 | 836 | 932 | 789 |
| Traffic and Parking Violations | 15,006 | 15,006 | 8,673 | 6,257 | 6,067 | 5,078 | 3,391 | 4,650 | 9,000 | 5,945 |
| Public Service - Sewerage System | | | | | | | | | | |
| Daily Average Treatment in Gallons | 1,553,414 | 1,553,414 | 1,922,000 | 1,922,000 | 1,922,000 | 1,922,000 | 1,715,000 | 2,878,000 | 2,878,000 | 1,849,290 |
| Max. Daily Capacity of Plant in Gallons | 2,400,000 | 2,400,000 | 3,713,000 | 3,713,000 | 3,713,000 | 3,713,000 | 3,982,200 | 3,982,200 | 3,982,200 | 3,682,200 |
| Service Connections | 4,206 | 4,206 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 5,211 | 5,211 |
| Public Service - Streets | | | | | | | | | | |
| Highway and Streets Resurfacing | 17 | 17 | 6 | 5 | 3 | 2 | - | 22 | 22 | 3 |
| Public Service - Water System | | | | | | | | | | |
| Daily Average Consumption in Gallons | 1,200,000 | 1,200,000 | 1,110,000 | 1,110,000 | 1,110,000 | 1,200,000 | 1,357,672 | 1,400,000 | 1,400,000 | 1,520,465 |
| Max. Daily Capacity of Plant in Gallons | Purchased | Purchased | Purchased | Purchased | Purchased | Purchased | Purchased | Purchased | Purchased | Purchased |
| Service Connections | 4,523 | 4,523 | 4,500 | 4,506 | 4,506 | 4,506 | 4,506 | 4,506 | 5,530 | 5,530 |

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 | | | | | | | | | |
|--|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| <i>Culture and Recreation</i> | | | | | | | | | | |
| Park Acreage | 22 | 34 | 34 | 34 | 34 | 34 | 34 | 55 | 55 | 55 |
| Parks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tennis Courts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Baseball Fields | 2 | 2 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Community Centers & Depot | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| <i>Fire</i> | | | | | | | | | | |
| Fire Stations | 3 | 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 | 56 | 56 | 64 | 68 | 44 | 61 | 66 |
| Patrol Zones | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| <i>Public Service - Sewerage System</i> | | | | | | | | | | |
| Sanitary Sewer (Miles) | 79.9 | 79.9 | 79.9 | 90.0 | 90 | 90 | 90 | 90 | 90 | 90 |
| Treatment Plants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Public Service - Streets</i> | | | | | | | | | | |
| Streets (Miles) | 115.1 | 115.1 | 115.1 | 115.7 | 115.7 | 115.7 | 115.7 | 115.7 | 115.7 | 115.7 |
| Streets (Lights) | 912 | 1,068 | 1,188 | 1,188 | 1188 | 1223 | 1205 | 1236 | 1242 | 1242 |
| <i>Public Service - Water System</i> | | | | | | | | | | |
| Water Mains (Miles) | 69 | 69 | 68 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| Number of Fire Hydrants | 540 | 540 | 565 | 591 | 591 | 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 units, each major fund, and the aggregate remaining fund information of the City of Union City, Georgia (the "City"), as of and for the fiscal year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 6, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-001.

The City's Response to Finding

The City of Union City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 6, 2021

CITY OF UNION CITY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended August 31, 2020 due to the total amount expended being less than \$750,000.

CITY OF UNION CITY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020 – 001 Balanced Budget

Criteria: As detailed in the Official Code of Georgia Annotated (OCGA) section 36-81-3, the City is required to adopt and operate under an annual balanced budget for each Special Revenue Fund, and to adopt and operate under a project-length balanced budget for each Capital Projects Fund in use by the City. If an annual budget is adopted for the Capital Projects Fund, that budget is required to be balanced.

Condition: The City's internal controls did not detect that the original budgets adopted in its Tax Allocation District Fund and Capital Projects Fund were out of balance.

Context/Cause: During our testing of budget-to-actual revenues and expenditures, we noted that the original budgets adopted by the City in its Tax Allocation District Fund and its Capital Project Fund were not in balance as of August 31, 2020.

Effect: The City's original budgeted expenditures in the City's Tax Allocation District Fund exceeded its revenues and available fund balance by approximately \$104,000 as of August 31, 2020. Additionally, the City's original budgeted expenditures for its Capital Projects Fund exceeded its revenues and available fund balance by approximately \$134,000 as of August 31, 2020.

Recommendation: We recommend the City carefully review its annual budgets to ensure that they balance and that they do not budget expenditures in excess of revenues and available fund balance.

Auditee's Response: We will improve upon our budgetary mechanisms to ensure that each annual budget is in balance and that they do not budget expenditures in excess of revenues and available fund balance.