

CITY OF UNION CITY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2023

Prepared by:
Union City Finance Department

CITY OF UNION CITY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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INTRODUCTORY SECTION

April 9, 2024

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

The Annual Comprehensive Financial Report (ACFR) of Union City, Georgia for the fiscal year ended August 31, 2023, is hereby submitted as mandated by State law. The report is presented to demonstrate the City's financial position, activities, and was audited by Mauldin & Jenkins, a firm of licensed certified public accountants.

The accuracy of the data, the completeness, and fairness of the presentation including all disclosures rests with management. 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.

Mauldin & Jenkins audited the City's financial statements with the goal of ensuring that they were free of any material misrepresentation. 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, 2023, 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.

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

PROFILE OF THE GOVERNMENT

Union City is located in the north-central part of Georgia along Interstate 85 within the southern portion of Fulton County. It is currently the fastest-growing city in the state---boasting an estimated population of 27,895 residents. Positioned approximately 15 miles south of downtown Atlanta, the City enjoys proximity to Hartsfield-Jackson Atlanta International Airport, just a 10-minute drive away, and is a key player in the metropolitan statistical area.

The municipality follows a structured governance model with a City Manager-City Council framework. The City Manager is appointed and serves at the discretion of the governing body. Annually, the Council takes charge of adopting a balanced budget and establishing a tax rate to support municipal programs. The City Manager holds the responsibility of administering these programs in line with policies and the annual budget approved by the City Council.

City services within general governmental functions encompass Finance, Human Resources, Information Technology, Police and Fire protection, Community Development, Public Services, and Parks and Recreation. Additionally, water and sewer services and solid waste collection and disposal operate under an Enterprise Fund concept. User charges, set by the City Council, ensure sufficient coverage of operating expenses and payments on outstanding debt.

Annual budgets are adopted for the General Fund, Debt Service Funds, Special Revenue Funds and Capital Project Funds. Each Enterprise Fund has an annual operating budget designed for planning, control, cost allocation, and evaluation purposes. The fund level serves as the legal level of budgetary control. Any increases in total appropriations, whether through heightened estimated revenues or transfers among funds, necessitate the City Manager's recommendation and approval from the Mayor and Council. Appropriations generally lapse at year end, except for those earmarked for capital projects, which are accounted for in future periods until expended or project completion.

Final budget amounts included on all budget comparisons in this report are as amended as of August 31, 2023, by the Mayor and Council.

DISTINGUISHING ATTRIBUTES OF UNION CITY, GEORGIA

Union City strategically sits in close proximity to Atlanta's major interstate routes: I-20, I-85, I-285, and I-75, enhancing logistical connectivity to cities across the southeastern region of the United States. As the City experiences growth, a consistent focus is placed on ensuring sustainability, equity, livability, and resilience.

To guide development, Union City has adopted a comprehensive master plan with the overarching goal of reclaiming, renewing, and reimagining the community. This plan is structured around an urban transect framework that divides the City into three distinct zones. The Reclaim Zone is dedicated to community recreation, the Renew Zone revitalizes the core of the City, and the Reimagine Zone envisions a dense, walkable, and mixed-use urban village, poised to catalyze future growth.

Investing in each zone, the City has secured capital, bond, and grant funding for various initiatives. These activities include the construction of a new greenway trail, the establishment of three new parks, the installation of turf at the City's athletic fields, and the construction of a new fire station.

The local economy in Union City has consistently experienced an upward trajectory in both population growth and economic development. The influx of national and international corporations choosing to establish a presence in the City has contributed to a robust tax base, ensuring long-term sustainability. Several projects represent an investment of approximately \$600 million, bringing along an estimated 7,000-8,000 job opportunities.

Among these projects, there are five Fortune 500 companies and several internationally renowned ones, ASOS, Atlanta Metro Studios, Amazon, Coca-Cola, DHL, Kraft, Pitney Bowes, Walmart E-Commerce, Procter and Gamble and PAC Worldwide. Notably, one of the City's recent developments, Arcadia Cold Storage, is anticipated to capture around 22% of the national frozen food market. Additionally, Mercedes-Benz of Atlanta South will be expanding its footprint within the community. The new Brand Center will be designed to have the latest architectural identity and a host of amenities including a Mercedes Benz Heritage Hall Museum.

In recent years, the City has experienced a remarkable surge in residential development, with housing projects spanning various stages, including those that are completed, under construction, and under review. This surge in development encompasses a diverse range of housing options, including single-family homes, multi-family dwellings, townhouses, and apartments. According to the U.S. Census, the median home value in the City between 2018-2022 was \$281,900. This represented a dramatic increase from 2017 numbers. As cranes dot the skyline and construction sites move with activity, the City is undergoing a transformation, accommodating the evolving needs and preferences of its residents. This influx of residential development not only reflects the City's growth but also signals a promising future as it strives to meet the demands of its residents and businesses.

LOCAL ECONOMIC CONDITIONS

Union City nurtures business and infrastructure expansion to strengthen its local economy, generate employment and enhance quality of life for residents. Key indicators include the community's strong financial standing, fiscal stewardship and growth. Moody's Investors Service recognized these distinctions and upgraded the City's credit rating to Aa2 from Aa3

in September 2022. The upgrade reflected marked improvement in the City's economy as a result of its tax base expansion and stewardship.

The City's tax allocation district (TAD) stands as a prominent and impactful tool in its economic revitalization efforts. Spanning 600 acres, this mixed-use development initiative aims to promote local infrastructure upgrades and redevelopment. Furthermore, the City's designation as a Georgia Foreign Trade Zone (GFTZ) further enhances business competitiveness, decreases processing expenses, and streamlines the flow of goods in the marketplace.

As Union City continues to shape its economic landscape, a dedicated initiative is in progress to guarantee the longevity of infrastructure, including the urban transportation system. Measures such as establishing an extensive network of bike lanes and pedestrian pathways are aimed at reducing congestion and preserving air quality. From 2017 to 2027, funding has been allocated through TSPLOST- a specialized local option sales tax-to bolster essential transportation endeavors, encompassing road upkeep and bridge construction. Harnessing these investments not only promotes economic growth but also underscores the City's dedication to upholding infrastructure while conserving the environment.

MAJOR INITIATIVES

The City continues to lead the way in spearheading several major initiatives aimed at revitalization and progress. One significant effort is the introduction of a new public arts program, designed to foster community engagement through various artistic endeavors. This initiative includes art exhibitions, the creation of community murals, installation of painted trains and "I Love UC" statues, and the rollout of art classes. Union City endeavors to breathe life into the urban landscape, infusing it with humanity and vitality, enriching the built environment, and revitalizing community spaces.

Another key focus is the substantial progress made in implementing the City's R3 masterplan, with public meetings held to gather vital feedback from residents. Simultaneously, the City is actively resurfacing roads and installing additional sidewalks to further enhance connectivity and access throughout the community.

In addition to these efforts, the City is advancing the development of a new walking trail at its athletic fields, accelerating the design of a city-wide R3 greenway trail, and initiating plans for a new community fire station to bolster public safety. Union City has also achieved notable success with its stormwater management program, playing a critical role in maintaining infrastructure and environmental sustainability.

Honorable Mayor & Council

The police department remains steadfast in its dedication to community oriented policing, placing a strong emphasis on proactive approaches and trust with the community. This approach entails officers actively engaging with residents, developing meaningful partnerships, and building mutual trust to collectively enhance public safety and well-being. By prioritizing community-oriented policing, the department aims to create safer neighborhoods, promote positive interactions with law enforcement and the community, and cultivate a sense of shared responsibility for maintaining a secure and supportive environment.

Spearheading a dynamic special events program centered on community engagement and connection, is a subsequent example of a major focus of the community. From the Pinktober 5k Breast Cancer Run to the vibrant Light Up the Night Festival and the heartwarming Back to School Backpack Bash, these initiatives exemplify the commitment to bring the community together through meaningful experiences.

REPORTING ACHIEVEMENTS AND RECENT AWARDS

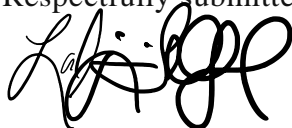
The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to cities for its Annual Comprehensive Financial Report. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

The City is pleased to present the City's 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 our current Annual Comprehensive Financial Report continues to meet the program's requirements.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of Union City, Georgia, and in particular, the staff of the Finance Department. Our sincere appreciation is extended to everyone for their contributions.

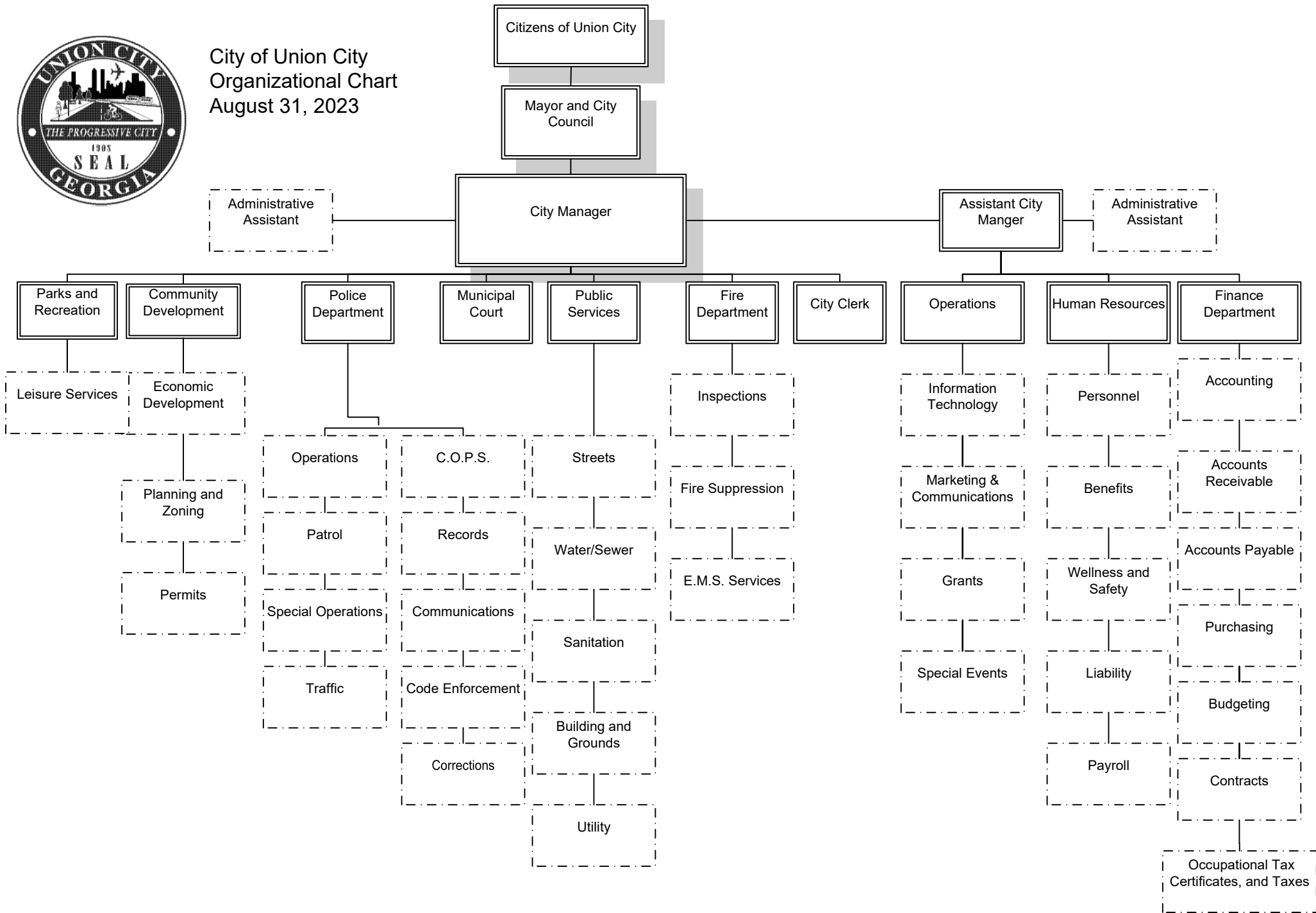
Respectfully submitted,



Sonja Fillingame
City Manager



City of Union City
Organizational Chart
August 31, 2023



CITY OF UNION CITY, GEORGIA

LIST OF PRINCIPAL OFFICIALS AUGUST 31, 2023

Elected Officials

Vince Williams, Mayor

City Council

Christina Hobbs

Brian K. Jones

Angelette Mealing

Lawanna Owens-Twaites

Appointed Officials

City Manager

Sonja Fillingame

City Clerk

Shandrella Jewett

Chief of Police

Cassandra Jones

Chief of Fire Administration

Joe Maddox

Director of Public Services

Lonnie Ferguson

Directors

Assistant City Manager/CFO

Tarsha Calloway

Director of Community Development

Anthony Alston

Director of Human Resources

Brittany Sainnatus

Comptroller

Francis Harley

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and ARPA Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 6 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, as of September 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

-
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 through 15), and the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions on pages 63 and 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds (as required by the Official Code of Georgia Annotated 48-8-249) (the "supplementary information"), as listed in the table of contents, are the responsibility of management and were derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

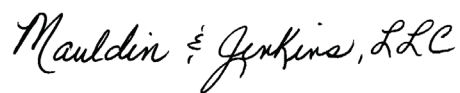
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City 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.



Atlanta, Georgia
April 9, 2024

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, 2023. 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 2023 are as follows:

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$104,684,101 (net position).
- The City's total net position increased by \$13,914,293 or 15.33%.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of \$86,134,679 an increase of \$12,551,241 or 17.06% from the prior fiscal year.
- The City's General Fund reported a positive fund balance of \$32,199,096 which represents 124% of the current year expenditures.
- General Fund results were \$10,822,914 better than budgeted.
- The City issued series 2022 revenue bonds which yielded \$20,476,326 toward future building and infrastructure projects as outlined in the R3 master plan.
- The City has received a total \$8,364,602 in grants from the American Rescue Plan Act. At August 31, 2023, the City has \$7,873,781 of available funds under this program remaining to be spent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between 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, sanitation, and criminal justice management.

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

The City's government-wide financial statements are presented on pages 16 and 17.

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 two broad categories, namely, (1) governmental funds and (2) proprietary funds.

Governmental Funds

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

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets, total 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 fiscal 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 18 – 23.

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 24 – 27.

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

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements (see pages 16 and 17):

City of Union City's Net Position						
August 31, 2023 and 2022						
	Governmental		Business Type		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 102,018,584	\$ 71,613,026	\$ 14,823,414	\$ 13,187,745	\$ 116,841,998	\$ 84,800,771
Capital assets, net	36,682,552	32,499,959	12,885,554	13,701,479	49,568,106	46,201,438
Total assets	<u>138,701,136</u>	<u>104,112,985</u>	<u>27,708,968</u>	<u>26,889,224</u>	<u>166,410,104</u>	<u>131,002,209</u>
Deferred outflows of resources	<u>4,888,671</u>	<u>3,063,500</u>	<u>618,460</u>	<u>510,817</u>	<u>5,507,131</u>	<u>3,574,317</u>
Other liabilities	18,693,250	16,852,115	3,473,984	3,373,911	22,167,234	20,226,026
Long-term liabilities outstanding	<u>38,050,675</u>	<u>13,678,887</u>	<u>6,263,058</u>	<u>6,663,401</u>	<u>44,313,733</u>	<u>20,342,288</u>
Total liabilities	<u>56,743,925</u>	<u>30,531,002</u>	<u>9,737,042</u>	<u>10,037,312</u>	<u>66,480,967</u>	<u>40,568,314</u>
Deferred inflows of resources	<u>711,203</u>	<u>3,062,045</u>	<u>40,964</u>	<u>176,359</u>	<u>752,167</u>	<u>3,238,404</u>
Net position:						
Net investment in capital assets	25,482,943	20,997,799	7,874,343	8,157,253	33,357,286	29,155,052
Restricted	19,783,727	19,754,410	322,175	587,325	20,105,902	20,341,735
Unrestricted	<u>40,868,004</u>	<u>32,831,229</u>	<u>10,352,904</u>	<u>8,441,792</u>	<u>51,220,908</u>	<u>41,273,021</u>
Total net position	<u>\$ 86,134,674</u>	<u>\$ 73,583,438</u>	<u>\$ 18,549,422</u>	<u>\$ 17,186,370</u>	<u>\$ 104,684,096</u>	<u>\$ 90,769,808</u>

Financial Position

The total net position of the City increased \$13,914,293 or 15.33%, from \$90,769,808 to \$104,684,101 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 Fiscal Years Ending August 31,						
	Governmental		Business Type		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 6,456,337	\$ 5,754,476	\$ 13,964,481	\$ 12,271,843	\$ 20,420,818	\$ 18,026,319
Operating grants and contributions	69,449	163,611	-	-	69,449	163,611
Capital grants and contributions	6,185,681	6,009,130	-	-	6,185,681	6,009,130
General revenues:						
Property taxes	17,816,525	17,214,434	-	-	17,816,525	17,214,434
Sales taxes	8,264,467	7,083,216	-	-	8,264,467	7,083,216
Insurance premium taxes	2,241,871	1,603,664	-	-	2,241,871	1,603,664
Franchise taxes	1,768,601	1,577,308	-	-	1,768,601	1,577,308
Other taxes	825,562	789,852	-	-	825,562	789,852
Miscellaneous	80,311	203,951	-	-	80,311	203,951
Unrestricted investment earnings	1,601,698	55,841	70,303	5,198	1,672,001	61,039
Total revenues	45,310,502	40,455,483	14,034,784	12,277,041	59,345,286	52,732,524
Expenses:						
General government	7,876,303	6,398,118	-	-	7,876,303	6,398,118
Judicial	787,457	589,532	-	-	787,457	589,532
Public safety	16,249,116	13,808,495	-	-	16,249,116	13,808,495
Public works	3,877,028	3,303,313	-	-	3,877,028	3,303,313
Parks and recreation	1,402,872	1,286,491	-	-	1,402,872	1,286,491
Economic development	1,703,297	1,430,356	-	-	1,703,297	1,430,356
Interest on long-term debt	1,177,577	256,407	-	-	1,177,577	256,407
Water and Sewer	-	-	9,647,181	8,722,775	9,647,181	8,722,775
Sanitation	-	-	2,127,231	1,879,667	2,127,231	1,879,667
Stormwater	-	-	582,931	422,153	582,931	422,153
Total expenses	33,073,650	27,072,712	12,357,343	11,024,595	45,430,993	38,097,307
Increase in net position before transfers	12,236,852	13,382,771	1,677,441	1,252,446	13,914,293	14,635,217
Transfers	314,389	242,704	(314,389)	(242,704)	-	-
Change in net position	12,551,241	13,625,475	1,363,052	1,009,742	13,914,293	14,635,217
Net position, beginning of year	73,583,438	59,957,963	17,186,370	16,176,628	90,769,808	76,134,591
Net position, end of year	\$ 86,134,679	\$ 73,583,438	\$ 18,549,422	\$ 17,186,370	\$ 104,684,101	\$ 90,769,808

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

As noted in the table on the preceding page, governmental revenues increased \$4,855,019 or 12%. As the national and local economies have improved, significant increases were realized in sales taxes which increased \$1,181,251 or 16.68%; insurance premium taxes increased \$638,207 or 39.80%; and franchise taxes increased \$191,293 or 12.13%. Charges for services increased \$701,861 or 12.2% primarily from increases in building permits and review fees as construction activities remain strong in the City. Investment earnings increased \$1,545,857 or 2,768% as interest rates have increased dramatically.

In total, governmental expenses increased \$6,000,938 or 22.17% over the prior fiscal year. General government expenses increased \$1,478,185 or 23.1% primarily from increases in infrastructure maintenance costs, liability claims and inflationary pressures. Public safety and public works expenses increased \$2,440,621 (17.67%) and \$573,715 (17.37%), respectively, primarily from increases in staff and salaries as well as increases in pension allocations. Interest expense increased \$921,170 or 359% from prior fiscal year as the City issued an additional \$18.6 million in revenue bonds in November 2022 to be used toward future building and infrastructure projects as outlined in the R3 master plan.

Business-Type Activities

Net position for business-type activities increased \$1,363,052 or 7.93%. The Water and Sewer Fund reported an increase in net position of \$1,241,999; the Stormwater Fund had an increase in net position of \$186,230; and the Sanitation fund had a decrease in net position of \$65,177.

The Water and Sewer Fund had net operating income of \$2,991,130; \$2,386,401; and \$2,847,461; for 2023, 2022 and 2021, respectively. Operating income increased \$604,629 in 2023 compared to 2022. Water and sewer sales increased \$1,043,785 or 11.76%, primarily from a 7% increase in customer rates as well as significant new development. Operating expenses increased by \$954,763 or 13.89% from prior fiscal year, primarily from increases in outsourced services. The Water and Sewer Fund continues to bear non-operating expenses for obligations under an intergovernmental agreement with the Middle Chattahoochee Regional Water and Sewer Authority to fund the repayment of construction bonds for alternative water and sewer resources. These obligations were \$1,657,656; \$1,595,478; and \$1,619,196 for 2023, 2022 and 2021, respectively. (See Note 14, page 60).

The Stormwater Fund had net operating income of \$343,419; \$506,285; and \$681,364; for 2023, 2022 and 2021, respectively. The contributing factor to the decrease in operating income for 2023 compared to 2022 were the increases in purchases of contracted services of \$121,759 primarily for repair and maintenance costs.

Sanitation Fund. The City manages the billing and collection of revenues for its sanitation customers, and outsources the collection and disposal of garbage to a private vendor for both residential and commercial customers. The City's goal in the process is to, at a minimum, break even and attempt to maintain a level retained earnings balance in order to refrain from having to transfer funds into the Sanitation activities from other sources. This is a service that the City provides to its residents which aides residents further by controlling and maintaining the lowest cost for these services, as opposed to allowing a private vendor to take over the entire process and expose residents to garbage fees that could be inflated for profit reasons. The Sanitation Fund had net income before transfers of \$92,023; \$204,353; and \$322,468; for 2023, 2022

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

and 2021, respectively. Charges for services increased \$138,255 or 6.67% primarily from new customers. Purchased services increased \$247,564 as the number of customers increase along with increased costs passed thru our service providers.

Financial Analysis of the City's Funds

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

Governmental Fund Balance and Proprietary Net Position – Major Funds

The City's combined fund balances as of the end of the current year for governmental funds, presented on pages 19 and 20, are \$85,570,554. This balance represents an increase of \$29,535,797 or 52.71% from last fiscal year's ending balance.

The General Fund's fund balance has increased by \$5,871,460 or 22.3% as tax revenues continue to increase as well as significant interest income generated by our reserve fund balances as interest rates have increased. The T-SPLOST Fund's fund balance decreased slightly by \$109,240 as the City began spending these tax proceeds on designated transportation projects. The Capital Projects Fund increased \$3,106,456 or 28.38% as the General Fund transferred \$4,082,030 toward future projects. The City created an additional fund in 2023 to account for the proceeds of a 2022 series revenue bonds which contributed \$20,476,326 in proceeds and premiums. This fund had a fund balance of \$20,120,422 for 2023.

As noted in the table on the following page, excess (deficiency) of revenues over (under) expenditures was \$7,310,719 as compared to \$9,024,835 in the prior fiscal year. Governmental revenues increased \$3,828,020 or 9.19%. Property taxes increased slightly by \$83,286 or less than 1%. Sales taxes, licenses and permits, and charges for services increased by \$1,181,251 (16.68%), 673,918 (28.16%) and \$400,321 (28.93%), respectively, as the economy improves. Intergovernmental revenues decreased \$661,425 or 9.93% as the City benefitted from significant federal grants in the prior fiscal year. Interest revenues increased \$1,781,477 or over 2200% as interest rates have increased dramatically over the prior fiscal year. Franchise fees have increased \$191,293 or 12.13% as the economy continues to improve. Fines and forfeitures increased \$93,579 or 11.78% because of increased patrol staffing.

Overall governmental expenditures increased \$5,542,136 or 16.99%. General government expenditures increased \$376,670 or 6.98% because of overall increases in salaries and benefits along with increases in general operating costs primarily outsourced contractual and professional services. Public safety expenditures increased \$1,411,543 or 10.22% primarily increases in wages and benefits and increased staffing. Public works expenditures increased \$426,613 or 15.02% primarily from increases in wages and benefits. Planning and economic development expenditures increased \$233,926 or 16.06% primary due to outsourcing of professional services. Capital outlay increased \$1,601,724 or 26.17% primarily from increases in expenditure of TSPLOST funds. Debt service expenditures increased \$1,311,868 primarily from the issuance of 2022 series revenue bonds issued for various infrastructure and building projects as outlined in the City's R3 master plan.

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Union City's Changes in Governmental Fund Balance August 31, 2023 and 2022

	2023	2022	\$ Change	% Change
Revenues				
Property taxes	\$ 17,970,296	\$ 17,887,010	\$ 83,286	0.47 %
Sales taxes	8,264,467	7,083,216	1,181,251	16.68
Other taxes	3,067,434	2,393,516	673,918	28.16
Charges for services	1,784,113	1,383,792	400,321	28.93
Licenses and permits	3,681,113	3,422,648	258,465	7.55
Intergovernmental	5,996,166	6,657,591	(661,425)	(9.93)
Franchise fees	1,768,601	1,577,308	191,293	12.13
Fines and forfeitures	888,030	794,451	93,579	11.78
Interest revenue	1,860,662	79,185	1,781,477	2,249.77
Rental income	103,080	153,585	(50,505)	(32.88)
Other revenue	80,311	203,951	(123,640)	(60.62)
Total revenues	<u>45,464,273</u>	<u>41,636,253</u>	<u>3,828,020</u>	<u>9.19</u>
Expenditures				
Current:				
General government	5,775,151	5,398,481	376,670	6.98
Judicial	693,105	524,992	168,113	32.02
Public safety	15,218,414	13,806,871	1,411,543	10.22
Public works	3,266,574	2,839,961	426,613	15.02
Parks and recreation	999,435	987,756	11,679	1.18
Planning and economic development	1,690,124	1,456,198	233,926	16.06
Capital outlay	7,722,515	6,120,791	1,601,724	26.17
Debt service			-	
Principal (net of refunding)	1,463,851	1,061,153	402,698	37.95
Interest	857,536	415,215	442,321	106.53
Bond issuance costs	466,849	-	466,849	-
Total expenditures	<u>38,153,554</u>	<u>32,611,418</u>	<u>5,542,136</u>	<u>16.99</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,310,719</u>	<u>9,024,835</u>	<u>(1,714,116)</u>	<u>(18.99)</u>
Other financing sources				
Premium on bonds issued	1,861,326	-	1,861,326	-
Bond proceeds	18,615,000	-	18,615,000	-
Lease liability	1,434,363	1,167,173	267,190	-
Net transfers	314,389	242,704	71,685	29.54
Total other financing sources	<u>22,225,078</u>	<u>1,409,877</u>	<u>20,815,201</u>	<u>1,476.38</u>
Net change in fund balance	<u>\$ 29,535,797</u>	<u>\$ 10,434,712</u>	<u>\$ 19,101,085</u>	<u>183.05 %</u>

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.

CITY OF UNION CITY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The final budgets passed by the City Council anticipated \$33,150,700 of revenues and prior fiscal year surpluses of \$4,951,454 to cover \$28,820,108 of expenditures and \$9,282,046 net of transfers to other funds. Actual results were \$10,822,914 better than projected.

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

- For the General Fund, the actual revenues were \$4,692,023 better than the final budget. Revenues were budgeted at \$33,150,700 and actual revenues were \$37,842,723. Property taxes were \$510,296 better than budgeted due to increases in property values and additional development. Sales taxes and other taxes were \$1,264,467 and \$643,906, respectively, better than budgeted as the state and local economy continues to improve. Charges for services and licenses and permits were \$505,298 and \$512,113 better than budgeted, respectively, as the City used a very conservative estimate for these revenue sources in spite of continued economic recovery. Interest revenues were \$1,102,081 better than budgeted as the federal reserve increased interest rates dramatically to curb inflation.
- Actual expenditures of \$26,023,848 were \$2,796,260 less than the budgeted amount of \$28,820,108. General government expenditures were \$1,388,804 better than budgeted as the City continues to use very conservative budgeting practices. Public safety expenditures were \$710,997 better than budgeted because of vacancies in the police and fire departments. Public works expenditures were \$367,285 better than budgeted as the City used very conservative budgeting practices. Parks and recreation expenditures were \$236,211 better than budgeted as the City did not expend as much as projected for contractual services along with very conservative budgets for all other areas.
- Actual transfers to other funds were \$3,341,115 less than budgeted as a significant amount of these transfers were intended to meet matching requirements of various federal and state grants. These grants did not materialize in fiscal 2023, and thus the transfers were not required.

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

Capital Asset and Debt Administration

Capital Assets

The City has invested \$49,568,106 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, 2023 and 2022**

	Government Type		Business Type		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,523,671	\$ 2,523,671	\$ 493,194	\$ 493,194	\$ 3,016,865	\$ 3,016,865
Construction in progress	5,088,685	3,608,796	-	-	5,088,685	3,608,796
Buildings, grounds and improvements	11,628,612	12,206,248	8,013,205	8,335,619	19,641,817	20,541,867
Machinery and equipment	583,553	710,273	426,508	431,496	1,010,061	1,141,769
Infrastructure	13,754,699	11,088,144	1,822,588	1,872,728	15,577,287	12,960,872
Intangibles	-	-	2,089,457	2,514,431	2,089,457	2,514,431
Vehicles	3,103,332	2,362,827	40,602	53,991	3,143,934	2,416,818
Total	\$ 36,682,552	\$ 32,499,959	\$ 12,885,554	\$ 13,701,459	\$ 49,568,106	\$ 46,201,418

The detailed schedule capital assets are reported in Note 4 of the financial statements. Total capital asset additions for 2023 were \$6,333,168 compared to \$6,146,525 in 2022. There were significant increases in construction in progress of \$4,606,618 primarily for infrastructure improvements; as well as \$1,434,363 for vehicle additions, primarily to replace police vehicles.

Long-Term Debt

At the end of the current year, the City had long-term debt related to governmental activities of \$28,354,944 and \$6,400,000 for business type activities. The City issued series 2022 Revenue bonds of \$18,615,000 and realized additional premiums of \$1,861,326 for infrastructure and building improvements as described in the City's R3 master plan. 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.

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

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

City of Union City's Outstanding Long-Term Liabilities						
August 31, 2023 and 2022						
	Government Type		Business Type		Total	
	2023	2022	2023	2022	2023	2022
General obligation						
bonds backed by						
property taxes	\$ 7,580,000	\$ 8,570,000	\$ -	\$ -	\$ 7,580,000	\$ 8,570,000
Revenue bonds	18,615,000	-	6,400,000	7,050,500	25,015,000	7,050,500
Financed purchases	<u>2,159,944</u>	<u>1,199,432</u>	<u>-</u>	<u>-</u>	<u>2,159,944</u>	<u>1,199,432</u>
	<u>\$28,354,944</u>	<u>\$ 9,769,432</u>	<u>\$ 6,400,000</u>	<u>\$ 7,050,500</u>	<u>\$34,754,944</u>	<u>\$16,819,932</u>

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 12.284 mills for the fiscal year 2023.

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, 2023

	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	\$ 98,647,074	\$ 7,872,631	\$ 106,519,705	\$ -	\$ 219,786	\$ 219,786
Taxes receivable	893,988	-	893,988	-	-	-
Accounts receivable, net of allowances	154,420	3,969,471	4,123,891	-	-	-
Interest receivable	-	-	-	101,411	-	101,411
Due from other governments	1,348,643	-	1,348,643	-	-	-
Intergovernmental receivable from Fulton County	-	-	-	10,175,000	-	10,175,000
Inventory	15,484	31,470	46,954	-	-	-
Prepaid items	851,814	52,203	904,017	-	-	-
Restricted assets:						
Cash and cash equivalents	107,161	1,853,673	1,960,834	-	-	-
Investments	-	1,043,966	1,043,966	-	-	-
Capital assets:						
Nondepreciable	7,612,356	493,194	8,105,550	-	-	-
Depreciable, net of accumulated depreciation and amortization	29,070,196	12,392,360	41,462,556	-	-	-
Total assets	<u>138,701,136</u>	<u>27,708,968</u>	<u>166,410,104</u>	<u>10,276,411</u>	<u>219,786</u>	<u>10,496,197</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	4,750,791	273,637	5,024,428	-	-	-
Deferred charges on refunding	137,880	344,823	482,703	519,273	-	519,273
Total deferred outflows of resources	<u>4,888,671</u>	<u>618,460</u>	<u>5,507,131</u>	<u>519,273</u>	<u>-</u>	<u>519,273</u>
LIABILITIES						
Accounts payable	6,579,434	1,402,078	7,981,512	-	-	-
Accrued liabilities	586,909	42,583	629,492	-	-	-
Accrued interest payable	133,035	-	133,035	101,411	-	101,411
Unearned revenues	7,905,192	-	7,905,192	-	144,250	144,250
Due to other governments	580,080	-	580,080	-	-	-
Customer deposits payable	-	1,344,469	1,344,469	-	-	-
Lease liability due within one fiscal year	667,203	-	667,203	-	-	-
Lease liability due in more than one year	1,492,741	-	1,492,741	-	-	-
Bonds payable due within one fiscal year	1,045,000	-	1,045,000	790,000	-	790,000
Bonds payable due in more than one fiscal year	7,110,021	-	7,110,021	9,385,000	-	9,385,000
Revenue bonds payable due within one fiscal year	-	660,000	660,000	-	-	-
Revenue bonds payable due in more than one fiscal year	20,366,747	5,740,000	26,106,747	-	-	-
Claims payable due within one fiscal year	609,106	-	609,106	-	-	-
Compensated absences due within one fiscal year	587,291	24,854	612,145	-	-	-
Net pension liability due in more than one fiscal year	9,081,166	523,058	9,604,224	-	-	-
Total liabilities	<u>56,743,925</u>	<u>9,737,042</u>	<u>66,480,967</u>	<u>10,276,411</u>	<u>144,250</u>	<u>10,420,661</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related items	711,203	40,964	752,167	-	-	-
Total deferred inflows of resources	<u>711,203</u>	<u>40,964</u>	<u>752,167</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	25,482,943	7,874,343	33,357,286	-	-	-
Restricted						
Federal programs	145,405	-	145,405	-	-	-
Law enforcement	1,680,362	-	1,680,362	-	-	-
Economic development	873,059	-	873,059	-	-	-
Public safety	47,085	-	47,085	-	-	-
Debt service	238,807	322,175	560,982	519,273	-	519,273
Capital projects	16,799,009	-	16,799,009	-	-	-
Unrestricted	40,868,009	10,352,904	51,220,913	-	75,536	75,536
Total net position	<u>\$ 86,134,679</u>	<u>\$ 18,549,422</u>	<u>\$ 104,684,101</u>	<u>\$ 519,273</u>	<u>\$ 75,536</u>	<u>\$ 594,809</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, 2023

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		Total
					Governmental Activities	Business-type Activities	Total	South Fulton Municipal Regional Jail Authority	Union City Development Authority	
Primary government:										
Governmental activities:										
General government	\$ 7,876,303	\$ 2,307,771	\$ -	\$ -	\$ (5,568,532)	\$ -	\$ (5,568,532)	\$ -	\$ -	\$ -
Judicial	787,457	932,991	-	-	145,534	-	145,534	-	-	-
Public safety	16,249,116	675,533	22,364	-	(15,551,219)	-	(15,551,219)	-	-	-
Public works	3,877,028	1,507,789	-	6,185,681	3,816,442	-	3,816,442	-	-	-
Parks and recreation	1,402,872	74,429	-	-	(1,328,443)	-	(1,328,443)	-	-	-
Planning and economic development	1,703,297	957,824	-	-	(745,473)	-	(745,473)	-	-	-
Interest on long-term debt	1,177,577	-	-	-	(1,177,577)	-	(1,177,577)	-	-	-
Total governmental activities	<u>33,073,650</u>	<u>6,456,337</u>	<u>22,364</u>	<u>6,185,681</u>	<u>(20,409,268)</u>	<u>-</u>	<u>(20,409,268)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:										
Water and Sewerage	9,647,181	10,818,877	-	-	-	1,171,696	1,171,696	-	-	-
Stormwater	582,931	926,350	-	-	-	343,419	343,419	-	-	-
Sanitation	2,127,231	2,219,254	-	-	-	92,023	92,023	-	-	-
Total business-type activities	<u>12,357,343</u>	<u>13,964,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,607,138</u>	<u>1,607,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 45,430,993</u>	<u>\$ 20,420,818</u>	<u>\$ 22,364</u>	<u>\$ 6,185,681</u>	<u>(20,409,268)</u>	<u>1,607,138</u>	<u>(18,802,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component units:										
South Fulton Municipal Regional Jail Authority	\$ 194,221	\$ -	\$ -	\$ -	-	-	-	(194,221)	-	(194,221)
Union City Development Authority	8,235	-	-	-	-	-	-	-	(8,235)	(8,235)
Total component units	<u>\$ 202,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(194,221)</u>	<u>(8,235)</u>	<u>(202,456)</u>
General revenues:										
Property taxes					17,816,525	-	17,816,525	-	-	-
Sales taxes					8,264,467	-	8,264,467	-	-	-
Insurance premium tax					2,241,871	-	2,241,871	-	-	-
Other taxes					825,562	-	825,562	-	-	-
Franchise taxes					1,768,601	-	1,768,601	-	-	-
Unrestricted investment earnings					1,601,698	70,303	1,672,001	101,411	-	101,411
Miscellaneous					127,396	-	127,396	-	-	-
Transfers					314,389	(314,389)	-	-	-	-
Total general revenues and transfers					<u>32,960,509</u>	<u>(244,086)</u>	<u>32,716,423</u>	<u>101,411</u>	<u>-</u>	<u>101,411</u>
Change in net position					12,551,241	1,363,052	13,914,293	(92,810)	(8,235)	(101,045)
Net position, beginning of fiscal year					73,583,438	17,186,370	90,769,808	612,083	83,771	695,854
Net position, end of fiscal year					<u>\$ 86,134,679</u>	<u>\$ 18,549,422</u>	<u>\$ 104,684,101</u>	<u>\$ 519,273</u>	<u>\$ 75,536</u>	<u>\$ 594,809</u>

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

**CITY OF UNION CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2023**

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Revenue Bonds Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 37,070,314	\$ 14,832,490	\$ 8,041,031	\$ 14,059,004	\$ 20,172,394	\$ 4,471,841	\$ 98,647,074
Taxes receivable, net	841,748	-	-	-	-	52,240	893,988
Intergovernmental receivable	822,400	404,125	-	-	-	122,118	1,348,643
Accounts receivable	154,420	-	-	-	-	-	154,420
Inventory	15,484	-	-	-	-	-	15,484
Due from other funds	27,060	-	-	-	-	-	27,060
Prepaid items	634,284	-	-	25,000	-	192,530	851,814
Restricted cash	107,161	-	-	-	-	-	107,161
Total assets	<u>\$ 39,672,871</u>	<u>\$ 15,236,615</u>	<u>\$ 8,041,031</u>	<u>\$ 14,084,004</u>	<u>\$ 20,172,394</u>	<u>\$ 4,838,729</u>	<u>\$ 102,045,644</u>
LIABILITIES							
Accounts payable	\$ 5,633,382	\$ 611,479	\$ 21,845	\$ 30,039	\$ 51,972	\$ 230,717	\$ 6,579,434
Accrued liabilities	452,228	134,681	-	-	-	-	586,909
Unearned revenue	31,411	-	7,873,781	-	-	-	7,905,192
Due to others	560,339	-	-	-	-	19,741	580,080
Due to other funds	-	-	-	-	-	27,060	27,060
Total liabilities	<u>6,677,360</u>	<u>746,160</u>	<u>7,895,626</u>	<u>30,039</u>	<u>51,972</u>	<u>277,518</u>	<u>15,678,675</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	796,415	-	-	-	-	-	796,415
Total deferred inflows of resources	<u>796,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796,415</u>
FUND BALANCES							
Nonspendable:							
Inventory	15,484	-	-	-	-	-	15,484
Prepaid items	634,284	-	-	25,000	-	192,530	851,814
Restricted for:							
Federal programs	-	-	145,405	-	-	-	145,405
Law enforcement	-	-	-	-	-	1,680,362	1,680,362
Economic development	-	-	-	-	-	873,059	873,059
Public safety	-	-	-	-	-	47,085	47,085
Debt service	-	-	-	-	-	238,807	238,807
Capital projects	-	14,490,455	-	-	20,120,422	1,562,394	36,173,271
Assigned:							
Capital projects	-	-	-	14,028,965	-	-	14,028,965
Unassigned	31,549,328	-	-	-	-	(33,026)	31,516,302
Total fund balances	<u>32,199,096</u>	<u>14,490,455</u>	<u>145,405</u>	<u>14,053,965</u>	<u>20,120,422</u>	<u>4,561,211</u>	<u>85,570,554</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,672,871</u>	<u>\$ 15,236,615</u>	<u>\$ 8,041,031</u>	<u>\$ 14,084,004</u>	<u>\$ 20,172,394</u>	<u>\$ 4,838,729</u>	<u>\$ 102,045,644</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, 2023

TOTAL GOVERNMENTAL FUND BALANCES		\$	85,570,554
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Cost		\$ 63,248,283	
Less accumulated depreciation and amortization		<u>(26,565,731)</u>	36,682,552
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			796,415
Deferred refunding charges are not financial resources and, therefore, are not reported in the governmental funds.			
			137,880
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		\$ (9,081,166)	
Deferred outflows of resources - pension related items		4,750,791	
Deferred inflows of resources - pension related items		<u>(711,203)</u>	(5,041,578)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest		\$ (133,035)	
Leased liability		(2,159,944)	
Revenue bonds payable		(18,615,000)	
Bonds payable		(7,580,000)	
Premium		(2,326,768)	
Claims payable		(609,106)	
Compensated absences		<u>(587,291)</u>	<u>(32,011,144)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES			<u>\$ 86,134,679</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, 2023

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Revenue Bonds Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 17,970,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,970,296
Sales taxes	8,264,467	-	-	-	-	-	8,264,467
Other taxes	2,258,906	-	-	-	-	808,528	3,067,434
Charges for services	1,768,798	-	-	-	-	15,315	1,784,113
Licenses and permits	3,681,113	-	-	-	-	-	3,681,113
Intergovernmental	-	4,932,113	94,820	-	-	922,148	5,949,081
Franchise taxes	1,768,601	-	-	-	-	-	1,768,601
Fines and forfeitures	888,030	-	-	-	-	-	888,030
Interest	1,132,081	258,964	145,279	34,648	289,114	576	1,860,662
Rental income	103,080	-	-	-	-	-	103,080
Other revenues	7,351	-	-	-	-	120,045	127,396
Total revenues	37,842,723	5,191,077	240,099	34,648	289,114	1,866,612	45,464,273
Expenditures							
Current:							
General government	5,728,379	-	-	-	-	46,772	5,775,151
Judicial	693,105	-	-	-	-	-	693,105
Public safety	14,461,322	-	-	-	-	757,092	15,218,414
Public works	2,582,661	-	94,820	-	-	589,093	3,266,574
Parks and recreation	997,935	-	-	-	-	1,500	999,435
Planning and economic development	1,560,446	-	-	-	-	129,678	1,690,124
Capital outlay	-	5,300,317	-	1,833,098	178,169	410,931	7,722,515
Debt service:							
Principal	-	-	-	473,851	-	990,000	1,463,851
Bond issuance costs	-	-	-	-	466,849	-	466,849
Interest	-	-	-	137,636	-	719,900	857,536
Total expenditures	26,023,848	5,300,317	94,820	2,444,585	645,018	3,644,966	38,153,554
Excess (deficiency) of revenues over (under) expenditures	11,818,875	(109,240)	145,279	(2,409,937)	(355,904)	(1,778,354)	7,310,719
Other financing sources (uses)							
Issuance of bonds	-	-	-	-	18,615,000	-	18,615,000
Premium on bonds issued	-	-	-	-	1,861,326	-	1,861,326
Lease liability	-	-	-	1,434,363	-	-	1,434,363
Transfers in	743,905	-	-	4,082,030	-	2,609,290	7,435,225
Transfers out	(6,691,320)	-	-	-	-	(429,516)	(7,120,836)
Total other financing sources (uses)	(5,947,415)	-	-	5,516,393	20,476,326	2,179,774	22,225,078
Net change in fund balances	5,871,460	(109,240)	145,279	3,106,456	20,120,422	401,420	29,535,797
Fund balances, beginning of fiscal year	26,327,636	14,599,695	126	10,947,509	-	4,159,791	56,034,757
Fund balances, end of fiscal year	\$ 32,199,096	\$ 14,490,455	\$ 145,405	\$ 14,053,965	\$ 20,120,422	\$ 4,561,211	\$ 85,570,554

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, 2023

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

Net change in fund balances - total governmental funds \$ 29,535,797

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 or amortization expense. This is the amount by which capital outlay exceeded depreciation or amortization expense in the current period.

Capital outlay	\$ 6,140,213	
Depreciation expense	(1,625,336)	
Amortization expense	<u>(332,284)</u>	4,182,593

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

Property taxes	(153,771)
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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	\$ 473,851	
Leased liability	(1,434,363)	
Premiums on bond issuance	(1,861,326)	
Proceeds from bond issuance	(18,615,000)	
Bond principal payments	<u>990,000</u>	(20,446,838)

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	\$ 10,615	
Compensated absences	(32,894)	
Pension expense	(288,308)	
Claims expense	(392,146)	
Amortization expense	<u>136,193</u>	<u>(566,540)</u>

Change in net position of governmental activities \$ 12,551,241

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 17,460,000	\$ 17,460,000	\$ 17,970,296	\$ 510,296
Sales taxes	7,000,000	7,000,000	8,264,467	1,264,467
Other taxes	1,615,000	1,615,000	2,258,906	643,906
Charges for services	1,263,500	1,263,500	1,768,798	505,298
Licenses and permits	3,169,000	3,169,000	3,681,113	512,113
Franchise taxes	1,550,400	1,550,400	1,768,601	218,201
Fines and forfeitures	816,000	816,000	888,030	72,030
Interest	30,000	30,000	1,132,081	1,102,081
Rental income	90,200	90,200	103,080	12,880
Other revenues	156,600	156,600	7,351	(149,249)
Total revenues	<u>33,150,700</u>	<u>33,150,700</u>	<u>37,842,723</u>	<u>4,692,023</u>
Expenditures				
Current				
General government:				
City clerk	579,517	579,517	606,032	(26,515)
Finance	1,032,091	1,032,091	837,014	195,077
City administrator	1,028,168	1,028,168	828,560	199,608
Mayor and council	667,340	667,340	499,200	168,140
Human resources	909,426	909,426	781,615	127,811
Operations	3,184,348	2,900,641	2,175,958	724,683
Total general government	<u>7,400,890</u>	<u>7,117,183</u>	<u>5,728,379</u>	<u>1,388,804</u>
Judicial:				
Municipal court	723,751	723,751	693,105	30,646
Public safety:				
Police	8,970,887	8,970,887	8,805,227	165,660
Fire	6,200,532	6,200,532	5,656,095	544,437
Total public safety	<u>15,171,419</u>	<u>15,171,419</u>	<u>14,461,322</u>	<u>710,097</u>
Public works:				
Buildings and grounds	2,949,946	2,949,946	2,582,661	367,285
Planning and economic development	<u>1,623,663</u>	<u>1,623,663</u>	<u>1,560,446</u>	<u>63,217</u>
Parks and recreation	<u>1,234,146</u>	<u>1,234,146</u>	<u>997,935</u>	<u>236,211</u>
Total expenditures	<u>29,103,815</u>	<u>28,820,108</u>	<u>26,023,848</u>	<u>2,796,260</u>
Excess of revenues over expenditures	<u>4,046,885</u>	<u>4,330,592</u>	<u>11,818,875</u>	<u>7,488,283</u>
Other financing sources (uses)				
Transfers in	750,389	750,389	743,905	(6,484)
Transfers out	(10,032,435)	(10,032,435)	(6,691,320)	3,341,115
Total other financing uses, net	<u>(9,282,046)</u>	<u>(9,282,046)</u>	<u>(5,947,415)</u>	<u>3,334,631</u>
Net change in fund balances	<u>\$ (5,235,161)</u>	<u>\$ (4,951,454)</u>	<u>5,871,460</u>	<u>\$ 10,822,914</u>
Fund balance, beginning of fiscal year			<u>26,327,636</u>	
Fund balance, ending of fiscal year			<u>\$ 32,199,096</u>	

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 7,965,601	\$ 7,965,601	\$ 94,820	\$ (7,870,781)
Interest	-	-	145,279	145,279
Total revenues	<u>7,965,601</u>	<u>7,965,601</u>	<u>240,099</u>	<u>(7,725,502)</u>
EXPENDITURES				
General government	1,000,000	1,000,000	-	1,000,000
Public works	<u>6,965,601</u>	<u>6,965,601</u>	<u>94,820</u>	<u>6,870,781</u>
Total expenditures	<u>7,965,601</u>	<u>7,965,601</u>	<u>94,820</u>	<u>7,870,781</u>
Net change in fund balance	-	-	145,279	145,279
FUND BALANCES, beginning of fiscal year	<u>126</u>	<u>126</u>	<u>126</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 126</u>	<u>\$ 126</u>	<u>\$ 145,405</u>	<u>\$ 145,279</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, 2023**

	<u>Water and Sewerage Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,982,930	\$ 907,453	\$ 982,248	\$ 7,872,631
Accounts receivable, net	3,006,264	475,580	487,627	3,969,471
Inventory	31,470	-	-	31,470
Prepays	52,203	-	-	52,203
Restricted assets				
Cash and cash equivalents	1,853,673	-	-	1,853,673
Investments	1,043,966	-	-	1,043,966
Total current assets	<u>11,970,506</u>	<u>1,383,033</u>	<u>1,469,875</u>	<u>14,823,414</u>
NON-CURRENT ASSETS				
Capital assets				
Nondepreciable	493,194	-	-	493,194
Depreciable, net of accumulated depreciation	10,060,301	2,332,059	-	12,392,360
Total non-current assets	<u>10,553,495</u>	<u>2,332,059</u>	<u>-</u>	<u>12,885,554</u>
Total assets	<u>22,524,001</u>	<u>3,715,092</u>	<u>1,469,875</u>	<u>27,708,968</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	273,637	-	-	273,637
Loss on refunding	344,823	-	-	344,823
Total deferred outflows of resources	<u>618,460</u>	<u>-</u>	<u>-</u>	<u>618,460</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,058,174	87,696	256,208	1,402,078
Accrued liabilities	18,182	-	-	18,182
Compensated absences	24,854	-	-	24,854
Payables from restricted assets:				
Customer deposits payable	1,344,469	-	-	1,344,469
Revenue bonds payable - current portion	660,000	-	-	660,000
Accrued interest on bonds payable	24,401	-	-	24,401
Total current liabilities	<u>3,130,080</u>	<u>87,696</u>	<u>256,208</u>	<u>3,473,984</u>
NON-CURRENT LIABILITIES				
Revenue bonds payable - net of unamortized discounts and current portion	5,740,000	-	-	5,740,000
Net pension liability	523,058	-	-	523,058
Total non-current liabilities	<u>6,263,058</u>	<u>-</u>	<u>-</u>	<u>6,263,058</u>
Total liabilities	<u>9,393,138</u>	<u>87,696</u>	<u>256,208</u>	<u>9,737,042</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	40,964	-	-	40,964
Total deferred inflows of resources	<u>40,964</u>	<u>-</u>	<u>-</u>	<u>40,964</u>
NET POSITION				
Net investment in capital assets	5,542,284	2,332,059	-	7,874,343
Restricted				
Debt service	322,175	-	-	322,175
Unrestricted	7,843,900	1,295,337	1,213,667	10,352,904
Total net position	<u>\$ 13,708,359</u>	<u>\$ 3,627,396</u>	<u>\$ 1,213,667</u>	<u>\$ 18,549,422</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, 2023

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
OPERATING REVENUES				
Charges for services	\$ 9,922,971	\$ 926,350	\$ 2,210,353	\$ 13,059,674
Tap fees	137,300	-	-	137,300
Other charges	758,606	-	8,901	767,507
Total operating revenues	<u>10,818,877</u>	<u>926,350</u>	<u>2,219,254</u>	<u>13,964,481</u>
OPERATING EXPENSES				
Water purchases	2,760,486	-	-	2,760,486
Personnel costs	625,366	-	-	625,366
Purchased or contracted services	3,597,116	418,850	2,127,231	6,143,197
Depreciation expense	844,779	164,081	-	1,008,860
Total operating expenses	<u>7,827,747</u>	<u>582,931</u>	<u>2,127,231</u>	<u>10,537,909</u>
Operating income	2,991,130	343,419	92,023	3,426,572
NON-OPERATING INCOME (EXPENSES)				
Interest income	70,303	-	-	70,303
Interest expense	(161,778)	-	-	(161,778)
Intergovernmental agreement	(1,657,656)	-	-	(1,657,656)
Total non-operating expenses, net	<u>(1,749,131)</u>	<u>-</u>	<u>-</u>	<u>(1,749,131)</u>
Income before transfers	1,241,999	343,419	92,023	1,677,441
TRANSFERS				
Transfers out	-	(157,189)	(157,200)	(314,389)
Total transfers	<u>-</u>	<u>(157,189)</u>	<u>(157,200)</u>	<u>(314,389)</u>
Change in net position	1,241,999	186,230	(65,177)	1,363,052
NET POSITION, beginning of fiscal year	<u>12,466,360</u>	<u>3,441,166</u>	<u>1,278,844</u>	<u>17,186,370</u>
NET POSITION, end of fiscal year	<u>\$ 13,708,359</u>	<u>\$ 3,627,396</u>	<u>\$ 1,213,667</u>	<u>\$ 18,549,422</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, 2023

	<u>Water and Sewerage Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 10,318,814	\$ 859,444	\$ 2,104,615	\$ 13,282,873
Payments to suppliers	(6,287,368)	(468,652)	(2,096,113)	(8,852,133)
Payments to employees	(584,697)	-	-	(584,697)
Net cash provided by operating activities	<u>3,446,749</u>	<u>390,792</u>	<u>8,502</u>	<u>3,846,043</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments on intergovernmental agreement	(1,657,656)	-	-	(1,657,656)
Transfers out	-	(157,189)	(157,200)	(314,389)
Net cash used in non-capital financing activities	<u>(1,657,656)</u>	<u>(157,189)</u>	<u>(157,200)</u>	<u>(1,972,045)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(97,390)	(95,565)	-	(192,955)
Principal payment on bond payable	(645,000)	-	-	(645,000)
Interest paid	(164,223)	-	-	(164,223)
Net cash used in capital and related financing activities	<u>(906,613)</u>	<u>(95,565)</u>	<u>-</u>	<u>(1,002,178)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	70,303	-	-	70,303
Net cash provided by investing activities	<u>70,303</u>	<u>-</u>	<u>-</u>	<u>70,303</u>
Change in cash and cash equivalents	952,783	138,038	(148,698)	942,123
Cash and cash equivalents:				
Beginning of fiscal year	<u>7,927,786</u>	<u>769,415</u>	<u>1,130,946</u>	<u>9,828,147</u>
End of fiscal year	<u>\$ 8,880,569</u>	<u>\$ 907,453</u>	<u>\$ 982,248</u>	<u>\$ 10,770,270</u>
Classified as:				
Cash and cash equivalents	\$ 5,982,930	\$ 907,453	\$ 982,248	\$ 7,872,631
Restricted assets, cash	1,853,673	-	-	1,853,673
Restricted assets, investments	1,043,966	-	-	1,043,966
	<u>\$ 8,880,569</u>	<u>\$ 907,453</u>	<u>\$ 982,248</u>	<u>\$ 10,770,270</u>

(continued)

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, 2023

	<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	\$ 2,991,130	\$ 343,419	\$ 92,023	\$ 3,426,572
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	844,779	164,081	-	1,008,860
Changes in assets, deferred outflows/inflows of resources, and liabilities:				
Increase in accounts receivable	(500,063)	(66,906)	(114,639)	(681,608)
Increase in prepaids	(5,000)	-	-	(5,000)
Increase in inventory	(6,918)	-	-	(6,918)
Increase in deferred outflows from pension	(107,643)	-	-	(107,643)
(Decrease) Increase in accounts payable	83,253	(49,802)	31,118	64,569
Decrease in accrued liabilities	(1,101)	-	-	(1,101)
Increase in customer deposits	24,050	-	-	24,050
Increase in net pension liability	259,657	-	-	259,657
Decrease in deferred inflows from pension	(135,395)	-	-	(135,395)
Net cash provided by operating activities	<u>\$ 3,446,749</u>	<u>\$ 390,792</u>	<u>\$ 8,502</u>	<u>\$ 3,846,043</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

A. 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.

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

Based upon criteria set forth by GASB Statement No. 14 and as amended by GASB Statement No. 39 and 61, the City was determined to have the following component units as of August 31, 2023:

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 nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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.

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 **ARPA Fund** accounts for grant funding received by the City under the American Rescue Plan Act of 2021.

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 **Revenue Bonds Fund** accounts for proceeds of the 2022 bond issuance. Funds are used for various capital projects within the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Other taxes are recognized predominately when the underlying transaction occurs. 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 government considers revenues to be available if they are collected within sixty days of the end of the current 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 pension liabilities are recorded only when payment is due.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 *nonoperating* 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 nonoperating 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
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.
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.

The Capital Projects funds have project-based budgets.

The following funds had the following departments and transfers out with excess of actual expenditures or transfers out over appropriations as of August 31, 2023:

General Fund:		
City Clerk	\$	26,515
E911 Fund:		
Public Safety		14,538

These over expenditures and transfers out 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items

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

H. Short-Term Interfund Receivables/Payables

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

Advances between funds (if any), 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 estimated acquisition value. The City has retroactively reported major general infrastructure assets. In this case, the City chose to include all items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

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
Right-to-use leased vehicles	5-10
Distribution system	50
Waterwaste treatment capacity	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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases

Lessee

The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

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 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 fiscal year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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.

O. 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.

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Funds. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are reappropriated in the following year, except for encumbrances in the Capital Projects Funds which are continuing. Encumbrances do not represent GAAP expenditures. At August 31, 2023, there were no encumbrances outstanding.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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 deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. 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)

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

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

R. 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.

S. 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, 2023, the City’s ad valorem tax revenues were reduced by \$852,071 under other government agreements for tax abatements entered into by Fulton County, Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of August 31, 2023, are summarized as follows:

As reported in the Statement of Net Position

Primary government	
Cash and cash equivalents	\$ 106,519,705
Restricted Assets	
Cash and cash equivalents	1,960,834
Investments	1,043,966
Component units - cash and cash equivalents	<u>219,786</u>
	<u>\$ 109,744,291</u>
Cash deposited with financial institutions	\$ 108,577,304
Cash deposited with Georgia Fund 1	123,021
U.S. Treasury notes	<u>1,043,966</u>
	<u>\$ 109,744,291</u>

Georgia Fund 1 is reported as restricted cash equivalent as of August 31, 2023.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

At August 31, 2023, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Average Maturity	Credit Rating	Balance
Georgia Fund 1	32 days	AAAf	\$ 123,021
US Treasury Notes	42 days	AAAm	1,043,966
			\$ 1,166,987

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

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

The City has the following recurring fair value measurements as of August 31, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
US Treasury Notes	\$ 1,043,966	\$ -	\$ -	\$ 1,043,966
Total investments measured at fair value	\$ 1,043,966	\$ -	\$ -	\$ 1,043,966

The US Treasury Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

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, 2023, 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:

	General	TSPLOST Fund	Nonmajor Governmental	Water and Sewerage	Stormwater	Nonmajor Sanitation
Receivables:						
Taxes	\$ 1,970,131	\$ -	\$ 52,240	\$ -	\$ -	\$ -
Accounts	154,420	-	-	4,125,184	651,985	600,859
Intergovernmental	822,400	404,125	122,118	-	-	-
Gross receivables	2,946,951	404,125	174,358	4,125,184	651,985	600,859
Less allowance	(1,128,383)	-	-	(1,118,920)	(176,405)	(113,232)
Net receivables	<u>\$ 1,818,568</u>	<u>\$ 404,125</u>	<u>\$ 174,358</u>	<u>\$ 3,006,264</u>	<u>\$ 475,580</u>	<u>\$ 487,627</u>

Property Taxes

Property taxes were levied on November 18, 2022 based upon property values assessed as of January 1. The billings were mailed on November 18, 2022, and were payable on or before January 18, 2023, 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 2023 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended August 31, 2023 and collected by October 31, 2023, are recognized as revenues in the year ended August 31, 2023. Net receivables estimated to be collected subsequent to October 31, 2023, are deferred as of August 31, 2023, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. The tax rate levied during fiscal year 2022 for the City's operations was 11.114 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, 2023 are as follows:

Fiscal Year Ending August 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 790,000	\$ 292,422	\$ 1,082,422
2025	815,000	268,427	1,083,427
2026	845,000	128,122	973,122
2027	865,000	218,046	1,083,046
2028	890,000	191,809	1,081,809
2029-2033	4,895,000	535,782	5,430,782
2034	1,075,000	16,071	1,091,071
	<u>\$ 10,175,000</u>	<u>\$ 1,650,679</u>	<u>\$ 11,825,679</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended August 31, 2023, was as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 2,523,671	\$ -	\$ -	\$ -	\$ 2,523,671
Construction in progress	<u>3,608,796</u>	<u>4,606,618</u>	<u>-</u>	<u>(3,126,729)</u>	<u>5,088,685</u>
Total capital assets, not being depreciated	<u>6,132,467</u>	<u>4,606,618</u>	<u>-</u>	<u>(3,126,729)</u>	<u>7,612,356</u>
Capital assets, being depreciated:					
Buildings, grounds and improvements	19,754,770	-	-	-	19,754,770
Machinery and equipment	2,023,890	35,240	-	-	2,059,130
Infrastructure	21,250,266	63,992	-	3,126,729	24,440,987
Vehicles	<u>6,597,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,597,968</u>
Total capital assets, being depreciated	<u>50,975,603</u>	<u>99,232</u>	<u>-</u>	<u>3,126,729</u>	<u>52,852,855</u>
Less accumulated depreciation for:					
Buildings, grounds and improvements	(7,548,522)	(577,636)	-	-	(8,126,158)
Machinery and equipment	(1,313,617)	(161,960)	-	-	(1,475,577)
Infrastructure	(10,162,122)	(524,166)	-	-	(10,686,288)
Vehicles	<u>(5,290,326)</u>	<u>(129,986)</u>	<u>-</u>	<u>-</u>	<u>(5,420,312)</u>
Total accumulated depreciation	<u>(24,608,111)</u>	<u>(1,393,748)</u>	<u>-</u>	<u>-</u>	<u>(25,708,335)</u>
Lease assets, net (Note 5)					<u>1,925,676</u>
Total capital assets, being amortized, net	<u>26,367,492</u>	<u>(1,294,516)</u>	<u>-</u>	<u>3,126,729</u>	<u>29,070,196</u>
Governmental activities capital assets, net	<u>\$ 32,499,959</u>	<u>\$ 3,312,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,682,552</u>

The beginning balance was restated to reclassify assets previously reported under financed purchases as right-to-use leased assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (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	-	-	-	-	-
Total capital assets, not being depreciated	<u>493,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,194</u>
Capital assets, being depreciated:					
Distribution system	19,909,838	97,390	-	-	20,007,228
Machinery and equipment	781,903	95,565	-	-	877,468
Infrastructure	2,310,443	-	-	-	2,310,443
Wastewater treatment capacity	6,374,612	-	-	-	6,374,612
Vehicles	<u>312,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,680</u>
Total capital assets, being depreciated	<u>29,689,476</u>	<u>192,955</u>	<u>-</u>	<u>-</u>	<u>29,882,431</u>
Less accumulated depreciation for:					
Distribution system	(11,574,219)	(419,804)	-	-	(11,994,023)
Machinery and equipment	(350,407)	(100,553)	-	-	(450,960)
Infrastructure	(437,715)	(50,140)	-	-	(487,855)
Wastewater treatment capacity	(3,860,181)	(424,974)	-	-	(4,285,155)
Vehicles	<u>(258,689)</u>	<u>(13,389)</u>	<u>-</u>	<u>-</u>	<u>(272,078)</u>
Total accumulated depreciation	<u>(16,481,211)</u>	<u>(1,008,860)</u>	<u>-</u>	<u>-</u>	<u>(17,490,071)</u>
Total capital assets, being depreciated, net	<u>13,208,265</u>	<u>(815,905)</u>	<u>-</u>	<u>-</u>	<u>12,392,360</u>
Business-type activities capital assets, net	<u>\$ 13,701,459</u>	<u>\$ (815,905)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,885,554</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 81,458
Judicial	87,017
Public safety	240,547
Public works	590,172
Parks and recreation	389,490
Economic development	5,064
Total depreciation expense - governmental activities	<u>\$ 1,393,748</u>
Public safety	<u>\$ 563,872</u>
Total amortization expense - governmental activities	<u>\$ 563,872</u>
Business-type activities:	
Water and sewerage	\$ 844,779
Stormwater	164,081
Total depreciation expense -business-type activities	<u>\$ 1,008,860</u>

NOTE 5. LEASE ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Lease assets:				
Vehicles	\$ 1,348,709	\$ 1,434,363	\$ -	\$ 2,783,072
Total	<u>1,348,709</u>	<u>1,434,363</u>	<u>-</u>	<u>2,783,072</u>
Less accumulated amortization for:				
Vehicles	(293,524)	(563,872)	-	(857,396)
Total	<u>(293,524)</u>	<u>(563,872)</u>	<u>-</u>	<u>(857,396)</u>
Total lease assets, net	<u>\$ 1,055,185</u>	<u>\$ 870,491</u>	<u>\$ -</u>	<u>\$ 1,925,676</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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, 2023. 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 \$137,881 as of August 31, 2023. 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, 2023, the total principal outstanding is \$2,990,000.

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, 2023, the total principal outstanding is \$4,590,000.

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,	Principal	Interest	Total
2024	\$ 1,045,000	\$ 339,600	\$ 1,384,600
2025	1,090,000	306,350	1,396,350
2026	1,165,000	261,700	1,426,700
2027	115,000	214,000	329,000
2028	125,000	208,250	333,250
2029-2033	735,000	940,750	1,675,750
2034-2038	985,000	733,500	1,718,500
2039-2043	1,325,000	455,000	1,780,000
2044-2046	995,000	101,250	1,096,250
	\$ 7,580,000	\$ 3,560,400	\$ 11,140,400

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds

Governmental Activities

On November 15, 2022, the City issued \$18,615,000 of Revenue Bonds for the acquisition and construction of various capital projects. The Bonds were issued with an interest rate of 5.0% and are payable on April 1 and October 1 each year, maturing on April 1, 2043. As of August 31, 2023, the total principal outstanding is \$18,615,000.

Fiscal Year Ending August 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 930,750	\$ 930,750
2025	-	930,750	930,750
2026	-	930,750	930,750
2027	735,000	930,750	1,665,750
2028	765,000	894,000	1,659,000
2029-2033	4,425,000	3,857,000	8,282,000
2034-2038	5,605,000	2,638,250	8,243,250
2039-2043	7,085,000	1,096,250	8,181,250
	<u>\$ 18,615,000</u>	<u>\$ 12,208,500</u>	<u>\$ 30,823,500</u>

Business-type Activities

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 governmental and business-like activities and are reported in the government-wide statements. Principal and interest are payable from enterprise fund revenue (the City's Water and Sewerage Fund).

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds (Continued)

Business-Type Activities (Continued)

On March 31, 2021, the City issued Series 2021A revenue bonds for \$1,020,000 and Series 2021B revenue bonds for \$6,660,000. The Series 2021A bonds were issued to fund additional water and sewer infrastructure and the Series 2021B bonds were issued to refund the remaining outstanding 2012 water and sewer bonds. The Series 2021A bonds carry an interest rate of 1.72% with annual principal payments and semiannual interest payments beginning on July 1, 2021 and maturing on July 1, 2031. The Series 2021B bonds carry an interest rate ranging from 3.00% to 4.00% with annual principal payments and semiannual interest payments beginning on July 1, 2021 and maturing on July 1, 2032. The net proceeds from the Series 2021B Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$1,678,046 and a present value savings, or economic gain, of \$1,536,210. The refunded bonds are considered defeased and thus the assets in the trust fund along with the \$5,920,000 in outstanding refunded bonds at August 31, 2023 are not reported in the City's financial statements.

Annual debt service requirements to maturity for 2021 A&B revenue bonds are as follows:

Series 2021 A

Fiscal Year Ending August 31,	Principal	Interest	Total
2024	\$ 95,000	\$ 14,276	\$ 109,276
2025	100,000	12,642	112,642
2026	100,000	10,922	110,922
2027	105,000	9,202	114,202
2028	105,000	7,396	112,396
2029-2031	325,000	11,266	336,266
	<u>\$ 830,000</u>	<u>\$ 65,704</u>	<u>\$ 895,704</u>

Series 2021 B

Fiscal Year Ending August 31,	Principal	Interest	Total
2024	\$ 565,000	\$ 132,128	\$ 697,128
2025	575,000	118,737	693,737
2026	590,000	105,109	695,109
2027	605,000	91,127	696,127
2028	620,000	76,788	696,788
2029-2033	2,615,000	157,249	2,772,249
	<u>\$ 5,570,000</u>	<u>\$ 681,138</u>	<u>\$ 6,251,138</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

C. Leases

City as Lessee

In September 2020, the City entered into a lease agreement for the use of equipment and vehicles for a term of five (5) years. The initial lease liability was recorded in the amount of \$181,536. As of August 31, 2023, the value of the lease liability was \$52,644. The City is required to make monthly principal payments of \$3,782 with zero percent interest through April 2025. The equipment and vehicles have a useful life equal to the remaining lease term of two (2) years and the value of the right-to-use asset as of the end of the current fiscal year was \$181,536 and had accumulated amortization of \$115,523.

In September 2021, the City entered into a lease agreement for the use of equipment and vehicles for a term of five (5) years. The initial lease liability was recorded in the amount of \$1,167,173. As of August 31, 2023, the value of the lease liability was \$827,763. The City is required to make variable monthly principal and interest payments from \$614 to \$29,012. The agreement has a variable interest rate of 0.28% – 0.73%. The equipment and vehicles have a useful life equal to the remaining lease term of three (3) years and the value of the right-to-use asset as of the end of the current fiscal year was \$1,167,173 and had accumulated amortization of \$455,000.

In September 2022, the City entered into a lease agreement for the use of equipment and vehicles for a term of five (5) years. The initial lease liability was recorded in the amount of \$1,434,363. As of August 31, 2023, the value of the lease liability was \$1,279,537. The City is required to make variable monthly principal and interest payments from \$4,437 to \$35,730. The agreement has a variable interest rate of 0.28% – 0.73%. The equipment and vehicles have a useful life equal to the remaining lease term of four (4) years and the value of the right-to-use asset as of the end of the current fiscal year was \$1,434,363 and had accumulated amortization of \$286,873.

As of August 31, 2023, the City reflects a total cost of assets under the financed purchase agreements of \$2,783,072 and accumulated depreciation of \$857,395.

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>
2024	\$ 667,203	\$ 155,090	\$ 822,293
2025	682,792	101,376	784,168
2026	606,675	45,195	651,870
2027	203,274	7,620	210,894
	<u>\$ 2,159,944</u>	<u>\$ 309,281</u>	<u>\$ 2,469,225</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

D. Changes in Long-Term Liabilities – Primary Government

Long-term liability activity for the fiscal year ended August 31, 2023, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
General obligation bonds	\$ 8,570,000	\$ -	\$ (990,000)	\$ 7,580,000	\$ 1,045,000
Plus: Premium	645,176	-	(70,155)	575,021	-
Revenue bonds	-	18,615,000	-	18,615,000	-
Plus: Premium	-	1,861,326	(109,579)	1,751,747	-
	<u>9,215,176</u>	<u>20,476,326</u>	<u>(1,169,734)</u>	<u>28,521,768</u>	<u>1,045,000</u>
Lease liability	1,199,432	1,434,363	(473,851)	2,159,944	667,203
Net pension liability	4,573,304	6,948,386	(2,440,524)	9,081,166	-
Claims payable	216,960	760,561	(368,415)	609,106	609,106
Compensated absences	554,397	740,637	(707,743)	587,291	587,291
Governmental activity					
Long-term liabilities	<u>\$ 15,759,269</u>	<u>\$ 30,360,273</u>	<u>\$ (5,160,267)</u>	<u>\$ 40,959,275</u>	<u>\$ 2,908,600</u>
Business-type activities:					
Revenue bonds	\$ 7,045,000	\$ -	\$ (645,000)	\$ 6,400,000	\$ 660,000
Net pension liability	263,401	400,226	(140,569)	523,058	-
Compensated absences	24,854	31,571	(31,571)	24,854	24,854
Business-type activity					
Long-term liabilities	<u>\$ 7,333,255</u>	<u>\$ 431,797</u>	<u>\$ (817,140)</u>	<u>\$ 6,947,912</u>	<u>\$ 684,854</u>

The beginning balance was restated to reclassify financed purchases as lease liabilities.

For governmental activities, compensated absences, claims payable, and the net pension liability are generally liquidated by the General Fund while lease liabilities 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. GENERAL LONG-TERM DEBT (CONTINUED)

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, 2023, the principal outstanding is \$10,175,000.

Fiscal Year Ending August 31,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 790,000	\$ 292,422	\$ 1,082,422
2025	815,000	268,427	1,083,427
2026	845,000	243,610	1,088,610
2027	865,000	218,046	1,083,046
2028	890,000	191,809	1,081,809
2029-2033	4,895,000	535,783	5,430,783
2034	1,075,000	16,071	1,091,071
	<u>\$ 10,175,000</u>	<u>\$ 1,766,168</u>	<u>\$ 11,941,168</u>

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

Long-term liability activity for the Authority for the fiscal year ended August 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Component units:					
Revenue bonds	\$ 10,940,000	\$ -	\$ (765,000)	\$ 10,175,000	\$ 790,000

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Union City, Georgia, has established a noncontributory 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, 2023, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	95
Vested terminated employees	156
Active members	190
	<u>441</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, 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, 2023, the City's contribution rate was 18.98% of annual payroll. City contributions to the Plan were \$1,684,280 for the fiscal year ended August 31, 2023.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
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, 2023 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% for retirement benefits attributable to service with the City before September 1, 2011 for terminations after September 1, 2004; N/A otherwise.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	45%	6.40%
International Equity	20%	6.80%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Cash	0%	
Total	100%	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that 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.

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, 2023, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at August 31, 2022	\$ 31,906,496	\$ 27,069,791	\$ 4,836,705
<i>Changes for the fiscal year:</i>			
Service cost	477,029	-	477,029
Interest cost	2,332,536	-	2,332,536
Differences between expected and actual experiences	(711,730)	-	(711,730)
Contributions - employer	-	1,869,351	(1,869,351)
Net investment income	-	(4,487,951)	4,487,951
Benefit payments, including refunds of employee contributions	(1,511,828)	(1,511,828)	-
Administrative expense	-	(51,084)	51,084
<i>Net changes</i>	<u>586,007</u>	<u>(4,181,512)</u>	<u>4,767,519</u>
Balances at August 31, 2023	\$ 32,492,503	\$ 22,888,279	\$ 9,604,224

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	\$ 13,938,104	\$ 9,604,224	\$ 6,009,862

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022, 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, 2023, the City recognized pension expense of \$1,991,307. At August 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 324,453	\$ 752,167
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,015,695	-
City contributions subsequent to the measurement date	1,684,280	-
	\$ 5,024,428	\$ 752,167

City contributions subsequent to the measurement date of \$1,684,280 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a component of pension expense as follows:

<u>Fiscal year ending August 31,</u>	
2024	\$ 694,299
2025	197,303
2026	397,249
2027	1,299,130
	\$ 2,587,981

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED CONTRIBUTION PLAN

The City offers its employees a defined contribution plan administered by Citistreet Associates created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional and requires the City to contribute an amount equal to 100% up to the first 2% an employee defers, 75% of the next 2%, and 50% of the next 6% deferred. Employers' contributions are fully vested after the participant completes three full years of service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Pursuant to GASB Statement No. 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 \$310,813 and the employees' contributions approximated \$424,437 for the fiscal year ended August 31, 2023.

NOTE 9. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of August 31, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 27,060

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.

Interfund transfers for the fiscal year ended August 31, 2023, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	\$ 429,516
General Fund	Stormwater Fund	157,189
General Fund	Nonmajor Sanitation Fund	157,200
		\$ 743,905
Capital Projects Fund	General Fund	\$ 4,082,030
Nonmajor Governmental Funds	General Fund	2,609,290
		\$ 6,691,320

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. For the fiscal year ended August 31, 2023, \$330,497 of hotel/motel tax was collected. Of the total collected in the current and prior fiscal years, \$129,678 was used for the promotion of tourism within the City. The remainder of the funds collected in the current and prior fiscal years remains unspent at fiscal year end.

NOTE 11. 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, 2023, \$231,672 of excise tax was collected and \$235,000 was used to pay for tourism outlays within the City.

NOTE 12. 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 ended August 31, 2023, 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, 229 Peachtree St. NE, STE 100 Atlanta, Georgia 30303.

NOTE 13. 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 14. JOINTLY GOVERNED ORGANIZATION

On March 13, 2001, the City, the City of Fairburn, and the City of Palmetto created by joint resolutions pursuant to the authority of the General Assembly of the State of Georgia, the Middle Chattahoochee 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

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, 2023, the City agreed to pay the Water and Sewer Authority \$1,595,478 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 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, 2023, the Water and Sewer Authority's debt service requirements on the Series 2014 Revenue Bonds were as follows using an interest rate of 3%-5%:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,780,000	\$ 984,475	\$ 2,764,475
2025	1,900,000	892,475	2,792,475
2026	2,025,000	814,600	2,839,600
2027	2,115,000	731,348	2,846,348
2028	2,250,000	622,225	2,872,225
2029-2033	13,310,000	1,483,587	14,793,587
	<u>\$ 23,380,000</u>	<u>\$ 5,528,710</u>	<u>\$ 28,908,710</u>

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

NOTE 15. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. 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 (3) 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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 477,029	\$ 506,300	\$ 434,509	\$ 391,786	\$ 380,915	\$ 395,133	\$ 376,569	\$ 364,644	\$ 445,614
Interest on total pension liability	2,332,536	2,247,170	2,061,758	1,941,144	1,760,138	1,736,122	1,622,957	1,472,322	1,380,840
Differences between expected and actual experience	(711,730)	(436,737)	1,297,812	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	(1,511,828)	(1,374,668)	(1,328,951)	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Other changes	-	313,294	-	-	-	-	-	-	-
Net change in total pension liability	586,007	1,255,359	2,465,128	2,072,441	2,484,317	755,418	1,483,965	1,979,199	1,263,767
Total pension liability - beginning	31,906,496	30,651,137	28,186,009	26,113,568	23,629,251	22,873,833	21,389,868	19,410,669	18,146,902
Total pension liability - ending (a)	\$ 32,492,503	\$ 31,906,496	\$ 30,651,137	\$ 28,186,009	\$ 26,113,568	\$ 23,629,251	\$ 22,873,833	\$ 21,389,868	\$ 19,410,669
Plan fiduciary net position									
Contributions - employer	\$ 1,869,351	\$ 1,650,379	\$ 1,309,403	\$ 1,034,872	\$ 900,433	\$ 987,884	\$ 794,563	\$ 1,006,474	\$ 942,047
Net investment income	(4,487,951)	5,222,577	1,909,776	585,927	1,773,020	2,350,322	1,572,297	145,050	1,404,681
Benefit payments, including refunds of employee contributions	(1,511,828)	(1,374,668)	(1,328,951)	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Administrative expenses	(51,084)	(48,059)	(44,678)	(42,334)	(44,103)	(46,092)	(22,234)	(24,688)	(20,144)
Net change in plan fiduciary net position	(4,181,512)	5,450,229	1,845,550	331,587	1,546,020	2,347,591	1,447,644	300,911	1,667,363
Plan fiduciary net position - beginning	27,069,791	21,619,562	19,774,012	19,442,425	17,896,405	15,548,814	14,101,170	13,800,259	12,132,896
Plan fiduciary net position - ending (b)	\$ 22,888,279	\$ 27,069,791	\$ 21,619,562	\$ 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)	\$ 9,604,224	\$ 4,836,705	\$ 9,031,575	\$ 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	70.44%	84.84%	70.53%	70.16%	74.45%	75.74%	67.98%	65.92%	71.10%
Covered payroll	\$ 8,492,576	\$ 8,858,180	\$ 8,930,015	\$ 8,912,707	\$ 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	113.09%	54.60%	101.14%	94.38%	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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,684,280	\$ 1,867,251	\$ 1,650,349	\$ 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>1,684,280</u>	<u>1,867,251</u>	<u>1,253,831</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ 396,518</u>	<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	\$ 8,874,657	\$ 8,492,576	\$ 8,858,180	\$ 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	18.98%	21.99%	14.15%	13.50%	11.61%	13.80%	12.85%	12.72%	14.41%

Notes to the Schedule:

Valuation date	January 1, 2023
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the 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	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost-of-living adjustment	2.10% for retirement benefits attributable to service with the City before September 1, 2011 for terminations after September 1, 2004; N/A otherwise.
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 **Opioid Settlement Fund** accounts for the opioid settlement funds received and the related expenditures.

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

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, 2023**

	Special Revenue Funds						
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Opioid Settlement Fund	Emergency 911 Fund	Tax Allocation District Fund	Multiple Operating Grant Fund
ASSETS							
Cash and cash equivalents	\$ 52,703	\$ 324,167	\$ 455,239	\$ 47,085	\$ -	\$ 1,017,188	\$ 1,674,906
Taxes receivable	-	18,905	33,335	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	192,530	-	-
Total assets	<u>\$ 52,703</u>	<u>\$ 343,072</u>	<u>\$ 488,574</u>	<u>\$ 47,085</u>	<u>\$ 192,530</u>	<u>\$ 1,017,188</u>	<u>\$ 1,674,906</u>
LIABILITIES							
Accounts payable	\$ 697	\$ -	\$ 95,671	\$ -	\$ 5,966	\$ -	\$ 26,809
Due to others	19,741	-	-	-	-	-	-
Due to other funds	-	-	-	-	27,060	-	-
Total liabilities	<u>20,438</u>	<u>-</u>	<u>95,671</u>	<u>-</u>	<u>33,026</u>	<u>-</u>	<u>26,809</u>
FUND BALANCES (DEFICITS)							
Nonspendable:							
Prepaid items	-	-	-	-	192,530	-	-
Restricted for:							
Law enforcement	32,265	-	-	-	-	-	1,648,097
Economic development	-	343,072	392,903	-	-	-	-
Public safety	-	-	-	47,085	-	-	-
Capital projects	-	-	-	-	-	1,017,188	-
Debt service	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(33,026)	-	-
Total fund balances	<u>32,265</u>	<u>343,072</u>	<u>392,903</u>	<u>47,085</u>	<u>159,504</u>	<u>1,017,188</u>	<u>1,648,097</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,703</u>	<u>\$ 343,072</u>	<u>\$ 488,574</u>	<u>\$ 47,085</u>	<u>\$ 192,530</u>	<u>\$ 1,017,188</u>	<u>\$ 1,674,906</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	
\$ 545,206	\$ 116,540	\$ 90,819	\$ 1,469	\$ 107,463	\$ 39,056	\$ 4,471,841
-	-	-	-	-	-	52,240
-	122,118	-	-	-	-	122,118
-	-	-	-	-	-	192,530
<u>\$ 545,206</u>	<u>\$ 238,658</u>	<u>\$ 90,819</u>	<u>\$ 1,469</u>	<u>\$ 107,463</u>	<u>\$ 39,056</u>	<u>\$ 4,838,729</u>
\$ -	\$ 101,574	\$ -	\$ -	\$ -	\$ -	\$ 230,717
-	-	-	-	-	-	19,741
-	-	-	-	-	-	27,060
-	101,574	-	-	-	-	277,518
-	-	-	-	-	-	192,530
-	-	-	-	-	-	1,680,362
-	137,084	-	-	-	-	873,059
-	-	-	-	-	-	47,085
545,206	-	-	-	-	-	1,562,394
-	-	90,819	1,469	107,463	39,056	238,807
-	-	-	-	-	-	(33,026)
<u>545,206</u>	<u>137,084</u>	<u>90,819</u>	<u>1,469</u>	<u>107,463</u>	<u>39,056</u>	<u>4,561,211</u>
<u>\$ 545,206</u>	<u>\$ 238,658</u>	<u>\$ 90,819</u>	<u>\$ 1,469</u>	<u>\$ 107,463</u>	<u>\$ 39,056</u>	<u>\$ 4,838,729</u>

CITY OF UNION CITY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Special Revenue Funds						
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Opioid Settlement Fund	Emergency 911 Fund	Tax Allocation District Fund	Multiple Operating Grant Fund
Revenues							
Other taxes	\$ -	\$ 231,672	\$ 330,497	\$ -	\$ -	\$ 246,359	\$ -
Charges for services	-	-	-	-	15,315	-	-
Intergovernmental	-	-	-	-	-	-	492,381
Interest	576	-	-	-	-	-	-
Other revenues	-	-	-	47,085	-	-	72,960
Total revenues	<u>576</u>	<u>231,672</u>	<u>330,497</u>	<u>47,085</u>	<u>15,315</u>	<u>246,359</u>	<u>565,341</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	46,772
Public safety	-	-	-	-	619,546	-	137,546
Public works	-	-	-	-	-	-	589,093
Parks and recreation	-	-	-	-	-	-	1,500
Planning and economic development	-	-	129,678	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>129,678</u>	<u>-</u>	<u>619,546</u>	<u>-</u>	<u>774,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>576</u>	<u>231,672</u>	<u>200,819</u>	<u>47,085</u>	<u>(604,231)</u>	<u>246,359</u>	<u>(209,570)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	591,008	-	272,484
Transfers out	-	(235,000)	(194,516)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(235,000)</u>	<u>(194,516)</u>	<u>-</u>	<u>591,008</u>	<u>-</u>	<u>272,484</u>
Net change in fund balances	576	(3,328)	6,303	47,085	(13,223)	246,359	62,914
Fund balances, beginning of fiscal year	<u>31,689</u>	<u>346,400</u>	<u>386,600</u>	<u>-</u>	<u>172,727</u>	<u>770,829</u>	<u>1,585,183</u>
Fund balances, end of fiscal year	<u>\$ 32,265</u>	<u>\$ 343,072</u>	<u>\$ 392,903</u>	<u>\$ 47,085</u>	<u>\$ 159,504</u>	<u>\$ 1,017,188</u>	<u>\$ 1,648,097</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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808,528
-	-	-	-	-	-	15,315
-	429,767	-	-	-	-	922,148
-	-	-	-	-	-	576
-	-	-	-	-	-	120,045
-	429,767	-	-	-	-	1,866,612
-	-	-	-	-	-	46,772
-	-	-	-	-	-	757,092
-	-	-	-	-	-	589,093
-	-	-	-	-	-	1,500
-	-	-	-	-	-	129,678
-	410,931	-	-	-	-	410,931
-	-	-	-	900,000	90,000	990,000
-	-	-	-	132,184	587,716	719,900
-	410,931	-	-	1,032,184	677,716	3,644,966
-	18,836	-	-	(1,032,184)	(677,716)	(1,778,354)
-	-	-	-	1,032,225	713,573	2,609,290
-	-	-	-	-	-	(429,516)
-	-	-	-	1,032,225	713,573	2,179,774
-	18,836	-	-	41	35,857	401,420
545,206	118,248	90,819	1,469	107,422	3,199	4,159,791
\$ 545,206	\$ 137,084	\$ 90,819	\$ 1,469	\$ 107,463	\$ 39,056	\$ 4,561,211

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Sales tax	\$ 5,000,000	\$ 5,000,000	\$ 4,932,113	\$ (67,887)
Interest	6,000	6,000	258,964	252,964
Total revenues	<u>5,006,000</u>	<u>5,006,000</u>	<u>5,191,077</u>	<u>185,077</u>
EXPENDITURES				
Capital outlay	<u>13,185,201</u>	<u>13,442,896</u>	<u>5,300,317</u>	<u>8,142,579</u>
Total expenditures	<u>13,185,201</u>	<u>13,442,896</u>	<u>5,300,317</u>	<u>8,142,579</u>
Net change in fund balance	(8,179,201)	(8,436,896)	(109,240)	8,327,656
FUND BALANCES, beginning of fiscal year	<u>14,599,695</u>	<u>14,599,695</u>	<u>14,599,695</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 6,420,494</u>	<u>\$ 6,162,799</u>	<u>\$ 14,490,455</u>	<u>\$ 8,327,656</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Interest	\$ 3,500	\$ 3,500	\$ 34,648	\$ 31,148
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>34,648</u>	<u>31,148</u>
EXPENDITURES				
Capital outlay	13,131,789	13,131,789	1,833,098	11,298,691
Debt service:				
Principal	473,851	473,851	473,851	-
Interest	<u>137,636</u>	<u>137,636</u>	<u>137,636</u>	<u>-</u>
Total expenditures	<u>13,743,276</u>	<u>13,743,276</u>	<u>2,444,585</u>	<u>11,298,691</u>
Deficiency of revenues under expenditures	(13,739,776)	(13,739,776)	(2,409,937)	11,329,839
OTHER FINANCING SOURCES				
Lease liability	-	-	1,434,363	1,434,363
Transfers in	<u>4,082,030</u>	<u>4,082,030</u>	<u>4,082,030</u>	<u>-</u>
Total other financing sources	<u>4,082,030</u>	<u>4,082,030</u>	<u>5,516,393</u>	<u>1,434,363</u>
Net change in fund balance	(9,657,746)	(9,657,746)	3,106,456	12,764,202
FUND BALANCES, beginning of fiscal year	<u>10,947,509</u>	<u>10,947,509</u>	<u>10,947,509</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 1,289,763</u>	<u>\$ 1,289,763</u>	<u>\$ 14,053,965</u>	<u>\$ 12,764,202</u>

CITY OF UNION CITY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
REVENUE BONDS FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Interest	\$ 5,000	\$ 5,000	\$ 289,114	\$ 284,114
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>289,114</u>	<u>284,114</u>
EXPENDITURES				
Capital outlay	4,247,151	4,247,151	178,169	4,425,320
Debt service:				
Bond issuance costs	466,849	466,849	466,849	-
	<u>4,714,000</u>	<u>4,714,000</u>	<u>645,018</u>	<u>4,425,320</u>
Deficiency of revenues under expenditures	(4,709,000)	(4,709,000)	(355,904)	(4,141,206)
Other financing sources				
Issuance of bonds	18,138,674	18,138,674	18,615,000	476,326
Premium on bonds issued	1,861,326	1,861,326	1,861,326	-
Total other financing uses, net	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,476,326</u>	<u>476,326</u>
Net change in fund balance	15,291,000	15,291,000	20,120,422	4,829,422
FUND BALANCES, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 15,291,000</u>	<u>\$ 15,291,000</u>	<u>\$ 20,120,422</u>	<u>\$ 4,829,422</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Interest	100	100	576	476
Total revenues	<u>20,100</u>	<u>20,100</u>	<u>576</u>	<u>(19,524)</u>
EXPENDITURES				
Public safety	40,100	40,100	-	40,100
Total expenditures	<u>40,100</u>	<u>40,100</u>	<u>-</u>	<u>40,100</u>
Net change in fund balance	(20,000)	(20,000)	576	20,576
FUND BALANCES, beginning of fiscal year	<u>31,689</u>	<u>31,689</u>	<u>31,689</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 11,689</u>	<u>\$ 11,689</u>	<u>\$ 32,265</u>	<u>\$ 20,576</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 235,000	\$ 235,000	\$ 231,672	\$ (3,328)
Total revenues	<u>235,000</u>	<u>235,000</u>	<u>231,672</u>	<u>(3,328)</u>
OTHER FINANCING USES				
Transfers out	<u>(235,000)</u>	<u>(235,000)</u>	<u>(235,000)</u>	<u>-</u>
Total other financing uses	<u>(235,000)</u>	<u>(235,000)</u>	<u>(235,000)</u>	<u>-</u>
Net change in fund balance	-	-	(3,328)	(3,328)
FUND BALANCES, beginning of fiscal year	<u>346,400</u>	<u>346,400</u>	<u>346,400</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 346,400</u>	<u>\$ 346,400</u>	<u>\$ 343,072</u>	<u>\$ (3,328)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 335,000	\$ 335,000	\$ 330,497	\$ (4,503)
Total revenues	<u>335,000</u>	<u>335,000</u>	<u>330,497</u>	<u>(4,503)</u>
EXPENDITURES				
Economic development	134,000	134,000	129,678	4,322
Total expenditures	<u>134,000</u>	<u>134,000</u>	<u>129,678</u>	<u>4,322</u>
Excess of revenues over expenditures	<u>201,000</u>	<u>201,000</u>	<u>200,819</u>	<u>(181)</u>
OTHER FINANCING USES				
Transfers out	(201,000)	(201,000)	(194,516)	6,484
Total other financing uses	<u>(201,000)</u>	<u>(201,000)</u>	<u>(194,516)</u>	<u>6,484</u>
Net change in fund balance	-	-	6,303	6,303
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>\$ 392,903</u>	<u>\$ 6,303</u>

CITY OF UNION CITY, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other revenues	\$ -	\$ 26,013	\$ 47,085	\$ 21,072
Total revenues	<u>-</u>	<u>26,013</u>	<u>47,085</u>	<u>21,072</u>
Net change in fund balance	-	26,013	47,085	21,072
FUND BALANCES, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ -</u>	<u>\$ 26,013</u>	<u>\$ 47,085</u>	<u>\$ 21,072</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 14,000	\$ 14,000	\$ 15,315	\$ 1,315
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>15,315</u>	<u>1,315</u>
EXPENDITURES				
Public safety	605,008	605,008	619,546	(14,538)
Total expenditures	<u>605,008</u>	<u>605,008</u>	<u>619,546</u>	<u>(14,538)</u>
Deficiency of revenues under expenditures	<u>(591,008)</u>	<u>(591,008)</u>	<u>(604,231)</u>	<u>(13,223)</u>
OTHER FINANCING SOURCES				
Transfers in	591,008	591,008	591,008	-
Total other financing sources	<u>591,008</u>	<u>591,008</u>	<u>591,008</u>	<u>-</u>
Net change in fund balance	-	-	(13,223)	(13,223)
FUND BALANCES, beginning of fiscal year	<u>172,727</u>	<u>172,727</u>	<u>172,727</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 172,727</u>	<u>\$ 172,727</u>	<u>\$ 159,504</u>	<u>\$ (13,223)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 50,000	\$ 50,000	\$ 246,359	\$ 196,359
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>246,359</u>	<u>196,359</u>
EXPENDITURES				
Capital outlay	600,000	600,000	-	600,000
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Net change in fund balance	(550,000)	(550,000)	246,359	796,359
FUND BALANCES, beginning of fiscal year	<u>770,829</u>	<u>770,829</u>	<u>770,829</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 220,829</u>	<u>\$ 220,829</u>	<u>\$ 1,017,188</u>	<u>\$ 796,359</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 45,736,276	\$ 45,762,289	\$ 492,381	\$ (45,269,908)
Other revenues	43,500	43,500	72,960	29,460
Total revenues	<u>45,779,776</u>	<u>45,805,789</u>	<u>565,341</u>	<u>(45,240,448)</u>
EXPENDITURES				
General government	215,827	215,827	46,772	169,055
Public safety	2,095,869	2,095,869	137,546	1,958,323
Public works	53,511,737	53,537,750	589,093	52,948,657
Parks and recreation	16,239	16,239	1,500	14,739
Total expenditures	<u>55,839,672</u>	<u>55,865,685</u>	<u>774,911</u>	<u>55,090,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,059,896)</u>	<u>(10,059,896)</u>	<u>(209,570)</u>	<u>9,850,326</u>
OTHER FINANCING SOURCES				
Transfers in	10,209,404	10,209,404	272,484	(9,936,920)
Total other financing sources	<u>10,209,404</u>	<u>10,209,404</u>	<u>272,484</u>	<u>(9,936,920)</u>
Net change in fund balance	149,508	149,508	62,914	(86,594)
FUND BALANCES, beginning of fiscal year	<u>1,585,183</u>	<u>1,585,183</u>	<u>1,585,183</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 1,734,691</u>	<u>\$ 1,734,691</u>	<u>\$ 1,648,097</u>	<u>\$ (86,594)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental revenues	\$ 651,855	\$ 651,855	\$ 429,767	\$ (222,088)
Total revenues	<u>651,855</u>	<u>651,855</u>	<u>429,767</u>	<u>(222,088)</u>
EXPENDITURES				
Capital outlay	856,050	856,050	410,931	445,119
Total expenditures	<u>856,050</u>	<u>856,050</u>	<u>410,931</u>	<u>445,119</u>
Net change in fund balance	-	-	18,836	18,836
FUND BALANCES, beginning of fiscal year	<u>118,248</u>	<u>118,248</u>	<u>118,248</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 118,248</u>	<u>\$ 118,248</u>	<u>\$ 137,084</u>	<u>\$ 18,836</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
Debt service				
Principal	\$ 900,000	\$ 900,000	\$ 900,000	\$ -
Interest	132,225	132,225	132,184	41
Total expenditures	<u>1,032,225</u>	<u>1,032,225</u>	<u>1,032,184</u>	<u>41</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,032,225</u>	<u>1,032,225</u>	<u>1,032,225</u>	<u>-</u>
Total other financing sources	<u>1,032,225</u>	<u>1,032,225</u>	<u>1,032,225</u>	<u>-</u>
Net change in fund balance	-	-	41	41
FUND BALANCES, beginning of fiscal year	<u>107,422</u>	<u>107,422</u>	<u>107,422</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 107,422</u>	<u>\$ 107,422</u>	<u>\$ 107,463</u>	<u>\$ 41</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
Debt service				
Principal	\$ 90,000	\$ 90,000	\$ 90,000	\$ -
Interest	623,573	623,573	587,716	35,857
Total expenditures	<u>713,573</u>	<u>713,573</u>	<u>677,716</u>	<u>35,857</u>
OTHER FINANCING SOURCES				
Transfers in	<u>713,573</u>	<u>713,573</u>	<u>713,573</u>	<u>-</u>
Total other financing sources	<u>713,573</u>	<u>713,573</u>	<u>713,573</u>	<u>-</u>
Net change in fund balance	-	-	35,857	35,857
FUND BALANCES, beginning of fiscal year	<u>3,199</u>	<u>3,199</u>	<u>3,199</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 3,199</u>	<u>\$ 3,199</u>	<u>\$ 39,056</u>	<u>\$ 35,857</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, 2023

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
Resurfacing and Transportation Enhancement Projects Tier I	\$ 16,167,006	\$ 16,167,006	\$ 6,494,521	\$ 5,300,317	\$ 11,794,838	73%
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	\$ 6,494,521	\$ 5,300,317	\$ 11,794,838	

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.

COMPONENT UNITS

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	South Fulton Municipal Regional Jail Authority	Union City Development Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from other governments	\$ 857,810	\$ -	\$ 857,810
Net cash provided by operating activities	<u>857,810</u>	<u>-</u>	<u>857,810</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds	(765,000)	-	(765,000)
Interest paid	(194,221)	(8,235)	(202,456)
Net cash used in capital and related financing activities	<u>(959,221)</u>	<u>(8,235)</u>	<u>(967,456)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	101,411	-	101,411
Net cash provided by investing activities	<u>101,411</u>	<u>-</u>	<u>101,411</u>
Change in cash and cash equivalents	-	(8,235)	(8,235)
Cash and cash equivalents:			
Beginning of fiscal year	-	228,021	228,021
End of fiscal year	<u>\$ -</u>	<u>\$ 219,786</u>	<u>\$ 219,786</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, deferred outflows of resources, and liabilities:			
Decrease in intergovernmental receivable	765,000	-	765,000
Decrease in deferred outflows of resources - deferred charge of refunding	92,810	-	92,810
Net cash provided by operating activities	<u>\$ 857,810</u>	<u>\$ -</u>	<u>\$ 857,810</u>

STATISTICAL SECTION

This part of the City of Union City's annual comprehensive 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	84 – 90
<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	91 – 94
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	95 – 99
<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	100 – 102
<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	103 and 104
<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 fiscal year.

CITY OF UNION CITY, GEORGIA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 3,597,239	\$ 3,531,201	\$ 5,049,949	\$ 598,455	\$ 9,461,603	\$ 12,268,365	\$ 14,990,907	\$ 18,189,287	\$ 20,997,799	\$ 25,482,943
Restricted	1,879,206	2,088,414	2,040,997	8,394,962	6,624,974	13,516,860	12,701,639	14,773,527	19,754,410	19,783,727
Unrestricted	1,903,353	2,254,399	5,350,512	9,888,086	12,973,607	14,222,021	19,479,528	26,995,149	32,831,229	40,868,009
Total governmental activities net position	<u>\$ 7,379,798</u>	<u>\$ 7,874,014</u>	<u>\$ 12,441,458</u>	<u>\$ 18,881,503</u>	<u>\$ 29,060,184</u>	<u>\$ 40,007,246</u>	<u>\$ 47,172,074</u>	<u>\$ 59,957,963</u>	<u>\$ 73,583,438</u>	<u>\$ 86,134,679</u>
Business-type activities										
Net investment in capital assets	\$ 8,901,118	\$ 7,991,837	\$ 7,209,006	\$ 6,757,926	\$ 6,296,865	\$ 5,797,207	\$ 5,705,750	\$ 7,548,093	\$ 8,157,253	\$ 7,874,343
Restricted	2,059,130	1,970,454	1,834,024	1,535,293	1,449,250	1,374,641	1,360,464	586,945	587,325	322,175
Unrestricted	1,038,859	862,585	1,921,057	3,327,110	5,525,641	5,983,583	7,142,378	8,041,590	8,441,792	10,352,904
Total business-type activities net position	<u>\$ 11,999,107</u>	<u>\$ 10,824,876</u>	<u>\$ 10,964,087</u>	<u>\$ 11,620,329</u>	<u>\$ 13,271,756</u>	<u>\$ 13,155,431</u>	<u>\$ 14,208,592</u>	<u>\$ 16,176,628</u>	<u>\$ 17,186,370</u>	<u>\$ 18,549,422</u>
Primary government										
Net investment in capital assets	\$ 12,498,357	\$ 11,523,038	\$ 12,258,955	\$ 7,356,381	\$ 15,758,468	\$ 18,065,572	\$ 20,696,657	\$ 25,737,380	\$ 29,155,052	\$ 33,357,286
Restricted	3,938,336	4,058,868	3,875,021	9,930,255	8,074,224	14,891,501	14,062,103	15,360,472	20,341,735	20,105,902
Unrestricted	2,942,212	3,116,984	7,271,569	13,215,196	18,499,248	20,205,604	26,621,906	35,036,739	41,273,021	51,220,913
Total primary government net position	<u>\$ 19,378,905</u>	<u>\$ 18,698,890</u>	<u>\$ 23,405,545</u>	<u>\$ 30,501,832</u>	<u>\$ 42,331,940</u>	<u>\$ 53,162,677</u>	<u>\$ 61,380,666</u>	<u>\$ 76,134,591</u>	<u>\$ 90,769,808</u>	<u>\$ 104,684,101</u>

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 2,054,613	\$ 2,468,658	\$ 2,424,138	\$ 2,444,499	\$ 3,781,555	\$ 5,300,953	\$ 4,888,582	\$ 5,271,243	\$ 6,398,118	\$ 7,876,303
Judicial	436,347	383,138	444,132	454,518	426,489	490,390	548,549	527,323	589,532	787,457
Public safety	9,590,617	8,941,842	9,852,273	10,242,974	10,396,662	11,417,818	13,080,397	13,742,563	13,808,495	16,249,116
Public works	1,611,785	2,005,906	2,329,099	2,168,984	2,207,629	3,212,888	3,392,895	3,094,858	3,303,313	3,877,028
Parks and recreation	523,992	473,370	522,901	551,401	554,589	938,851	1,359,836	1,199,207	1,286,491	1,402,872
Economic development	751,348	710,296	684,237	646,318	852,933	934,250	1,049,391	1,053,596	1,430,356	1,703,297
Interest on long-term debt	531,627	329,512	221,368	422,825	436,104	437,610	438,781	442,139	256,407	1,177,577
Issuance cost on long-term debt	-	183,416	-	198,818	-	-	-	-	-	-
Total governmental activities expenses	<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>24,758,431</u>	<u>25,330,929</u>	<u>27,072,712</u>	<u>33,073,650</u>
Business-type activities:										
Water and sewerage	7,279,343	7,137,318	-	7,178,488	7,261,987	7,797,294	7,690,586	8,134,362	8,722,775	9,647,181
Sanitation	611,799	1,063,063	1,493,200	1,642,981	1,611,225	1,538,470	1,497,294	1,696,069	1,879,667	582,931
Stormwater	223,238	1,685,368	734,022	271,592	231,166	499,988	644,311	250,294	422,153	2,127,231
Criminal justice management	365,455	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>9,832,191</u>	<u>10,080,725</u>	<u>11,024,595</u>	<u>12,357,343</u>
Total primary government expenses	<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>34,590,622</u>	<u>35,411,654</u>	<u>38,097,307</u>	<u>45,430,993</u>
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	1,894,426	2,125,471	2,378,255	2,352,516	2,774,272	2,855,996	2,227,594	2,251,846	2,602,313	2,307,771
Judicial	77,926	43,564	61,063	46,479	48,654	59,523	731,458	305,715	592,967	932,991
Public safety	1,224,270	938,139	1,036,884	935,486	759,439	819,721	93,417	67,997	666,556	675,533
Public works	-	19,355	19,066	13,977	17,150	15,721	861,443	865,389	1,087,432	1,507,789
Parks and recreation	59,616	52,069	58,800	69,765	71,553	58,396	20,754	24,544	66,651	74,429
Economic development	29,430	47,051	29,773	89,294	222,512	594,332	622,810	565,080	738,557	957,824
Operating grants and contributions	237,834	113,940	29,930	40,612	55,636	-	291,203	1,775,969	163,611	69,449
Capital grants and contributions	213,471	386,851	545,682	616,252	918,282	1,673,477	619,893	541,082	6,009,130	6,185,681
Total governmental activities program revenues	<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>	<u>\$ 6,397,622</u>	<u>\$ 11,927,217</u>	<u>\$ 12,711,467</u>

(Continued)

CITY OF UNION CITY, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues (Continued)										
Primary government (Continued):										
Business-type activities:										
Charges for services	\$ 8,919,049	\$ 9,202,096	\$ 10,100,193	\$ 9,742,564	\$ 10,998,827	\$ 10,878,717	\$ 10,822,642	\$ 11,983,090	\$ 12,271,843	\$ 13,964,481
Total business-type activities program revenues	8,919,049	20,080,813	10,100,193	20,621,281	10,998,827	10,878,717	10,822,642	11,983,090	12,271,843	13,964,481
Total primary government program revenues	12,656,022	23,807,253	14,259,646	24,785,662	15,866,325	16,955,883	16,291,214	18,380,712	24,199,060	26,675,948
Net (expense)/revenue										
Governmental activities	(11,763,356)	(11,769,698)	(12,318,695)	(12,965,956)	(13,788,463)	(16,655,594)	(19,289,859)	(18,933,307)	(15,145,495)	(20,362,183)
Business-type activities	439,214	10,195,064	7,872,971	11,528,220	1,894,449	1,042,965	990,451	1,902,365	1,247,248	1,607,138
Total primary government net expense	(11,324,142)	(1,574,634)	(4,445,724)	(1,437,736)	(11,894,014)	(15,612,629)	(18,299,408)	(17,030,942)	(13,898,247)	(18,755,045)
General revenues and other changes in net position										
Primary government:										
Governmental activities										
Property taxes	7,582,758	7,656,577	8,747,818	9,791,509	11,459,372	12,773,085	13,450,992	17,849,492	17,214,434	17,816,525
Sales taxes	4,506,448	5,051,758	5,079,836	6,524,359	8,943,451	9,411,819	8,893,566	9,996,215	7,083,216	8,264,467
Insurance premium tax	1,003,618	1,049,733	1,121,467	1,214,767	1,291,936	1,394,090	1,471,609	1,551,377	1,603,664	2,241,871
Other taxes	437,363	483,203	474,958	474,872	518,114	668,225	579,425	603,822	789,852	825,562
Franchise taxes	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275	1,506,941	1,569,209	1,478,829	1,577,308	1,768,601
Unrestricted investment earnings	13,551	13,001	33,119	39,768	94,706	658,402	534,631	98,356	55,841	1,601,698
Miscellaneous	-	-	-	-	-	-	106,008	200,233	203,951	80,311
Transfers	734,627	59,591	64,044	-	261,290	1,190,094	(150,753)	(59,128)	242,704	314,389
Total governmental activities general revenues and other changes in net position	15,464,443	15,514,795	16,886,139	19,406,001	23,967,144	27,602,656	26,454,687	31,719,196	28,770,970	32,913,424
Business-type activities										
Unrestricted investment earnings	18,698	-	22,317	6,739	18,268	30,804	11,957	6,545	5,198	70,303
Transfers	(734,627)	(59,591)	(64,044)	-	(261,290)	(1,190,094)	50,753	59,128	(242,704)	(314,389)
Total business-type activities general revenues and other changes in net position	\$ (715,929)	\$ (59,591)	\$ (41,727)	\$ 6,739	\$ (243,022)	\$ (1,159,290)	\$ 62,710	\$ 65,673	\$ (237,506)	\$ (244,086)

(Continued)

CITY OF UNION CITY, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Change in Net Position										
Governmental activities	\$ 3,701,087	\$ 3,745,097	\$ 4,567,444	\$ 6,440,045	\$ 10,178,681	\$ 10,947,062	\$ 7,164,828	\$ 12,785,889	\$ 13,625,475	\$ 12,551,241
Business-type activities	(276,715)	10,135,473	7,831,244	11,534,959	1,651,427	(116,325)	1,053,161	1,968,038	1,009,742	1,363,052
Total primary government change in net position	<u>\$ 3,424,372</u>	<u>\$ 13,880,570</u>	<u>\$ 12,398,688</u>	<u>\$ 17,975,004</u>	<u>\$ 11,830,108</u>	<u>\$ 10,830,737</u>	<u>\$ 8,217,989</u>	<u>\$ 14,753,927</u>	<u>\$ 14,635,217</u>	<u>\$ 13,914,293</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 299,762	\$ 374,667	\$ 371,200	\$ 452,918	\$ 275,945	\$ 278,451	\$ 276,380	\$ 546,762	\$ 536,493	\$ 649,768
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,913,410	6,451,766	10,052,404	14,123,277	18,895,537	19,842,330	23,571,698	28,274,818	25,791,143	31,549,328
Total general fund	<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>\$ 23,848,078</u>	<u>\$ 28,821,580</u>	<u>\$ 26,327,636</u>	<u>\$ 32,199,096</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special revenue funds	\$ -	\$ 198,204	\$ 165,170	\$ 165,170	\$ 155,000	\$ 155,000	\$ 155,000	\$ 182,772	\$ 188,536	\$ 192,530
Capital projects funds	-	-	-	94,567	-	95,000	-	-	-	25,000
Restricted, reported in:										
Special revenue funds	600,367	681,707	665,886	629,865	1,402,899	1,648,982	1,790,764	1,908,526	2,349,872	3,626,015
Capital projects funds	957,267	1,102,894	1,047,549	5,929,135	9,183,187	11,858,586	10,905,410	12,407,668	16,124,797	35,383,986
Debt service funds	321,572	323,813	327,562	1,835,962	7,857	9,292	5,465	31,715	112,090	147,988
Assigned, reported in:										
Special revenue funds	195,904	195,858	195,745	195,651	69,222	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	2,247,784	10,947,635	14,028,965
Unassigned, reported in:										
Special revenue funds	(144,836)	-	(144,836)	(175,184)	(158,617)	(417,566)	(103,409)	-	(15,809)	(33,026)
Capital projects funds	(15,036)	(177,870)	(15,036)	-	(494,422)	-	2,083,751	-	-	-
Debt service fund	-	(38)	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>\$ 14,836,981</u>	<u>\$ 16,778,465</u>	<u>\$ 29,707,121</u>	<u>\$ 53,371,458</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 7,315,208	\$ 8,069,214	\$ 8,751,035	\$ 9,727,696	\$ 11,438,225	\$ 12,714,288	\$ 13,218,821	\$ 16,627,532	\$ 17,887,010	\$ 17,970,296
Sales taxes	-	-	-	6,524,359	8,943,451	9,411,819	8,893,566	9,996,215	7,083,216	8,264,467
Other taxes	5,947,429	6,584,694	6,676,261	1,689,639	1,810,049	2,062,315	2,051,034	2,155,198	2,393,516	3,067,434
Charges for services	506,748	464,498	481,364	643,280	558,076	867,050	882,277	686,104	1,383,792	1,784,113
Licenses and permits	1,778,056	2,038,210	2,252,917	2,217,042	2,630,270	2,649,636	2,966,018	3,052,106	3,422,648	3,681,113
Intergovernmental	436,801	500,791	575,612	656,864	973,918	771,987	1,547,499	2,051,783	6,657,591	5,996,166
Franchise taxes	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275	1,506,941	1,569,209	1,478,829	1,577,308	1,768,601
Fines and forfeitures	890,810	642,156	730,864	550,815	589,873	729,045	684,401	296,972	794,451	888,030
Interest revenue	13,551	13,001	33,119	39,768	94,707	658,402	534,631	120,517	79,185	1,860,662
Rental income	18,870	20,311	18,346	19,461	30,822	22,436	24,780	45,390	153,585	103,080
Other revenues	105,688	60,474	100,350	76,919	84,539	135,522	106,008	200,233	203,951	80,311
Total revenues	\$ 18,199,239	\$ 19,594,281	\$ 20,984,765	\$ 23,506,569	\$ 28,552,205	\$ 31,529,441	\$ 32,478,244	\$ 36,710,879	\$ 41,636,253	\$ 45,464,273
Expenditures										
Current:										
General government	\$ 1,927,849	\$ 2,152,585	\$ 2,582,460	\$ 2,858,582	\$ 3,236,922	\$ 3,926,810	\$ 4,337,858	\$ 4,888,941	\$ 5,398,481	\$ 5,775,151
Judicial	341,796	298,711	357,346	361,155	340,609	397,435	446,479	438,288	524,992	693,105
Public safety	8,825,056	8,711,449	9,155,803	9,370,391	10,107,383	10,915,831	12,210,190	13,115,442	13,806,871	15,218,414
Public works	1,423,334	1,584,853	1,799,620	1,708,825	1,783,430	2,750,999	2,892,626	2,546,129	2,839,961	3,266,574
Parks and recreation	374,883	359,452	384,182	453,919	477,397	766,940	1,014,209	835,231	987,756	999,435
Economic development	751,348	710,296	684,237	646,318	852,933	934,250	1,038,403	1,047,802	1,456,198	1,690,124
Capital outlay	507,667	403,015	735,032	1,811,510	3,870,185	7,799,011	3,320,679	5,558,749	6,120,791	7,722,515
Debt service:										
Principal	1,772,797	1,310,580	1,458,601	1,315,988	1,966,332	1,413,753	1,385,954	1,061,081	1,061,153	1,463,851
Interest	568,294	280,212	356,885	313,757	518,758	503,440	466,109	426,638	415,215	857,536
Bond issuance costs	-	183,416	-	198,818	664	-	-	-	-	466,849
Total expenditures	16,493,024	15,994,569	17,514,166	19,039,263	23,154,613	29,408,469	27,112,507	29,918,301	32,611,418	38,153,554
Excess (deficiency) of revenues over (under) expenditures	1,706,215	3,599,712	3,470,599	4,467,306	5,397,592	2,120,972	5,365,737	6,792,578	9,024,835	7,310,719

(Continued)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Bond issuance	\$ -	\$ 8,560,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,615,000
Premium on bonds	-	525,671	-	767,177	-	-	-	-	-	1,861,326
Payment to escrow agent	-	(8,902,255)	-	-	-	-	-	-	-	-
Financed purchase	-	-	-	351,234	426,365	822,401	-	181,536	1,167,173	-
Lease liability	-	-	-	-	-	-	-	-	-	1,434,363
Transfers in	3,296,255	2,741,365	3,260,132	2,877,080	4,088,570	9,973,312	3,985,911	6,069,025	14,428,777	7,435,225
Transfers out	(2,561,628)	(2,681,774)	(3,196,088)	(2,877,080)	(3,827,280)	(8,783,218)	(4,136,664)	(6,128,153)	(14,186,073)	(7,120,836)
Total other financing sources (uses)	734,627	243,007	64,044	6,118,411	687,655	2,012,495	(150,753)	122,408	1,409,877	22,225,078
Net change in fund balances	\$ 2,440,842	\$ 3,842,719	\$ 3,534,643	\$ 10,585,717	\$ 6,085,247	\$ 4,133,467	\$ 5,214,984	\$ 6,914,986	\$ 10,434,712	\$ 29,535,797
Debt service as a percentage of noncapital expenditures	17.2%	11.5%	12.1%	10.6%	14.8%	9.7%	8.4%	5.9%	5.4%	8.7%

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	Motor Vehicles	Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value		
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	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	3,900,423	11,621,051	1,134,425,424	2,836,063,560	14.043	40%
2021	923,085,660	334,638,214	3,397,023	10,074,387	1,271,195,284	3,177,988,210	13.197	40%
2022	501,091,374	901,513,498 (1)	2,353,140	12,967,956	1,417,925,968	3,544,814,920	12.284	40%
2023	375,749,088	1,135,890,018	2,224,600	14,183,877	1,528,047,583	3,820,118,958	11.114	40%

Source: Fulton County Tax Assessor

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

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

Tax Digest Year	Direct Rates			Overlapping Rates			Total Direct and Overlapping Millage Rates
	City of Union City			State of Georgia	Fulton County	County School System	
	Operating Millage	Debt Service	Total				
2014	13.122	2.570	15.692	0.15	12.050	18.50	46.39
2015	13.412	2.280	15.692	0.05	10.750	18.50	44.99
2016	14.572	1.120	15.692	0.00	10.700	18.48	34.18
2017	14.665	1.760	16.425	0.00	10.630	18.55	45.60
2018	13.322	1.630	14.952	0.00	10.430	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
2021	12.138	1.059	13.197	0.00	9.540	17.59	40.33
2022	11.380	0.904	12.284	0.00	9.070	17.24	38.59
2023	10.238	0.876	11.114	0.00	9.050	17.14	37.30

Source: GA Dept of Revenue

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 Fiscal Years	Total Collections to Date		Total Taxes Outstanding
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2014	\$ 6,989,117	\$ 6,503,551	93.05%	\$ 451,961	\$ 6,951,904	99.47%	\$ 33,605
2015	7,011,056	6,811,199	97.15%	155,316	6,963,419	99.32%	44,541
2016	8,176,456	7,983,582	97.64%	125,119	8,105,723	99.13%	67,755
2017	9,219,975	9,090,025	98.59%	62,332	9,146,984	99.21%	67,618
2018	10,768,051	10,521,699	97.71%	176,703	10,656,729	98.97%	69,649
2019	11,855,967	11,657,143	98.32%	95,149	11,752,292	99.13%	103,675
2020	12,547,951	12,168,746	96.98%	244,597	12,413,343	98.93%	177,955
2021	16,258,100	14,800,737	91.04%	1,184,735	15,985,472	98.32%	435,684
2022	16,161,861	15,532,601	96.11%	248,024	15,780,625	97.64%	629,260
2023	18,212,928	17,744,465	97.43%	-	17,744,465	97.43%	468,463

Source: Union City Tax Receivables

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

Taxpayer	2023			2014		
	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	\$ 217,025,500	1	14.20%	\$ 54,371,901	1	11.16%
Google LLC	164,591,400	2	10.77%			
B9 Malbec	65,084,200	3	4.26%			
Coca Cola	20,339,840	4	1.33%			
Intercapital LRE Legacy LLC	19,956,480	5	1.31%			
6710 Oakley Owner LLC	18,710,240	6	1.22%			
PPF Industrial	17,868,280	7	1.17%			
USEF I 85 Distribution Center	12,000,000	8	0.79%			
Intergerman Evergreen Commons	11,486,720	9	0.75%			
Netherley Property Owner LLC	10,800,000	10	0.71%			
Walmart Stores				9,523,268	2	1.95%
Pancal Goodson 5 LLC				8,667,360	3	1.78%
Costco Wholesale Corporation				7,572,120	4	1.55%
AEW LT Hunter Road LLC				7,078,320	5	1.45%
South Fulton Parkway LLC				7,015,884	6	1.44%
North West Mutual Life Insurance				6,961,640	7	1.43%
General Electric Credit Equities				6,835,226	8	1.40%
GE Energy Parts, Inc				6,783,280	9	1.39%
WyndSOR Forest Apartments LLC				6,753,520	10	1.39%
	<u>\$ 557,862,660</u>		<u>36.51%</u>	<u>\$ 121,562,519</u>		<u>24.95%</u>

Source: Union City Tax Digest

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	Revenue Bonds	Certificates of Participation	Financed Purchases	Lease Liabilities	Notes Payable			Water Revenue Bonds	Total Primary Government			
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
2021	10,242,493	-	-	143,412	-	-	0.33%	432.89	7,680,000	18,065,905	0.57%	3.29%	753.00
2022	9,215,176	-	-	-	1,199,432	-	0.29%	380.66	7,045,000	16,260,176	0.46%	2.49%	594.33
2023	8,155,021	20,366,747	-	-	2,159,944	-	0.80%	1,099.90	6,400,000	34,921,768	0.91%	4.72%	1,251.90

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		
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
2021	23,992	1,271,195,284	10,242,493	31,715	10,210,778	0.80%	425.59
2022	27,359	1,417,925,968	9,215,176	112,090	9,103,086	0.64%	332.73
2023	27,895	1,528,047,583	8,155,021	238,807	7,916,214	0.52%	283.79

**CITY OF UNION CITY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 48,728,312	\$ 54,943,573	\$ 62,386,708	\$ 68,883,979	\$ 79,111,648	\$ 87,803,149	\$ 113,442,542	\$ 127,119,528	\$ 141,792,597	\$ 152,804,758
Total net debt applicable to limit	12,223,113	11,314,876	9,581,440	14,283,855	13,077,401	12,153,568	11,216,342	10,210,778	9,103,086	7,916,214
Legal Debt Margin	<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>	<u>\$ 116,908,750</u>	<u>\$ 132,689,511</u>	<u>\$ 144,888,544</u>
Total net debt applicable to the limit as a percentage of debt limit	25.08%	20.59%	15.36%	20.74%	16.53%	13.84%	9.89%	8.03%	6.42%	5.18%
Assessed Value						\$ 878,031,488	\$ 1,134,425,424	\$ 1,271,195,284	\$ 1,417,925,967	\$ 1,528,047,583
Debt limit (10% of assessed value)						87,803,149	113,442,542	127,119,528	141,792,597	152,804,758
Debt applicable to limit:										
General obligation bonds and certificates of participation						12,162,860	11,221,807	10,242,493	9,215,176	8,155,021
Less: Amount set aside for repayment of general obligation debt						(9,292)	(5,465)	(31,715)	(112,090)	(238,807)
Total net debt applicable to limit						<u>12,153,568</u>	<u>11,216,342</u>	<u>10,210,778</u>	<u>9,103,086</u>	<u>7,916,214</u>
Legal debt margin						<u>\$ 75,649,581</u>	<u>\$ 102,226,200</u>	<u>\$ 116,908,750</u>	<u>\$ 132,689,511</u>	<u>\$ 144,888,544</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.

CITY OF UNION CITY, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2023

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Amount Applicable to the City of Union City</u>
Fulton County, Georgia - Overlapping Debt			
Library General Obligation Bonds	\$ 222,543,911	1.48%	\$ 3,303,048
Economic Recovery Zone Bonds	126,912,103	1.48%	1,883,658
			<u>5,186,706</u>
Fulton County School District - Overlapping Debt			
Subtotal, overlapping debt	-	1.48%	-
City of Union City, Georgia - General Obligation Bonds			
	8,155,021	100.00%	8,155,021
City of Union City, Georgia - Revenue Bonds			
	20,366,747	100.00%	20,366,747
City of Union City, Georgia - Lease Liability			
	2,159,944	100.00%	2,159,944
			<u>2,159,944</u>
Total Direct and Overlapping Debt			<u>\$ 35,868,418</u>

Source: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of December 31, 2022) 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.

Note: 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 FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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	5,089,992	3,121,374	505,000	284,025	3.96
2021	9,032,895	5,367,361	3,665,534	-	230,896	15.88
2022	9,259,385	6,872,984	2,386,401	635,000	254,313	2.68
2023	10,818,877	7,827,747	2,991,130	640,000	169,223	3.70

(1) 2021 Series Bond issued during FY 2021.

Notes:

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

Utility service charges include tap fees, but exclude interest.

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

CITY OF UNION CITY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income ⁽¹⁾</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>Median Age ⁽¹⁾</u>	<u>Unemployment Rate ⁽²⁾</u>	<u>School Enrollment ⁽³⁾</u>
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
2021	23,992	549,320,832	22,896	32.8	4.09%	3,201
2022	27,359	654,313,000	24,904	32.8	5.50%	2,097
2023	27,895	740,584,355	26,549	32.8	4.90%	2,097

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 FISCAL YEAR AND NINE FISCAL YEARS AGO**

Business	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon.com Services Inc	5,311	1	17.70%			
Walmart FC #4030	2,500	2	8.33%			
DHL Supply Chain	1,700	3	5.67%			
Coca-Cola Bottling Company	732	4	2.44%			
GXO Logistics Worldwide, LLC	666	5	2.22%			
Sims Recycling Solutions, Inc.	530	6	1.77%			
Aurora Parts & Accessories, LLC	496	7	1.65%			
Exel Inc.	449	8	1.50%			
CJ Logistics America, LLC	420	9	1.40%			
Walmart Supercenter #855	396	10	1.32%			
Kraft Food/Excel Logistics				398	1	5.61%
Christian City/UHS Pruitt				396	2	5.58%
Walmart				281	3	3.96%
Dendreon Manufacturing, LLC				250	4	3.52%
Kroger				172	5	2.42%
Steak & Shake				150	6	2.11%
Mortensen Woodworking				140	7	1.97%
UFP Union City, LLC				138	8	1.94%
GE Energy Parts				125	9	1.76%
Toyota of Union City				120	10	1.69%

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration	3	2	2	2	4	4	5	5	7	6
City Clerk	2	1	2	1	1	1	2	2	2	2
Finance	4	5	6	6	4	4	4	6	5	5
Finance-water and sewer	5	4	4	4	5	4	5	7	6	8
Human Resources	2	1	2	2	2	3	4	4	3	4
Information Technology	2	1	1	1	1	1	1	1	-	-
Judicial										
Municipal Court	4	4	4	4	5	4	4	4	6	4
Housing and Development										
Planning Department	2	3	3	3	4	5	5	5	5	7
Public Safety										
Police	54	58	65	63	64	68	75	78	69	74
Code Enforcement	3	2	3	3	3	3	4	6	4	6
Fire	46	47	50	48	50	57	62	62	58	61
Jail	1	1	1	1	1	1	-	-	-	-
E-911 Communications	8	-	-	-	-	-	-	-	-	-
Public Works										
Building and Grounds	3	1	4	3	3	1	4	4	4	4
Streets	13	13	14	14	15	22	23	23	18	25
Water and Sewer	10	9	9	9	9	9	9	9	7	6
Parks and Recreation	5	4	5	4	9	10	10	10	12	7
Operations	1	1	1	2	2	3	5	5	5	6
Total	168	157	176	170	182	200	222	231	211	225

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire										
Inspections Conducted	879	756	3	1,171	890	937	755	633	791	752
Police										
Number of Law Violations										
Physical Arrests	1,028	1,263	907	812	836	932	789	1,246	835	813
Traffic and Parking Violations	6,257	6,067	5,078	3,391	4,650	9,000	5,945	7,769	4,990	5,151
Public Service - Sewerage System										
Daily Average Treatment in Gallons	1,922,000	1,922,000	1,922,000	1,715,000	2,878,000	2,878,000	1,849,290	1,901,430	1,992,427	1,903,540
Max. Daily Capacity of Plant in Gallons	3,713,000	3,713,000	3,713,000	3,982,200	3,982,200	3,982,200	3,682,200	3,682,200	3,982,200	3,982,200
Service Connections	4,100	4,100	4,100	4,100	4,100	5,211	5,211	6,313	6,400	5,787
Public Service - Streets										
Highway and Streets Resurfacing	5	3	2	0	22	22	3	0	2	10
Public Service - Water System										
Daily Average Consumption in Gallons	1,110,000	1,110,000	1,200,000	1,357,672	1,400,000	1,400,000	1,520,465	1,694,097	1,545,163	1,318,310
Max. Daily Capacity of Plant in Gallons	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased
Service Connections	4,506	4,506	4,506	4,506	4,506	5,530	5,530	6,630	6,700	6,117

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Culture and Recreation										
Park Acreage	34	34	34	34	55	55	55	55	60	60
Parks	2	2	2	2	2	2	2	2	3	3
Tennis Courts	0	0	0	0	1	1	1	1	1	1
Baseball Fields	5	5	5	5	5	5	5	5	5	5
Community Centers & Depot	2	2	2	2	2	3	3	3	4	4
Fire										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	56	56	64	68	44	61	66	105	84	89
Patrol Zones	5	5	5	5	5	5	5	5	5	5
Public Service - Sewerage System										
Sanitary Sewer (Miles)	90.0	90	90	90	90	90	90	91	91	91
Treatment Plants	0	0	0	0	0	0	0	0	0	0
Public Service - Streets										
Streets (Miles)	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7
Streets (Lights)	1,188	1188	1223	1205	1236	1242	1242	1255	1255	1259
Public Service - Water System										
Water Mains (Miles)	80	80	80	80	80	80	80	112	112	112
Number of Fire Hydrants	591	591	591	591	591	591	591	886	901	901

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 9, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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
April 9, 2024

**CITY OF UNION CITY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

**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 year ended August 31, 2023 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, 2023**

**SECTION II
FINANCIAL STATEMENT FINDINGS**

None reported.