

**CITY OF AUBURN, GEORGIA**

**ANNUAL FINANCIAL REPORT**  
**(WITH INDEPENDENT AUDITOR'S REPORT)**

**Year Ended**  
**September 30, 2021**

**CITY OF AUBURN, GEORGIA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

March 29, 2022

To the Mayor and City Council  
 CITY OF AUBURN  
 Auburn, GA

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF AUBURN, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CITY OF AUBURN's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF AUBURN, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Net Pension Liability - City of Auburn Retirement Plan, Schedule of Contributions - City of Auburn Retirement Plan, Schedule of Notes to Required Supplementary Information - City of Auburn Retirement Plan, and Budgetary Comparison Schedule-General Fund listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CITY OF AUBURN's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and the accompanying Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121 for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the CITY OF AUBURN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 CITY OF AUBURN's internal control over financial reporting and compliance.

*Bates, Carter & Co., LLP*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the City of Auburn, Georgia (the "City") provides this Management Discussion and Analysis, as prescribed by the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City's primary government financial activities is for the fiscal year ending September 30, 2021. Please consider this information in conjunction with the City's basic financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$21,060,536 (presented as "net position"). Of this amount, \$(2,421,578) was reported as "unrestricted net position." Unrestricted net position represents the amount available to be used to meet the City's obligations to citizens and creditors. \$13,573,591 of net position consisted of investments in capital assets. The remainder of net position consisted of amounts restricted by state law or debt agreements, and totaled \$9,908,523.

The City's total net position increased by \$3,279,961 in fiscal year 2021.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,571,173. Of this amount, 31.5% or \$4,589,026 is unassigned and available for use within the City's designation and policies.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,589,026 or 116.67% of the total general fund amended budget expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's primary government financial statements. The City's primary government financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### **Government-wide Financial Statements**

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

The Statement of Net Position presents information on all of the City's primary government assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information on showing how the City's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods, such as uncollected property taxes and earned but unused compensated absence.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the City include general government, public safety, public works, housing and development, interest, and culture and recreation. The business-type activities of the City include the City's Stormwater and Water and Sewer Systems operations.

The government-wide financial statements can be found on pages 1 to 2 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains eight governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, SPLOST, Confiscated Assets and Fire District. The General Fund, SPLOST Fund, and URA Bond Fund are the only major funds.

The basic governmental fund financial statements can be found on pages 3 to 6 of this report.

### **Proprietary Fund**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Stormwater and Water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Stormwater and Water funds. The Water fund is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 7 to 9 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 to 41 of this report.

### **Other Information**

In addition to the primary government financial statements and accompanying notes, this report also presents certain supplementary information. Supplementary information can be found on pages 42 to 53 of this report.

## **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City's primary government financial statements, assets exceeded liabilities by \$21,060,536 as of September 30, 2021 and by \$17,780,575 as of September 30, 2020.

The largest portion of the City's net position reflects its investments in capital assets (such as land, buildings and improvements, furniture, machinery and equipment, computer equipment, and vehicles); less any related debt used in acquisition that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**CITY OF AUBURN, GEORGIA'S NET POSITION**  
**September 30, 2021**  
(\$ In thousands)

	<b>GOVERNMENTAL ACTIVITIES</b>		<b>BUSINESS-TYPE ACTIVITIES</b>		<b>TOTAL</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and other assets	\$ 16,060	\$ 3,996	\$ 2,316	\$ 1,814	\$ 18,376	\$ 5,810
Capital assets (net of depreciation)	13,470	10,019	7,456	6,378	20,926	16,397
<b>TOTAL ASSETS</b>	<u>29,530</u>	<u>14,015</u>	<u>9,772</u>	<u>8,192</u>	<u>39,302</u>	<u>22,207</u>
Total deferred outflows of resources	183	157	94	45	277	202
Liabilities:						
Long-term liabilities outstanding	13,097	733	3,843	3,429	16,940	4,162
Other liabilities	1,440	216	113	242	1,553	458
<b>TOTAL LIABILITIES</b>	<u>14,537</u>	<u>949</u>	<u>3,956</u>	<u>3,671</u>	<u>18,493</u>	<u>4,620</u>
Total deferred inflows of resources	15	7	11	2	26	9
Net position						
Net investment in capital assets	9,828	9,492	3,746	3,042	13,574	12,534
Restricted	9,908	327	-	-	9,908	327
Unrestricted	(4,575)	3,397	2,153	1,522	(2,422)	4,919
<b>TOTAL NET POSITION</b>	<u>\$ 15,161</u>	<u>\$ 13,216</u>	<u>\$ 5,899</u>	<u>\$ 4,564</u>	<u>\$ 21,060</u>	<u>\$ 17,780</u>

Table may not add due to rounding

An additional portion of the City's net position, \$9,908 thousand, or approximately 47.05%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$(2,421,578), may be recovered in order to meet the government's ongoing obligations to citizens and creditors.

**Analysis of the City's Operations**

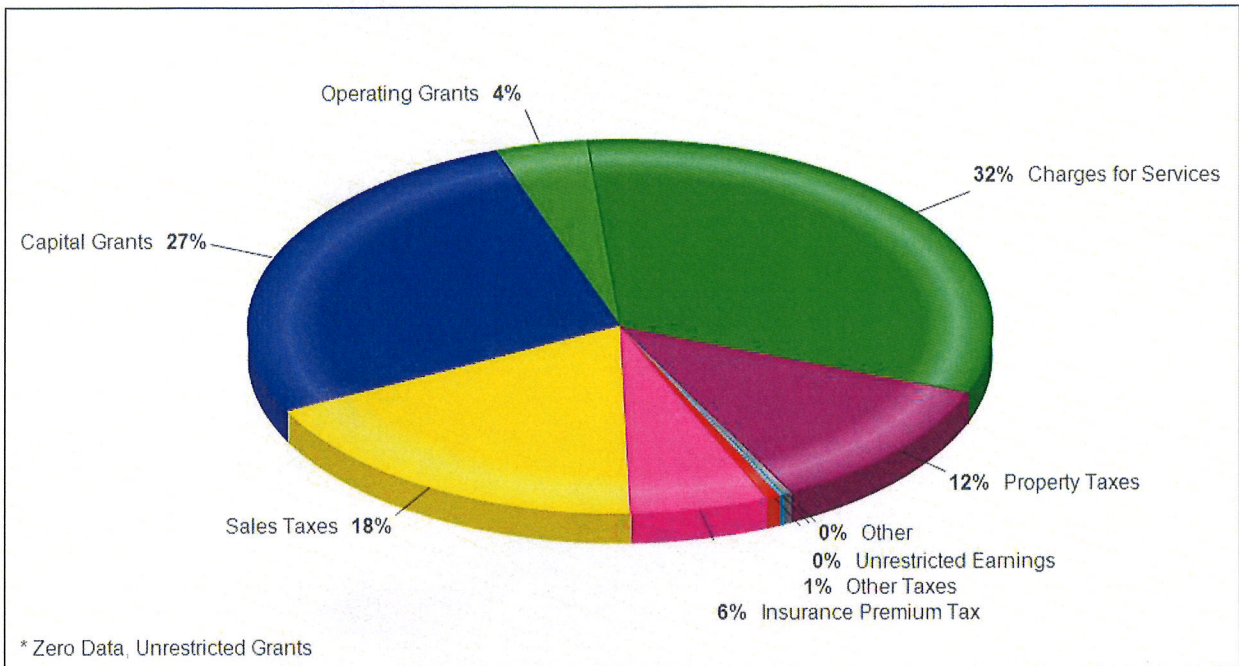
The following table provides a summary of the City's operations for the years ended September 30, 2021 and September 30, 2020. Governmental activities increased the City's net position by \$1,945,138 for the year ended September 30, 2021, and increased net position by \$2,480,774 for the year ended September 30, 2020. Business-type activities increased the City's net position by \$1,334,823 for the year ended September 30, 2021, and increased the City's net position by \$461,861 for the year ended September 30, 2020.

**CITY OF AUBURN, GEORGIA'S CHANGES IN NET POSITION**  
**September 30, 2021**  
(\$ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
REVENUES						
Program revenues:	2021	2020	2021	2020	2021	2020
Charges for services	\$ 937	\$ 615	\$ 2,214	\$ 2,089	\$ 3,151	\$ 2,704
Operating grants and contributions	399	684	-	-	399	684
Capital grants and contributions	1,695	1,481	951	469	2,646	1,950
General Revenues:						
Property taxes	1,134	992	-	-	1,134	992
Sales taxes	1,751	1,495	-	-	1,751	1,495
Insurance premium tax	580	552	-	-	580	552
Franchise taxes	372	408	-	-	372	408
Alcohol beverage taxes	110	125	-	-	110	125
Real estate recording taxes	52	24	-	-	52	24
Other taxes	58	33	-	-	58	33
Unrestricted investment earnings	10	13	3	7	13	20
Other	38	28	-	-	38	28
TOTAL REVENUES	7,136	6,450	3,168	2,565	10,304	9,015
EXPENSES						
General Government	889	887	-	-	889	887
Judicial	95	78	-	-	95	78
Public safety	1,609	1,595	-	-	1,609	1,595
Public works	766	635	-	-	766	635
Health and welfare	1	5	-	-	1	5
Recreation and culture	446	415	-	-	446	415
Housing and development	359	324	-	-	359	324
Interest	629	11	-	-	629	11
Water utility	-	-	2,114	2,016	2,114	2,016
Stormwater utility	-	-	116	106	116	106
Revolving loan	-	-	-	-	-	-
TOTAL EXPENSES	4,794	3,950	2,230	2,122	2,564	6,072
Increases in net assets before transfers	2,342	2,500	938	443	3,280	2,943
Transfers	(397)	(19)	397	19	-	-
Increase in net position	1,945	2,481	1,335	462	3,280	2,943
Net position, beginning of year	13,216	10,735	4,564	4,102	17,780	14,837
Net position, end of year	\$ 15,161	\$ 13,216	\$ 5,899	\$ 4,564	\$ 21,060	\$ 17,780

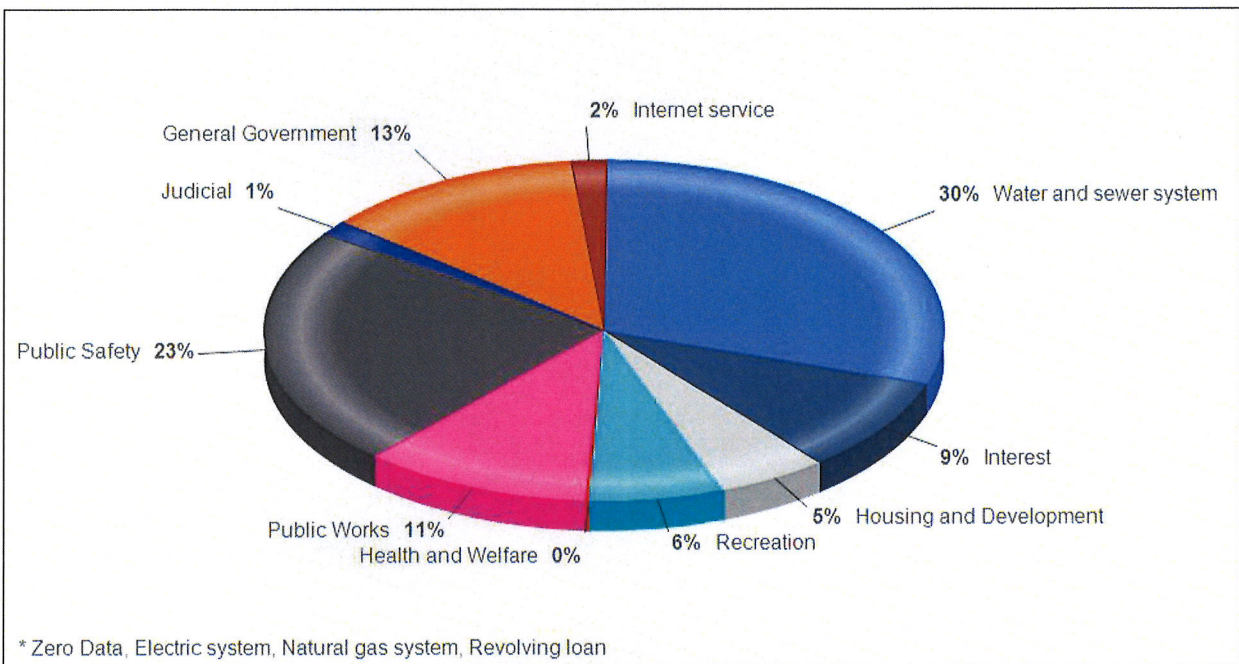
Total government-wide revenues for 2021 were \$10.30 million. These revenues consisted of \$3.52 million in taxes, \$3.05 million in grants and contributions, \$13 thousand in investment earnings and \$3.15 million in charges for services. Of this amount, \$0.9 million was in governmental activities and \$2.2 million in business-type activities.

## REVENUES BY SOURCE-GOVERNMENT-WIDE ACTIVITY



Government-wide expenses were \$2.56 million for 2021, of which \$4.79 million were for governmental activities and \$2.23 million for business-type activities.

## EXPENSES BY FUNCTION-GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the main fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,589,026, while total fund balance reached \$4,662,650. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 121.92% of total expenditures, and transfers out, while total fund balance represents 123.88% of that same amount.

The General Fund's fund balance increased by \$1,336,722 during the current fiscal year. This is primarily a result of increased revenue generation due to population growth and intergovernmental COVID-19 assistance, as well as continued effort to control costs and manage expenditures.

### **SPLOST Funds**

The SPLOST Capital Projects Fund accounts for funds received from a local 1% sales tax reserved for various capital projects. During the current fiscal year, the fund balance increased by \$198,254 in the SPLOST Fund. This is primarily a result of spending for approved projects, as well as supplemental project funding from other sources.

### **URA Bond Fund**

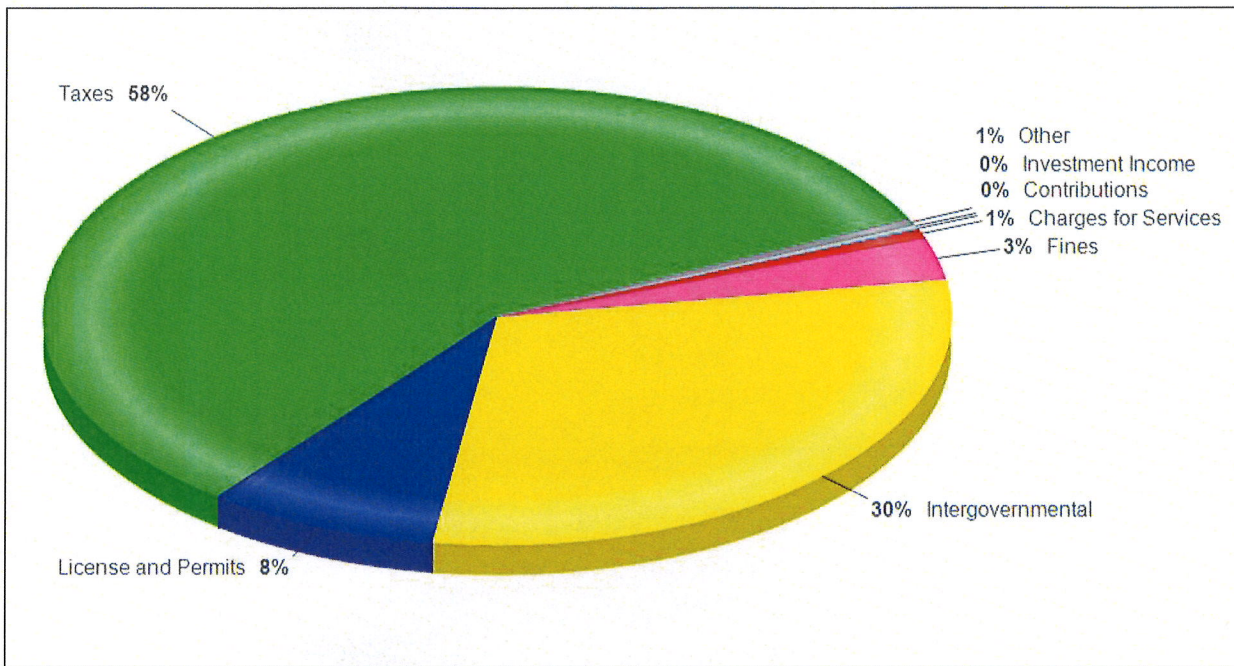
The URA Bond Fund is the City's primary fund to pay debt obligations for the new government complex. During the current fiscal year, the fund balance increased by \$9,273,899 in the URA Bond Fund due to proceeds from bond issuance.

### **Other Non-major Funds**

The other non-major governmental funds' fund balances decreased by \$(1,686) during the current fiscal year. The decreases were mainly due to use of restricted funds for public safety purchases.



## REVENUES BY SOURCE-GOVERNMENTAL FUNDS



Note: Graph may not equal 100% due to rounding.

### Proprietary Funds

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

The Water Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer system debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. Unrestricted net position in the Water Fund was \$2,058,892. For the fiscal year ended 2021, the Water utility had an increase in net position of \$1,272,561, the majority of which can be attributed to capital contributions from URA and ARPA Funds. Additionally, Water taps fees were increased in fiscal year 2021, resulting in higher revenue from new developments.

The Stormwater Fund is used to account for the provision of stormwater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the stormwater system. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for stormwater system debt. All costs are financed through charges to stormwater customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. Unrestricted net position in the Stormwater Fund is \$94,599. In the current year, the Stormwater system had an increase in net position of \$62,262, which is primarily a result of supplemental funding from SPLOST for capital projects.

### **General Fund Budgetary Highlights**

During the fiscal year, the City made minor revisions to the original appropriations approved by the City Council. These minor adjustments are common operating occurrences. Generally, budget amendments fall into one of the three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

### **Capital assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$20,925,707, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, furniture, machinery and equipment, computer equipment, utility infrastructure, infrastructure assets, and vehicles.

The City has implemented all phases of GASB Statement No. 34. GASB Statement No. 34 requires the reporting and depreciation of all of the City's governmental capital assets.

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

The City spent \$3,600,538 on construction in progress.

The City spent \$173,843 on vehicles.

The City spent \$25,950 on land.

**CAPITAL ASSETS AT YEAR-END  
NET OF ACCUMULATED DEPRECIATION - PRIMARY GOVERNMENT**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,602,499	\$ 1,576,549	\$ 410,949	\$ 410,949	\$ 2,013,448	\$ 1,987,498
Construction in process	4,654,346	1,053,808	2,686,846	1,677,189	7,341,192	2,730,997
Building and improvements	3,041,305	3,041,305	-	-	3,041,305	3,041,305
Utility system infrastructure	-	-	5,866,282	5,781,100	5,866,282	5,781,100
Furniture, fixtures and equipment	-	-	-	-	-	-
Machinery and equipment	1,264,813	1,264,813	294,373	239,937	1,559,186	1,504,750
Computers and equipment	-	-	-	-	-	-
Infrastructure	5,689,756	5,689,756	-	-	5,689,756	5,689,756
Vehicles	1,059,083	913,330	584,410	436,381	1,643,493	1,349,711
Accumulated depreciation	(3,841,861)	(3,520,895)	(2,387,094)	(2,167,164)	(6,228,955)	(5,688,059)
Total	<u>\$ 13,469,941</u>	<u>\$ 10,018,666</u>	<u>\$ 7,455,766</u>	<u>\$ 6,378,392</u>	<u>\$ 20,925,707</u>	<u>\$ 16,397,058</u>

Additional information on the City's capital assets can be found in note 6 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had \$16,340,163 in outstanding debt consisting of revenue bonds, capital leases and notes payable. All of the debt was secured by specific revenue sources or capital assets.

**CITY OF AUBURN, GEORGIA'S OUTSTANDING DEBT - PRIMARY GOVERNMENT  
September 30, 2021**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Capital leases payable	\$ 131,455	\$ 203,213	\$ 82,850	\$ 120,883	\$ 214,305	\$ 324,096
Notes from direct borrowings	-	141,542	3,627,264	3,202,850	3,627,264	3,344,392
Revenue & general obligation bonds	12,498,594	-	-	-	12,498,594	-
Total	<u>\$ 12,630,049</u>	<u>\$ 344,755</u>	<u>\$ 3,710,114</u>	<u>\$ 3,323,733</u>	<u>\$ 16,340,163</u>	<u>\$ 3,668,488</u>

The City's total debt (not including compensated absences and other long-term operating liabilities) increased by \$12,671,675, during the current fiscal year mostly attributable the issuance of general obligation bonds. Additional information on the City's long-term debt can be found in note 7.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The City of Auburn's unemployment rate of 2.9% is well below the State average. Auburn has seen the job market increase by 2.9% over the last year. Future job growth over the next ten years is predicted to be 49.3%.
- The City continues to grow with new residential development, street improvements, park construction/renovations, and various other projects.
- Property taxes and revenues from permits and fees are expected to attribute to the increase in budgeted revenue. The City will use these increases in revenues to finance programs currently in place.
- Budgeted expenditures in the General Fund are expected to rise approximately 2.5%. The largest increments are in employee compensation, including compensation and benefit adjustments.
- The City of Auburn was awarded a Water/Sewer Infrastructure Grant from the Governor's Office of Planning and Budget's (OPB) that will help fund capital projects beginning in fiscal year 2022.
- The City is not anticipating any increase in water rates for fiscal year 2022. Tap fees were increase for fiscal year 2022, and this will be used to avoid the need to raise any additional fees or charges. General operating expenses for business-type activities will increase by approximately 2.5% to cover increased personnel costs and increased costs of materials, supplies, and other operating expenses.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's primary government finances. If you have questions about this report or need any additional information, contact Christy Case at 1369 4th Ave, Auburn, Ga 30011.



**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

**PRIMARY GOVERNMENT**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 7,380,072	\$ -	\$ 7,380,072
Investments	900,415	-	900,415
Receivables (net of allowance for uncollectibles)	551,205	184,456	735,661
Internal balances	(2,119,414)	2,119,414	-
Prepaid items	73,624	12,509	86,133
Restricted assets:			
Cash	9,273,899	-	9,273,899
Non-current assets:			
Capital assets:			
Capital assets not being depreciated	6,256,845	3,097,795	9,354,640
Capital assets being depreciated	11,054,957	6,745,065	17,800,022
Less: accumulated depreciation	(3,841,861)	(2,387,094)	(6,228,955)
Capital assets, net of depreciation	13,469,941	7,455,766	20,925,707
<b>TOTAL ASSETS</b>	<b>29,529,742</b>	<b>9,772,145</b>	<b>39,301,887</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	183,286	93,575	276,861
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>183,286</b>	<b>93,575</b>	<b>276,861</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>29,713,028</b>	<b>9,865,720</b>	<b>39,578,748</b>
<b>LIABILITIES</b>			
Accounts payable	290,390	54,877	345,267
Other accrued items	24,592	57,643	82,235
Unearned revenue	1,124,590	-	1,124,590
Noncurrent liabilities:			
Due within one year:			
Compensated absences payable	54,506	14,921	69,427
Notes from direct borrowings	-	142,215	142,215
Capital leases payable	45,246	25,013	70,259
General obligation bonds payable	312,275	-	312,275
Due in more than one year:			
Compensated absences payable	81,760	22,381	104,141
Notes from direct borrowings	-	3,485,049	3,485,049
Capital leases payable	86,209	57,837	144,046
General obligation bonds payable	12,186,319	-	12,186,319
Net pension liability	330,587	96,015	426,602
<b>TOTAL LIABILITIES</b>	<b>14,536,474</b>	<b>3,955,951</b>	<b>18,492,425</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	15,161	10,626	25,787
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>15,161</b>	<b>10,626</b>	<b>25,787</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>14,551,635</b>	<b>3,966,577</b>	<b>18,518,212</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,827,939	3,745,652	13,573,591
Restricted for:			
Capital outlay projects	9,899,598	-	9,899,598
Judicial programs	910	-	910
Public safety programs	7,914	-	7,914
Health and welfare programs	101	-	101
Unrestricted	(4,575,069)	2,153,491	(2,421,578)
<b>TOTAL NET POSITION</b>	<b>\$ 15,161,393</b>	<b>\$ 5,899,143</b>	<b>\$ 21,060,536</b>

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2021**

		.....PROGRAM REVENUES.....		.....NET (EXPENSE) AND CHANGES IN NET POSITION.....		.....PRIMARY GOVERNMENT.....	
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT</b>							
GOVERNMENTAL ACTIVITIES							
General government	\$ 888,913	\$ 49,935	\$ -	\$ -	\$ (838,978)	\$ -	\$ (838,978)
Judicial	95,555	200,437	6,295	-	111,177	-	111,177
Public safety	1,608,615	19,566	346,571	-	(1,242,478)	-	(1,242,478)
Public works	766,334	10,053	299	1,694,686	938,704	-	938,704
Public health and welfare	1,268	-	1,268	-	-	-	-
Recreation and culture	445,707	79,886	-	-	(365,821)	-	(365,821)
Housing and development	359,418	577,042	44,769	-	262,393	-	262,393
Interest	340,356	-	-	-	(340,356)	-	(340,356)
Insurance costs	288,288	-	-	-	(288,288)	-	(288,288)
Total Governmental Activities	4,217,878	936,919	399,202	1,694,686	(1,763,647)	-	(1,763,647)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water	2,114,360	2,118,283	-	951,500	-	955,423	955,423
Stormwater	116,479	96,615	-	-	-	(19,864)	(19,864)
Total Business-Type Activities	2,230,839	2,214,898	-	951,500	-	935,559	935,423
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,448,717</b>	<b>\$ 3,151,817</b>	<b>\$ 399,202</b>	<b>\$ 2,646,186</b>	<b>\$ (1,763,647)</b>	<b>\$ 935,559</b>	<b>\$ (808,224)</b>
<b>GENERAL REVENUES</b>							
Property taxes					1,133,618	-	1,133,618
Sales taxes					1,750,612	-	1,750,612
Insurance premium taxes					579,606	-	579,606
Franchise taxes					372,204	-	372,204
Alcohol beverage taxes					110,215	-	110,215
Real estate recording taxes					52,310	-	52,310
Other taxes					58,493	-	58,493
Total taxes					4,057,058	-	4,057,058
Unrestricted investment earnings					9,995	2,534	12,529
Gain(Loss) on sale of capital assets					38,462	-	38,462
<b>TRANSFERS</b>					(396,730)	396,730	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					3,708,785	399,264	4,108,049
<b>CHANGES IN NET POSITION</b>					1,945,138	1,334,823	3,279,961
<b>NET POSITION, Beginning</b>					13,216,255	4,564,320	17,780,575
<b>NET POSITION, Ending</b>					\$ 15,161,393	\$ 5,899,143	\$ 21,060,536

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2021**

	GENERAL	SPLOST	URA BOND FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$ 4,694,318	\$ 1,233,551	\$ -	\$ 1,452,202	\$ 7,380,071
Investments	900,415	-	-	-	900,415
Receivables (net of allowance for uncollectibles)	267,420	283,785	-	-	551,205
Interfund receivables	939,349	-	-	-	939,349
Prepaid items	73,624	-	-	-	73,624
Restricted assets:					
Cash	-	-	9,273,899	-	9,273,899
<b>TOTAL ASSETS</b>	<b>6,875,126</b>	<b>1,517,336</b>	<b>9,273,899</b>	<b>1,452,202</b>	<b>19,118,563</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	4,538	-	-	285,852	290,390
Other accrued items	24,592	-	-	-	24,592
Interfund payables	2,134,292	891,637	-	32,834	3,058,763
Unearned revenue	-	-	-	1,124,591	1,124,591
<b>TOTAL LIABILITIES</b>	<b>2,163,422</b>	<b>891,637</b>	<b>-</b>	<b>1,443,277</b>	<b>4,498,336</b>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	49,054	-	-	-	49,054
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>49,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,054</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,212,476</b>	<b>891,637</b>	<b>-</b>	<b>1,443,277</b>	<b>4,547,390</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid expenditure	73,624	-	-	-	73,624
Restricted:					
Capital outlay projects	-	625,699	9,273,899	-	9,899,598
Judicial programs	-	-	-	910	910
Public safety programs	-	-	-	7,914	7,914
Health and welfare programs	-	-	-	101	101
Unassigned	4,589,026	-	-	-	4,589,026
<b>TOTAL FUND BALANCES</b>	<b>4,662,650</b>	<b>625,699</b>	<b>9,273,899</b>	<b>8,925</b>	<b>14,571,173</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,875,126</b>	<b>\$ 1,517,336</b>	<b>\$ 9,273,899</b>	<b>\$ 1,452,202</b>	<b>\$ 19,118,563</b>

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET POSITION**  
**For the Year Ended September 30, 2021**

**Total Fund Balances for Governmental Funds (page 3)** \$ 14,571,173

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. 13,469,941

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

Property Taxes	49,054	
		49,054

Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds	(12,498,594)	
Compensated absences	(136,266)	
Capital leases	(131,455)	
Net pension liability	(330,587)	
Net deferred inflows(outflows) - pension expense	168,125	
		(12,928,777)

Rounding		2
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**Total net position of governmental activities (page 1)** **\$ 15,161,393**

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2021**

	GENERAL	SPLOST	URA BOND FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 4,024,419	\$ -	\$ -	\$ -	\$ 4,024,419
Licenses and permits	572,793	-	-	-	572,793
Intergovernmental	71,480	1,694,686	-	321,966	2,088,132
Fines and forfeitures	200,422	-	-	2,364	202,786
Charges for services	122,235	-	-	-	122,235
Contributions and donations	5,457	-	-	-	5,457
Investment income	9,044	1,037	-	214	10,295
Miscellaneous	37,104	-	-	2,000	39,104
<b>TOTAL REVENUES</b>	<b>5,042,954</b>	<b>1,695,723</b>	<b>-</b>	<b>326,544</b>	<b>7,065,221</b>
EXPENDITURES					
Current Expenditures					
General government	805,523	14,365	-	-	819,888
Judicial	91,038	-	-	-	91,038
Public safety	1,471,629	-	-	12,358	1,483,987
Public works	442,416	195,333	-	-	637,749
Public health and welfare	-	-	-	1,268	1,268
Culture and Recreation	230,601	15,969	-	-	246,570
Housing and development	358,109	-	-	-	358,109
Intergovernmental	136,668	-	-	-	136,668
Capital outlay	173,844	3,626,488	-	-	3,800,332
Debt service					
Principal	50,320	337,980	-	-	388,300
Interest	3,741	451,309	-	-	455,050
Issuance costs	-	-	288,288	-	288,288
<b>TOTAL EXPENDITURES</b>	<b>3,763,889</b>	<b>4,641,444</b>	<b>288,288</b>	<b>13,626</b>	<b>8,707,247</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	<b>1,279,065</b>	<b>(2,945,721)</b>	<b>(288,288)</b>	<b>312,918</b>	<b>(1,642,026)</b>
OTHER FINANCING SOURCES (USES)					
Sale of county property	57,657	-	-	-	57,657
Proceeds from bond issuance	-	-	12,788,288	-	12,788,288
Transfers in	-	3,226,101	-	-	3,226,101
Transfers out	-	(82,126)	(3,226,101)	(314,604)	(3,622,831)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>57,657</b>	<b>3,143,975</b>	<b>9,562,187</b>	<b>(314,604)</b>	<b>12,449,215</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,336,722</b>	<b>198,254</b>	<b>9,273,899</b>	<b>(1,686)</b>	<b>10,807,189</b>
<b>FUND BALANCES, Beginning of year</b>	<b>3,325,928</b>	<b>427,445</b>	<b>-</b>	<b>10,611</b>	<b>3,763,984</b>
<b>FUND BALANCES, End of year</b>	<b>\$ 4,662,650</b>	<b>\$ 625,699</b>	<b>\$ 9,273,899</b>	<b>\$ 8,925</b>	<b>\$ 14,571,173</b>

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2021**

Net change in fund balances (page 5)

\$ 10,807,189

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

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

Capital outlays	3,800,332	
Depreciation expense	<u>(329,861)</u>	3,470,471

In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

Net book value of capital assets disposed of	<u>(19,195)</u>	(19,195)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	<u>25,738</u>	25,738
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Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.

Property taxes	<u>6,900</u>	6,900
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.

Proceeds from borrowing including premiums and discounts	(12,788,288)	
Principal payments on long-term debt	388,300	
Amortization of bond premium, discounts and refunding	<u>114,694</u>	(12,285,294)

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.

Compensated absences, current year	(136,266)	
Compensated absences, prior year	125,905	
Net pension liability, current year	(330,587)	
Net pension liability, prior year	262,116	
Deferred inflows, current year	(15,161)	
Deferred inflows, prior year	<u>6,865</u>	(87,128)

Contributions made after pension measurement date are reported in deferred outflows.

Beginning of year	(156,828)	
End of year	<u>183,286</u>	26,458

Rounding		<u>(1)</u>
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Changes in net position of governmental activities (page 2)

\$ 1,945,138

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>		
	<b>WATER FUND</b>	<b>NON-MAJOR STORMWATER FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current Assets			
Receivables (net of allowance for uncollectibles)	\$ 184,247	\$ 209	\$ 184,456
Interfund receivables	2,026,694	94,010	2,120,704
Prepaid items	8,568	3,941	12,509
<b>TOTAL CURRENT ASSETS</b>	<u>2,219,509</u>	<u>98,160</u>	<u>2,317,669</u>
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	3,097,795	-	3,097,795
Capital assets being depreciated	6,510,300	234,765	6,745,065
Less: accumulated depreciation	(2,368,319)	(18,775)	(2,387,094)
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<u>7,239,776</u>	<u>215,990</u>	<u>7,455,766</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>7,239,776</u>	<u>215,990</u>	<u>7,455,766</u>
<b>TOTAL ASSETS</b>	<u>9,459,285</u>	<u>314,150</u>	<u>9,773,435</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	93,575	-	93,575
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>93,575</u>	<u>-</u>	<u>93,575</u>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<u>9,552,860</u>	<u>314,150</u>	<u>9,867,010</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	54,877	-	54,877
Other accrued items	56,982	661	57,643
Interfund payables	-	1,290	1,290
Compensated absences payable	14,277	644	14,921
Notes from direct borrowings	142,215	-	142,215
Capital leases payable	25,013	-	25,013
<b>TOTAL CURRENT LIABILITIES</b>	<u>293,364</u>	<u>2,595</u>	<u>295,959</u>
Noncurrent Liabilities			
Compensated absences payable	21,415	966	22,381
Net pension liability	96,015	-	96,015
Notes from direct borrowings	3,485,049	-	3,485,049
Capital leases payable	57,837	-	57,837
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>3,660,316</u>	<u>966</u>	<u>3,661,282</u>
<b>TOTAL LIABILITIES</b>	<u>3,953,680</u>	<u>3,561</u>	<u>3,957,241</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	10,626	-	10,626
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>10,626</u>	<u>-</u>	<u>10,626</u>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	<u>3,964,306</u>	<u>3,561</u>	<u>3,967,867</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,529,662	215,990	3,745,652
Unrestricted	2,058,892	94,599	2,153,491
<b>TOTAL NET POSITION</b>	<u>\$ 5,588,554</u>	<u>\$ 310,589</u>	<u>\$ 5,899,143</u>

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>		
	<b>WATER FUND</b>	<b>NON-MAJOR STORMWATER FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Charges for sales and services:			
Charges for services	\$ 1,908,956	\$ 96,242	\$ 2,005,198
Other operating revenue			
Sewer sales	131,613	-	131,613
Other	71,311	-	71,311
Miscellaneous Income	6,403	373	6,776
Total Operating Revenues	<u>2,118,283</u>	<u>96,615</u>	<u>2,214,898</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	568,537	66,625	635,162
Supplies	41,504	-	41,504
Other services and charges	141,416	45,362	186,778
Depreciation	215,437	4,492	219,929
Repairs and maintenance	18,437	-	18,437
Utilities	12,272	-	12,272
Water purchases	983,878	-	983,878
Sewerage flow costs	51,482	-	51,482
Total Operating Expenses	<u>2,032,963</u>	<u>116,479</u>	<u>2,149,442</u>
<b>OPERATING INCOME</b>	<u>85,320</u>	<u>(19,864)</u>	<u>65,456</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	2,534	-	2,534
Interest expense	(81,397)	-	(81,397)
Total Nonoperating Revenues (Expenses)	<u>(78,863)</u>	<u>-</u>	<u>(78,863)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>6,457</u>	<u>(19,864)</u>	<u>(13,407)</u>
Tap fees in excess of cost - water	951,500	-	951,500
Transfer in	314,604	82,126	396,730
<b>CHANGE IN NET POSITION</b>	<u>1,272,561</u>	<u>62,262</u>	<u>1,334,823</u>
<b>TOTAL NET POSITION, Beginning of year</b>	<u>4,315,993</u>	<u>248,327</u>	<u>4,564,320</u>
<b>TOTAL NET POSITION, End of year</b>	<u><u>\$ 5,588,554</u></u>	<u><u>\$ 310,589</u></u>	<u><u>\$ 5,899,143</u></u>

The accompanying notes are an integral part of this statement.



**CITY OF AUBURN, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>		
	<b>WATER FUND</b>	<b>NON-MAJOR STORMWATER FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customer	\$ 2,103,049	\$ 101,506	\$ 2,204,555
Payments to suppliers	(1,889,643)	(36,014)	(1,925,657)
Payments to employees	(571,851)	(65,492)	(637,343)
Net cash provided by (used in) operating activities	(358,445)	-	(358,445)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(1,215,178)	(82,126)	(1,297,304)
Tap fees in excess of costs	951,500	-	951,500
Transfers in/out	314,604	82,126	396,730
Proceeds from the issuance of debt	560,790	-	560,790
Principal payments on debt	(174,408)	-	(174,408)
Interest paid	(81,397)	-	(81,397)
Net cash provided by (used in) capital and related financing activities	355,911	-	355,911
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	2,534	-	2,534
Net cash provided by (used in) investing activities	2,534	-	2,534
Net increase (decrease) in cash and cash equivalents	-	-	-
CASH, Beginning of year	-	-	-
CASH, End of year	\$ -	\$ -	\$ -
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 85,320	\$ (19,864)	\$ 65,456
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	215,437	4,492	219,929
(Increase) decrease in:			
Accounts receivable	(15,234)	4,891	(10,343)
Deferred outflows for pension	(48,697)	-	(48,697)
Prepaid expenses	(1,420)	(400)	(1,820)
Increase (decrease) in:			
Accounts payable	(138,778)	(461)	(139,239)
Compensated absences	7,533	804	8,337
Customer deposits	6,354	-	6,354
Net pension liability	19,825	-	19,825
Other accrued items	3,033	329	3,362
Deferred inflows for pension	8,638	-	8,638
Interfund balances	(500,456)	10,209	(490,247)
Net cash provided by (used in) operating activities	\$ (358,445)	\$ -	\$ (358,445)

The accompanying notes are an integral part of this statement.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**(A) REPORTING ENTITY**

The reporting entity consists of the following:

- The primary government;
- Organizations for which the primary government is financially accountable;

For financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP.

The City is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose a specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Blended component units, although legally separate entities, are, in substance, part of the City's operation, and accordingly, data from these units are combined with data of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The City has no component units that meet the criteria for component units requiring discrete presentation in the primary governmental financial reporting entity.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**(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 and any component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**(C) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 timing of 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.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 property taxes as available if they are collected within 60 days of the end of the current fiscal year for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed with the exception of federal and state grant revenue, which has a 12 month availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, licenses, charges for services, intergovernmental revenues, and interest 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 government.

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 accounted for in another fund.

The *SPLOST Fund* accounts for funds received from a local 1% sales tax reserved for construction of various capital projects.

The *URA Bond Fund* is the City's capital project fund to pay debt obligations for construction of the new government complex.

The City reports the following major proprietary funds:

The *Water Fund* is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer system debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues 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 are charges to customers for sales and services. Operating expenses for 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.

**(D) ASSETS, LIABILITIES AND NET POSITION OR EQUITY**

***Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits that are not restricted, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded as fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “interfund receivables/payables.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of July 31. Taxes are normally levied by December 20th of each year. The 2020 property taxes were levied December 6, 2020, and were due February 6, 2021. The taxes are subject to lien after February 6, 2022. Interest and penalties are assessed on taxes not paid by this date. The City receives property tax assessments from both Barrow and Gwinnett Counties.

The City’s property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the City.

The City's tax levy is recognized as revenue when levied and uncollected taxes are recorded as unavailable revenue in the general fund.

***Inventories and Prepaid Items***

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

***Restricted Assets***

Certain restricted deposits and investments may be held by the General Fund and URA Bond Fund. These funds are held in cash and/or investments as allowed by State law and the requirements of the related debt agreements. The investments are stated at fair value and the City records all investment revenue earned on these investments in the appropriate fund.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, 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 five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, or the appraised value at the time of the donation. Roads, bridges, and culverts acquired prior to July 1, 2004 have not been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed. Interest was not capitalized during 2021.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Buildings & Improvements	20-50 years
Infrastructure - Distribution Systems	50 years
Machinery and equipment	5-7 years
Vehicles	3-5 years

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. These two items consist of unavailable revenue and deferred inflows related to pension expense. Unavailable revenue only arises under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. The deferred inflows related to pension expense represent differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The maximum vacation accrual is limited to sixty (60) days. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Long-term Obligations***

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, or proprietary fund type statement of net position. Debt issuance costs are included in their entirety in expenditures/expenses in the year they are incurred.

***Bond Premiums and Discounts***

Premiums and discount are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

***Fund Equity/Net Position***

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 current assets and current liabilities. 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 the 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 like inventories and prepaid items) 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 prior to the end of the fiscal year. In order to modify or rescind the commitment, the the City Council must adopt another resolution.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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*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 Administrator 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 other governmental funds.

***Net Position*** - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Net Investment in Capital Assets***

The "net investment in capital assets" reported on the government-wide statement of net position as of September 30, 2021 are as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Cost of capital assets	\$ 17,311,802	\$ 9,842,860
Accumulated depreciation	(3,841,861)	(2,387,094)
Net book value	13,469,941	7,455,766
Capital leases related debt	(131,455)	(82,850)
Accounts payable related to capital assets	(285,852)	-
General obligation bonds related to capital assets	(12,498,594)	-
Unspent bond proceeds	9,273,899	-
Notes from direct borrowings related to capital assets	-	(3,627,264)
Net investment in capital assets	<u>\$ 9,827,939</u>	<u>\$ 3,745,652</u>

***Management Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

***Allocation of Indirect Cost***

The City allocates indirect costs for general government services, such as finance, personnel, purchasing, legal, technology, management, etc., to its business-type activities. Allocations are charged to programs based on use of general government services determined by various allocation methodologies. These charges are separately reported in the statement of activities.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

NOTE 2 - FUND BALANCE/NET POSITION

The government-wide statement of net position reports \$9,908,523 of restricted net position, of which \$625,699 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:

URA Bond Fund

*Capital outlay projects* - For unspent funds from bond issues for future capital project costs related to the Municipal Complex restricted by creditors \$ 9,273,899

SPLOST Fund

*SPLOST* - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum 625,699

Nonmajor Funds

Judicial programs -

*DOJ Asset Forfeiture Fund* - For funds restricted for judicial programs from confiscations. 910

Public Safety programs -

*Police Confiscation Fund* - For monies restricted for public safety purposes. 7,017

*DOT Asset Forfeiture Fund* - For funds restricted for public safety from confiscations. 897

Health and Welfare programs -

*Health Promotion Grant Fund* - For funds restricted for health programs. 101

Total Nonmajor Fund Restrictions 8,925

Total Restricted Fund Balance \$ 9,908,523

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**(A) BUDGETARY INFORMATION**

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, and all Debt Service Fund and Special Revenue Funds. Project-length budgets are adopted for capital projects funds. Budgets for planning and management purposes only are adopted for the Proprietary (Enterprise) Funds on a GAAP basis, except that long-term debt borrowings are budgeted as revenues and depreciation expense is not budgeted. Budget amounts are as originally adopted, or as amended by the Mayor and City Council. Some individual revisions were material in relation to the original appropriations.

***Budgeting Policy***

The City prepares annual budgets based on anticipated revenues and appropriated expenditures. Public hearings are conducted to obtain taxpayer comments. Prior to September 30 of each year, the budget is legally enacted by passage of an ordinance for the City's operating funds. Amendments to the budget must be approved by the City Council. Budgets of the General, Capital Project, Special Revenue, and Proprietary Funds are adopted in a basis consistent with generally accepted accounting principles (GAAP).

***Basis for Budgeting***

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services and benefits, purchased/contracted services, supplies, other, and capital outlay. The legal level of budgetary control is the department level. Budget revisions at this level are subject to review and approval by the City Council. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget were made throughout the year. All unexpended annual appropriations lapse at year end.

***Encumbrances***

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General, Special Revenue, or Proprietary Funds. The City of Auburn has no recorded encumbrances at September 30, 2021.

**CITY OF AUBURN, GEORGIA**  
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**(B) EXCESS OF REVENUES AND EXPENDITURES OVER APPROPRIATIONS**

There are no excesses of expenditures over appropriations at the department level (the legal level of control).

**(C) DEFICIT FUND EQUITY**

At September 30, 2021, no funds had deficit fund equity.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

As of September 30, 2021, the City had the following investments, some of which are cash equivalents:

Investment Type	<u>INVESTMENT MATURITIES (in Years)</u>			Rating (1)
	Fair Market Value Level 1	Less Than 1	1-5	
Certificate of Deposit	\$ 900,415	\$ 900,415	\$ -	N/A
Total	<u>\$ 900,415</u>	<u>\$ 900,415</u>	<u>\$ -</u>	
Maximum Investment		100.00%	0.00%	

**1. Moody's**

Cash per Statement of Net Position (page 1)	
Cash	\$ 7,380,072
Restricted cash	<u>9,273,899</u>
Total Cash and Restricted Cash	<u>\$ 16,653,971</u>

Investments per Statement of Net Position (page 1)	
Investments	\$ 900,415
Restricted Investments	<u>-</u>
Investments as listed above	<u>\$ 900,415</u>

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF AUBURN, GEORGIA**  
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*Credit Risk.* State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The City has no investment policy that would further limit its investment choices. At September 30, 2021, the ratings of its investments are shown above.

*Concentration of credit risk.* The City places no limit on the amount it may invest in any one issuer.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk.

*Custodial credit risk - deposits.* In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City may exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions, if the funds are otherwise adequately secured. As of September 30, 2021, all of the City's deposits were insured or were adequately collateralized with securities held by the pledging financial institution's name.

As of September 30, 2021, the City's bank balance of \$16,653,971 was adequately collateralized with securities held by the pledging financial institution's name.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.

Under the *pooled method*, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The City utilized both methods to secure deposits of public funds.

**NOTE 5 - RECEIVABLES**

Receivables as of year-end for the City's individual major funds and enterprise funds are summarized below:

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>Water Fund</u>	<u>Stormwater Fund</u>
Receivables:				
Property Taxes	\$ 51,501	\$ -	\$ -	\$ -
Accounts	27,279	-	495,944	6,419
Intergovernmental	189,335	283,785	-	-
Total Gross Receivables	<u>268,115</u>	<u>283,785</u>	<u>495,944</u>	<u>6,419</u>
Less: Allowance for Uncollectibles	(695)	-	(311,697)	(6,210)
Total Net Receivables	<u><u>\$ 267,420</u></u>	<u><u>\$ 283,785</u></u>	<u><u>\$ 184,247</u></u>	<u><u>\$ 209</u></u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:



**CITY OF AUBURN, GEORGIA**  
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	<u>Unavailable</u>	<u>Unearned</u>
Property taxes (General Fund)	\$ 49,054	\$ -
Health and Wellness Grant prior to meeting eligibility requirements (Other Non-Major Funds)	-	8,733
ARPA Grant drawdowns prior to meeting all eligibility requirements (Other Non-Major Funds)	-	1,115,858
Total unavailable/ unearned revenue for governmental funds	<u>\$ 49,054</u>	<u>\$ 1,124,591</u>

Property taxes receivable at September 30, 2021, consist of the following:

<u>Digest Year</u>	<u>General Fund</u>
2020	\$ 17,775
2019	11,042
2018	4,709
2017	3,947
2016	3,436
2015	1,230
2014	2,271
2013	533
2012	558
2011	577
2010	603
2009	1,138
2008	912
2007 & prior	2,770
Total	<u>\$ 51,501</u>

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for governmental funds for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Transfer</u>	<u>Ending Balance</u>
Governmental Activities:					
Non-Depreciable Assets:					
Land and land improvements	\$ 1,576,549	\$ 25,950	\$ -	\$ -	\$ 1,602,499
Construction in progress	<u>1,053,808</u>	<u>3,600,538</u>	<u>-</u>	<u>-</u>	<u>4,654,346</u>
Total non-depreciable capital assets	<u>2,630,357</u>	<u>3,626,488</u>	<u>-</u>	<u>-</u>	<u>6,256,845</u>
Depreciable Assets:					
Buildings and improvements	3,041,305	-	-	-	3,041,305
Machinery and equipment	1,264,813	-	-	-	1,264,813
Vehicles	913,330	173,843	(28,090)	-	1,059,083
Infrastructure	<u>5,689,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,689,756</u>
Total depreciable capital assets	<u>10,909,204</u>	<u>173,843</u>	<u>(28,090)</u>	<u>-</u>	<u>11,054,957</u>
Less Accumulated Depreciation for:					
Buildings and improvements	(601,297)	(65,157)	-	-	(666,454)
Machinery and equipment	(1,132,629)	(43,714)	-	-	(1,176,343)
Vehicles	(681,488)	(107,195)	8,895	-	(779,788)
Infrastructure	<u>(1,105,481)</u>	<u>(113,795)</u>	<u>-</u>	<u>-</u>	<u>(1,219,276)</u>
Total accumulated depreciation	<u>(3,520,895)</u>	<u>(329,861)</u>	<u>8,895</u>	<u>-</u>	<u>(3,841,861)</u>
Total depreciable capital assets, net	<u>7,388,309</u>	<u>(156,018)</u>	<u>(19,195)</u>	<u>-</u>	<u>7,213,096</u>
Governmental activities capital assets, net	<u>\$ 10,018,666</u>	<u>\$ 3,470,470</u>	<u>\$ (19,195)</u>	<u>\$ -</u>	<u>\$ 13,469,941</u>

**CITY OF AUBURN, GEORGIA**  
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Additions to governmental activities capital assets for fiscal year ending September 30, 2021 consist of the following:

Capital Outlay	\$ 3,800,331
Total Additions	<u>\$ 3,800,331</u>
Non-depreciable capital assets additions	\$ 3,626,488
Depreciable capital assets additions	173,843
Total Additions	<u>\$ 3,800,331</u>

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

Governmental Activities:	
General Government	\$ 56,862
Judicial	300
Public Safety	88,747
Public Works	124,877
Culture and Recreation	59,075
Total depreciation expense: Governmental Activities	<u>\$ 329,861</u>

**CITY OF AUBURN, GEORGIA**  
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Capital asset activity for business-type funds for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Transfer</u>	<u>Ending Balance</u>
Business-type Activities:					
Non-Depreciable Assets:					
Land and land improvements	\$ 410,949	\$ -	\$ -	\$ -	\$ 410,949
Construction in progress	<u>1,677,189</u>	<u>1,094,839</u>	<u>-</u>	<u>(85,182)</u>	<u>2,686,846</u>
Total non-depreciable capital assets	<u>2,088,138</u>	<u>1,094,839</u>	<u>-</u>	<u>(85,182)</u>	<u>3,097,795</u>
Depreciable Assets:					
Distribution systems	5,781,100	-	-	85,182	5,866,282
Machinery and equipment	239,937	54,436	-	-	294,373
Vehicles	<u>436,381</u>	<u>148,029</u>	<u>-</u>	<u>-</u>	<u>584,410</u>
Total depreciable capital assets	<u>6,457,418</u>	<u>202,465</u>	<u>-</u>	<u>85,182</u>	<u>6,745,065</u>
Less Accumulated Depreciation for:					
Distribution Systems	(1,679,410)	(145,026)	-	-	(1,824,436)
Machinery and equipment	(166,998)	(19,712)	-	-	(186,710)
Vehicles	<u>(320,756)</u>	<u>(55,192)</u>	<u>-</u>	<u>-</u>	<u>(375,948)</u>
Total accumulated depreciation	<u>(2,167,164)</u>	<u>(219,930)</u>	<u>-</u>	<u>-</u>	<u>(2,387,094)</u>
Total depreciable capital assets, net	<u>4,290,254</u>	<u>(17,465)</u>	<u>-</u>	<u>85,182</u>	<u>4,357,971</u>
Business-type activities capital assets, net	<u>\$ 6,378,392</u>	<u>\$ 1,077,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,455,766</u>

Depreciation expense was charged to business-type functions as follows:

Business-type Activities:	
Water	\$ 215,438
Stormwater	<u>4,492</u>
Total depreciation expense: Business-type Activities	<u>\$ 219,930</u>

**CITY OF AUBURN, GEORGIA**  
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The City has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to September 30, 2021, and the remainder of the authorized project expenditures for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Contracts in Progress</u>	<u>Authorized Not Obligated</u>	<u>Source</u>
<b>Governmental Activities:</b>					
Municipal Complex	\$ 14,435,555	\$ 4,654,346	\$ 9,781,209	\$ -	SPLOST/ URA Bonds
<b>Total Governmental Activities</b>	<u>\$ 14,435,555</u>	<u>\$ 4,654,346</u>	<u>\$ 9,781,209</u>	<u>\$ -</u>	
<b>Business-type Activities</b>					
Water Reservoir	\$ 7,894,100	\$ 2,372,242	\$ 5,521,858	\$ -	GEFA Construction Loan
County Line/Carter Road (Stormwater)	1,430,261	314,604	1,115,657	-	Stormwater/SPLOST
<b>Total Business-type Activities</b>	<u>\$ 9,324,361</u>	<u>\$ 2,686,846</u>	<u>\$ 6,637,515</u>	<u>\$ -</u>	

**NOTE 7 - LONG-TERM DEBT**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<b>Governmental Activities:</b>						
General obligation bonds	\$ -	\$ 10,745,000	\$ (175,000)	\$ 10,570,000	\$ 205,000	\$ 10,365,000
Plus: original issue premium	-	2,043,288	203,213	1,928,594	107,275	1,821,319
Total General obligation bonds	-	12,788,288	28,213	12,498,594	312,275	12,186,319
Capital leases	203,213	-	(71,758)	131,455	45,246	86,209
Notes from direct borrowings	141,542	-	(141,542)	-	-	-
Compensated absences	125,903	68,899	(58,536)	136,266	54,506	81,760
Net pension liability	262,116	157,862	(89,391)	330,587	-	330,587
Governmental activities long-term liabilities	<u>\$ 732,774</u>	<u>\$ 10,971,761</u>	<u>\$ (536,227)</u>	<u>\$ 11,168,308</u>	<u>\$ 304,752</u>	<u>\$ 10,863,556</u>
<b>Business-type Activities:</b>						
Notes from direct borrowings	\$ 3,202,850	\$ 560,790	\$ (136,376)	\$ 3,627,264	\$ 142,215	\$ 3,485,049
Capital leases	120,883	-	(38,033)	82,850	25,013	57,837
Net pension liability	76,190	45,710	(25,885)	96,015	-	96,015
Compensated absences	28,963	19,270	(10,932)	37,301	14,921	22,380
Business-type activities long-term liabilities	<u>\$ 3,428,886</u>	<u>\$ 625,770</u>	<u>\$ (211,226)</u>	<u>\$ 3,843,430</u>	<u>\$ 182,149</u>	<u>\$ 3,661,281</u>

Capital leases and compensated absences are generally liquidated by the General Fund and notes from direct borrowings are generally liquidated by the SPLOST fund. General obligation bonds are liquidated by the URA Bond Fund. The capital leases and notes from direct borrowings for business type activities are liquidated by the Water enterprise fund. Compensated absences for business type activities are liquidated by each of the respective enterprise funds.

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**GOVERNMENTAL ACTIVITIES**

**GENERAL OBLIGATION BONDS**

The City issued general obligation bonds to provide funds for the acquisition and construction of the Municipal Complex. The general obligation bonds were issued in the original amount of \$10,745,000 with an interest rate of 3.00% - 4.00%.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The bonds were issued as 20 year serial bonds with equal amounts of principal maturing each year. Minimum future annual debt service requirements for the general obligation bonds, as of September 30, 2021, are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 205,000	\$ 413,925	\$ 618,925
2023	215,000	407,925	622,925
2024	220,000	401,513	621,513
2025	225,000	394,913	619,913
2026	235,000	387,538	622,538
2027-2031	1,315,000	1,792,500	3,107,500
2032-2036	1,595,000	1,507,800	3,102,800
2037-2041	1,530,000	1,161,250	2,691,250
2042-2046	2,270,000	739,700	3,009,700
2047-2051	2,760,000	144,700	2,904,700
Total	<u>\$ 10,570,000</u>	<u>\$ 7,351,764</u>	<u>\$ 17,921,764</u>

**CAPITAL LEASES**

Vehicles were acquired under capital lease agreements which bear interest rates from 3.48% to 10.98%. The vehicles have an estimated useful life of five years. Two of the capital lease agreements to finance vehicles are allocated between governmental activities and business-type activities. The allocation for these agreements to the governmental activities is approximately 60% and the business-type activities allocation is approximately 40%.

This year, \$42,516 was included in depreciation expense. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimal lease payments as of the inception date. Minimum future lease obligations for these leases, as of September 30, 2021, are as follows:

**CITY OF AUBURN, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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	<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2022	\$ 45,246	\$ 4,744	\$ 49,990
	2023	30,310	3,295	33,605
	2024	29,132	2,145	31,277
	2025	26,767	1,005	27,772
Total		<u>\$ 131,455</u>	<u>\$ 11,189</u>	<u>\$ 142,644</u>

As of September 30, 2021, the capital assets purchased under these capital lease agreements are as follows:

	<u>Governmental</u> <u>Activities</u>
Machinery & equipment	\$ 33,852
Vehicles	302,423
Infrastructure	143,153
Less accumulated depreciation	<u>(321,948)</u>
Net	<u>\$ 157,480</u>

**BUSINESS TYPE ACTIVITIES**

As of September 30, 2021, the the long-term debt payable from proprietary fund resources consisted of the following:

**NOTES FROM DIRECT BORROWINGS**

On April 1, 2009, the City entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the improvement and expansion of the City's water system. The original amount of the note was \$2,591,109 with monthly installments of \$15,976, interest rate of 4.20%. As of September 30, 2021, the outstanding balance was \$1,243,192.

The City's outstanding note from direct borrowings related to business-type activities are secured by the City's full faith and credit and revenue-raising power (including its taxing power). The outstanding notes from direct borrowings related to business-type activities contain a provision that if the City is unable to make its payment, outstanding amounts are due immediately. The City's outstanding notes from direct borrowings do not contain a subjective acceleration clause.

**CITY OF AUBURN, GEORGIA**  
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The annual debt service requirements to amortize this debt as of September 30, 2021, are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 142,215	\$ 49,497	\$ 191,712
2023	148,304	43,408	191,712
2024	154,655	37,058	191,713
2025	161,277	30,436	191,713
2026	168,182	23,530	191,713
2027-2029	468,559	26,698	495,257
Total	<u>\$ 1,243,192</u>	<u>\$ 210,627</u>	<u>\$ 1,453,820</u>

During 2014, the City approved a note payable to GEFA to fund the planning and design of a City reservoir. Interest only payments are due until the note is fully utilized and then the balance will be amortized over ten years. As of September 30, 2021, the total draws on this construction note were \$2,384,072.

**CAPITAL LEASES**

Vehicles were acquired under capital lease agreements which bear interest rates from 8.83% to 10.98%. The vehicles have an estimated useful life of five years. The capital lease agreements to finance vehicles are allocated between governmental activities and business-type activities. The allocation for these agreements to the governmental activities is approximately 60% and the business-type activities allocation is approximately 40%.

This year, \$41,695 was included in depreciation expense. The lease agreements qualify as a capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimal lease payments as of the inception date. Minimum future lease obligations for these leases, as of September 30, 2021, are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 25,013	\$ 399	\$ 25,412
2023	22,977	2,161	25,138
2024	24,044	1,094	25,138
2025	10,816	162	10,978
Total	<u>\$ 82,850</u>	<u>\$ 3,816</u>	<u>\$ 86,666</u>



**CITY OF AUBURN, GEORGIA**  
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As of September 30, 2021, the capital assets purchased under these capital lease agreements are as follows:

	Business-Type Activities
Machinery and equipment	\$ 22,310
Vehicles	192,537
Less accumulated depreciation	<u>(138,020)</u>
Net	<u><u>\$ 76,827</u></u>

**NOTE 8- INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances as of September 30, 2021, is as follows:

	Due From				Total
	General	SPLOST	Other nonmajor governmental funds	Stormwater Fund	
<u>Due To</u>					
General	\$ 13,587	\$ 891,637	\$ 32,834	\$ 1,290	\$ 939,348
Water	2,026,694	-	-	-	2,026,694
Stormwater	94,011	-	-	-	94,011
Total	<u>\$ 2,134,292</u>	<u>\$ 891,637</u>	<u>\$ 32,834</u>	<u>\$ 1,290</u>	<u>\$ 3,060,053</u>

These balances resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates that transactions are recorded in the accounting system, (3) the time lag between the dates that payments between funds are made, (4) short-term loans, and (5) to fund capital projects.

	Transfers Out			Total
	URA Bond Fund	SPLOST Fund	Other nonmajor governmental funds	
<u>Transfers In</u>				
SPLOST	3,226,101	-	-	3,226,101
Water Fund	-	-	314,604	314,604
Stormwater Fund	-	82,126	-	82,126
Total	<u>\$ 3,226,101</u>	<u>\$ 82,126</u>	<u>\$ 314,604</u>	<u>\$ 3,622,831</u>

**CITY OF AUBURN, GEORGIA**  
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Transfers are used to supplement operating budgets and fund capital projects.

NOTE 9 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

*Plan Description*

The City's defined benefit pension plan, City of Auburn Retirement Plan (The Plan), provides retirement and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association (GMA). GMEBS acts as a common investment and administrative agent for participating cities in Georgia. The Georgia Constitution enables the governing authority of the City, the City Council, to establish, and amend from time-to-time, the contribution rates for the City and its plan participants. The Plan issues a stand-alone report. This report may be obtained from: Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

The GMA, in its role as Plan Sponsor, has the sole authority to amend the provisions of the GMEBS Plan. The City has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan.

Participant counts as of January 1, 2021 (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disables receiving benefits	19
Terminated plan participants entitled to but not yet receiving benefits	29
Active employees participating in the Plan	45
Total number of Plan participants	<u>93</u>
Covered compensation for active participants	\$ 1,917,798
Contributions as a percentage of covered-employee payroll	6.01%

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***Funding Policy***

The City is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. City employees are not required to contribute to the Plan. The annual City contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

***Net Pension Liability***

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2021.

The total pension liability in the January 1, 2021 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases (including inflation)	3.00% - 8.50%
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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF AUBURN, GEORGIA**  
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Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20	7.05%
Domestic Fixed income	20	1.15%
Real estate	10	4.50%
Global Fixed Income	5	1.25%
Cash	0	
<b>TOTAL</b>	<b>100%</b>	

\* Rates shown are net of inflation

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Change in the Net Pension Liability***

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020	\$ 2,356,082	\$ 2,017,776	\$ 338,306
Changes for the year:			
Service cost	85,024	-	85,024
Interest	176,309	-	176,309
Difference between expected and actual experience	66,750	-	66,750
Contribution-employer	-	115,276	(115,276)
Net investment income	-	197,186	(197,186)
Benefit payments	(100,946)	(100,946)	-
Administrative expense	-	(9,216)	9,216
Other charges	63,459	-	63,459
Net changes	290,596	202,300	88,296
Balances at September 30, 2021 *	\$ 2,646,678	\$ 2,220,076	\$ 426,602

\* Measurement date September 30, 2020

**CITY OF AUBURN, GEORGIA**  
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The following presents the City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1 % Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 773,635	\$ 426,602	\$ 137,983

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

For the year ended September 30, 2021, the City recognized pension expense of \$156,365. At September 30, 2021, 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	\$ 79,202	\$ -
Changes of assumptions	30,157	-
Net difference between projected and actual earnings on pension plan investments	-	(25,787)
City contributions subsequent to the measurement date	167,502	-
<b>TOTAL</b>	<b>\$ 276,861</b>	<b>\$ (25,787)</b>

City contributions subsequent to the measurement date of \$167,502 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022.

**CITY OF AUBURN, GEORGIA**  
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	
2022	\$ 29,281
2023	39,765
2024	24,163
2025	(9,637)
2026	-
Thereafter	-
Total	<u>\$ 83,572</u>

**DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan 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. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the City and are not reported in these financial statements.

**NOTE 10 - RISK MANAGEMENT**

The City is exposed to various risks in terms of losses related to torts, thefts 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 (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

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 Government within the scope of loss protection furnished by the funds.

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The funds are to defend and protect the members of the funds against liability or loss as prescribed in the members governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, an all expenses incurred for investigation, negotiation of defense.

The City also provides health insurance coverage for its employees through the Georgia Employees Benefit System (GEMBS).

NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES

GRANTS

Amounts received or receivable for 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.

CDBG GRANT

In July of 2015, the City accepted a Community Development Block Grant from the Department of Community Affairs in the amount of \$500,000 for the building stabilization and construction of the Auburn Center. As a condition of the grant, the City must agree to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on 20-year straight-line depreciation, except 100% repayment of the grant funds will be required to be repaid if the facility is converted during the first five years after the grant closeout date. The period for calculating the repayment amount began upon closeout of the grant in June 2017 and continues until approximately June 2037.

NOTE 12 - RELATED PARTY ORGANIZATIONS AND TRANSACTIONS

The City of Auburn was not involved in any significant related party transactions during the current operating year.

**CITY OF AUBURN, GEORGIA**  
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NOTE 13 - LITIGATION

The City is a party to legal proceedings that normally occur in governmental operations. As of the date of this financial statement, no awards in these cases have been made against the City. The results of any litigation, however, contain elements of uncertainty, and liability, if any, which might result from these proceedings, would not, in the opinion of management, have a material adverse effect on the ability of the City to meet its financial obligations. Accordingly, no provision for loss has been recorded.

NOTE 14 - CERTAIN SIGNIFICANT ESTIMATES

As discussed in NOTE 1, estimates are used in the preparation of these financial statements. Several of the estimates qualified as a significant estimate, in that it is reasonably possible that the estimate will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

The estimate for accumulated depreciation on capital assets qualifies as a significant estimate. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method.

The amount reported as the estimated amounts for the net pension liability and related deferred inflows and outflows of resources qualify as significant estimates and are based on actuarial studies and projections.

NOTE 15 - NORTHEAST GEORGIA REGIONAL COMMISSION

The City, in conjunction with cities and counties in the twelve (12) county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (NEGRC). Membership in a regional commission is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the regional commissions. Each county and municipality in the state is required by law to pay minimum annual dues to the regional commission. The City did not pay annual dues to the NEGRC for the year ended September 30, 2021; the City's membership dues were assessed and paid by Barrow County, Georgia. The NEGRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the nonpublic Board member from a county.



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**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NEGRC may be obtained from: Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605.

NOTE 16 - CONTINGENCIES

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacted many industries. The outbreak could have a continues material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any predication as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

On March 27, 2020 the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was enacted. The City received \$404,655 as of September 30, 2021. These funds are reimbursements to the City for expenditures related to public safety and various items during the COVID-19 pandemic.

On March 11, 2021 the American Rescue Plan Act ("ARPA") was enacted. The City received \$1,430,261 as of September 30, 2021. Of this amount, \$1,115,858 was unearned during the year and will be available for the City to use in upcoming fiscal years.

CITY OF AUBURN, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE NET PENSION LIABILITY -  
CITY OF AUBURN RETIREMENT PLAN  
For the Year Ended September 30, 2021  
"Unaudited"

For the Year Ended September 30,	2021	2020	2019	2018	2017	2016
Total pension liability	\$ 2,646,678	\$ 2,356,082	\$ 2,111,855	\$ 1,907,341	\$ 1,648,016	\$ 1,555,467
Net fiduciary position	2,220,076	2,017,776	1,925,266	1,713,693	1,455,620	1,257,728
Net pension liability	<u>\$ 426,602</u>	<u>\$ 338,306</u>	<u>\$ 186,589</u>	<u>\$ 193,648</u>	<u>\$ 228,396</u>	<u>\$ 297,739</u>
Covered-employee payroll	\$ 1,917,798	\$ 1,698,091	\$ 1,588,271	\$ 1,684,034	\$ 1,582,887	\$ 1,558,940
Net pension liability as a percentage of its covered-employee payroll	22.24%	19.92%	11.75%	11.50%	14.43%	19.10%
Plan fiduciary net position as a percentage of the total pension liability	83.88%	85.64%	91.16%	89.85%	86.44%	80.86%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF AUBURN, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS -  
CITY OF AUBURN RETIREMENT PLAN  
For the Year Ended September 30, 2021  
"Unaudited"

For the Year Ended September 30,	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 115,276	\$ 122,683	\$ 112,688	\$ 96,299	\$ 99,114	\$ 105,053
Contributions in relation to the contractually required contribution	115,276	122,683	112,688	96,299	99,114	105,053
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,917,798	\$ 1,698,091	\$ 1,588,271	\$ 1,684,034	\$ 1,582,887	\$ 1,558,940
Contributions as a percentage of covered-employee payroll	6.01%	7.22%	7.10%	5.72%	6.26%	6.74%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF AUBURN, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -**  
**CITY OF AUBURN RETIREMENT PLAN**  
**For the Year Ended September 30, 2021**  
**"Unaudited"**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2021. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended September 30, 2021 reported in that schedule:

Valuation Date	January 1, 2021
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar for remaining unfunded liability
Remaining Amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 years
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 amount that the value exceeds or is less than the market value at end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net investment rate of return	7.375%
Inflation	2.25%
Salary Increases	3.00% - 8.50%, including inflation
Cost of Living Adjustments	0.00%

**CITY OF AUBURN, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2021**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 3,325,928	\$ 3,325,928	\$ 3,325,928	\$ -
RESOURCES (INFLOWS)				
Taxes	3,396,366	3,396,366	4,024,419	628,053
Licenses and permits	228,040	228,040	572,793	344,753
Intergovernmental	7,000	7,000	71,480	64,480
Fines and forfeitures	119,500	119,500	200,422	80,922
Charges for services	88,810	88,810	122,235	33,425
Contributions and donations	250	250	5,457	5,207
Investment income	5,025	5,025	9,044	4,019
Miscellaneous	9,250	9,250	37,104	27,854
Sale of county property	10,705	50,158	57,657	7,499
Capital lease issued	28,828	28,828	-	(28,828)
Total Resources (Inflows)	3,893,774	3,933,227	5,100,611	1,167,384
AMOUNTS AVAILABLE FOR APPROPRIATION	7,219,702	7,259,155	8,426,539	1,167,384
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Mayor and council	37,991	37,991	35,112	2,879
Administrative	44,606	44,606	43,268	1,338
Elections	5,332	5,432	5,431	1
Finance	453,360	452,564	443,054	9,510
Law	20,000	20,000	17,059	2,941
Data processing/MIS	83,000	83,000	77,481	5,519
Buildings	212,853	212,947	189,629	23,318
Total General Government	857,142	856,540	811,034	45,506
Judicial				
Municipal court	100,908	100,908	91,038	9,870
Total Judicial	100,908	100,908	91,038	9,870
Public Safety				
Police	1,728,650	1,733,800	1,657,979	75,821
Total Public Safety	1,728,650	1,733,800	1,657,979	75,821
Public Works				
Public works administration	250,185	263,376	263,299	77
Roadways and walkways	111,104	111,104	104,633	6,471
Street lighting	85,000	106,500	106,393	107
Total Public Works	446,289	480,980	474,325	6,655
Culture and Recreation				
Parks	217,754	173,318	157,010	16,308
Library	135,651	137,151	136,668	483
Other recreation and culture	53,495	77,995	77,725	270
Total Culture and Recreation	406,900	388,464	371,403	-
Housing and development				
Planning and zoning	256,067	272,117	272,071	46
Code enforcement	56,508	56,508	51,935	4,573
Development Authority	36,010	36,010	26,264	9,746
Other housing and development	5,300	7,900	7,840	60
Total Housing and Development	353,885	372,535	358,110	14,425
Transfers out	-	314,604	-	314,604
TOTAL CHARGES TO APPROPRIATIONS	3,893,774	3,933,227	3,763,889	166,702
CHANGE IN FUND BALANCE	-	-	1,336,722	1,336,722
FUND BALANCE, End of year	\$ 3,325,928	\$ 3,325,928	\$ 4,662,650	\$ 1,336,722

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

CITY OF AUBURN, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2021

	SPECIAL REVENUE FUNDS						
ASSETS	POLICE CONFISCATION FUND	FISCAL RECOVERY FUND	HEALTH PROMOTION GRANT	DOJ ASSET FORFEITURE FUND	DOT ASSET FORFEITURE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
Cash	\$ 11,050	\$ 1,430,461	\$ 8,834	\$ 935	\$ 922	\$ 1,452,202	
TOTAL ASSETS	<u>11,050</u>	<u>1,430,461</u>	<u>8,834</u>	<u>935</u>	<u>922</u>	<u>1,452,202</u>	
LIABILITIES							
Liabilities							
Accounts payable	\$ -	\$ 285,852	\$ -	\$ -	\$ -	\$ 285,852	
Interfund payables	4,033	28,751	-	25	25	32,834	
Unearned revenue	-	1,115,858	8,733	-	-	1,124,591	
TOTAL LIABILITIES	<u>4,033</u>	<u>1,430,461</u>	<u>8,733</u>	<u>25</u>	<u>25</u>	<u>\$ 1,443,277</u>	
FUND BALANCES							
Restricted:							
Judicial programs	-	-	-	910	-	910	
Public safety programs	7,017	-	-	-	897	7,914	
Health and welfare programs	-	-	101	-	-	101	
TOTAL FUND BALANCES	<u>7,017</u>	<u>-</u>	<u>101</u>	<u>910</u>	<u>897</u>	<u>8,925</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,050</u>	<u>\$ 1,430,461</u>	<u>\$ 8,834</u>	<u>\$ 935</u>	<u>\$ 922</u>	<u>\$ 1,452,202</u>	

**CITY OF AUBURN, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2021**

	SPECIAL REVENUE FUNDS							TOTAL NONMAJOR GOVERNMENTAL FUNDS
	POLICE CONFISCATION FUND	FISCAL RECOVERY FUND	HEALTH PROMOTION GRANT	DOJ ASSET FORFEITURE FUND	DOT ASSET FORFEITURE FUND			
REVENUES								
Intergovernmental	\$ 3,050	\$ 314,403	\$ 1,268	\$ 3,245	\$ -			\$ 321,966
Fines and forfeitures	2,364	-	-	-	-			2,364
Investment income	8	201	4	1	-			214
Miscellaneous	2,000	-	-	-	-			2,000
TOTAL REVENUES	7,422	314,604	1,272	3,246	-			326,544
EXPENDITURES								
Current Expenditures								
Public safety	10,022	-	-	2,336	-			12,358
Public health and welfare	-	-	1,268	-	-			1,268
TOTAL EXPENDITURES	10,022	-	1,268	2,336	-			13,626
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(2,600)	314,604	4	910	-			312,918
OTHER FINANCING SOURCES (USES)								
Transfers out	-	(314,604)	-	-	-			(314,604)
TOTAL OTHER FINANCING SOURCES (USES)	-	(314,604)	-	-	-			(314,604)
NET CHANGE IN FUND BALANCES	(2,600)	-	4	910	-			(1,686)
FUND BALANCES, Beginning of year	9,617	-	97	-	897			10,611
FUND BALANCES, End of year	\$ 7,017	\$ -	\$ 101	\$ 910	\$ 897			\$ 8,925

**CITY OF AUBURN, GEORGIA**  
**POLICE CONFISCATION SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended September 30, 2021**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 9,617	\$ 9,617	\$ 9,617	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,000	1,000	3,050	2,050
Fines and forfeitures	9,000	9,000	2,364	(6,636)
Investment income	-	-	8	8
Miscellaneous	-	-	2,000	2,000
Total Resources (Inflows)	<u>10,000</u>	<u>10,000</u>	<u>7,422</u>	<u>(2,578)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>19,617</u>	<u>19,617</u>	<u>17,039</u>	<u>(2,578)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>10,000</u>	<u>10,000</u>	<u>10,022</u>	<u>(22)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>10,000</u>	<u>10,000</u>	<u>10,022</u>	<u>(22)</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(2,600)</u>	<u>(2,600)</u>
FUND BALANCE, End of year	<u>\$ 9,617</u>	<u>\$ 9,617</u>	<u>\$ 7,017</u>	<u>\$ (2,600)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.



**CITY OF AUBURN, GEORGIA**  
**FISCAL RECOVERY SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended September 30, 2021**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	314,604	314,403	(201)
Investment income	-	-	201	201
Total Resources (Inflows)	-	314,604	314,604	-
AMOUNTS AVAILABLE FOR APPROPRIATION	-	314,604	314,604	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Transfers out	-	314,604	314,604	-
TOTAL CHARGES TO APPROPRIATIONS	-	314,604	314,604	-
FUND BALANCE, End of year	\$ -	\$ -	\$ -	\$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**CITY OF AUBURN, GEORGIA**  
**HEALTH PROMOTION GRANT SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended September 30, 2021**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 97	\$ 97	\$ 97	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	5,000	5,000	1,268	(3,732)
Investment income	-	-	4	4
Total Resources (Inflows)	5,000	5,000	1,272	(3,728)
AMOUNTS AVAILABLE FOR APPROPRIATION	5,097	5,097	1,369	(3,728)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public health and welfare	5,000	5,000	1,268	3,732
TOTAL CHARGES TO APPROPRIATIONS	5,000	5,000	1,268	3,732
CHANGE IN FUND BALANCE	-	-	4	4
FUND BALANCE, End of year	\$ 97	\$ 97	\$ 101	\$ 4

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**CITY OF AUBURN, GEORGIA**  
**DOJ ASSET FORFEITURE SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended September 30, 2021**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,000	2,500	3,245	745
Investment income	-	-	1	1
Total Resources (Inflows)	1,000	2,500	3,246	746
AMOUNTS AVAILABLE FOR APPROPRIATION	1,000	2,500	3,246	746
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	1,000	2,500	2,336	164
TOTAL CHARGES TO APPROPRIATIONS	1,000	2,500	2,336	164
CHANGE IN FUND BALANCE	-	-	910	910
FUND BALANCE, End of year	\$ -	\$ -	\$ 910	\$ 910

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**CITY OF AUBURN, GEORGIA**  
**DOT ASSET FORFEITURE SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended September 30, 2021**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 897	\$ 897	\$ 897	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,000	1,000	-	(1,000)
Total Resources (Inflows)	1,000	1,000	-	(1,000)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,897	1,897	897	(1,000)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	1,000	1,000	-	1,000
TOTAL CHARGES TO APPROPRIATIONS	1,000	1,000	-	1,000
FUND BALANCE, End of year	\$ 897	\$ 897	\$ 897	\$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**CITY OF AUBURN, GEORGIA**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the Year Ended September 30, 2021**

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES	
			PRIOR YEARS	CURRENT YEAR
<b>Gwinnett County - 2008 SPLOST</b>				
Road Improvements	\$ 75,000	\$ 75,000	\$ 61,301	\$ -
Recreation Facility	189,528	189,528	1,671	-
Subtotal - 2008 SPLOST	264,528	264,528	62,972	-
<b>Barrow County - 2012 SPLOST</b>				
Municipal Complex & Event Center	588,636	588,636	854,405	-
Public Works Facility	700,000	700,000	669,673	-
Road Improvements	600,000	600,000	788,091	-
Parks & Recreation	1,580,732	1,580,732	1,239,389	-
Subtotal - 2012 SPLOST	3,469,368	3,469,368	3,551,558	-
<b>Gwinnett County - 2014 SPLOST</b>				
Road Improvements	90,258	90,258	84,689	-
Public Safety Equipment	54,809	54,809	59,863	-
Subtotal - 2014 SPLOST	145,067	145,067	144,552	-
<b>Gwinnett County - 2016 SPLOST</b>				
Road Improvements	126,482	126,482	61,526	-
Sewer System Improvements	84,321	84,321	16,840	-
Subtotal - 2016 SPLOST	210,803	210,803	78,366	-
<b>Barrow County - 2018 SPLOST</b>				
Municipal Complex	2,000,000	2,000,000	1,063,232	1,007,667 (1)
Transportation Improvements	750,000	750,000	91,588	74,565 (1)
Parks & Recreation Facilities & Equipment	400,000	400,000	8,395	51,476 (1)
Public Safety Facilities & Equipment	350,000	350,000	-	-
Public Works Facilities & Equipment	300,000	300,000	99,944	144,898
Water & Sewer Capital Improvements	690,555	690,555	-	82,126
Stormwater Facilities	250,000	250,000	-	-
Subtotal - 2018 SPLOST	4,740,555	4,740,555	1,263,159	1,360,732
<b>Totals</b>	<u>\$ 8,755,321</u>	<u>\$ 8,755,321</u>	<u>\$ 5,100,607</u>	<u>\$ 1,360,732</u>
			<b>Total of all SPLOSTs above</b>	<b>\$ 1,360,732</b>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (page 5)**

Expenditures	\$ 4,641,444
Transfers in	(3,226,101)
Transfers out	82,126
Expenditures paid with LMIG and other Georgia DOT revenues	(136,737)
<b>Total</b>	<b>\$ 1,360,732</b>

(1) Expenditures for projects have been offset by revenues from other sources. For some years, such revenues exceed expenditures.

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*

March 29, 2022

To the Mayor and City Council  
City of Auburn  
Auburn, 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, each major fund, and the aggregate remaining fund information of City of Auburn, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Auburn's basic financial statements and have issued our report thereon dated March 29, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Bates, Carter & Co., LLP*