

# **CITY OF STOCKBRIDGE, GEORGIA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

**CITY OF STOCKBRIDGE, GEORGIA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

**Prepared By: Department Of Finance**

**CITY OF STOCKBRIDGE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

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## **INTRODUCTORY SECTION**



July 6, 2021

To the Honorable Mayor, Distinguished Members of City Council  
And the Citizens of the City of Stockbridge:

Ladies and Gentlemen:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with general accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Stockbridge, Georgia (the "City") for the fiscal year ended December 31, 2020.

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

The City's financial statements have been audited by Mauldin and Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Stockbridge's financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report. A single audit was necessary in 2020. The requirement for a single audit is the expenditure of \$750,000 or more in federal funds.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This report is available under a separate cover.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY**

The City was founded in 1829 and was incorporated as a city in 1920. The City is in the northern part of Henry County, Georgia and is approximately eighteen miles from the state capital of Atlanta. The City is a municipal corporation created under the laws of the State of Georgia and has its corporate name as "City of Stockbridge, Georgia." The affairs of the City are conducted by a Mayor and a five-member City Council. The Mayor and City Council members are elected at large. This elected body is responsible for the active coordination of community resources, to anticipate problems and meet community needs.

The City Manager, who is appointed by the Mayor and City Council, oversees the day-to-day operations of the City and ensures the smooth and efficient delivery of City services. All activities and functions of the City are administered by the City Manager under the jurisdiction of the Mayor and City Council, as set forth in State and local law.

The City provides a full range of services to approximately 30,223 residents. These services are provided in whole either by the City or through contractual agreements with Henry County. They include public safety (police and fire), community development, highways and streets, water, sewer, sanitation, public improvements, planning and zoning, code enforcement and general administrative services. The City currently employs 81 full-time employees.

The City is one of four incorporated municipalities within Henry County and is not included in Henry County's reporting entity.

The annual budget serves as the foundation for the City's financial planning and control. All funds and departments of the City are required to submit requests for appropriations to the City Manager in August of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review in October. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31<sup>st</sup>, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Department supervisors may make transfers of appropriations within a department. Transfers of appropriations between departments require the special approval of the governing council. Budget to actual comparisons are provided in this report for the general fund. These comparisons are presented beginning on page 19 of the basic financial statements.

On January 1, 1995, the City of Stockbridge received its status as a Certified City by the State of Georgia Department of Community Affairs. The State designated the Stockbridge Main Street Program on January 26, 2015. The Main Street Program was established to design an identifiable downtown historic district that promotes economic vitality, encourages cultural enrichment, and nurtures a collaborative community spirit.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.



## **Strategic Financial Planning**

The Mayor and City Council of the City are very diligent with budgeting and planning. With the Joint Comprehensive Development Plan, the Short-Term Work program as well as other programs, we share in the planning for growth and development of infrastructure with our county. These plans also address population, economic development, natural histories, and cultural resources as well as transportation and community facilities throughout the City and county. In May 2016, sanitation services were contracted through Waste Industries at no additional cost to the citizens. Waste Industries also offers curbside recycling services. Henry County diverted the tickets from our Municipal Court revenues for fines and forfeitures to the Henry County State Court in McDonough, thus reducing court revenue by 49%.

## **Local Economy**

The City is intersected by two interstate expressways, I-75 and I-675. These heavily traveled interstates bring tourists into our City. The tourist boosts the sales tax revenue as well as the Hotel/Motel tax revenue. The City has a Hotel/Motel tax rate of 8%. We currently have five hotels in the city limits of the City for which we receive this tax revenue. This revenue has increased due to the overall economy.

Our citizen's employment, as well as our local economy, depends largely on what happens in and around Atlanta. The 2020 unemployment rates for the State of Georgia and the City, are at 5.3 and 4.7%, respectively. Property values have increased 5% in the net maintenance and operation tax digest from 2019 to 2020.

The City depends largely on Local Option Sales Tax for revenue. The 2020 sales tax revenue increased by approximately 17.5% compared to 2019. Other increases in revenue occurred in occupational taxes and insurance premium tax. Franchise taxes were up overall by \$39,752 in 2020 from 2019.

## **RELEVANT FINANCIAL POLICIES**

### **Fiscal Policies**

The City of Stockbridge actively supports economic development efforts to expand our revenue base and extend support to local business owners already established within our city limits. Budgeted revenue projections are made conservatively so that actual revenues will consistently meet or exceed budgeted revenues. The City provides medical, dental, and life insurance for its employees. The cost for these benefits is shared by the City and its employees. The City also provides a defined benefit pension plan for the City employees and elected officials.

### **Treasury Policies**

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. The City administers the conservative treasury approach, and we employ safe and financially stable practices to protect the City's liquid assets. Other policies that have been established by the City Council include Capital Assets, as well as Purchasing and Procurement.

## **Debt Administration**

On December 31, 2020, the only outstanding long-term debt of the City, other than compensated absences and net pension liability, were Urban Redevelopment Agency revenue bonds in the amount of \$10,360,000. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 10% of total assessed value of real and personal property. As of December 31, 2020, the City did not have any general obligation bonded debt outstanding. The City's legal limit was \$100,503,106 and related debt per capita was zero.

The City's Water and Sewer Enterprise Fund was issued a note by the Georgia Environmental Facilities Authority in 2010 to finance construction projects to improve the City's water distribution facilities. The outstanding balance that matures in 2031, is \$1,213,649 at the end of 2020.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

In 2016, the Mayor and City Council adopted a Mission statement:

To provide visionary leadership and superior municipal services that enhance the quality of life for the citizens while creating a welcoming business atmosphere focused on sustainability and expansion of tourism and cultural events. They are passionate on establishing the Values of PEACE.

Professionalism  
Excellence  
Adaptability  
Communications  
Ethics

Special Purpose Local Option Sale Tax IV was passed by the citizens in November of 2013. We began receiving these funds in May of 2014. The plans are to use these funds for Capital Projects such as roads, bridges, sidewalks as well as public works facilities and equipment, parks and recreation and public safety facilities and equipment.

There are currently several projects that are being funded through our SPLOST revenues and supplemented by fund balance in the enterprise funds or Community Development Block Grant Funds:

- Multiplex Renovations  
Approximately \$500,000
- Public Works Maintenance Facility  
Approximately \$3,000,000
- Water Source Development  
Approximately \$1,000,000
- Sewer Line Replacement  
Approximately \$1,000,000

## **The Future**

The Mayor and City Council are working on the Main Street Revitalization and Economic Development in our downtown area. In 2017, the Carrie Mae Hambrick building was demolished with plans to rebuild a state-of-the-art community center. Future considerations include a fiber optic network for our City buildings and downtown area. The City is designing/building a new Public Works Facility, Amphitheater, Cultural Art Facility, and Senior/Youth Center.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2019. The City is hopeful to obtain this prestigious award once again this year.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff (current and former) of the finance and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparations of this report. The independent audit firm of Mauldin & Jenkins, LLC is also to be commended for their guidance and assistance in the preparation of this document.

We would like to also thank the Mayor, Members of City Council, City Manager and Department Heads for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



John Wiggins  
City Treasurer



Government Finance Officers Association

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

Presented to

**City of Stockbridge  
Georgia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

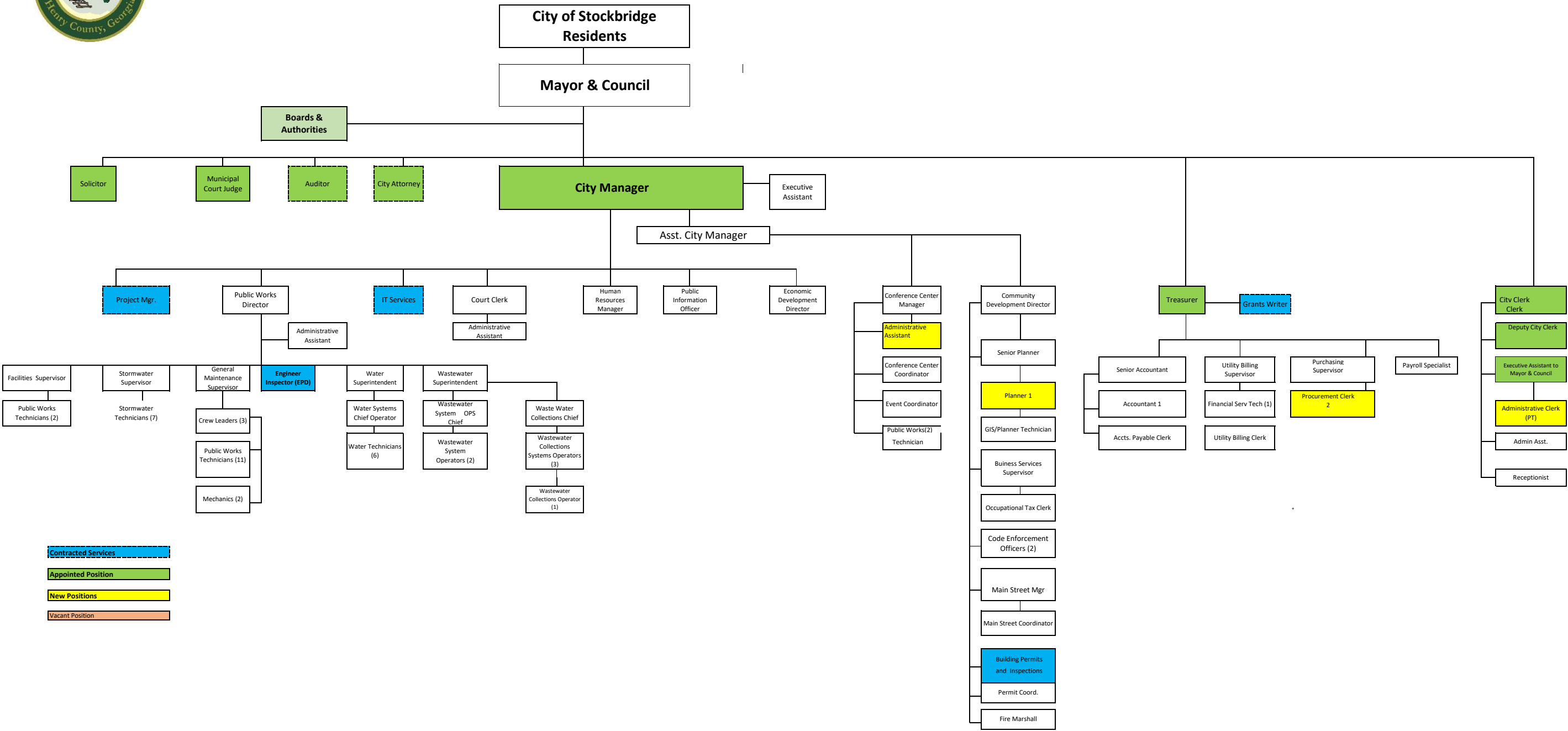
*Christopher P. Morrell*

Executive Director/CEO

CITY OF STOCKBRIDGE, GEORGIA  
ORGANIZATIONAL CHART  
DECEMBER 31, 2019



City of Stockbridge -- Organizational Chart -- Proposed for FY 2020



Contracted Services  
Appointed Position  
New Positions  
Vacant Position

# **CITY OF STOCKBRIDGE, GEORGIA**

## **LIST OF ELECTED AND APPOINTED OFFICIALS DECEMBER 31, 2020**

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### **LEGISLATIVE BRANCH MAYOR AND CITY COUNCIL**

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

### **OFFICERS OF THE COUNCIL**

Randy Knighton	City Manager
Vanessa Holiday	City Clerk
Randi Rainey	Deputy City Clerk
Michael J. Williams	City Attorney

### **JUDICIAL BRANCH**

Matthew McCord	Municipal Court Judge
Julie Kert	City Solicitor
Dayna Biles	Court Clerk

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**Honorable Mayor and Members  
of City Council  
City of Stockbridge, Georgia  
Stockbridge, Georgia**

### **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 Stockbridge, Georgia** (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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### ***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 as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 50), and the Schedule of City Contributions (on page 51) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, and are also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, schedule of expenditures of federal awards, as well as the schedules of expenditures of special purpose local option sales tax proceeds (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
July 6, 2021

# CITY OF STOCKBRIDGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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As management of the City of Stockbridge, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows on December 31, 2020, by \$95,489,303 (total net position). Of this amount, \$19,119,758 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position, on an entity-wide basis, increased by \$3,599,467. Of this amount, an increase of \$3,076,990 was associated with governmental activities and an increase of \$522,477 was associated with business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35,952,929, a decrease of \$12,697,576 in comparison with the prior year. Of this amount, \$10,573,184 is unassigned and available for spending and \$9,279,117 is restricted by third parties or assigned for other specific future uses.
- At the end of the current year, unassigned fund balance for the general fund was \$13,603,614, or 152.9%, of total General Fund expenditures.
- The City's total debt obligations increased by \$918,982 for an overall increase of 6.2% in total debt obligations. The Net Pension Liability increased by \$1,582,254 and accrued compensated absences increased by \$91,749. Bonds and notes payable decreased by \$755,021 due to scheduled debt service payments.

### Overview of the Financial Statements

This Management Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report also contains other supplementary information that will enhance the reader's understanding of the financial condition of the City.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial position.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements:

- 1) The governmental funds statements;
- 2) The budgetary comparison statements; and
- 3) The proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds.

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

The statement of net position presents information on all the City's assets and deferred outflows and liabilities and deferred inflows, 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 showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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 and courts, highways and streets, parks and recreation, tourism and promotion, and code enforcement. The business-type activities of the City are water and sewer, solid waste management, conference center, community center, amphitheater and stormwater management.

**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 of Stockbridge can be divided into two categories: governmental funds and proprietary funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**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, governmental fund financial statements focus on near term inflows and outflows 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains three major governmental funds. The City's major governmental funds are the General Fund, the City-wide Capital Projects Fund, and the Special Purpose Local Option Sales Tax ("SPLOST IV") Capital Project Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for all major funds. The nonmajor funds are the Hotel/Motel Fund, the CARES Act Fund, the Perpetual Care Permanent Fund, the Downtown Development Authority ("DDA") Fund, the State and Federal Grants Fund, the Impact Fee Fund and the Urban Redevelopment Fund, along with the SPLOST III Capital Project Fund.

The City adopts an annual budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund for the Fiscal Year 2020 budget. A project length budget has been adopted for the SPLOST Capital Project Funds.

**Proprietary funds.** 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 Water and Sewer Fund, Solid Waste Management Fund, Conference Center Fund, Community Center Fund and Stormwater Management Fund. The first two enterprise funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On December 31, 2020, the City's assets exceeded liabilities by \$95,489,303. The City's net position reflects its investment in capital assets (70.3%), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the total net position, \$9,284,117 (9.7%) is restricted for capital projects and other external restrictions on how they may be used. The unrestricted amount of \$19,119,758 (20.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

The following is a comparison statement of the City's net position as of December 31, 2020:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Current and other assets</b>	<b>\$ 28,558,623</b>	\$ 38,155,403	<b>\$ 8,440,566</b>	\$ 8,577,614	<b>\$ 36,999,189</b>	\$ 46,733,017
Capital assets	55,110,923	39,505,249	24,749,208	23,510,091	79,860,131	63,015,340
<b>Total assets</b>	<b>83,669,546</b>	77,660,652	<b>33,189,774</b>	32,087,705	<b>116,859,320</b>	109,748,357
<b>Deferred outflows of resources</b>						
Pension	1,206,898	372,780	565,615	226,154	1,772,513	598,934
<b>Long-term liabilities outstanding</b>	<b>12,619,612</b>	12,106,735	<b>2,291,178</b>	1,885,073	<b>14,910,790</b>	13,991,808
<b>Other liabilities</b>	<b>5,471,868</b>	2,208,235	<b>2,485,523</b>	1,940,432	<b>7,957,391</b>	4,148,667
<b>Total liabilities</b>	<b>18,091,480</b>	14,314,970	<b>4,776,701</b>	3,825,505	<b>22,868,181</b>	18,140,475
<b>Deferred inflows of resources</b>						
Pension	186,803	197,291	87,546	119,689	274,349	316,980
<b>Net position:</b>						
<b>Net investment in capital asset:</b>	<b>43,717,019</b>	28,435,249	<b>23,368,409</b>	22,251,421	<b>67,085,428</b>	50,686,670
Restricted	9,284,117	16,772,415	-	-	9,284,117	16,772,415
Unrestricted	13,597,025	18,313,507	5,522,733	6,117,244	19,119,758	24,430,751
<b>Total net position</b>	<b>\$ 66,598,161</b>	\$ 63,521,171	<b>\$ 28,891,142</b>	\$ 28,368,665	<b>\$ 95,489,303</b>	\$ 91,889,836

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities increased the City's net position by \$3,076,990, primarily due to strong intergovernmental sales tax receipts and contributed capital from SPLOST for Public Works Equipment and Improvements. Other key elements of this increase are as follows:

**City of Stockbridge Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 1,041,948	\$ 1,362,017	\$ 6,672,372	\$ 6,088,277	\$ 7,714,320	\$ 7,450,294
Capital grants and contributions	8,950,956	8,055,509	427,618	2,139,259	9,378,574	10,194,768
General revenues						
Other tax	6,511,510	6,121,362	-	-	6,511,510	6,121,362
Interest	27,337	12,434	-	-	27,337	12,434
Total Revenues	<u>16,531,751</u>	<u>15,551,322</u>	<u>7,099,990</u>	<u>8,227,536</u>	<u>23,631,741</u>	<u>23,778,858</u>
<b>Expenses:</b>						
General Government	4,448,902	3,901,360	-	-	4,448,902	3,901,360
Judicial	276,608	187,427	-	-	276,608	187,427
Public safety	292,705	266,742	-	-	292,705	266,742
Public works	4,191,206	5,915,846	-	-	4,191,206	5,915,846
Health and welfare	1,509,531	-	-	-	1,509,531	-
Housing and development	1,639,480	1,878,636	-	-	1,639,480	1,878,636
Interest on long-term debt	480,220	512,812	-	-	480,220	512,812
Water and sewer	-	-	4,359,746	3,784,323	4,359,746	3,784,323
Stormwater management	-	-	573,183	478,698	573,183	478,698
Solid waste	-	-	1,577,462	1,464,732	1,577,462	1,464,732
Conference center	-	-	639,116	572,740	639,116	572,740
Community center	-	-	44,115	49,948	44,115	49,948
Total Expenses	<u>12,838,652</u>	<u>12,662,823</u>	<u>7,193,622</u>	<u>6,350,441</u>	<u>20,032,274</u>	<u>19,013,264</u>
Increase (decrease) in net position before transfers	3,693,099	2,888,499	(93,632)	1,877,095	3,599,467	4,765,594
Transfers	(616,109)	(330,801)	616,109	330,801	-	-
Increase in net position	<u>3,076,990</u>	<u>2,557,698</u>	<u>522,477</u>	<u>2,207,896</u>	<u>3,599,467</u>	<u>4,765,594</u>
Net position - beginning of year	<u>63,521,171</u>	<u>60,963,473</u>	<u>28,368,665</u>	<u>26,160,769</u>	<u>91,889,836</u>	<u>87,124,242</u>
Net position - end of year	<u>\$ 66,598,161</u>	<u>\$63,521,171</u>	<u>\$28,891,142</u>	<u>\$28,368,665</u>	<u>\$95,489,303</u>	<u>\$91,889,836</u>

- Revenues from Local Option Sales Tax (reported as intergovernmental revenues/capital contributions) increased by \$783,373, or 17.5%, from 2019 to 2020. This increase is due to the overall economy. SPLOST decreased by \$1,815,724, or 142.5%, for the SPLOST IV revenues, due to the end of revenue collections of SPLOST IV.
- Investment earnings increased by \$14,903 from 2019 to 2020. This is due to the continuous drop in interest rates.
- The City received \$291,307 for Local Maintenance Improvement Grants for the year associated with street improvements.
- Expenses in the General Government were down due primarily to the policing services agreement with Henry County, and the Local Option Sales Taxes revenues were up which offset the loss in the courts.
- Revenue from Courts was down \$51,025 due to municipal court closing cases that did not require court appearance.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Business-type activities.** Business-type activities increased the City's net position by \$522,477. The increase is basically the result of the capital contributions of \$333,343 from the SPLOST III Fund to the Water and Sewer Fund and the Ted Strickland Community Center Fund. The transfer from the City's General Fund to the Conference Center is to supplement the operation. The sanitation department privatized the collection of residential solid waste with Waste Industries and the startup proved beneficial.

### Financial Analysis of the Government's Funds

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

**Governmental Funds.** The purpose of the City's governmental fund financial statements 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.

On December 31, 2020, the City's governmental funds reported combined ending fund balances of \$23,255,353, a decrease of \$12,697,576 in comparison to the prior year. Of this amount, \$10,573,184 (45.5%) is unassigned fund balance, which is available for spending at the government's discretion. Additionally, \$9,279,117 is restricted by third parties for: 1) capital items, most of which is funded mainly by the proceeds of the SPLOST (\$8,432,636); 2) Perpetual Care of the City's cemetery (\$6,950); and 3) tourism (\$839,531). The General Fund's decrease of fund balance in the amount of \$2,238,987 resulted from transfers out to other funds for local capital outlay projects.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,603,614. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 152.9% of the total general fund expenditures, while total fund balance represents 191.1% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund decreased by \$2,238,987. A key factor in the decrease is due to an increase in funds transferred out. The City collected a total of \$5,258,354 in local option sales taxes for 2020, an increase of 17.5% over 2018. Franchise taxes increased by 2.5% to \$1,599,506 in 2020 from \$1,559,754 in 2019, for electric, television and telephone taxes. The City's general fund revenues increased due to an increase in tax revenues. The expenditures in General Fund increased by 1%, from \$8,821,353 to \$8,895,328 in 2020 compared to 2019.

The City received \$1,013,185 in SPLOST in 2020 compared to \$3,090,224 in 2019. This is down by 67% due primarily to the collections ended in May 2020. Henry County issued bonds in order to begin projects approved by the voters in November 2013. The City received \$6,000,000 from the County's bond issue in order to begin special projects rather than wait for the revenue to come in over the six-year period of the referendum. The debt service on the bonds must be paid each year before the City or County receives any proceeds to be used on projects. The projects approved by the voters in the SPLOST IV referendum include public works facilities and equipment, new park equipment, the City's share of roads, bridges, sidewalks and transportation facilities and public safety facilities and equipment.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As of December 31, 2020, the Urban Redevelopment Agency of the City had long-term liabilities from Revenue Bonds in the amount of \$10,360,000. The majority of these funds were used for purchasing property and building and furnishing a new City Hall facility which was completed in 2009. The cost of the building is approximately \$11,964,000.

The Hotel/Motel Tax Fund is used to promote tourism in the City. The Fund is used to account for proceeds from the City's Hotel/Motel tax. The City is required to pay Henry County Chamber of Commerce 43.75% of all payments. The total fund balance on December 31, 2020, for this fund amounted to \$839,531.

The City has a Perpetual Care Permanent Fund which is for the upkeep of the City cemetery. A donation of \$5,000 was made with only the investment earnings to be used for cemetery upkeep purposes. Currently, the City has not used any of these proceeds.

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

Unrestricted net position of the proprietary funds at the end of the year were \$5,522,733 of which the Water and Sewer Fund had \$3,564,111 (65%) and the Solid Waste Fund had \$1,106,813 (20%). Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

The original budget for the City's General Fund for 2020 was \$11,373,270. There was a \$141,476 difference between the net change in fund balance from the original budget.

### Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities on December 31, 2020, amounts to \$79,860,131 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges, and roads.

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

- \$150,728 for IT Network Infrastructure Project.
- \$303,496 for HVAC Improvements to City Hall, Courts, and MMCC.
- \$38,825 for Public Works Department Vehicles.
- \$31,566 for WWTP Improvements Phase I & II – SPLOST III.
- \$211,237 for WTR/SWR SCADA Improvements – SPLOST III.
- \$251,056 for Central Line Water Main Project – SPLOST III.
- \$1,947,279 for Public Works Facility Construction – SPLOST IV.
- \$134,770 for Amphitheater Road Paving Projects Design – SPLOST IV.
- \$360,646 for Reeves Creek Bridge Replacement – SPLOST IV.
- \$381,132 for the LIMG Road Paving – SPLOST IV.
- \$60,388 for the Cultural Art Center Design.
- \$182,003 for Amphitheater Design.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- \$137,854 for Amphitheater Lighting Installation.
- \$49,643 for Amphitheater CCTV Installation.
- \$10,275,345 Amphitheater Construction.
- \$99,132 for WWTP Improvements Phrase I & II.
- \$31,901 for Watershed Monitoring.
- \$768,955 for the Old Conyers Lift Station/Force Main Repairs.
- \$748,697 for the Glynn Addy Pump Station Rehab Project.
- \$508,148 for the Davis Road Sidewalk Project.
- \$169,448 for Storm Water Improvements.
- \$24,958 for the Ted Strickland Improvements.
- \$22,783 for the Merle Manders Improvements.

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

**Long-term debt.** At the end of the current fiscal year, the City had \$14,910,790 in outstanding debt consisting of the following:

	<b>Balance</b>
Governmental Activities	
Revenue Bonds	\$ 10,360,000
Accrued Compensated Absences	170,629
Net Pension Liability	2,088,983
Business-Type Activities	
GEFA Notes Payable	1,213,649
Accrued Compensated Absences	98,525
Net Pension Liability	<u>979,004</u>
TOTAL	<u><u>\$ 14,910,790</u></u>

The City's total debt increased by \$918,982. Additional information on the City's long-term debt can be found in Note 7.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$95,638,341, which is in excess of the City's outstanding general obligation debt.

### Economic Factors and Next Year's Budgets and Rates

- The estimated unemployment rate for the City is currently 4.7%, which is slightly below the state and the national rates.
- Cost of Living indices in the region compare favorably to national indices.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Occupational Taxes (Business Licenses) were up from 2020 due to the economy rebound. These are based on gross receipts.
- Sales tax receipts have been stable in recent months.

All of these factors were considered in preparing the City's budget for Fiscal Year 2021.

### **Coronavirus Pandemic (COVID-19) Response**

A factor not considered was the Coronavirus Pandemic ("COVID 19"). In March 2020, the World Health Organization declared COVID-19 as a global pandemic which continues to spread throughout the United States and the world. The pandemic has caused abrupt declines in employment, economic growth, and City revenues. The City enacted several COVID-19 restrictions such as shelter in place mandates and closure of City Hall, City events, and Court to slow the spread of COVID-19.

In July 2020, the City of Stockbridge received funding under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act to help cover expenses related to operations and assist residents and local business impacted by COVID-19. The City received \$1,487,479 from CARES Act funding.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Stockbridge's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 389-7900 or at the following address:

City of Stockbridge  
Finance Department  
4640 North Henry Boulevard  
Stockbridge, Georgia 30281

## **BASIC FINANCIAL STATEMENTS**

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF NET POSITION DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,087,714	\$ 7,354,435	\$ 31,442,149
Investments	12,284	58,000	70,284
Taxes receivable	1,893,943	-	1,893,943
Accounts receivable, net of allowances	24,661	781,275	805,936
Due from other governments	246,335	43,523	289,858
Inventories	-	119,939	119,939
Prepaid expenses	96,654	83,394	180,048
Assets held for resale	2,197,032	-	2,197,032
Capital assets, nondepreciable	31,002,942	6,618,104	37,621,046
Capital assets, depreciable, net of accumulated depreciation	24,107,981	18,131,104	42,239,085
Total assets	83,669,546	33,189,774	116,859,320
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	1,206,898	565,615	1,772,513
Total deferred outflows of resources	1,206,898	565,615	1,772,513
<b>LIABILITIES</b>			
Accounts payable	3,383,546	514,286	3,897,832
Retainage payable	1,033,904	167,150	1,201,054
Accrued interest expense	198,956	2,920	201,876
Other accrued expenses	106,132	21,863	127,995
Customer deposits	-	123,820	123,820
Compensated absences due within one year	34,126	19,706	53,832
Compensated absences due in more than one year	136,503	78,819	215,322
Unearned revenue	749,330	1,655,484	2,404,814
Bonds payable due within one year	745,000	-	745,000
Bonds payable due in more than one year	9,615,000	-	9,615,000
Notes payable due within one year	-	92,090	92,090
Notes payable due in more than one year	-	1,121,559	1,121,559
Net pension liability due in more than one year	2,088,983	979,004	3,067,987
Total liabilities	18,091,480	4,776,701	22,868,181
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	186,803	87,546	274,349
Total deferred inflows of resources	186,803	87,546	274,349
<b>NET POSITION</b>			
Net investment in capital assets	43,717,019	23,368,409	67,085,428
Restricted for capital projects	8,432,636	-	8,432,636
Restricted for tourism	839,531	-	839,531
Restricted for cemetery maintenance - nonexpendable	5,000	-	5,000
Restricted for cemetery maintenance - expendable	6,950	-	6,950
Unrestricted	13,597,025	5,522,733	19,119,758
Total net position	\$ 66,598,161	\$ 28,891,142	\$ 95,489,303

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

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
Governmental activities:				
General government	\$ 4,448,902	\$ 1,019,736	\$ -	\$ 2,447,955
Judicial	276,608	22,212	-	126,626
Public safety	292,705	-	-	137,435
Public works	4,191,206	-	-	5,400,201
Health and welfare	1,509,531	-	-	-
Housing and development	1,639,480	-	-	838,739
Interest on long-term debt	480,220	-	-	-
Total governmental activities	<u>12,838,652</u>	<u>1,041,948</u>	<u>-</u>	<u>8,950,956</u>
Business-type activities:				
Water and sewer	4,359,746	4,388,102	-	427,618
Stormwater	573,183	1,024,877	-	-
Solid waste	1,577,462	1,231,457	-	-
Conference center	639,116	26,508	-	-
Community center	44,115	1,428	-	-
Total business-type activities	<u>7,193,622</u>	<u>6,672,372</u>	<u>-</u>	<u>427,618</u>
Total primary government	<u>\$ 20,032,274</u>	<u>\$ 7,714,320</u>	<u>\$ -</u>	<u>\$ 9,378,574</u>
General revenues:				
Property taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Business and occupation taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (981,211)	\$ -	\$ (981,211)
(127,770)	-	(127,770)
(155,270)	-	(155,270)
1,208,995	-	1,208,995
(1,509,531)	-	(1,509,531)
(800,741)	-	(800,741)
(480,220)	-	(480,220)
<u>(2,845,748)</u>	<u>-</u>	<u>(2,845,748)</u>
-	455,974	455,974
-	451,694	451,694
-	(346,005)	(346,005)
-	(612,608)	(612,608)
-	(42,687)	(42,687)
-	(93,632)	(93,632)
<u>(2,845,748)</u>	<u>(93,632)</u>	<u>(2,939,380)</u>
544,338	-	544,338
1,599,506	-	1,599,506
842,612	-	842,612
959,288	-	959,288
2,122,713	-	2,122,713
349,863	-	349,863
93,190	-	93,190
27,337	-	27,337
(616,109)	616,109	-
<u>5,922,738</u>	<u>616,109</u>	<u>6,538,847</u>
3,076,990	522,477	3,599,467
63,521,171	28,368,665	91,889,836
<u>\$ 66,598,161</u>	<u>\$ 28,891,142</u>	<u>\$ 95,489,303</u>

# CITY OF STOCKBRIDGE, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General Fund	SPLOST IV Fund	City-wide Capital Projects Fund	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,012,424	\$ 7,345,608	\$ 3,195,250	\$ 2,534,432	\$ 24,087,714
Investments	-	-	-	12,284	12,284
Taxes receivable	1,849,115	-	-	44,828	1,893,943
Accounts receivable	22,161	-	-	2,500	24,661
Due from other governments	75,547	-	-	170,788	246,335
Due from other funds	3,122,466	261,315	-	-	3,383,781
Prepaid expenditures	96,654	-	-	-	96,654
Assets held for resale	2,197,032	-	-	-	2,197,032
Total assets	<u>\$ 18,375,399</u>	<u>\$ 7,606,923</u>	<u>\$ 3,195,250</u>	<u>\$ 2,764,832</u>	<u>\$ 31,942,404</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 488,033	\$ 488,990	\$ 2,360,823	\$ 45,700	\$ 3,383,546
Retainage payable	-	199,477	834,427	-	1,033,904
Accrued liabilities	106,012	-	-	120	106,132
Unearned revenue - occupational taxes	749,330	-	-	-	749,330
Due to other funds	-	-	3,383,781	-	3,383,781
Total liabilities	<u>1,343,375</u>	<u>688,467</u>	<u>6,579,031</u>	<u>45,820</u>	<u>8,656,693</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - court fines	16,412	-	-	-	16,412
Unavailable revenue - rental income	5,534	-	-	-	5,534
Unavailable revenue - franchise taxes	8,412	-	-	-	8,412
Total deferred inflows of resources	<u>30,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,358</u>
<b>FUND BALANCES</b>					
Fund balances					
Nonspendable:					
Prepays	96,654	-	-	-	96,654
Permanent fund corpus	-	-	-	5,000	5,000
Assets held for resale	2,197,032	-	-	-	2,197,032
Restricted for:					
Capital projects	-	6,918,456	-	1,514,180	8,432,636
Tourism	-	-	-	839,531	839,531
Cemetery maintenance	-	-	-	6,950	6,950
Assigned for purchases on order	1,104,366	-	-	-	1,104,366
Unassigned	13,603,614	-	(3,383,781)	353,351	10,573,184
Total fund balances	<u>17,001,666</u>	<u>6,918,456</u>	<u>(3,383,781)</u>	<u>2,719,012</u>	<u>23,255,353</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,375,399</u>	<u>\$ 7,606,923</u>	<u>\$ 3,195,250</u>	<u>\$ 2,764,832</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					55,110,923
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					30,358
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.					(1,068,888)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(10,729,585)
Net position of governmental activities					<u>\$ 66,598,161</u>

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



# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	General Fund	SPLOST IV Fund	City-wide Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 6,172,837	\$ -	\$ -	\$ 349,863	\$ 6,522,700
Licenses and permits	819,533	-	-	-	819,533
Intergovernmental	5,549,661	1,274,500	-	1,955,958	8,780,119
Fines and forfeitures	26,498	-	-	-	26,498
Charges for services	85,649	-	-	-	85,649
Impact fees	-	-	-	292,941	292,941
Contributions	278	-	-	-	278
Interest income	27,337	38,893	-	153	66,383
Other revenues	114,115	-	-	-	114,115
Total revenues	<u>12,795,908</u>	<u>1,313,393</u>	<u>-</u>	<u>2,598,915</u>	<u>16,708,216</u>
<b>Expenditures</b>					
Current:					
General government	4,075,046	-	-	-	4,075,046
Judicial	214,208	-	-	-	214,208
Public safety	232,493	-	-	-	232,493
Public works and parks	2,954,723	-	-	9,392	2,964,115
Health and welfare	-	-	-	1,509,531	1,509,531
Housing and development	1,418,858	-	-	218,424	1,637,282
Capital outlay:					
General government	-	174,915	20,263	4,750	199,928
Public works	-	2,334,413	13,974	616,041	2,964,428
Culture and recreation	-	6,212,416	7,582,768	-	13,795,184
Debt service:					
Principal	-	-	-	710,000	710,000
Interest	-	-	-	493,848	493,848
Total expenditures	<u>8,895,328</u>	<u>8,721,744</u>	<u>7,617,005</u>	<u>3,561,986</u>	<u>28,796,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,900,580</u>	<u>(7,408,351)</u>	<u>(7,617,005)</u>	<u>(963,071)</u>	<u>(12,087,847)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets	6,380	-	-	-	6,380
Transfers in	-	-	4,294,546	1,235,292	5,529,838
Transfers out	<u>(6,145,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,145,947)</u>
Total other financing sources (uses)	<u>(6,139,567)</u>	<u>-</u>	<u>4,294,546</u>	<u>1,235,292</u>	<u>(609,729)</u>
Net change in fund balances	<u>(2,238,987)</u>	<u>(7,408,351)</u>	<u>(3,322,459)</u>	<u>272,221</u>	<u>(12,697,576)</u>
<b>Fund balances, beginning of year</b>	<u>19,240,653</u>	<u>14,326,807</u>	<u>(61,322)</u>	<u>2,446,791</u>	<u>35,952,929</u>
<b>Fund balances, end of year</b>	<u>\$ 17,001,666</u>	<u>\$ 6,918,456</u>	<u>\$ (3,383,781)</u>	<u>\$ 2,719,012</u>	<u>\$ 23,255,353</u>

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

## CITY OF STOCKBRIDGE, GEORGIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

Net change in fund balances - total governmental funds	\$ (12,697,576)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	15,605,674
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(176,465)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	710,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(364,643)</u>
Changes in net position - governmental activities	<u>\$ 3,076,990</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Other taxes	\$ 5,572,554	\$ 5,572,554	\$ 6,172,837	\$ 600,283
Licenses and permits	851,498	851,498	819,533	(31,965)
Intergovernmental	4,503,990	4,503,990	5,549,661	1,045,671
Fines and forfeitures	69,007	69,007	26,498	(42,509)
Charges for services	160,141	160,141	85,649	(74,492)
Contributions	17,682	17,682	278	(17,404)
Interest income	2,494	2,494	27,337	24,843
Other revenues	195,904	195,904	114,115	(81,789)
Total revenues	11,373,270	11,373,270	12,795,908	1,422,638
<b>Expenditures</b>				
<b>Current</b>				
<b>General government:</b>				
Mayor and council	375,661	375,661	268,842	106,819
Executive	513,777	512,577	400,259	112,318
City manager	641,683	641,683	578,672	63,011
Financial administration	1,364,390	1,365,590	1,113,443	252,147
Business services	205,244	205,244	167,075	38,169
Data processing	296,012	456,199	456,199	-
Building and plant	798,672	813,477	737,241	76,236
Human resources	475,126	475,126	353,315	121,811
Total general government	4,670,565	4,845,557	4,075,046	770,511
<b>Judicial:</b>				
Municipal court	233,990	233,990	214,208	19,782
<b>Public safety:</b>				
Police administration	350,000	350,000	232,493	117,507
<b>Public works:</b>				
Public works	2,537,528	3,445,484	2,771,674	673,810
Parks	304,100	304,100	183,049	121,051
Total public works	2,841,628	3,749,584	2,954,723	794,861
<b>Housing and development:</b>				
Code enforcement	163,704	163,704	149,459	14,245
Main street	219,906	219,906	194,184	25,722
Planning and zoning	713,763	713,763	325,357	388,406
Permitting development	675,627	675,627	674,036	1,591
City events	310,500	310,500	75,822	234,678
Total housing and development	2,083,500	2,083,500	1,418,858	664,642
Total expenditures	10,179,683	11,262,631	8,895,328	2,367,303
Excess of revenues over expenditures	1,193,587	110,639	3,900,580	3,789,941
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	44,841	44,841	6,380	(38,461)
Transfers in	35,178	35,178	-	(35,178)
Transfers out	(1,415,082)	(1,415,082)	(6,145,947)	(4,730,865)
Total other financing sources	(1,335,063)	(1,335,063)	(6,139,567)	(4,804,504)
Net change in fund balances	(141,476)	(1,224,424)	(2,238,987)	(1,014,563)
<b>Fund balances, beginning of year</b>	19,240,653	19,240,653	19,240,653	-
<b>Fund balances, end of year</b>	\$ 19,099,177	\$ 18,016,229	\$ 17,001,666	\$ (1,014,563)

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

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,596,950	\$ 2,834,815	\$ 922,670	\$ 7,354,435
Investments	58,000	-	-	58,000
Accounts receivable, net of allowances	496,885	77,727	206,663	781,275
Due from other governments	20,862	10,679	11,982	43,523
Inventories	119,939	-	-	119,939
Prepaid expenses	80,352	744	2,298	83,394
Total current assets	<u>4,372,988</u>	<u>2,923,965</u>	<u>1,143,613</u>	<u>8,440,566</u>
<b>NON-CURRENT ASSETS</b>				
Capital assets:				
Capital assets, non-depreciable	5,938,897	-	679,207	6,618,104
Capital assets, depreciable, net of accumulated depreciation	14,508,294	98,277	3,524,533	18,131,104
Total capital assets	<u>20,447,191</u>	<u>98,277</u>	<u>4,203,740</u>	<u>24,749,208</u>
Total non-current assets	<u>20,447,191</u>	<u>98,277</u>	<u>4,203,740</u>	<u>24,749,208</u>
Total assets	<u>24,820,179</u>	<u>3,022,242</u>	<u>5,347,353</u>	<u>33,189,774</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	324,467	35,070	206,078	565,615
Total deferred outflows of resources	<u>324,467</u>	<u>35,070</u>	<u>206,078</u>	<u>565,615</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	328,260	127,197	58,829	514,286
Retainage payable	167,150	-	-	167,150
Accrued liabilities	13,966	619	7,278	21,863
Unearned revenue	-	1,655,484	-	1,655,484
Notes payable, current portion	92,090	-	-	92,090
Compensated absences due within one year	10,950	559	8,197	19,706
Customer deposits	121,620	-	2,200	123,820
Accrued interest	2,920	-	-	2,920
Total current liabilities	<u>736,956</u>	<u>1,783,859</u>	<u>76,504</u>	<u>2,597,319</u>
<b>NON-CURRENT LIABILITIES</b>				
Compensated absences due in more than one year	43,798	2,234	32,787	78,819
Net pension liability	561,609	60,701	356,694	979,004
Notes payable, long-term portion	1,121,559	-	-	1,121,559
Total non-current liabilities	<u>1,726,966</u>	<u>62,935</u>	<u>389,481</u>	<u>2,179,382</u>
Total liabilities	<u>2,463,922</u>	<u>1,846,794</u>	<u>465,985</u>	<u>4,776,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	50,221	5,428	31,897	87,546
Total deferred outflows of resources	<u>50,221</u>	<u>5,428</u>	<u>31,897</u>	<u>87,546</u>
<b>NET POSITION</b>				
Net investment in capital assets	19,066,392	98,277	4,203,740	23,368,409
Unrestricted	3,564,111	1,106,813	851,809	5,522,733
Total net position	<u>\$ 22,630,503</u>	<u>\$ 1,205,090</u>	<u>\$ 5,055,549</u>	<u>\$ 28,891,142</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
<b>OPERATING REVENUES</b>				
Charges for services:				
Water sales	\$ 2,272,394	\$ -	\$ -	\$ 2,272,394
Sewer sales	2,065,554	-	-	2,065,554
Stormwater fees	-	-	1,024,877	1,024,877
Sanitation charges	-	1,148,117	-	1,148,117
Rentals	-	83,340	27,936	111,276
Other fees and charges	50,154	-	-	50,154
Total operating revenues	<u>4,388,102</u>	<u>1,231,457</u>	<u>1,052,813</u>	<u>6,672,372</u>
<b>OPERATING EXPENSES</b>				
Personal services and				
employee benefits	1,573,763	92,176	841,911	2,507,850
Contracted services	592,557	1,463,910	119,984	2,176,451
Supplies	1,122,268	6,323	49,726	1,178,317
Repairs and maintenance	212,951	-	61,979	274,930
Bad debt expense	43,766	-	-	43,766
Depreciation	796,068	15,053	182,814	993,935
Total operating expenses	<u>4,341,373</u>	<u>1,577,462</u>	<u>1,256,414</u>	<u>7,175,249</u>
Operating income (loss)	<u>46,729</u>	<u>(346,005)</u>	<u>(203,601)</u>	<u>(502,877)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Intergovernmental revenue	94,275	-	-	94,275
Interest expense	<u>(18,373)</u>	<u>-</u>	<u>-</u>	<u>(18,373)</u>
Total non-operating revenues, net	<u>75,902</u>	<u>-</u>	<u>-</u>	<u>75,902</u>
Income (loss) before capital contributions and transfers	122,631	(346,005)	(203,601)	(426,975)
<b>CAPITAL CONTRIBUTIONS</b>	333,343	-	-	333,343
<b>TRANSFERS IN</b>	<u>-</u>	<u>-</u>	<u>616,109</u>	<u>616,109</u>
Change in net position	455,974	(346,005)	412,508	522,477
<b>NET POSITION, beginning of year</b>	<u>22,174,529</u>	<u>1,551,095</u>	<u>4,643,041</u>	<u>28,368,665</u>
<b>NET POSITION, end of year</b>	<u>\$ 22,630,503</u>	<u>\$ 1,205,090</u>	<u>\$ 5,055,549</u>	<u>\$ 28,891,142</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 4,319,995	\$ 1,729,951	\$ 976,020	\$ 7,025,966
Payments to suppliers and service providers	(1,912,388)	(1,456,463)	(252,107)	(3,620,958)
Payments to employees	(1,551,429)	(91,863)	(808,488)	(2,451,780)
Net cash provided by (used in) operating activities	856,178	181,625	(84,575)	953,228
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	616,109	616,109
Net cash provided by non-capital financing activities	-	-	616,109	616,109
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and equipment	(1,663,682)	(98,493)	(137,534)	(1,899,709)
Principal payments on notes payable	(45,021)	-	-	(45,021)
Interest paid	(18,600)	-	-	(18,600)
Intergovernmental revenue	94,275	-	-	94,275
Net cash used in capital and related financing activities	(1,633,028)	(98,493)	(137,534)	(1,869,055)
Increase (decrease) in cash and cash equivalents	(776,850)	83,132	394,000	(299,718)
<b>Cash and cash equivalents:</b>				
Beginning of year	4,373,800	2,751,683	528,670	7,654,153
End of year	<u>\$ 3,596,950</u>	<u>\$ 2,834,815</u>	<u>\$ 922,670</u>	<u>\$ 7,354,435</u>

(Continued)

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 46,729	\$ (346,005)	\$ (203,601)	\$ (502,877)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	796,068	15,053	182,814	993,935
(Increase) in accounts receivable	(65,466)	(19,566)	(39,777)	(124,809)
Decrease in inventories	1,692	-	-	1,692
(Increase) in due from other governments	(6,141)	(4,720)	(9,080)	(19,941)
(Increase) in deferred outflows of resources - pension	(187,280)	(20,242)	(131,939)	(339,461)
(Decrease) increase in customer deposits	3,500	-	(37,800)	(34,300)
(Increase) decrease in prepaid expenses	(19,930)	-	318	(19,612)
Increase (decrease) in accrued liabilities	10,698	(945)	(80)	9,673
Increase in accounts payable	176,677	13,770	4,901	195,348
(Decrease) in retainage payable	(99,285)	-	(15,773)	(115,058)
Increase in unearned revenue	-	522,780	-	522,780
(Decrease) in deferred inflows of resources - pension	(22,384)	(2,419)	(7,340)	(32,143)
Increase in net pension liability	221,300	23,919	172,782	418,001
Net cash provided by (used in) operating activities	<u>\$ 856,178</u>	<u>\$ 181,625</u>	<u>\$ (84,575)</u>	<u>\$ 953,228</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contributions of capital assets	<u>\$ 333,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,343</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

The City was incorporated in 1920 and is located in the northern part of Henry County about 18 miles south of Atlanta. The City provides a full range of services to approximately 26,000 residents. These services are provided in whole by the City or through contractual agreements with Henry County. These services include police services, community development, highways and streets, water and sewer, sanitation, parks, public improvements, planning and zoning, and general administrative services.

In 2013, the City adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Nos. 14 and 34*, which defines the reporting entity for determining which potential component units should be included in the primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and: 1) the ability of the City to impose its will on that organization, or 2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. In addition to the above criteria, GASB 61 added that if the primary government is expected to repay substantially all of the component unit's debt, then the component unit should be blended.

**Blended Component Units** - Blended component units, although legally separate entities, are, in substance, part of the government's operations.

The City of Stockbridge Urban Redevelopment Agency (the "URA") was created by the City's elected officials to provide for the issuance of bonds to finance the construction of the Town Center facilities including City Hall. The City Council appoints the majority of the URA board members and the URA's debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the URA is blended as a governmental fund into the primary government. Separate financial statements for the URA are not issued.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements

The City of Stockbridge Downtown Development Authority (the “DDA”) exists to encourage growth and redevelopment of the Stockbridge, Georgia central business district. The City Council appoints the majority of the DDA board members and the DDA’s debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the DDA is blended as a nonmajor governmental fund into the primary government. Separate financial statements for the DDA are not issued.

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

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

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

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Substantially all governmental fund revenues are accrued. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis ("MD&A") which includes an analytical overview of the City's financial activity.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Purpose Local Option Sales ("SPLOST") IV Fund** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by Henry County and remitted to the City through an intergovernmental agreement.

The **City-Wide Capital Projects Fund** accounts for major capital projects that are paid out of the General Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The **Solid Waste Fund** accounts for revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

#### D. Use of Estimates

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased to be cash equivalents.

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value.

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia Fund 1.

The City's policy is to hold investments to maturity.

In applying GASB Statement No. 72, the City utilized the following methods and assumptions as of December 31, 2020:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and c) items associated with a fund other than the fund to which the income is assigned.

#### F. Inventories

Inventories are valued at cost, which approximates market, using the first in/first out ("FIFO") method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

#### G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of December 31, 2020.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Restricted Assets

Certain proceeds from the URA Fund's debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

#### I. Deferred Outflows/Inflows

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. These four items relate to the City's defined benefit pension plan. The pension assumption changes, experience differences, investment differences, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

In addition to liabilities, the statement of net position and/or the governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue for court fines, rental income, and franchise taxes levied, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the City's defined benefit pension plan and are reported in the government-wide statement of net position. The pension experience differences and pension investment earnings difference represent future acquisitions of net position and, accordingly, are reported as deferred inflows of resources.

#### J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Stockbridge Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in respective funds.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	30 – 50
Improvements other than buildings	25 – 50
Furniture and fixtures	10 – 20
Vehicles	5 – 10
Machinery and equipment	5 – 10
Infrastructure	40 – 50

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

#### L. Compensated Absences

In 2017, the City switched from using a Paid Time Off (“PTO”) system to a compensated absences system. Under the compensated absences system, the City accrues accumulated unpaid vacation and sick benefits. Annual leave will be paid to employees upon separation from service when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **M. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

#### **N. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be market or near market rates, are treated as revenues and expenditures/expenses and are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### **O. Budgets and Budgetary Accounting**

The City adopts an annual budget for all of the City's funds and is required by state law to adopt annual budgets for the General Fund and all special revenue funds,(i.e., Hotel/Motel Tax Fund and CARES ACT Fund). Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with GAAP at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2020. All annual appropriations lapse at year-end.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Budgets and Budgetary Accounting (Continued)

For the year ended December 31, 2020, none of the General Fund departments had actual expenditures in excess of budgeted amounts.

#### P. Fund Equity

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

**Fund Balance** – Generally, fund balance represents the difference between the assets and deferred outflows, and liabilities and deferred inflows under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. Only the City Council may modify or remove the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the Treasurer and his designee to assign fund balances. Assignments may occur subsequent to fiscal year-end.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. All funds may report negative unassigned fund balances.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Equity (Continued)

##### Fund Balance (Continued)

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

**Net Position** – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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

#### A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Accrued interest payable	\$ (198,956)
Compensated absences payable	(170,629)
Bonds payable	<u>(10,360,000)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (10,729,585)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 16,709,122
Depreciation expense	<u>(1,103,448)</u>
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 15,605,674</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (58,624)
Pension expense	(319,647)
Accrued interest	<u>13,628</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (364,643)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. CASH AND INVESTMENTS

**Credit Risk.** State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and Georgia Fund 1.

**Interest Rate Risk.** The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, all of the deposits for the City were fully collateralized in accordance with the state statutes.

**Fair Value Measurements.** The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in Georgia Fund 1 within the fair value hierarchy. Additionally, the City's certificates of deposit are nonnegotiable and, therefore, are not subject to fair value hierarchy.

**Investments.** The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At December 31, 2020, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	August 19, 2024	\$ 12,284
Certificate of Deposit	June 29, 2021	58,000
		<u>\$ 70,284</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The City, when applicable, obtains the services of Henry County to bill and collect the City's property taxes. Henry County remits taxes collected to the City on a bi-monthly basis. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from the tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended December 31, 2020. There were no property taxes receivable as of December 31, 2020.

### NOTE 5. RECEIVABLES

Receivables at December 31, 2020 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

#### Governmental Funds

	General	Nonmajor Governmental Funds	Total
Receivables:			
Intergovernmental	\$ 75,547	\$ -	\$ 246,335
Taxes	1,849,115	-	1,893,943
Accounts	38,946	-	41,446
Gross receivables	1,963,608	-	2,181,724
Less allowance for uncollectibles	(16,785)	-	(16,785)
Net total receivables	<u>\$ 1,946,823</u>	<u>\$ -</u>	<u>\$ 2,164,939</u>

#### Proprietary Funds

	Water and Sewer	Solid Waste	Nonmajor Enterprise Funds	Total
Receivables:				
Intergovernmental	\$ 20,862	\$ 10,679	\$ 11,982	\$ 43,523
Accounts	551,874	77,727	206,663	836,264
Gross receivables	572,736	88,406	218,645	879,787
Less allowance for uncollectibles	(54,989)	-	-	(54,989)
Net total receivables	<u>\$ 517,747</u>	<u>\$ 88,406</u>	<u>\$ 218,645</u>	<u>\$ 824,798</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,733,317	\$ -	\$ -	\$ 11,733,317
Construction in progress	2,781,100	16,488,525	-	19,269,625
Total	<u>14,514,417</u>	<u>16,488,525</u>	<u>-</u>	<u>31,002,942</u>
Capital assets, being depreciated:				
Buildings and improvements	21,981,305	17,644	-	21,998,949
Improvements other than buildings	3,026,596	8,600	-	3,035,196
Infrastructure	8,317,631	-	-	8,317,631
Machinery and equipment	1,708,633	10,311	-	1,718,944
Office equipment	1,238,557	184,042	-	1,422,599
Vehicles	1,600,775	-	(20,800)	1,579,975
Furniture and fixtures	1,063,391	-	-	1,063,391
Total	<u>38,936,888</u>	<u>220,597</u>	<u>(20,800)</u>	<u>39,136,685</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,088,987)	(527,735)	-	(6,616,722)
Improvements other than buildings	(1,224,019)	(156,163)	-	(1,380,182)
Infrastructure	(2,128,865)	(200,648)	-	(2,329,513)
Machinery and equipment	(1,315,978)	(67,331)	-	(1,383,309)
Office equipment	(941,341)	(45,030)	-	(986,371)
Vehicles	(1,190,118)	(103,237)	20,800	(1,272,555)
Furniture and fixtures	(1,056,748)	(3,304)	-	(1,060,052)
Total	<u>(13,946,056)</u>	<u>(1,103,448)</u>	<u>20,800</u>	<u>(15,028,704)</u>
Total assets, being depreciated, net	<u>24,990,832</u>	<u>(882,851)</u>	<u>-</u>	<u>24,107,981</u>
Governmental activities capital assets, net	<u>\$ 39,505,249</u>	<u>\$ 15,605,674</u>	<u>\$ -</u>	<u>\$ 55,110,923</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 445,603	\$ -	\$ -	\$ -	\$ 445,603
Construction in progress	4,751,309	1,421,192	-	-	6,172,501
Total	<u>5,196,912</u>	<u>1,421,192</u>	<u>-</u>	<u>-</u>	<u>6,618,104</u>
Capital assets, being depreciated:					
Buildings and improvements	12,686,666	199,728	-	-	12,886,394
Improvements other than buildings	11,681,090	20,767	-	-	11,701,857
Infrastructure	577,163	119,098	-	-	696,261
Vehicles	1,802,663	110,274	(23,578)	-	1,889,359
Furniture and fixtures	460,496	-	-	-	460,496
Machinery and equipment	4,705,755	361,993	-	-	5,067,748
Total	<u>31,913,833</u>	<u>811,860</u>	<u>(23,578)</u>	<u>-</u>	<u>32,702,115</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,125,326)	(334,959)	-	-	(6,460,285)
Improvements other than buildings	(3,922,514)	(243,297)	-	-	(4,165,811)
Infrastructure	(110,024)	(21,623)	-	-	(131,647)
Vehicles	(1,396,273)	(151,684)	23,578	-	(1,524,379)
Furniture and fixtures	(398,802)	(19,879)	-	-	(418,681)
Machinery and equipment	(1,647,715)	(222,493)	-	-	(1,870,208)
Total	<u>(13,600,654)</u>	<u>(993,935)</u>	<u>23,578</u>	<u>-</u>	<u>(14,571,011)</u>
Total assets, being depreciated, net	<u>18,313,179</u>	<u>(182,075)</u>	<u>-</u>	<u>-</u>	<u>18,131,104</u>
Business-type activities capital assets, net	<u>\$ 23,510,091</u>	<u>\$ 1,239,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,749,208</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

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

<b>Governmental activities:</b>	
General government	\$ 499,715
Judicial	51,896
Public safety	48,928
Public works	<u>502,909</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,103,448</u></u>
<b>Business-type activities:</b>	
Water and sewer	\$ 796,068
Solid waste	15,053
Stormwater	68,586
Conference center	91,963
Community center	<u>22,265</u>
Total depreciation expense - business-type activities	<u><u>\$ 993,935</u></u>

### NOTE 7. LONG-TERM DEBT

**Changes in Long-term Debt.** The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Urban Redevelopment revenue bonds	\$ 11,070,000	\$ -	\$ (710,000)	\$ 10,360,000	\$ 745,000
Accrued compensated absences	112,005	143,226	(84,602)	170,629	34,126
Net pension liability	<u>924,730</u>	<u>1,441,628</u>	<u>(277,375)</u>	<u>2,088,983</u>	<u>-</u>
Total governmental-type activity long-term debt	<u><u>\$ 12,106,735</u></u>	<u><u>\$ 1,584,854</u></u>	<u><u>\$ (1,071,977)</u></u>	<u><u>\$ 12,619,612</u></u>	<u><u>\$ 779,126</u></u>
<b>Business-type activities:</b>					
GEFA notes payable	\$ 1,258,670	\$ -	\$ (45,021)	\$ 1,213,649	\$ 92,090
Accrued compensated absences	65,400	84,609	(51,484)	98,525	19,706
Net pension liability	<u>561,003</u>	<u>675,611</u>	<u>(257,610)</u>	<u>979,004</u>	<u>-</u>
Total business-type activity long-term debt	<u><u>\$ 1,885,073</u></u>	<u><u>\$ 760,220</u></u>	<u><u>\$ (354,115)</u></u>	<u><u>\$ 2,291,178</u></u>	<u><u>\$ 111,796</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT (CONTINUED)

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities. However, proceeds from any asset sales relative to the Urban Redevelopment project will be used to liquidate the related revenue bond obligation.

The Water and Sewer Enterprise Fund is used to liquidate all of the business-type activity long-term liabilities.

**Urban Redevelopment Revenue Bonds.** The City entered into an agreement with a financial institution that provided for the issuance of revenue bonds for the purchase of land and construction of structures and improvements for the New Town Center. Various bond issues were used by the City during the purchase and construction phases. Some of the issues were nontaxable while others were taxable issues. All of the remaining outstanding bonds are nontaxable. During the year ended December 31, 2020, the City repaid various bond issues in the amount of \$710,000. Amounts outstanding at year-end of \$10,360,000 reflect total drawdowns to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at December 31, 2020, are as follows:

Series 2005 B Revenue bonds payable to Capital One Bank, in the total amount of \$7,330,000, interest at 4.45%, matures 2/1/31.	\$ 4,395,000
Series 2006 A Revenue bonds payable to Capital One Bank, in the total amount of \$4,795,000, current interest at 4.58%, matures 2/1/31.	2,905,000
Series 2006 C Revenue bonds payable to Capital One Bank, in the total amount of \$5,000,000, current interest at 4.865%, matures 2/1/31.	<u>3,060,000</u>
Total	<u><u>\$ 10,360,000</u></u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year	Principal	Interest	Total
2021	\$ 745,000	\$ 460,337	\$ 1,205,337
2022	780,000	425,213	1,205,213
2023	820,000	388,356	1,208,356
2024	855,000	353,765	1,208,765
2025	890,000	309,562	1,199,562
2026 – 2030	5,105,000	878,169	5,983,169
2031	1,165,000	26,859	1,191,859
Total	<u>\$ 10,360,000</u>	<u>\$ 2,842,261</u>	<u>\$ 13,202,261</u>

**Water and Sewer Long-term Debt.** The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Finance Authority (“GEFA”) where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year relate to a note issued in 2010 to finance construction projects to improve the City’s water distribution facilities. The note was issued by GEFA in the total amount of \$1,911,900. During the year ended December 31, 2020, the City repaid \$45,021 of the note payable. Effective July 1, 2020 through December 31, 2020, GEFA deferred principal and interest payments due to the COVID-19 pandemic. Amounts outstanding at year-end of \$1,213,649 reflect total drawdowns to date net of repayments, if any.

The annual requirement to pay GEFA’s note outstanding is as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 92,090	\$ 35,150	\$ 127,240
2022	94,891	32,349	127,240
2023	97,777	29,463	127,240
2024	100,751	26,489	127,240
2025	103,816	23,424	127,240
2026 – 2030	568,409	67,792	636,201
2031 – 2032	155,915	3,136	159,051
Total	<u>\$ 1,213,649</u>	<u>\$ 217,803</u>	<u>\$ 1,431,452</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of due to/from balances as of December 31, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	City-wide Capital Projects Fund	\$ 3,122,466
SPLOST IV Fund	City-wide Capital Projects Fund	261,315
		<u>\$ 3,383,781</u>

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The amount due from the City-wide Capital Projects Fund to the General Fund will be reimbursed with proceeds from the City of Stockbridge Public Facilities Authority's 2021 bonds issuance. The amount due from the City-wide Capital Projects Fund to the SPLOST IV Fund is to reimburse the SPLOST IV Fund for eligible SPLOST IV project expenditures.

Interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u> <u>General Fund</u>
Nonmajor Governmental Funds	\$ 1,235,292
City-wide Capital Projects Fund	4,294,546
Nonmajor Enterprise Funds	<u>616,109</u>
Total	<u>\$ 6,145,947</u>

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten-county Atlanta area, is a member of the Atlanta Regional Commission (“ARC”) and is required to pay annual dues thereto. Membership in an ARC is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Henry County makes contributions on behalf of the City to the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission  
40 Courtland Street, NE  
Atlanta, Georgia 30303

### NOTE 10. DEFINED BENEFIT PENSION PLAN

#### Plan Description

The City’s pension plan is administered through the Georgia Municipal Employee Benefit System (“GMEBS”), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at [www.gmanet.com](http://www.gmanet.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Plan Membership

As of July 1, 2020, the date of the most recent actuarial valuation, there were 151 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not receiving benefits	32
Active plan members	78
	<hr/>
	151

#### Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended December 31, 2020, the City's contribution rate was 12.8% of annual payroll. City contributions to the Plan were \$452,475 for the year ended December 31, 2020.

#### Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Inflation	2.25%
Salary increases	2.25% – plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.41 %
International equity	20	6.96
Real estate	10	4.76
Global fixed income	5	3.06
Domestic fixed income	20	1.96
Total	100 %	

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Discount Rate

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

#### Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended December 31, 2020, were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at December 31, 2019</b>	<b>\$ 10,199,586</b>	<b>\$ 8,713,853</b>	<b>\$ 1,485,733</b>
<b>Changes for the year:</b>			
Service cost	333,901	-	333,901
Interest	770,863	-	770,863
Differences between expected and actual experience	382,053	-	382,053
Assumption changes	-	-	-
Contributions - employer	-	454,251	(454,251)
Contributions - employee	-	-	-
Net investment income	-	(609,481)	609,481
Benefit payments, including refunds of employee contributions	(510,620)	(510,620)	-
Administrative expense	-	(20,941)	20,941
Other	(80,734)	-	(80,734)
<b>Net changes</b>	<b>895,463</b>	<b>(686,791)</b>	<b>1,582,254</b>
<b>Balances at December 31, 2020</b>	<b>\$ 11,095,049</b>	<b>\$ 8,027,062</b>	<b>\$ 3,067,987</b>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease (6.375%)</u>	<u>Current Discount Rate (7.375%)</u>	<u>1% Increase (8.375%)</u>
City's net pension liability	\$ 4,456,253	\$ 3,067,987	\$ 1,903,211

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2020, the City recognized pension expense of \$818,879. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 380,898	\$ 189,950
Changes in assumptions	58,272	84,399
Net difference between projected and actual earnings on pension plan investments	993,987	-
City contributions subsequent to the measurement date	339,356	-
Total	<u>\$ 1,772,513</u>	<u>\$ 274,349</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

City contributions subsequent to the measurement date of \$339,356 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	
2021	\$ 268,572
2022	315,680
2023	322,532
2024	252,024
Total	<u>\$ 1,158,808</u>

### NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance in amounts deemed prudent by City management. Commercial insurance is carried for coverage of property, errors and omissions, professional liability and injuries to employees.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### NOTE 12. COMMITMENTS AND CONTINGENCIES

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

In 2014, the citizens of Henry County voted to approve a special purpose local option sales tax to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue revenue bonds to finance some of the SPLOST projects in advance of the SPLOST tax collections. The City received \$6,000,000 from Henry County under this agreement in fiscal year 2015.



## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The revenue bonds are in the name of Henry County and are not a direct liability of the City. However, under the terms of the intergovernmental agreement, Henry County will retain all of the first SPLOST revenue collections for each year in amounts that will satisfy the annual debt service requirements. The agreement also requires the City to pay its share of debt service requirements should the SPLOST revenue collections not be sufficient to satisfy the debt service requirements under the bond issue. Management believes the SPLOST revenue collections will be sufficient to satisfy all debt service requirements under the bond ordinance.

### **NOTE 13. HOTEL/MOTEL TAX**

The City levies an 8% hotel/motel tax in accordance with the provisions of O.C.G.A. § 48-13-51. In order to comply with the expenditure requirements of this code section, the City remits 40% of the monies from the first 5% collected under this provision to the Henry County Chamber of Commerce. The Henry County Chamber of Commerce also receives 50% of the additional 3%. Total collections for year ended December 31, 2020, were \$349,863. The amount remitted to the Henry County Chamber of Commerce totaled \$150,229.

### **NOTE 14. LEASE AGREEMENTS**

The City leases its solid waste transfer station to Lamar County Regional Solid Waste Management Authority who subleases to Waste Management. The current lease extends until April 30, 2026. The monthly rental charged by the City is \$1.40 for each ton of waste received at the site through April 30, 2021, at which time the monthly rental will be adjusted by the Consumer Price Index ("CPI") annually through the termination of the agreement. For the year ended December 31, 2020, the City received \$83,340 in rental fees under the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$31,602 for a net carrying value of \$4,514.

The City's lease agreements, other than the agreement described above, are relatively minor commitments whereby the City is leasing various pieces of office equipment.

### **NOTE 15. SUBSEQUENT EVENT – REVENUE BONDS**

On March 23, 2021 the City of Stockbridge Public Facilities Authority issued revenue bonds – taxable Series 2021A, Series 2021B, and taxable Series 2021C for the purpose of financing various construction projects and other capital purchases. The taxable Series 2021A, Series 2021B, and the taxable Series 2021C revenue bonds have an interest rate of 1.32%, 1.04%, and 2.53%, respectively. Payments on the taxable Series 2021A and the Series 2021B revenue bonds begin on August 1, 2021 and continue through August 1, 2025. Payments on the taxable Series 2021C revenue bonds begin on August 1, 2021 and continue through February 1, 2036.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF STOCKBRIDGE, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED DECEMBER 31,**

	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>						
Service cost	\$ 333,901	\$ 329,372	\$ 322,052	\$ 297,396	\$ 247,214	\$ 319,885
Interest on total pension liability and actual experience	770,863	750,914	685,378	650,509	611,199	604,791
	382,053	(312,679)	180,527	(11,712)	132,894	(372,914)
Changes of assumptions	-	-	-	-	-	4,539
Changes in benefit terms	-	-	-	-	-	3,871
Benefit payments, including refunds of employee contributions	(510,620)	(501,679)	(487,128)	(485,418)	(482,759)	(472,198)
Other	(80,734)	-	145,682	-	-	-
<b>Net change in total pension liability</b>	<b>895,463</b>	<b>265,928</b>	<b>846,511</b>	<b>450,775</b>	<b>508,548</b>	<b>87,974</b>
<b>Total pension liability - beginning</b>	<b>10,199,586</b>	<b>9,933,658</b>	<b>9,087,147</b>	<b>8,636,372</b>	<b>8,127,824</b>	<b>8,039,850</b>
<b>Total pension liability - ending (a)</b>	<b>11,095,049</b>	<b>10,199,586</b>	<b>9,933,658</b>	<b>9,087,147</b>	<b>8,636,372</b>	<b>8,127,824</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 454,251	\$ 411,823	\$ 373,239	\$ 334,499	\$ 401,339	\$ 397,450
Contributions - employee					-	-
Net investment income	(609,481)	306,333	951,855	870,208	20,122	629,378
Benefit payments, including refunds of employee contributions	(510,620)	(501,679)	(487,128)	(485,418)	(482,759)	(472,198)
Administrative expenses	(20,941)	(19,245)	(18,215)	(18,512)	(13,276)	(11,731)
<b>Net change in Plan fiduciary net position</b>	<b>(686,791)</b>	<b>197,232</b>	<b>819,751</b>	<b>700,777</b>	<b>(74,574)</b>	<b>542,899</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,713,853</b>	<b>8,516,621</b>	<b>7,696,870</b>	<b>6,996,093</b>	<b>7,070,667</b>	<b>6,527,768</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>8,027,062</b>	<b>8,713,853</b>	<b>8,516,621</b>	<b>7,696,870</b>	<b>6,996,093</b>	<b>7,070,667</b>
<b>City's net pension liability (a) - (b)</b>	<b>\$ 3,067,987</b>	<b>\$ 1,485,733</b>	<b>\$ 1,417,037</b>	<b>\$ 1,390,277</b>	<b>\$ 1,640,279</b>	<b>\$ 1,057,157</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>72.3%</b>	<b>85.4%</b>	<b>85.7%</b>	<b>84.7%</b>	<b>81.0%</b>	<b>87.0%</b>
<b>Covered payroll</b>	<b>\$ 3,819,839</b>	<b>\$ 2,956,753</b>	<b>\$ 2,982,269</b>	<b>\$ 2,839,086</b>	<b>\$ 2,777,571</b>	<b>\$ 2,297,038</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>80.32%</b>	<b>50.25%</b>	<b>47.52%</b>	<b>48.97%</b>	<b>59.05%</b>	<b>46.02%</b>

**Notes to the Schedule:**

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

# CITY OF STOCKBRIDGE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 452,475	\$ 454,363	\$ 397,643	\$ 365,104	\$ 324,417	\$ 427,020	\$ 387,593
Contributions in relation to the actuarially determined contribution	452,475	454,363	397,643	365,104	324,417	427,020	387,593
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,544,664	\$ 4,009,122	\$ 3,401,666	\$ 3,251,123	\$ 3,141,666	\$ 2,954,937	\$ 2,765,158
Contributions as a percentage of covered payroll	12.8%	11.3%	11.7%	11.2%	10.3%	14.5%	14.0%

### Notes to the Schedule:

Valuation date	July 1, 2020
Cost method	Entry age normal and projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	N/A
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 13 years.

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Fund

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

**CARES Act Fund** – This fund is used to account for grant revenue relating to the CARES Act revenues collected.

## Permanent Fund

**Burke Cemetery Fund** – This fund is used to account for revenues earned from a trust set up for cemetery improvements at Burke Cemetery.

## Capital Projects Funds

**State and Federal Grants Fund** – This fund is used to account for the acquisition and construction of major capital facilities which are financed with state and federal assistance.

**SPLOST III Fund** – This fund is used to account for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

**Downtown Development Fund** – This fund is used to account for the activities of the City's blended component unit, the Downtown Development Authority.

**Urban Redevelopment Fund** – This fund is used to account for the proceeds from the issuance of bonds to finance the acquisition and construction of major capital facilities.

**Impact Fee Fund** – This fund is used to account for the proceeds from new development taxes used for capital projects.

# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020

	<u>Special Revenue Fund</u>		<u>Permanent Fund</u>	
	<u>Hotel/Motel Tax Fund</u>	<u>CARES Act Fund</u>	<u>Burke Cemetery Fund</u>	<u>State and Federal Grants Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 824,281	\$ 15,788	\$ -	\$ 182,563
Investments	-	-	12,284	-
Taxes receivable	44,828	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	170,788
	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,788</u>
Total assets	<u>\$ 869,109</u>	<u>\$ 15,788</u>	<u>\$ 12,284</u>	<u>\$ 353,351</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 29,578	\$ 15,788	\$ 334	\$ -
Accrued liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	29,578	15,788	334	-
<b>Fund Balances</b>				
Nonspendable:				
Permanent fund corpus	-	-	5,000	-
Restricted:				
Cemetery maintenance	-	-	6,950	-
Capital projects	-	-	-	-
Tourism	839,531	-	-	-
Unassigned	-	-	-	353,351
	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,351</u>
Total fund balances	<u>839,531</u>	<u>-</u>	<u>11,950</u>	<u>353,351</u>
Total liabilities and fund balances	<u>\$ 869,109</u>	<u>\$ 15,788</u>	<u>\$ 12,284</u>	<u>\$ 353,351</u>

Capital Projects Funds				Total Nonmajor Governmental Funds
SPLOST III Fund	Downtown Development Fund	Urban Redevelopment Fund	Impact Fee Fund	
\$ 1,168,165	\$ 48,438	\$ 2,256	\$ 292,941	\$ 2,534,432
-	-	-	-	12,284
-	-	-	-	44,828
-	2,500	-	-	2,500
-	-	-	-	170,788
<u>\$ 1,168,165</u>	<u>\$ 50,938</u>	<u>\$ 2,256</u>	<u>\$ 292,941</u>	<u>\$ 2,764,832</u>
\$ -	\$ -	\$ -	\$ -	\$ 45,700
-	120	-	-	120
-	120	-	-	45,820
-	-	-	-	5,000
-	-	-	-	6,950
1,168,165	50,818	2,256	292,941	1,514,180
-	-	-	-	839,531
-	-	-	-	353,351
<u>1,168,165</u>	<u>50,818</u>	<u>2,256</u>	<u>292,941</u>	<u>2,719,012</u>
<u>\$ 1,168,165</u>	<u>\$ 50,938</u>	<u>\$ 2,256</u>	<u>\$ 292,941</u>	<u>\$ 2,764,832</u>



# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Special Revenue Fund		Permanent Fund	
	Hotel/Motel Tax Fund	CARES Act Fund	Burke Cemetery Fund	State and Federal Grants Fund
<b>Revenues</b>				
Other taxes	\$ 349,863	\$ -	\$ -	\$ -
Intergovernmental	-	1,487,479	-	468,479
Impact fees	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>349,863</u>	<u>1,487,479</u>	<u>-</u>	<u>468,479</u>
<b>Expenditures</b>				
Current:				
Public works	-	-	9,392	-
Health and welfare	-	1,509,531	-	-
Housing and development	202,243	-	-	-
Capital outlay:				
General government	-	-	-	-
Public works	-	-	-	302,574
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>202,243</u>	<u>1,509,531</u>	<u>9,392</u>	<u>302,574</u>
Excess (deficiency) of revenues over expenditures	<u>147,620</u>	<u>(22,052)</u>	<u>(9,392)</u>	<u>165,905</u>
<b>Other financing sources</b>				
Transfers in	-	22,052	9,392	-
Total other financing sources	<u>-</u>	<u>22,052</u>	<u>9,392</u>	<u>-</u>
Net change in fund balances	147,620	-	-	165,905
<b>Fund balances, beginning of year</b>	<u>691,911</u>	<u>-</u>	<u>11,950</u>	<u>187,446</u>
<b>Fund balances, end of year</b>	<u>\$ 839,531</u>	<u>\$ -</u>	<u>\$ 11,950</u>	<u>\$ 353,351</u>

Capital Projects Funds				Total Nonmajor Governmental Funds
SPLOST III Fund	Downtown Development Fund	Urban Redevelopment Fund	Impact Fee Fund	
\$ -	\$ -	\$ -	\$ -	\$ 349,863
-	-	-	-	1,955,958
-	-	-	292,941	292,941
153	-	-	-	153
153	-	-	292,941	2,598,915
-	-	-	-	9,392
-	-	-	-	1,509,531
-	16,181	-	-	218,424
4,750	-	-	-	4,750
313,467	-	-	-	616,041
-	-	-	-	-
-	-	710,000	-	710,000
-	-	493,848	-	493,848
318,217	16,181	1,203,848	-	3,561,986
(318,064)	(16,181)	(1,203,848)	292,941	(963,071)
-	-	1,203,848	-	1,235,292
-	-	1,203,848	-	1,235,292
(318,064)	(16,181)	-	292,941	272,221
1,486,229	66,999	2,256	-	2,446,791
\$ 1,168,165	\$ 50,818	\$ 2,256	\$ 292,941	\$ 2,719,012

# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL REVENUE FUND - HOTEL/MOTEL TAX FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 375,000	\$ 349,863	\$ (25,137)
Total revenues	<u>375,000</u>	<u>349,863</u>	<u>(25,137)</u>
<b>Expenditures</b>			
Current:			
Housing and development	335,000	202,243	132,757
Total expenditures	<u>335,000</u>	<u>202,243</u>	<u>132,757</u>
Net change in fund balances	40,000	147,620	107,620
<b>Fund balances, beginning of year</b>	<u>691,911</u>	<u>691,911</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 731,911</u></u>	<u><u>\$ 839,531</u></u>	<u><u>\$ 107,620</u></u>

# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL REVENUE FUND - CARES ACT FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	CARES ACT Fund		
	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 1,487,479	\$ 1,487,479
Total revenues	-	1,487,479	1,487,479
<b>Expenditures</b>			
Current:			
Health and welfare	-	1,509,531	(1,509,531)
Total expenditures	-	1,509,531	(1,509,531)
(Deficiency) of revenues over expenditures	-	(22,052)	(22,052)
<b>Other financing sources:</b>			
Transfers in	-	22,052	22,052
Total other financing sources	-	22,052	22,052
Net change in fund balances	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -

## NONMAJOR ENTERPRISE FUNDS

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**Community Center Fund** – This fund is used to account for activities of the Ted Strickland Community Center.

**Stormwater Fund** – This fund is used to account for revenues generated from the charges for stormwater services provided to the citizens of the City.

**Conference Center Fund** – This fund is used to account for activities related to the Merle Manders Conference Center.

# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2020

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 81,669	\$ 614,344	\$ 226,657	\$ 922,670
Accounts receivable	-	206,663	-	206,663
Due from other governments	-	11,982	-	11,982
Prepaid expenses	448	1,218	632	2,298
Total current assets	82,117	834,207	227,289	1,143,613
<b>NON-CURRENT ASSETS</b>				
Capital assets, net of accumulated depreciation	567,620	1,370,756	2,265,364	4,203,740
Total non-current assets	567,620	1,370,756	2,265,364	4,203,740
Total assets	649,737	2,204,963	2,492,653	5,347,353
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	-	121,855	84,223	206,078
Total deferred outflows of resources	-	121,855	84,223	206,078
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	475	52,550	5,804	58,829
Accrued liabilities	-	3,696	3,582	7,278
Customer deposits	200	-	2,000	2,200
Compensated absences due within one year	-	4,524	3,673	8,197
Total current liabilities	675	60,770	15,059	76,504
<b>NON-CURRENT LIABILITIES</b>				
Compensated absences due in more than one year	-	18,095	14,692	32,787
Net pension liability	-	210,915	145,779	356,694
Total non-current liabilities	-	229,010	160,471	389,481
Total liabilities	675	289,780	175,530	465,985
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	-	18,861	13,036	31,897
Total deferred inflows of resources	-	18,861	13,036	31,897
<b>NET POSITION</b>				
Investment in capital assets	567,620	1,370,756	2,265,364	4,203,740
Unrestricted	81,442	647,421	122,946	851,809
Total net position	\$ 649,062	\$ 2,018,177	\$ 2,388,310	\$ 5,055,549

# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
<b>OPERATING REVENUES</b>				
Charges for services:				
Rentals	\$ 1,428	\$ -	\$ 26,508	\$ 27,936
Stormwater fees	-	1,024,877	-	1,024,877
Total operating revenues	<u>1,428</u>	<u>1,024,877</u>	<u>26,508</u>	<u>1,052,813</u>
<b>OPERATING EXPENSES</b>				
Personal services	-	390,707	451,204	841,911
Contracted services	16,828	63,026	40,130	119,984
Supplies	5,022	12,720	31,984	49,726
Repairs and maintenance	-	38,144	23,835	61,979
Depreciation	22,265	68,586	91,963	182,814
Total operating expenses	<u>44,115</u>	<u>573,183</u>	<u>639,116</u>	<u>1,256,414</u>
Operating income (loss)	<u>(42,687)</u>	<u>451,694</u>	<u>(612,608)</u>	<u>(203,601)</u>
Income (loss) before transfers	(42,687)	451,694	(612,608)	(203,601)
<b>TRANSFERS IN</b>	<u>-</u>	<u>-</u>	<u>616,109</u>	<u>616,109</u>
Change in net position	(42,687)	451,694	3,501	412,508
<b>NET POSITION, beginning of year</b>	<u>691,749</u>	<u>1,566,483</u>	<u>2,384,809</u>	<u>4,643,041</u>
<b>NET POSITION, end of year</b>	<u>\$ 649,062</u>	<u>\$ 2,018,177</u>	<u>\$ 2,388,310</u>	<u>\$ 5,055,549</u>

# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ -	\$ 976,020	\$ -	\$ 976,020
Payments to suppliers and service providers	(30,116)	(81,460)	(140,531)	(252,107)
Payments to employees	-	(383,480)	(425,008)	(808,488)
Net cash provided by (used in) operating activities	(30,116)	511,080	(565,539)	(84,575)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	616,109	616,109
Net cash provided by non-capital financing activities	-	-	616,109	616,109
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and equipment	-	(119,098)	(18,436)	(137,534)
Net cash used in capital and related financing activities	-	(119,098)	(18,436)	(137,534)
Increase (decrease) in cash and cash equivalents	(30,116)	391,982	32,134	394,000
<b>Cash and cash equivalents:</b>				
Beginning of year	111,785	222,362	194,523	528,670
End of year	<u>\$ 81,669</u>	<u>\$ 614,344</u>	<u>\$ 226,657</u>	<u>\$ 922,670</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (42,687)	\$ 451,694	\$ (612,608)	\$ (203,601)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	22,265	68,586	91,963	182,814
Increase in accounts receivable	-	(39,777)	-	(39,777)
Increase in due from other governments	-	(9,080)	-	(9,080)
Increase in deferred outflows of resources - pension	-	(70,483)	(61,456)	(131,939)
Decrease in customer deposits	(7,980)	-	(29,820)	(37,800)
(Increase) decrease in prepaid expenses	(120)	-	438	318
Increase (decrease) in accrued liabilities	-	2,557	(2,637)	(80)
Increase (decrease) in accounts payable	(1,594)	48,203	(41,708)	4,901
Decrease in retainage payable	-	(15,773)	-	(15,773)
Increase (decrease) in deferred inflows of resources - pension	-	(8,327)	987	(7,340)
Increase in net pension liability	-	83,480	89,302	172,782
Net cash provided by (used in) operating activities	<u>\$ (30,116)</u>	<u>\$ 511,080</u>	<u>\$ (565,539)</u>	<u>\$ (84,575)</u>



# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST III FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 3,060,000	\$ 1,742,941	\$ 1,742,941	\$ -	\$ 1,742,941	100.00%
Public safety facilities and equipment	2,000,000	2,551,386	2,551,386	-	2,551,386	100.00%
Public works facilities and equipment	17,097,500	7,754,028	6,199,902	313,467	6,513,369	84.00%
Construction and renovation of municipal buildings	10,700,000	6,358,696	6,353,946	4,750	6,358,696	100.00%
Totals	<u>\$ 32,857,500</u>	<u>\$ 18,407,051</u>	<u>\$ 16,848,175</u>	<u>\$ 318,217</u>	<u>\$ 17,166,392</u>	<u>93.26%</u>

# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST IV FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 1,500,000	\$ 5,210,000	\$ 2,115,878	\$ 515,902	\$ 2,631,780	50.51%
Public safety facilities and equipment	4,180,000	131,817	131,817	-	131,817	100.00%
Public works facilities and equipment	19,000,000	8,923,222	4,530,036	2,049,818	6,579,854	73.74%
Parks and recreation	2,000,000	9,006,275	1,257,942	6,156,024	7,413,966	82.32%
Totals	<u>\$ 26,680,000</u>	<u>\$ 23,271,314</u>	<u>\$ 8,035,673</u>	<u>\$ 8,721,744</u>	<u>\$ 16,757,417</u>	<u>72.01%</u>

## STATISTICAL SECTION

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

### Page

#### **Financial Trends ..... 63 – 75**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity ..... 76 – 78**

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

#### **Debt Capacity ..... 79 – 85**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information..... 86 and 87**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information ..... 88 – 92**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

# CITY OF STOCKBRIDGE, GEORGIA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 20,568,400	\$ 21,525,515	\$ 32,551,895	\$ 30,884,452
Restricted	5,215,699	6,091,361	4,090,481	6,707,544
Unrestricted	9,896,589	10,899,219	6,138,430	7,423,318
Total governmental activities net position	<u>\$ 35,680,688</u>	<u>\$ 38,516,095</u>	<u>\$ 42,780,806</u>	<u>\$ 45,015,314</u>
Business-Type Activities				
Net investment in capital assets	\$ 16,812,443	\$ 16,233,167	\$ 14,173,806	\$ 15,869,585
Restricted	-	-	-	-
Unrestricted	2,992,430	4,115,652	4,716,724	5,891,310
Total business-type activities net position	<u>\$ 19,804,873</u>	<u>\$ 20,348,819</u>	<u>\$ 18,890,530</u>	<u>\$ 21,760,895</u>
Primary Government				
Net investment in capital assets	\$ 37,380,843	\$ 37,758,682	\$ 46,725,701	\$ 46,754,037
Restricted	5,215,699	6,091,361	4,090,481	6,707,544
Unrestricted	12,889,019	15,014,871	10,855,154	13,314,628
Total primary government net position	<u>\$ 55,485,561</u>	<u>\$ 58,864,914</u>	<u>\$ 61,671,336</u>	<u>\$ 66,776,209</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 29,316,744	\$ 24,706,392	\$ 25,476,622	\$ 26,862,664	\$ 28,435,249	\$ 43,717,019
14,922,842	16,757,135	15,313,394	16,603,867	16,772,774	9,284,117
7,770,791	14,920,345	17,534,743	17,496,942	18,313,148	13,597,025
<u>\$ 52,010,377</u>	<u>\$ 56,383,872</u>	<u>\$ 58,324,759</u>	<u>\$ 60,963,473</u>	<u>\$ 63,521,171</u>	<u>\$ 66,598,161</u>
\$ 16,460,917	\$ 16,337,920	\$ 18,655,646	\$ 18,698,180	\$ 22,251,421	\$ 23,368,409
-	-	-	-	-	-
6,533,628	7,495,232	7,231,099	7,462,589	6,117,244	5,522,733
<u>\$ 22,994,545</u>	<u>\$ 23,833,152</u>	<u>\$ 25,886,745</u>	<u>\$ 26,160,769</u>	<u>\$ 28,368,665</u>	<u>\$ 28,891,142</u>
\$ 45,777,661	\$ 41,044,312	\$ 44,132,268	\$ 45,560,844	\$ 50,686,670	\$ 67,085,428
14,922,842	16,757,135	15,313,394	16,603,867	16,772,774	9,284,117
14,304,419	22,415,577	24,765,842	24,959,531	24,430,392	19,119,758
<u>\$ 75,004,922</u>	<u>\$ 80,217,024</u>	<u>\$ 84,211,504</u>	<u>\$ 87,124,242</u>	<u>\$ 91,889,836</u>	<u>\$ 95,489,303</u>

# CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,685,693	\$ 3,155,588	\$ 5,936,424	\$ 3,561,543
Judicial (1)	793,371	711,290	847,430	787,946
Public safety	638,889	738,576	811,804	744,104
Public works	2,196,017	2,202,773	360,679	2,844,049
Health and welfare	-	-	-	-
Culture and recreation	-	63,035	66,573	-
Housing and development	130,855	214,411	191,209	203,265
Interest on long-term debt	734,837	704,873	681,001	656,137
Total governmental activities expenses	<u>8,179,662</u>	<u>7,790,546</u>	<u>8,895,120</u>	<u>8,797,044</u>
Business-type activities:				
Water and sewer	2,637,874	2,607,609	3,560,527	2,884,646
Stormwater	402,250	287,346	434,772	349,691
Solid waste	927,975	804,642	874,678	728,744
Conference center	494,312	366,119	347,392	331,099
Community center	120,702	125,847	95,972	28,849
Total business-type activities	<u>4,583,113</u>	<u>4,191,563</u>	<u>5,313,341</u>	<u>4,323,029</u>
Total primary government	<u>\$ 12,762,775</u>	<u>\$ 11,982,109</u>	<u>\$ 14,208,461</u>	<u>\$ 13,120,073</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 291,440	\$ 372,647	\$ 345,093	\$ 450,308
Judicial	-	1,005,117	1,184,636	1,179,667
Public safety	1,473,453	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Operating grants and contributions	690,000	-	-	-
Capital grants and contributions	2,557,612	2,193,557	3,171,384	3,886,677
Total governmental activities program revenues	<u>5,012,505</u>	<u>3,571,321</u>	<u>4,701,113</u>	<u>5,516,652</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,764,241	2,776,146	2,835,775	2,938,884
Stormwater	703,228	494,874	495,025	493,402
Solid waste	1,151,748	1,155,246	1,145,486	1,167,463
Conference center	156,008	124,258	170,707	194,518
Community center	34,964	38,828	43,438	34,661
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>4,810,189</u>	<u>4,589,352</u>	<u>4,690,431</u>	<u>4,828,928</u>
Total primary government program revenues	<u>\$ 9,822,694</u>	<u>\$ 8,160,673</u>	<u>\$ 9,391,544</u>	<u>\$ 10,345,580</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 3,366,285	\$ 3,496,445	\$ 3,397,192	\$ 4,192,501	\$ 3,901,360	\$ 4,448,902
665,664	447,338	172,218	-	187,427	276,608
848,136	177,125	436,880	198,810	266,742	292,705
2,829,741	2,058,092	2,608,574	4,768,839	5,915,846	4,191,206
-	-	-	-	-	1,509,531
10,577	-	-	-	-	-
1,267,243	739,159	1,037,910	1,480,341	1,878,636	1,639,480
629,911	602,535	573,861	544,013	512,812	480,220
<u>9,617,557</u>	<u>7,520,694</u>	<u>8,226,635</u>	<u>11,184,504</u>	<u>12,662,823</u>	<u>12,838,652</u>
3,158,357	3,090,427	3,429,805	3,515,666	3,784,323	4,359,746
212,729	389,999	599,575	620,265	478,698	573,183
719,355	1,024,671	1,270,720	1,417,032	1,464,732	1,577,462
290,062	393,485	492,130	502,506	572,740	639,116
49,768	51,876	56,177	60,532	49,948	44,115
<u>4,430,271</u>	<u>4,950,458</u>	<u>5,848,407</u>	<u>6,116,001</u>	<u>6,350,441</u>	<u>7,193,622</u>
<u>\$ 14,047,828</u>	<u>\$ 12,471,152</u>	<u>\$ 14,075,042</u>	<u>\$ 17,300,505</u>	<u>\$ 19,013,264</u>	<u>\$ 20,032,274</u>
\$ 347,970	\$ 430,767	\$ 440,347	\$ 963,720	\$ 1,098,764	\$ 1,019,736
1,018,700	419,041	43,678	28,600	263,253	22,212
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,732,683</u>	<u>2,863,565</u>	<u>2,811,531</u>	<u>3,387,128</u>	<u>3,580,528</u>	<u>8,950,956</u>
<u>10,099,353</u>	<u>3,713,373</u>	<u>3,295,556</u>	<u>4,379,448</u>	<u>4,942,545</u>	<u>9,992,904</u>
3,067,407	3,356,353	3,580,309	3,972,963	4,169,272	4,388,102
495,077	509,886	510,920	521,509	527,501	1,024,877
1,170,475	1,212,246	1,237,250	1,248,109	1,219,300	1,231,457
163,297	168,874	198,496	186,452	121,965	26,508
46,788	48,538	46,417	47,086	50,239	1,428
-	-	-	-	2,139,259	427,618
<u>4,943,044</u>	<u>5,295,897</u>	<u>5,573,392</u>	<u>5,976,119</u>	<u>8,227,536</u>	<u>7,099,990</u>
<u>\$ 15,042,397</u>	<u>\$ 9,009,270</u>	<u>\$ 8,868,948</u>	<u>\$ 10,355,567</u>	<u>\$ 13,170,081</u>	<u>\$ 17,092,894</u>

(Continued)

# CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
Net (expense)/revenue				
Governmental activities	\$ (3,167,157)	\$ (4,219,225)	\$ (4,194,007)	\$ (3,280,392)
Business-type activities	227,076	397,789	(622,910)	505,899
Total primary government net expense	<u>\$ (2,940,081)</u>	<u>\$ (3,821,436)</u>	<u>\$ (4,816,917)</u>	<u>\$ (2,774,493)</u>
<b>General Revenues and</b>				
<b>Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ -	\$ -	\$ 231,993	\$ 271,113
Sales taxes	3,198,744	3,322,774	3,260,524	3,403,706
Franchise taxes	1,403,671	1,398,424	1,355,500	1,452,601
Alcoholic beverage taxes	587,497	603,903	621,381	663,251
Business and occupation taxes	512,690	582,833	617,617	472,466
Insurance premium taxes	1,202,436	1,277,188	1,322,407	1,419,779
Hotel/Motel taxes	96,100	64,431	87,052	92,580
Other taxes	38,017	51,048	74,168	84,437
Unrestricted investment earnings	132,640	84,720	49,919	17,715
Gain on sale of capital assets	-	8,085	-	-
Miscellaneous	-	-	-	-
Transfers	(298,870)	(204,668)	838,157	(2,362,748)
Total governmental activities	<u>6,872,925</u>	<u>7,188,738</u>	<u>8,458,718</u>	<u>5,514,900</u>
Business-type activities:				
Unrestricted investment earnings	5,143	2,197	1,888	1,718
Gain on sale of capital assets	-	-	890	-
Transfers	298,870	204,668	(838,157)	2,362,748
Total business-type activities	<u>304,013</u>	<u>206,865</u>	<u>(835,379)</u>	<u>2,364,466</u>
Total primary government	<u>\$ 7,176,938</u>	<u>\$ 7,395,603</u>	<u>\$ 7,623,339</u>	<u>\$ 7,879,366</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 3,705,768	\$ 2,969,513	\$ 4,264,711	\$ 2,234,508
Business-type activities	531,089	604,654	(1,458,289)	2,870,365
Total primary government	<u>\$ 4,236,857</u>	<u>\$ 3,574,167</u>	<u>\$ 2,806,422</u>	<u>\$ 5,104,873</u>

**Note:**

(1) The Judicial function was recorded in Public Safety for years prior to 2011.



Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 481,796	\$ (3,807,321)	\$ (4,931,079)	\$ (6,805,056)	\$ (7,720,278)	\$ (2,845,748)
512,773	345,439	(275,015)	(139,882)	1,877,095	(93,632)
<u>994,569</u>	<u>\$ (3,461,882)</u>	<u>\$ (5,206,094)</u>	<u>\$ (6,944,938)</u>	<u>\$ (5,843,183)</u>	<u>\$ (2,939,380)</u>
\$ 226,911	\$ 124,284	\$ 126,814	\$ 221,334	\$ 352,331	\$ 544,338
3,597,732	3,785,414	3,887,722	4,161,389	4,474,981	-
1,546,828	1,480,642	1,419,291	1,497,519	1,559,754	1,599,506
704,298	711,402	726,445	747,612	760,087	842,612
564,290	601,511	661,371	815,350	827,926	959,288
1,516,512	1,642,740	1,751,247	1,888,635	2,012,698	2,122,713
130,588	222,993	445,240	454,239	472,110	349,863
120,925	103,613	180,437	68,837	136,456	93,190
4,322	1,381	2,007	2,761	12,434	27,337
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,123,522)</u>	<u>(493,164)</u>	<u>(2,328,608)</u>	<u>(413,906)</u>	<u>(330,801)</u>	<u>(616,109)</u>
<u>7,288,884</u>	<u>8,180,816</u>	<u>6,871,966</u>	<u>9,443,770</u>	<u>10,277,976</u>	<u>5,922,738</u>
334	4	-	-	-	-
42,791	-	-	-	-	-
<u>1,123,522</u>	<u>493,164</u>	<u>2,328,608</u>	<u>413,906</u>	<u>330,801</u>	<u>616,109</u>
<u>1,166,647</u>	<u>493,168</u>	<u>2,328,608</u>	<u>413,906</u>	<u>330,801</u>	<u>616,109</u>
<u>\$ 8,455,531</u>	<u>\$ 8,673,984</u>	<u>\$ 9,200,574</u>	<u>\$ 9,857,676</u>	<u>\$ 10,608,777</u>	<u>\$ 6,538,847</u>
\$ 7,770,680	\$ 4,373,495	\$ 1,940,887	\$ 2,638,714	\$ 2,557,698	\$ 3,076,990
1,679,420	838,607	2,053,593	274,024	2,207,896	522,477
<u>\$ 9,450,100</u>	<u>\$ 5,212,102</u>	<u>\$ 3,994,480</u>	<u>\$ 2,912,738</u>	<u>\$ 4,765,594</u>	<u>\$ 3,599,467</u>

# CITY OF STOCKBRIDGE, GEORGIA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Business and Occupation Tax	Insurance Premium Tax
2011	\$ -	3,198,744	1,403,671	587,497	512,690	1,202,436
2012	-	3,322,774	1,398,424	603,903	582,833	1,277,188
2013	231,993	3,260,524	1,355,500	621,381	617,617	1,322,407
2014	271,113	3,403,706	1,452,601	663,251	472,466	1,419,779
2015	226,911	3,597,732	1,546,828	704,298	564,290	1,516,512
2016	124,284	3,785,414	1,480,642	711,402	601,511	1,642,740
2017	126,814	3,887,722	1,419,291	726,445	661,371	1,751,247
2018	221,334	4,161,389	1,497,519	747,612	815,350	1,888,635
2019	352,331	4,474,981	1,559,754	760,087	827,926	2,012,698
2020	544,338	0	1,599,506	842,612	959,288	2,122,713

**Note:** Sales and Use Tax revenues along with most other tax revenue sources have increased due to the significant growth in both population and commercial businesses.

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	<b>Other Taxes</b>	<b>Total</b>
\$	134,117	7,039,155
	115,479	7,300,601
	161,220	7,570,642
	177,017	7,859,933
	251,513	8,408,084
	326,606	8,672,599
	625,677	9,198,567
	523,076	9,854,915
	608,566	10,596,343
	443,053	6,511,510

# CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	97,446	108,753	6,138,534	6,116,722
Restricted	-	-	62,475	-
Assigned	1,408,219	2,738,528	142,654	113,588
Unassigned	8,306,801	8,199,749	4,486,260	6,166,220
Total General Fund	<u>\$ 9,812,466</u>	<u>\$ 11,047,030</u>	<u>\$ 10,829,923</u>	<u>\$ 12,396,530</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Nonspendable	5,000	5,000	280,684	592,900
Restricted, reported in:				
Special revenue funds	-	39,428	40,220	68,238
Capital project funds	-	6,040,284	3,975,827	6,627,115
Permanent fund	-	6,649	6,959	7,191
Committed, reported in:				
Special revenue funds	3,112	-	-	-
Capital project funds	5,201,241	-	-	-
Permanent fund	6,346	-	-	-
Assigned, reported in:				
Capital project funds	-	-	(4,879,042)	(5,513,757)
Total all other governmental funds	<u>\$ 5,215,699</u>	<u>\$ 6,091,361</u>	<u>\$ (575,352)</u>	<u>\$ 1,781,687</u>

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,078,840	4,605,760	2,289,521	2,274,304	2,276,346	2,293,686
166,864	-	-	-	-	-
138,184	58,937	2,874	829,299	315,625	1,104,366
8,232,433	11,326,184	16,328,566	15,634,005	16,648,682	13,603,614
<u>\$ 14,616,321</u>	<u>\$ 15,990,881</u>	<u>\$ 18,620,961</u>	<u>\$ 18,737,608</u>	<u>\$ 19,240,653</u>	<u>\$ 17,001,666</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
5,684	5,597	5,000	5,000	5,824	5,000
129,398	187,190	337,145	506,466	691,087	839,531
14,614,296	16,557,661	14,963,965	16,085,451	16,069,737	8,432,636
7,284	7,284	7,284	6,950	6,950	6,950
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(5,765,237)	-	-	(162,940)	(61,322)	(3,030,430)
<u>\$ 8,991,425</u>	<u>\$ 16,757,732</u>	<u>\$ 15,313,394</u>	<u>\$ 16,440,927</u>	<u>\$ 16,712,276</u>	<u>\$ 6,253,687</u>

# CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Taxes	\$ 7,025,634	\$ 7,305,739	\$ 7,565,511	\$ 7,860,843
Licenses and permits	189,267	197,922	246,441	174,297
Intergovernmental	2,596,932	2,318,009	2,899,752	3,861,031
Fines and forfeitures	1,020,491	974,404	1,131,672	1,210,910
Charges for services	503,570	1,014	4,391	1,187
Impact Fees	-	-	-	-
Contributions	-	-	125,000	-
Rental income	-	-	-	21,226
Investment earnings	142,228	96,095	57,298	22,135
Miscellaneous	788,603	173,711	94,261	274,824
Total revenues	<u>12,266,725</u>	<u>11,066,894</u>	<u>12,124,326</u>	<u>13,426,453</u>
<b>Expenditures</b>				
General government	2,688,145	2,638,257	3,190,031	2,929,787
Judicial	706,127	663,595	805,170	767,735
Public safety	585,912	671,902	745,644	671,715
Public works and parks	2,073,554	1,943,761	2,985,676	2,051,248
Health and welfare	-	-	-	-
Housing and development	-	170,736	190,100	512,598
Urban redevelopment	99,243	10,682	-	-
Code enforcement	68,554	-	-	-
Tourism and promotion	61,614	41,636	-	-
Capital outlay	1,635,475	1,405,054	9,732,121	1,214,890
Debt service	-	-	-	-
Principal	480,000	500,000	520,000	545,000
Interest	737,016	714,462	690,980	666,595
Total expenditures	<u>9,135,640</u>	<u>8,760,085</u>	<u>18,859,722</u>	<u>9,359,568</u>
Excess of revenues over (under) expenditures	<u>3,131,085</u>	<u>2,306,809</u>	<u>(6,735,396)</u>	<u>4,066,885</u>
<b>Other financing sources (uses)</b>				
Proceeds from debt issues	-	-	-	-
Recognition of extinguishment of debt	-	-	-	-
Transfers	(298,870)	(204,668)	(150,464)	(143,239)
Proceeds from sale of assets	-	8,085	2,040	-
Total other financing sources (uses)	<u>(298,870)</u>	<u>(196,583)</u>	<u>(148,424)</u>	<u>(143,239)</u>
Net change in fund balances	<u>\$ 2,832,215</u>	<u>\$ 2,110,226</u>	<u>\$ (6,883,820)</u>	<u>\$ 3,923,646</u>
Debt service as a percentage of non-capital expenditures	17.8%	16.7%	14.6%	15.1%

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

# CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Taxes	\$ 7,025,634	\$ 7,305,739	\$ 7,565,511	\$ 7,860,843
Licenses and permits	189,267	197,922	246,441	174,297
Intergovernmental	2,596,932	2,318,009	2,899,752	3,861,031
Fines and forfeitures	1,020,491	974,404	1,131,672	1,210,910
Charges for services	503,570	1,014	4,391	1,187
Impact Fees	-	-	-	-
Contributions	-	-	125,000	-
Rental income	-	-	-	21,226
Investment earnings	142,228	96,095	57,298	22,135
Miscellaneous	788,603	173,711	94,261	274,824
Total revenues	<u>12,266,725</u>	<u>11,066,894</u>	<u>12,124,326</u>	<u>13,426,453</u>
<b>Expenditures</b>				
General government	2,688,145	2,638,257	3,190,031	2,929,787
Judicial	706,127	663,595	805,170	767,735
Public safety	585,912	671,902	745,644	671,715
Public works and parks	2,073,554	1,943,761	2,985,676	2,051,248
Health and welfare	-	-	-	-
Housing and development	-	170,736	190,100	512,598
Urban redevelopment	99,243	10,682	-	-
Code enforcement	68,554	-	-	-
Tourism and promotion	61,614	41,636	-	-
Capital outlay	1,635,475	1,405,054	9,732,121	1,214,890
Debt service	-	-	-	-
Principal	480,000	500,000	520,000	545,000
Interest	737,016	714,462	690,980	666,595
Total expenditures	<u>9,135,640</u>	<u>8,760,085</u>	<u>18,859,722</u>	<u>9,359,568</u>
Excess of revenues over (under) expenditures	<u>3,131,085</u>	<u>2,306,809</u>	<u>(6,735,396)</u>	<u>4,066,885</u>
<b>Other financing sources (uses)</b>				
Proceeds from debt issues	-	-	-	-
Recognition of extinguishment of debt	-	-	-	-
Transfers	(298,870)	(204,668)	(150,464)	(143,239)
Proceeds from sale of assets	-	8,085	2,040	-
Total other financing sources (uses)	<u>(298,870)</u>	<u>(196,583)</u>	<u>(148,424)</u>	<u>(143,239)</u>
Net change in fund balances	<u>\$ 2,832,215</u>	<u>\$ 2,110,226</u>	<u>\$ (6,883,820)</u>	<u>\$ 3,923,646</u>
Debt service as a percentage of non-capital expenditures	17.8%	16.7%	14.6%	15.1%

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 8,399,813	\$ 8,625,047	\$ 9,266,993	\$ 9,854,915	\$ 10,596,343	\$ 6,522,700
211,001	258,637	291,989	714,550	697,648	819,533
8,721,298	2,839,897	2,758,823	3,278,162	3,437,264	8,780,119
1,059,330	539,215	68,652	39,297	77,523	26,498
3,078	5,590	7,858	74,112	159,781	85,649
-	-	-	-	-	292,941
-	-	-	-	-	-
700	-	600	30,969	36,531	278
15,707	25,049	54,715	111,727	155,698	66,383
133,191	161,623	139,752	144,089	204,804	114,115
<u>18,544,118</u>	<u>12,455,058</u>	<u>12,589,382</u>	<u>14,247,821</u>	<u>15,365,592</u>	<u>16,708,216</u>
2,673,703	2,701,378	2,990,473	4,665,663	4,558,705	4,075,046
615,842	437,762	180,971	122,342	220,695	214,208
790,475	136,373	161,280	148,680	199,803	232,493
1,978,791	1,699,509	2,122,376	2,361,610	2,571,822	2,964,115
-	-	-	-	-	1,509,531
1,233,236	739,159	1,042,949	1,479,499	1,881,539	1,637,282
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
562,889	869,169	4,121,584	2,886,748	3,621,973	16,959,540
-	-	-	-	-	-
570,000	595,000	625,000	650,000	680,000	710,000
640,851	613,951	585,859	556,491	525,860	493,848
<u>9,065,787</u>	<u>7,792,301</u>	<u>11,830,492</u>	<u>12,861,033</u>	<u>14,260,397</u>	<u>28,796,063</u>
<u>9,478,331</u>	<u>4,662,757</u>	<u>758,890</u>	<u>1,386,788</u>	<u>1,105,195</u>	<u>(12,087,847)</u>
-	-	-	-	-	-
-	4,532,836	-	-	-	-
(48,802)	(54,726)	(120,785)	(162,065)	(330,801)	(616,109)
-	-	547,637	19,457	-	6,380
<u>(48,802)</u>	<u>4,478,110</u>	<u>426,852</u>	<u>(142,608)</u>	<u>(330,801)</u>	<u>(609,729)</u>
<u>\$ 9,429,529</u>	<u>\$ 9,140,867</u>	<u>\$ 1,185,742</u>	<u>\$ 1,244,180</u>	<u>\$ 774,394</u>	<u>\$ (12,697,576)</u>
13.7%	17.7%	14.7%	11.4%	9.9%	10.0%



# CITY OF STOCKBRIDGE, GEORGIA

## GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Franchise Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Insurance Premium Tax</b>	<b>Business and Occupation Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2011	\$ -	1,403,671	587,497	1,202,436	\$ 512,690	120,596	\$ 3,826,890
2012	-	1,390,041	603,903	1,277,188	582,833	129,000	3,982,965
2013	231,993	1,350,369	621,381	1,322,407	617,617	161,220	4,304,987
2014	271,113	1,453,511	663,251	1,419,779	444,366	205,117	4,457,137
2015	226,911	1,538,557	704,298	1,516,512	558,840	256,963	4,802,081
2016	124,284	1,433,090	711,402	1,642,740	546,502	381,615	4,839,633
2017	126,814	1,487,717	726,445	1,751,247	661,371	625,677	5,379,271
2018	221,334	1,497,519	747,612	1,888,635	815,350	523,076	5,693,526
2019	352,331	1,559,754	760,087	2,012,698	827,926	608,566	6,121,362
2020	555,528	1,599,506	842,612	2,122,713	959,288	443,053	6,522,700

**Note:** Sales and Use Tax revenues along with most other tax revenue sources have increased due to the significant growth in both population and commercial

# CITY OF STOCKBRIDGE, GEORGIA

## ASSESSED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Tax Year	Assessed Value				Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real and Personal Property	Motor Vehicle	Mobile Home	Other			
2011	730,742,299	22,664,440	2,482,237	22,000	(27,074,707)	728,836,269	0.000
2012	640,653,501	25,135,180	2,079,278	9,089	(26,751,580)	641,125,468	0.000
2013	653,081,289	25,863,520	1,604,083	165,000	(41,029,339)	639,684,553	0.000
2014	676,829,226	20,949,450	1,595,881	762,897	(6,332,991)	693,804,463	0.000
2015	734,070,209	15,891,630	1,542,715	10,099	(7,374,892)	744,139,761	0.000
2016	806,767,219	11,699,210	1,475,725	20,499	(8,617,909)	811,344,744	0.000
2017	851,439,452	8,526,740	1,540,136	-	(13,588,601)	847,917,727	0.000
2018	903,388,035	5,912,810	1,534,666	57,530	(15,504,457)	895,388,584	0.000
2019	962,641,023	4,770,560	1,755,941	112,255	(12,896,367)	956,383,412	0.000
2020	1,016,246,217	3,822,220	1,767,905	42,036	(16,847,322)	1,005,031,056	0.000

### SOURCE:

Henry County Tax Commissioner

**Note:** Assessed value is calculated at 40% of estimated actual fair market value.

# CITY OF STOCKBRIDGE, GEORGIA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

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<u>Tax/Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>County School District M&amp;O</u>	<u>County School District Bond</u>	<u>Water</u>	<u>Hospital</u>	<u>State</u>	<u>Total</u>
2011	0.00	11.75	20.00	3.06	2.00	1.00	0.25	38.06
2012	0.00	14.50	20.00	3.63	2.00	0.00	0.20	40.33
2013	0.00	14.50	20.00	3.63	2.00	0.00	0.15	40.28
2014	0.00	14.30	20.00	3.63	2.00	0.00	0.10	40.03
2015	0.00	13.87	20.00	3.63	2.00	0.00	0.05	39.55
2016	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2017	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2018	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2019	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2020	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36

**SOURCE:**

Henry County Tax Commissioner

**Note:** All tax rates are per \$1,000 assessed valuation, less exemptions.

# CITY OF STOCKBRIDGE, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Vulcan Lands and Materials LLC	\$ 18,126	1	1.90%	\$ -		
Walmart Real Estate Business Trust	16,911	2	1.77%	16,724	2	2.15%
AR-Eagles Landing LLC, JFB-Eagles	11,834	3	1.24%	-		
Eastwood Village Gardens LP	11,200	4	1.17%	-		
CSP Community Owner LLP	11,187	5	1.17%	8,753	6	1.12%
Waterford Landing Apartments LLC	11,016	6	1.15%	-		
St Ives Apartments LLC	10,720	7	1.12%	8,760	5	1.12%
West Henry Land Corp & Etal	10,493	8	1.10%	10,572	3	1.36%
WWC XXXIX LP	10,462	9	1.09%	-		
Georgia Power Company	8,536	10	0.89%	-		
TPG Stonegate LLC	-		-	-		
CS Stockbridge LKE LLC	-		-	6,512	8	0.84%
WR of Stockbridge II LLC	-		-	6,098	10	0.78%
WRS Centers LLC	-		-	-		
Concert PSP Atlanta - Eastwood	-		-	8,960	4	1.15%
JES@Eagles Landing LLC	-		-	7,271	7	0.93%
Waterford Eagles LLC	-		-	6,419	9	0.82%
Directv	-		-	25,148	1	3.23%
Total	<u>\$ 120,485</u>		<u>12.60%</u>	<u>\$ 105,217</u>		<u>13.50%</u>

### SOURCE:

Henry County Tax Commissioner

**Note:** Amounts expressed in thousands.

# CITY OF STOCKBRIDGE, GEORGIA

## PRINCIPAL FRANCHISE TAXPAYERS CURRENT YEAR AND SIX YEARS AGO

Franchise Taxpayer	Fiscal Year 2020			Fiscal Year 2013		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Georgia Power Company	\$ 1,064,576	1	64.97%	\$ 993,107	1	73.50%
Atlanta Gas Light	162,627	2	9.92%	84,153	4	6.23%
Charter	140,314	3	8.56%	123,083	2	9.11%
Verizon	94,501	4	5.77%	-	-	7.64%
Comcast	78,456	5	4.79%	36,157	5	2.68%
Bellsouth	57,160	6	3.49%	103,224	3	0.00%
Snapping Shoals	31,172	7	1.90%	-	-	0.62%
College Park	7,179	8	0.44%	8,383	6	0.00%
Diatro LLC	1,606	9	0.10%	-	-	0.21%
Fusion Cloud (Birch)	495	10	0.03%	2,773	7	0.00%
Vonage	-	-	-	266	8	0.02%
Total	<u>\$ 1,638,561</u>		<u>100.00%</u>	<u>\$ 1,351,146</u>		<u>100.00%</u>

**SOURCE:** Stockbridge Finance Department

**Note:** 2011 information not available, 2013 information provided.

# CITY OF STOCKBRIDGE, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business-type Activities			Total Primary Government
	Redevelopment Agency Bonds	Revenue Bonds	Notes Payable	Total	
2011	\$ 15,755,000	-	1,894,386	1,894,386	17,649,386
2012	15,255,000	-	1,823,000	1,823,000	17,078,000
2013	14,735,000	-	1,749,444	1,749,444	16,484,444
2014	14,190,000	-	1,673,651	1,673,651	15,863,651
2015	13,620,000	-	1,595,552	1,595,552	15,215,552
2016	13,025,000	-	1,515,078	1,515,078	14,540,078
2017	12,400,000	-	1,432,156	1,432,156	13,832,156
2018	11,750,000	-	1,346,713	1,346,713	13,096,713
2019	11,070,000	-	1,258,670	1,258,670	12,328,670
2020	10,360,000	-	1,213,649	1,213,649	11,573,649

**SOURCE:**

Population data from Quick Facts Census Data

**Note:** Details regarding the City's outstanding debt can be found in Note 7 of the current financial statements.

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<b>Population</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
26,493	2.82	666
26,731	2.66	639
26,905	2.68	613
27,205	2.54	583
27,619	2.29	551
28,202	2.25	516
29,114	2.07	475
29,638	1.81	442
29,904	1.59	412
24,794	1.49	467

# CITY OF STOCKBRIDGE, GEORGIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$ 72,883,627	\$ 64,115,468	\$ 63,968,455	\$ 69,380,446
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 72,883,627</u>	<u>\$ 64,115,468</u>	<u>\$ 63,968,455</u>	<u>\$ 69,380,446</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

**Note:** Under Georgia law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. The City has no general obligation debt that is subject to the debt limitation.



<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 74,413,976	\$ 81,134,474	\$ 84,791,773	\$ 89,538,858	\$ 95,638,341	\$ 100,503,106
-	-	-	-	-	-
<u>\$ 74,413,976</u>	<u>\$ 81,134,474</u>	<u>\$ 84,791,773</u>	<u>\$ 89,538,858</u>	<u>\$ 95,638,341</u>	<u>\$ 100,503,106</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# CITY OF STOCKBRIDGE, GEORGIA

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Water & Sewer Debt					
	Water & Sewer Fund Gross Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2011	\$ 2,765,132	2,172,043	593,089	17,515	14,296	18.64
2012	2,776,669	2,061,156	715,513	71,385	55,677	5.63
2013	2,836,218	2,143,837	692,381	73,556	53,500	5.45
2014	2,939,225	2,321,279	617,946	75,793	51,257	4.86
2015	3,190,340	2,490,903	699,437	78,099	48,946	5.51
2016	3,784,703	2,400,268	1,384,435	80,474	46,565	10.90
2017	5,788,132	2,715,737	3,072,395	82,922	44,111	24.19
2018	4,224,804	2,778,790	1,446,014	85,443	41,583	11.38
2019	6,308,531	2,955,003	3,353,528	88,043	38,977	26.40
2020	4,721,445	3,545,305	1,176,140	45,021	18,373	18.55

**Notes:**

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Operating expenses do not include interest, depreciation, or amortization expense.
- (3) Gross revenues include capital contributions.
- (4) Water & Sewer Debt beginning in fiscal year 2011 consists solely of loans through the Georgia Environmental Finance Authority

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Urban Redevelopment Revenue Bonds				
Gross/ Pledged Revenues		Principal	Interest	Coverage
\$	1,267,191	\$ 480,000	737,016	1.04
	1,214,484	500,000	714,462	1.00
	1,210,983	520,000	690,980	1.00
	1,211,597	545,000	666,595	1.00
	1,210,851	570,000	640,851	1.00
	1,208,951	595,000	613,951	1.00
	1,210,859	625,000	585,859	1.00
	1,206,491	650,000	556,491	1.00
	1,205,860	680,000	525,860	1.00
	1,203,848	710,000	493,848	1.00

# CITY OF STOCKBRIDGE, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (2)(5)</b>	<b>School Enrollment (3)</b>	<b>Stockbridge Unemployment Rate (4)</b>
2011	26,493 (5)	626,638,929	23,653	33.1	1,561	11.5 %
2012	26,731 (5)	641,704,386	24,006	34.7	1,745	11.0
2013	26,905 (5)	615,344,255	22,871	34.8	1,742	9.6
2014	27,205 (5)	624,218,725	22,945	35.8	1,667	8.0
2015	27,619 (5)	664,457,902	24,058	34.9	1,691	6.7
2016	28,202 (1)	647,094,890	22,945	35.8	1,604	6.6
2017	29,114 (1)	667,234,652	22,918	35.3	1,617	4.9
2018	29,638 (5)	724,826,928	24,456	35.8	1,612	4.3
2019	29,904 (5)	775,470,528	25,932	34.6	1,522	4.7
2020	24,794 (5)	775,470,528	25,932	34.6	1,522	4.7

### SOURCES:

- (1) Atlanta Regional Commission
- (2) Sperling's Best Places
- (3) Henry County Board of Education
- (4) Homefacts.com
- (5) U.S. Census Bureau Estimates

# CITY OF STOCKBRIDGE, GEORGIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2020			Fiscal Year 2011		
	Employees	Rank	Employer's percentage of total employment	Employees	Rank	Employer's percentage of total employment
Walmart Supercenter	1082	1	8.83%	575	1	29.06%
Publix Super Market	284	2	2.32%	208	3	10.51%
Ingles	140	3	1.14%	N/A	-	-
Eagles Landing Christian Academy	135	4	1.10%	N/A	-	-
Utility Trailer of Georgia	107	5	0.87%	N/A	-	-
BrandsMart USA	98	6	0.80%	168	4	-
Vulcan Materials	98	6	0.80%	N/A	-	-
City of Stockbridge	81	7	0.66%	66	10	3.34%
Kohl's Department Store	72	8	0.59%	100	7	5.05%
At Home (Garden Ridge in 2007)	24	9	0.20%	N/A	-	-
Eagles Landing Country Club	N/A	-	-	93	8	4.70%
Henry County Schools within the City	N/A	-	-	158	5	-
Hamilton Bank (First State Bank in 2009)	-	-	-	79	9	3.99%
SunTrust Bank	-	-	-	105	6	5.31%
Symcor LLP	-	-	-	427	2	21.58%
All other employers	10,127	-	82.68%	N/A	-	-
Total	12,248			1,979		

### SOURCE:

City of Stockbridge, Georgia records

N/A - information not available

# CITY OF STOCKBRIDGE, GEORGIA

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

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Executive	1	1	1	2	5	5	4	5	5	7
Administration	9	9	9	10	10	10	12	12	6	8
City clerk	-	-	-	-	-	-	-	-	5	5
Facilities maintenance	-	-	-	-	-	4	2	2	2	2
Municipal court	-	-	-	3	3	3	1	1	2	2
Public works and parks	18	19	19	20	20	17	13	19	17	18
City events	-	-	-	-	-	1	1	1	1	1
Code enforcement	1	1	1	2	2	2	2	2	2	2
Permitting development	-	-	-	-	-	-	-	-	2	2
Planning and zoning	-	-	-	-	-	-	-	-	2	2
Economic development	-	-	-	-	-	-	-	-	1	1
Main street	-	-	-	1	1	2	2	2	2	2
GIS	-	-	-	-	-	1	1	1	1	1
Water/Sewer	15	15	15	15	15	16	15	18	18	18
Stormwater	3	3	3	3	2	7	7	6	5	5
Sanitation	10	9	9	7	7	1	1	1	1	1
Conference Center	4	4	4	1	1	2	3	3	4	4
Total	61	61	61	64	66	71	64	73	76	81

**SOURCE:**

City of Stockbridge, Georgia records

**Notes:**

- (1) Employee counts for years 2011 - 2013 are estimates based on available information.
- (2) Elected officials and appointed court personnel are not included.
- (3) The City uses personnel services lawn maintenance, not included above.

# CITY OF STOCKBRIDGE, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

Function	Fiscal Year			
	2011	2012	2013	2014
<b>Municipal Court</b>				
Fines and forfeitures	\$ 1,020,491	\$ 974,404	\$ 1,131,672	\$ 1,210,910
Number of cases	5,841	5,417	5,852	5,967
<b>Conference Center</b>				
Annual rents	158,804	123,246	186,189	190,813
<b>Occupation Tax</b>				
Annual renewals	1,331	1,348	1,339	1,281
New business licenses	217	191	231	182
<b>Public Works</b>				
Miles resurfaced	N/A	N/A	N/A	3.5
<b>Stormwater</b>				
Potential ponds identified	181	181	181	188
Total number of pipes	3,102	3,102	3,102	3,102
Total number of feet of pipes	434,491	434,491	434,491	434,491
Complaints	70	47	126	94

### SOURCE:

City of Stockbridge, Georgia records

**Note:** Revenues from fines decreased significantly in 2016 as Henry County diverted citations to the Henry County State Court. Additionally, there was a change in the State probation tolling laws.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,059,330 5,185	\$ 539,215 1,702	\$ 57,196 281	\$ 27,845 300	\$ 55,425 574	\$ 25,287 131
179,319	168,874	191,568	160,280	155,582	17,038
1,121 231	1,539 279	1,681 228	1,880 202	2,056 128	2,354 250
3.1	2.4	5.0	5.1	4.7	5.7
188 3,102 434,491 89	188 3,102 434,491 119	188 3,102 434,491 88	186 3,102 432,960 111	193 3,433 101,385 101	193 359 48,959 52



# CITY OF STOCKBRIDGE, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2011	2012	2013	2014
<b>Public Works</b>				
City limits (square miles)	14.1	14.1	14.1	14.1
Paved roads (miles)	95.62	95.62	95.62	95.62
<b>Sanitation</b>				
Transfer stations	1	1	1	1
Collection trucks	5	5	5	5
Small collection vehicles	25	25	14	13
<b>Recreation and culture</b>				
Parks	4	4	4	4
Community centers	2	2	2	2
Library	1	1	1	1
Cemeteries	3	3	3	3
<b>Water</b>				
Water mains (miles)	44.5	44.4	44.5	44.5
Fire hydrants	457	457	457	457
Service connections	2,430	2,430	2,391	2,391
Daily avg consumption (gallons)	780,000	780,000	923,000	923,000
Storage capacity (gallons)	1,900,000	1,900,000	1,900,000	1,900,000
<b>Sewer</b>				
Sanitary sewers (miles)	39.5	39.5	39.5	39.5
Service connections	2,254	2,272	2,254	2,254
Treatment plants	1	1	1	1
Daily avg treatment (gallons)	.686 MGD	.555 MGD	.686 MGD	.686 MGD
Treatment capacity	1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD

### SOURCE:

City of Stockbridge, Georgia records

Fiscal Year					
2015	2016	2017	2018	2019	2020
14.1	14.1	14	14	14.1	14.1
95.62	97.08	97	97	97.08	97.08
1	1	1	1	1	1
5	5	1	1	1	1
13	9	5	5	5	5
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
44.5	44.5	44.5	44.5	45	45
457	457	458.00	459.00	460.00	460.00
2,749	2,764	2,726	2,833	2,866	2,958
752,180	679,564	684,970	627,728	515,828	500,000
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
39.5	39.5	40.0	40.0	40.0	40.0
N/A	4,858	2,431	2,516	2,568	2,568
1	1	1	1	1	1
.823 MGD	.754 MGD	.761 MGD	.761 MGD	.761 MGD	.761 MGD
1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD



## **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**

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**Honorable Mayor and Members  
of City Council  
City of Stockbridge, Georgia  
Stockbridge, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Stockbridge, Georgia** (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 6, 2021.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002, which we consider to be material weaknesses.

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**Compliance and Other Matters**

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

**The City of Stockbridge's Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly large and stylized.

Macon, Georgia  
July 6, 2021



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**Honorable Mayor and Members  
of City Council  
City of Stockbridge  
Stockbridge, Georgia**

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Stockbridge, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Stockbridge complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

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### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
July 6, 2021

# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Grant Program	CFDA #	Grant I.D.	Expenditures	Passed through to Subrecipients
<b>U.S. Department of Transportation</b>				
Passed through Georgia Department of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Transportation Enhancement Grant	20.205	TEE-0009-00(093)	\$ 307,330	\$ -
<b>Total U.S. Department of Transportation</b>			<u>307,330</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed through Henry County, Georgia				
Community Development Block Grant	14.218	B-13-UC-13-0007	94,275	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>94,275</u>	<u>-</u>
<b>U.S. Department of Treasury</b>				
Passed through Georgia Governor's Office of Planning and Budget				
COVID-19 Coronavirus Relief Funds	21.019	N/A	1,487,779	1,300,000
<b>Total U.S. Department of Treasury</b>			<u>1,487,779</u>	<u>1,300,000</u>
 <b>Total Expenditures of Federal Awards</b>			 <u><u>\$ 1,889,384</u></u>	 <u><u>\$ 1,300,000</u></u>

## **CITY OF STOCKBRIDGE, GEORGIA**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020**

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#### **NOTE 1. BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Stockbridge, Georgia (the "City") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

#### **NOTE 2. DE MINIMIS COST RATE**

The City elected not to use the 10% de minimis cost rate for the year ended December 31, 2020.

#### **NOTE 3. NON-CASH AWARDS**

The City did not receive non-cash awards during the year ended December 31, 2020.



# CITY OF STOCKBRIDGE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

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### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### **Federal Awards**

Internal Control over major programs:  
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified?

☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

☐ Yes ☒ No

Identification of major program:

CFDA Number

21.019

Name of Federal Program or Cluster

COVID-19 Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

# **CITY OF STOCKBRIDGE, GEORGIA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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### **SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

#### **2020 – 001. Management of Receivable Accounts**

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly adjust receivables and related balances in various funds as of December 31, 2020.

Effect: The following adjustments were made to adjust receivables and related balances as of December 31, 2020:

- General Fund – An adjustment to increase franchise fee revenues by \$68,831, to increase receivables by \$68,386, and to decrease unavailable revenues by \$445.
- General Fund and CARES Fund – entries to record a transfer from the General Fund to the CARES fund in the amount of \$22,052 to fund expenditures in excess of federal revenues.
- City-wide Capital Projects Fund – An adjustment to increase interfund transfers out and to increase interfund payable by \$261,315.
- SPLOST IV Fund – An adjustment to increase interfund receivable and to increase SPLOST IV revenues by \$261,315.
- CARES Act Fund – An adjustment to decrease unearned revenue and to increase revenues by \$1,487,479.
- State and Federal Grants Fund – An adjustment to decrease unavailable revenues and to decrease receivables by \$161,150.
- Conference Center Fund – An adjustment to decrease customer deposits in the amount of \$22,892, decrease expenses in the amount of \$18,422, and to increase revenues in the amount of \$4,470.
- Community Center Fund – An adjustment to decrease customer deposits and to increase revenues in the amount of \$6,319.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen its control over its receivables and related balances to ensure balances are properly stated at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement procedures to strengthen controls over the City's receivables and related balances at year-end to ensure balances are properly stated.

# **CITY OF STOCKBRIDGE, GEORGIA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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### **SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)**

#### **2020 - 002. Internal Controls over Cash**

Criteria: Generally accepted accounting standards require that all cash balances are properly recorded within the correct accounts in the general ledger.

Condition: The City did not properly classify cash between funds as of December 31, 2020.

Context: During our review of cash, we noted deficits in the CARES Act fund and the City-wide Projects Fund that needed to be cleared through interfund transfers. Additionally, we noted an overstatement of cash and accounts payable in the CARES Act Fund, relating to invoices paid during 2020.

Effect: Adjustments were required to properly state cash balances by fund for the year ended December 31, 2020:

- General Fund – An adjustment to increase transfers out by \$72,784, decrease cash by \$3,195,250, and increase due from City-wide Capital Projects Fund in the amount of \$3,122,466.
- City-wide Capital Projects Fund – An adjustment to increase cash by \$3,195,250, decrease operating transfers in by \$188,531, increase due to the General Fund by \$3,122,466, and increase due to the SPLOST IV Fund by \$261,315.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen its controls over monthly and annual closeout procedures related to cash to ensure that cash balances are properly classified.

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen controls over cash to ensure cash balances are properly stated by fund at year-end.

### **SECTION III FEDERAL AWARDS FINDINGS**

Not applicable.

**CITY OF STOCKBRIDGE, GEORGIA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**2019 - 001. Management of Receivable Accounts**

Criteria: Generally accepted accounting principles for governmental funds require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly adjust receivables in the State and Federal Grants Fund as of December 31, 2019.

Auditee Response/Status: Unresolved – See Finding 2020-001.

**2019 - 002. Accounting and Reporting of Expenditures, Expenses and Accounts Payable**

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

Condition: The City did not properly adjust accounts payable for goods received and services performed in 2019, but not invoiced and/or paid until 2020.

Auditee Response/Status: Resolved.

**2019 - 003. Capitalization of Capital Assets**

Criteria: Generally accepted accounting principles require capital assets purchased or acquired be reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Condition: The City recorded a construction in progress invoice as an expense for the year ended December 31, 2019.

Auditee Response/Status: Resolved.



# City of Stockbridge

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## CITY OF STOCKBRIDGE, GEORGIA

### MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2020

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#### 2020 – 001. Management of Receivable Accounts

**Name of Contact Person Responsible for Corrective Action Plan:** John Wiggins, Treasurer

**Corrective Action Plan:**

The city will thoroughly review revenues and receiveables at year end to insure transactions are recorded in the correct accounts and within the proper period.

**Anticipated Completion Date:** Fiscal year 2021

#### 2020 - 002. Internal Controls over Cash

**Name of Contact Person Responsible for Corrective Action Plan:** John Wiggins, Treasurer

**Corrective Action Plan:**

The city will review cash accounts at month end and year end to insure cash balances are properly classified and recorded to the correct accounts.

**Anticipated Completion Date:** Fiscal year 2021