# CITY OF SENOIA, GEORGIA

## ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED DECEMBER 31, 2020
## TOGETHER WITH
## INDEPENDENT AUDITOR'S REPORT

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

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# INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Senoia, Georgia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of City of Senoia, 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 of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the City of Senoia, Georgia, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund and the Confiscated Assets Fund for the year then ended in conformity 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 13 and the Schedules of "Changes in the Net Pension Liability and Related Ratios" and "Contributions" on pages 56 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Senoia, Georgia's basic financial statements. The individual fund financial statements and budget schedules, schedules of projects financed with special sales tax, as required by the Official Code of Georgia 48-8-121, the schedule of development impact fees, as required by the Official Code of Georgia 36-71-8 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and budgetary schedules, schedules of projects financed with special sales tax, schedule of development impact fees, and the schedule of expenditures of federal awards (collectively, "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 statement 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 taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Senoia, Georgia's basic financial statements for the year ended December 31, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Senoia, Georgia's basic financial statements as a whole. The individual fund financial statements, related to the 2019 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated August 9, 2021 on our consideration of City of Senoia, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Audit Standards in considering City of Senoia, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
August 9, 2021

**CITY OF SENOIA**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Senoia, we offer readers of the City of Senoia's financial statements this narrative overview and analysis of the financial activities of the City of Senoia for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with their review of the financial statements.

**Financial Highlights**

- The assets and deferred outflows of the City of Senoia exceeded its liabilities and deferred inflows at December 31, 2020 by $30,285,070. Of this amount, unrestricted net position of $5,368,694 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $4,236,658. Of this amount an increase of $3,555,046 was associated with governmental activities and an increase of $681,612 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Senoia's governmental funds reported combined ending fund balances of $7,290,979, an increase of $1,793,507 in comparison with the prior year. Of this amount $3,639,558 is unassigned and available for spending and $3,651,421 is either in a nonspendable form or restricted for capital projects and other specific future uses.

- At the end of the current year, unassigned fund balance for the general fund was $3,639,558 or 104.5 percent of total General Fund expenditures.

- The City of Senoia's total debt obligations (including accrued compensated absences and net pension liability) decreased by $299,839 to a total of $6,439,429. The City made principal payments on its capital leases, revenue bonds and GEFA notes of $259,198 and no obtained additional financing was incurred during 2020.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Senoia's basic financial statements. The City of Senoia'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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information 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 of Senoia include general government, public safety and courts, highways and streets, cemetery, parks and recreation, planning and zoning, and downtown development. The business-type activities of the City are water, sewer and solid waste 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 Senoia can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 five major governmental funds. The City's major governmental funds are the General Fund, Confiscated Assets Fund, two SPLOST Capital Project Funds and the Development Impact Fee 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 City of Senoia adopts an annual budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund and Confiscated Assets Fund to demonstrate compliance with the FY 2020 budget. A project length budget has been adopted for the SPLOST Capital Projects Fund and is presented in the individual fund financial statements. A budget was also adopted for the Development Impact Fee Fund for FY 2020 which is also presented in the individual fund financial statements.

**Proprietary funds.** Enterprise funds (a component of proprietary 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, Sewer, Stormwater and Solid Waste Management activities. All of the City's 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 statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements with prior year comparisons.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $30,285,070. The City's net position reflect its investment in capital assets (63.4 percent), 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, $5,718,026 (18.9 percent) is restricted for capital projects and other specified activities and $5,368,694 (17.7 percent) is unrestricted.

**City of Senoia's Net Position**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | $ 7,959,246 | $ 6,523,642 | $ 4,479,319 | $ 4,048,171 | $ 12,438,565 | $ 10,571,813 |
| Capital assets | 10,124,253 | 8,087,229 | 14,782,928 | 14,408,902 | 24,907,181 | 22,496,131 |
| Deferred outflows | 249,151 | 119,881 | 86,180 | 41,466 | 335,331 | 161,347 |
| Total assets and deferred outflows | 18,332,650 | 14,730,752 | 19,348,427 | 18,498,539 | 37,681,077 | 33,229,291 |
| Current liabilities | 423,081 | 474,317 | 713,566 | 410,850 | 1,136,647 | 885,167 |
| Long-term liabilities | 713,483 | 602,387 | 5,505,091 | 5,635,032 | 6,218,574 | 6,237,419 |
| Deferred inflows | 30,304 | 43,312 | 10,482 | 14,981 | 40,786 | 58,293 |
| Total liabilities and deferred inflows | 1,166,868 | 1,120,016 | 6,229,139 | 6,060,863 | 7,396,007 | 7,180,879 |
| Net position: | | | | | | |
| Net invetsment in capital assets | 9,975,129 | 7,867,325 | 9,223,221 | 8,660,777 | 19,198,350 | 16,528,102 |
| Restricted | 3,563,488 | 2,848,547 | 2,154,538 | 2,130,289 | 5,718,026 | 4,978,836 |
| Unrestricted | 3,627,165 | 2,894,864 | 1,741,529 | 1,646,610 | 5,368,694 | 4,541,474 |
| Total net position | $ 17,165,782 | $ 13,610,736 | $ 13,119,288 | $ 12,437,676 | $ 30,285,070 | $ 26,048,412 |

A portion of the net position (18.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($5,368,694) may be used to meet the government's ongoing obligations to citizens and creditors.

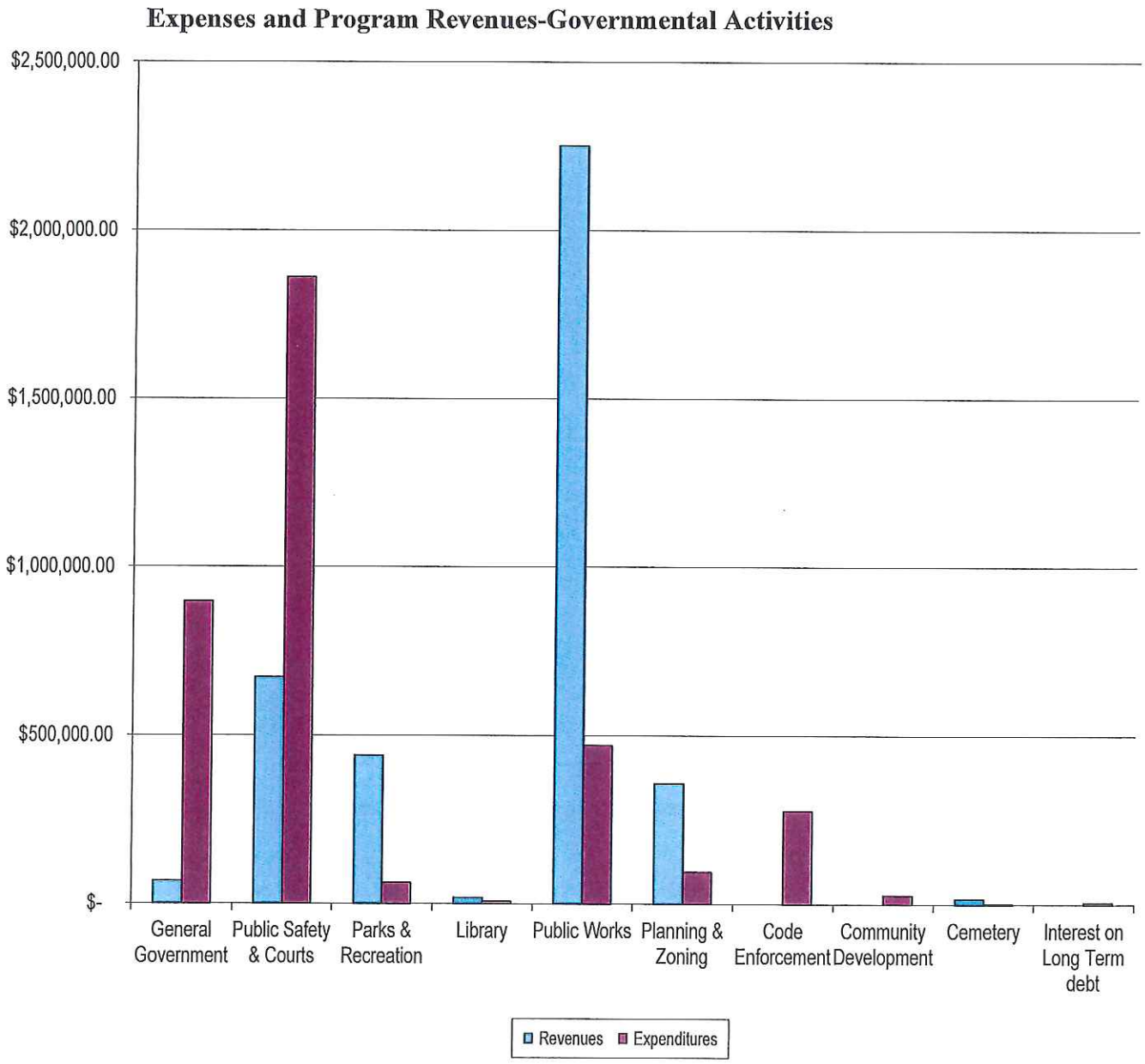
**Governmental activities.** Governmental activities increased the City of Senoia's net position by $3,555,046, thereby accounting for 83.9% of the total increase in the net position of the City of Senoia. Key elements of this increase are as follows:

**City of Senoia's Change in Net Position**
**For The Years Ended December 31, 2020 and 2019**

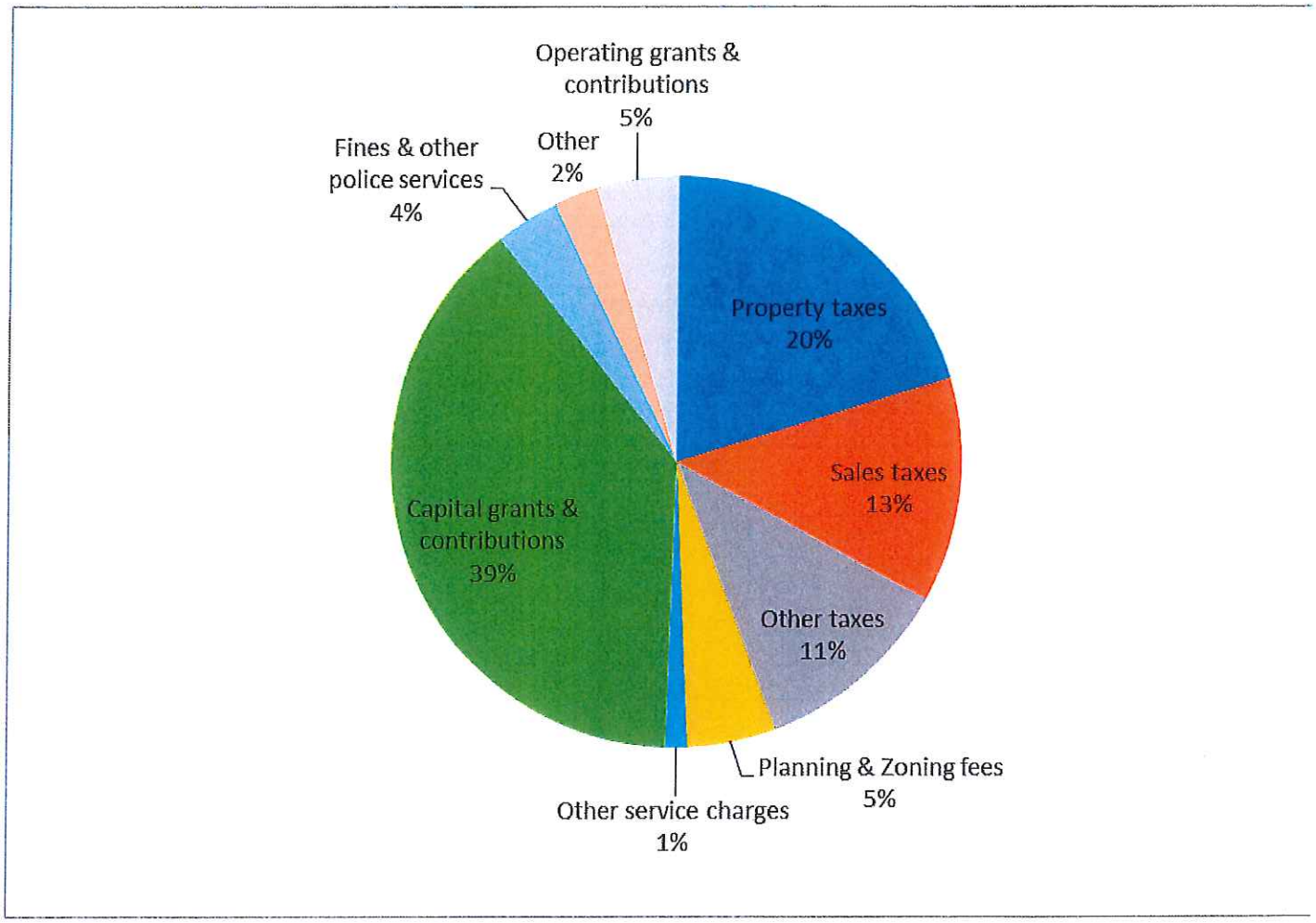
| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | $ 706,871 | $ 668,086 | $ 2,877,785 | $ 2,575,212 | $ 3,584,656 | $ 3,243,298 |
| Operating grants and contributions | 331,385 | - | - | - | 331,385 | - |
| Capital grants and contributions | 2,785,243 | 1,431,400 | 621,495 | 1,091,687 | 3,406,738 | 2,523,087 |
| General Revenues | | | | | | |
| Property taxes | 1,458,056 | 1,384,854 | - | - | 1,458,056 | 1,384,854 |
| Sales taxes | 916,726 | 796,886 | - | - | 916,726 | 796,886 |
| Other taxes | 809,918 | 819,622 | - | - | 809,918 | 819,622 |
| Interest | 3,780 | 5,079 | 3,477 | 2,584 | 7,257 | 7,663 |
| Other | 184,278 | 37,942 | 1,154 | - | 185,432 | 37,942 |
| | 7,196,257 | 5,143,869 | 3,503,911 | 3,669,483 | 10,700,168 | 8,813,352 |
| Expenses: | | | | | | |
| General government | 896,850 | 793,844 | - | - | 896,850 | 793,844 |
| Public safety and courts | 1,860,617 | 1,701,887 | - | - | 1,860,617 | 1,701,887 |
| Public Works | 470,527 | 514,866 | - | - | 470,527 | 514,866 |
| Cemetery | 2,207 | 4,261 | - | - | 2,207 | 4,261 |
| Parks and recreation | 62,081 | 63,884 | - | - | 62,081 | 63,884 |
| Library | 7,666 | 7,604 | - | - | 7,666 | 7,604 |
| Planning and zoning | 95,474 | 186,040 | - | - | 95,474 | 186,040 |
| Code enforcement | 275,670 | 79,803 | - | - | 275,670 | 79,803 |
| Community Development | 26,223 | 13,562 | - | - | 26,223 | 13,562 |
| Interest on long-term debt | 5,549 | 15,512 | - | - | 5,549 | 15,512 |
| Water | - | - | 1,291,391 | 1,249,887 | 1,291,391 | 1,249,887 |
| Sewer | - | - | 1,065,142 | 988,495 | 1,065,142 | 988,495 |
| Solid waste | - | - | 331,015 | 308,494 | 331,015 | 308,494 |
| Stormwater | - | - | 73,098 | 56,264 | 73,098 | 56,264 |
| | 3,702,864 | 3,381,263 | 2,760,646 | 2,603,140 | 6,463,510 | 5,984,403 |
| Increase (decrease) in net assets before transfers | 3,493,393 | 1,762,606 | 743,265 | 1,066,343 | 4,236,658 | 2,828,949 |
| Transfers | 61,653 | 24,746 | (61,653) | (24,746) | - | - |
| Increase (decrease) in net position | 3,555,046 | 1,787,352 | 681,612 | 1,041,597 | 4,236,658 | 2,828,949 |
| Net position - beginning of year, adjusted | 13,610,736 | 11,823,384 | 12,437,676 | 11,396,079 | 26,048,412 | 23,219,463 |
| Net position - end of year | $ 17,165,782 | $ 13,610,736 | $ 13,119,288 | $ 12,437,676 | $ 30,285,070 | $ 26,048,412 |

- Overall, governmental activities revenues increased $2,052,388 due in part to the Cares Act funding in the amount of $230,958 and the State of Georgia Department of Transportation grants amounting to approximately $1,940,000. The majority of the DOT grant monies were for the SR 16 / Pylant Street project There was an increase in planning and zoning fees of approximately $129,000 which is a reflection of the increase in residential and commercial construction. A notable increase in local option sales tax of approximately $119,000 also occurred during the pandemic. However, fines decreased approximately $97,000 due to the Covid pandemic.

- Governmental activities expenses had a significant increase of $321,000. The increase was created by 1) the increase in manpower (salaries and benefits) in the police department and 2) increase in expenses in the Code Enforcement department due to an increase in permitting activities.

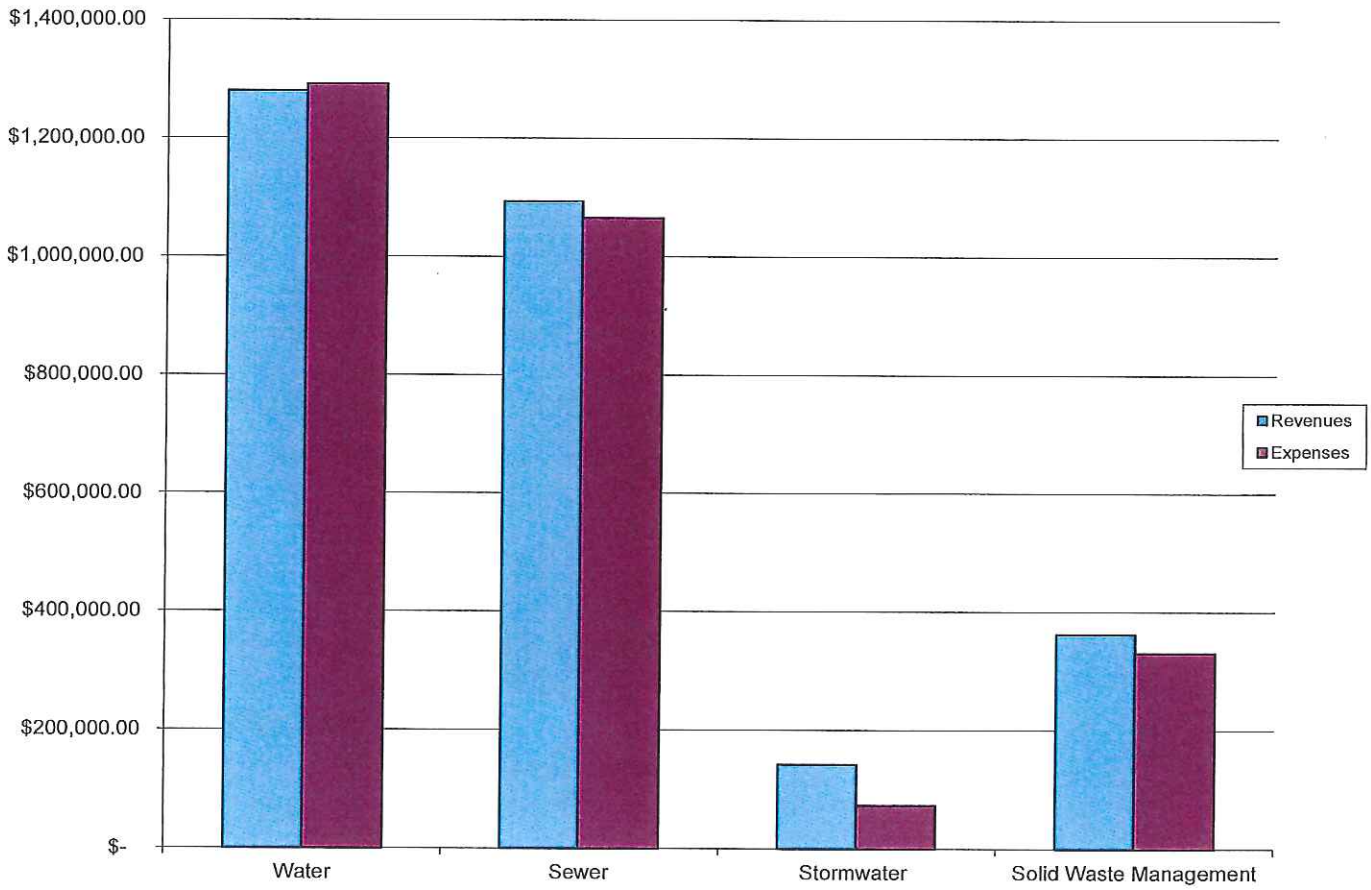


## Revenue by Source-Governmental Activities



**Business-type activities.** Business-type activities increased the City's net position by $681,612 of which an increase of $210,811 was from Water activities, an increase of $432,055 was from Sewer activities and an decrease of $30,332 was from Solid Waste Management Activities. The City created the Stormwater Management Fund during f/y/e 12/31/2014 to account for the cost of setting up a stormwater management program, including the means of financing such a program. The Stormwater Management Fund had a positive change in net position for the year of $69,078. During FY 2018 the City began incurring engineering cost for studies to expand and improve the City's sewer system and a Main Street drainage system. The goal for these studies is to be able to improve the City's infrastructure so that current and future citizens of the City can be better served. The increase in net position of the Water and Sewer Funds were the result of a significant increase in development inside the City which led to capital contributions (tap fees) to the Water Fund of $219,442 and the Sewer Fund of $402,053.

**Expenses and Program Revenues-Business-Type Activities**




**Financial Analysis of the Government's Funds**

As noted earlier, the City of Senoia used 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2020, the City's governmental funds reported combined ending fund balances of $7,290,979 an increase of $1,793,507 in comparison to the prior year. Of this amount, $3,639,558 (49.9 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay for capital items most of which is funded by the proceeds of the Special Purpose Local Option Sales Tax and Development Impact Fees ($3,284,578); 2) for Police Activities ($2,643); 3) park and street improvements of $276,267; and 4) nonspendable amounts for prepaid items which are not available for current government's spending discretion ($87,933).

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 $3,639,558 while the total fund balance totaled $4,003,758. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 104.5 percent of the total general fund expenditures, while total fund balance represents 115.0 percent of that same amount.

The City of Senoia received $823,597 in Special Purpose Local Option Sales Taxes in 2020. SPLOST funds were used during 2020 for street improvements and related costs in the amount of $2,185,488 and other capital expenditures of $97,700.

The City also received Development Impact Fees during the year totaling $202,311 compared to $167,005 in 2019. These funds can only be expended for the category of system improvements (library, public safety and parks) within the service area for which the fee was assessed and collected. Impact fees were used during 2020 for park improvements of $8,739.

The Confiscated Assets Fund had very minimal activity for 2020.

**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 $1,741,529 of which the Water Fund had $1,171,043, the Sewer Fund had $504,144, the Stormwater Fund had $(69,922) and the Solid Waste Management Fund had $(3,580). 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 General Fund budget of $3,798,700 was amended to $3,895,799 a difference of $97,099. The most significant budget amendment was for expenses to a private contractor the city uses for permitting activities.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at December 31, 2020 amounts to $24,907,181 (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 included the following:

- $304,000 for engineering and design of the Keg Creek sewer improvements.
- $31,000 for a Fecon Mulcher.
- $126,000 for a CAT 309 Excavator.
- $144,000 for 2 Ford F-150s and 1 Ford F-450
- $2,177,400 for SR 16 and Pylant St. road improvements.

Additional information on the City's capital assets can be found in note 7.

**Long-term debt.** At the end of the current fiscal year, the City had $6,439,429 in outstanding debt consisting of the following:

**City of Senoia's Outstanding Debt**

| | Balance |
|---|---|
| Governmental Activities - | |
| Accrued compensated absences | $ 83,752 |
| Capital leases | 149,124 |
| Net pension liability | 480,607 |
| Business-Type Activities - | |
| Revenue Bonds | 4,301,994 |
| GEFA notes payable | 660,090 |
| Capital leases | 597,623 |
| Net pension liability | 166,239 |
| Total | $ 6,439,429 |

The City's total debt (including compensated absences and net pension liability) decreased by $299,839. Additional information on the City's long-term debt can be found in note 8.

**Status of the City of Senoia's Economy**

- A surge in residential and commercial building permits occurred during 2020 and is expected to continue.
- Sales tax receipts increased significantly during 2020 and is expected to be a sign of an improved economy.
- The City has begun planning to expand and improve its infrastructure to continue to provide its current and future residents with sufficient service. Plans for the following improvements are currently in progress:

    1. Drainage improvements for the Main Street area.
    2. Expanded sewer treatment facilities construction began in 2021 and will take approximately two years until completion.
    3. Improvements to HWY 16 realignment project has been completed.
    4. Path connectivity projects throughout the City with the Seavy to Ivy Ridge project beginning construction in 2021.
    5. New shade structures for the Seavy Park have been completed and playground equipment will be added.
    6. The Cumberland Trail project will begin construction during 2021.
    7. The American Relief Funds will be used to replace old water and sewer infrastructure.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Senoia'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) 599-3679 or at the following address:

City of Senoia
Finance Department
P.O. Box 310
Senoia, GA 30276-0310

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET POSITION**
**DECEMBER 31, 2020**

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. | Development Authority |
| **Assets and Deferred Outflows** | | | | | |
| **Assets** | | | | | |
| Cash and Cash Equivalents | $ 5,073,468 | $ 605,114 | $ 5,678,582 | $ 47,348 | $ 2,609 |
| Receivables, Net | | | | | |
| Taxes | 616,767 | - | 616,767 | - | - |
| Intergovernmental | 811,384 | - | 811,384 | - | - |
| Fines | 57,822 | - | 57,822 | - | - |
| Accounts | 595 | 276,590 | 277,185 | - | - |
| Other | - | - | - | - | - |
| Internal balances | (1,438,348) | 1,438,348 | - | - | - |
| Due from Primary Government | - | - | - | 4,394 | - |
| Inventory | - | 4,729 | 4,729 | - | - |
| Prepaid Items | 87,933 | - | 87,933 | - | - |
| Restricted Assets - | | | | | |
| Cash | 2,749,625 | 2,045,880 | 4,795,505 | - | - |
| Investments | - | 108,658 | 108,658 | - | - |
| Non-Depreciable Capital Assets | 5,345,888 | 2,481,460 | 7,827,348 | 1,000 | - |
| Depreciable Capital Assets, Net | 4,778,365 | 12,301,468 | 17,079,833 | 108,373 | - |
| Total Assets | 18,083,499 | 19,262,247 | 37,345,746 | 161,115 | 2,609 |
| **Deferred Outflows** | | | | | |
| Deferred pension outflows | 249,151 | 86,180 | 335,331 | - | - |
| **Total Assets and Deferred Outflows** | 18,332,650 | 19,348,427 | 37,681,077 | 161,115 | 2,609 |

See accompanying notes to the basic financial statements.

Continued

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET POSITION**
**DECEMBER 31, 2020**

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. | Development Authority |
| **Liabilities and Deferred Inflows** | | | | | |
| **Liabilities** | | | | | |
| Accounts Payable | | | | | |
| Trade | $ 212,709 | $ 297,394 | $ 510,103 | $ 892 | $ - |
| Accrued Liabilities - | | | | | |
| Salaries | 18,220 | 8,274 | 26,494 | - | - |
| Compensated absences | - | 33,310 | 33,310 | - | - |
| Customer deposits | 2,000 | 148,173 | 150,173 | 1,850 | - |
| Interest | 5,019 | - | 5,019 | 167 | - |
| Other | 1,944 | - | 1,944 | - | - |
| Due to primary government | - | - | - | - | - |
| Unearned Revenues | 183,189 | - | 183,189 | - | - |
| Payable From Restricted Assets- | | | | | |
| Revenue bonds | - | 151,537 | 151,537 | - | - |
| Notes payable | - | 49,256 | 49,256 | - | - |
| Capital lease | - | 20,062 | 20,062 | - | - |
| Accrued interest | - | 5,560 | 5,560 | - | - |
| Long-Term Liabilities - | | | | | |
| Debt Due Within One Year | 73,272 | - | 73,272 | 5,279 | - |
| Debt Due In More Than One Year | 159,604 | 5,338,852 | 5,498,456 | 28,253 | |
| Net Pension Liability | 480,607 | 166,239 | 646,846 | - | - |
| Total Liabilities | 1,136,564 | 6,218,657 | 7,355,221 | 36,441 | - |
| **Deferred Inflows** | | | | | |
| Deferred Pension Inflows | 30,304 | 10,482 | 40,786 | - | - |
| **Total Liabilities and Deferred Inflows** | 1,166,868 | 6,229,139 | 7,396,007 | 36,441 | - |
| **Net Position** | | | | | |
| Net investment in capital assets | 9,975,129 | 9,223,221 | 19,198,350 | 75,841 | - |
| Restricted for - | | | | | |
| Police activities | 2,643 | - | 2,643 | - | - |
| Capital projects | 3,284,578 | - | 3,284,578 | - | - |
| Park and street improvements | 276,267 | | 276,267 | | |
| Debt covenants | - | 2,154,538 | 2,154,538 | - | - |
| Unrestricted | 3,627,165 | 1,741,529 | 5,368,694 | 48,833 | 2,609 |
| Total Net Position | $ 17,165,782 | $ 13,119,288 | $ 30,285,070 | $ 124,674 | $ 2,609 |

See accompanying notes to the basic financial statements.

Concluded

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| General Government | $ 896,850 | $ 66,071 | $ - | $ - |
| Public Safety and Courts | 1,860,617 | 258,529 | 242,264 | 170,677 |
| Public Works | 470,527 | - | 89,121 | 2,162,888 |
| Cemetery | 2,207 | 17,300 | - | - |
| Parks and Recreation | 62,081 | 7,200 | - | 432,972 |
| Library | 7,666 | - | - | 18,706 |
| Planning and Zoning | 95,474 | 357,771 | - | - |
| Code Enforcement | 275,670 | - | - | - |
| Development Authorities | 26,223 | - | - | - |
| Interest on Long-Term Debt | 5,549 | - | - | - |
| Total Governmental Activities | 3,702,864 | 706,871 | 331,385 | 2,785,243 |
| **Business-Type Activities:** | | | | |
| Water | 1,291,391 | 1,279,922 | - | 219,442 |
| Sewer | 1,065,142 | 1,093,351 | - | 402,053 |
| Solid Waste Management | 331,015 | 362,336 | - | - |
| Stormwater Management | 73,098 | 142,176 | - | - |
| Total Business-Type Activities | 2,760,646 | 2,877,785 | - | 621,495 |
| **Total Primary Government** | $ 6,463,510 | $ 3,584,656 | $ 331,385 | $ 3,406,738 |
| **Component Unit:** | | | | |
| Downtown Development Authority | $ 41,425 | $ 19,066 | $ 4,937 | $ - |
| Development Authority | 3,920 | - | 13,149 | - |
| **Total Component Units** | $ 45,345 | $ 19,066 | $ 18,086 | $ - |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property | | | | |
| Franchise | | | | |
| Local option sales | | | | |
| Insurance premium | | | | |
| Other | | | | |
| Investment earnings | | | | |
| Gain on disposal of capital assets | | | | |
| Other | | | | |
| Total General Revenues | | | | |
| Transfers | | | | |
| Total General Revenues and Transfers | | | | |
| Change in Net Position | | | | |
| Net Position - Beginning of Year, Restated | | | | |
| Net Position - End of Year | | | | |

See accompanying notes to the basic financial statements.

| Net (Expense) Revenue and Changes in Net Position | | | | |
|---|---|---|---|---|
| Primary Government | | | Component Units | |
| Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. | Development Authority |
| $ (830,779) | $ - | $ (830,779) | $ - | $ - |
| (1,189,147) | - | (1,189,147) | - | - |
| 1,781,482 | - | 1,781,482 | - | - |
| 15,093 | - | 15,093 | - | - |
| 378,091 | - | 378,091 | - | - |
| 11,040 | - | 11,040 | - | - |
| 262,297 | - | 262,297 | - | - |
| (275,670) | | (275,670) | | |
| (26,223) | - | (26,223) | | |
| (5,549) | - | (5,549) | - | - |
| 120,635 | - | 120,635 | - | - |
| - | 207,973 | 207,973 | - | - |
| - | 430,262 | 430,262 | - | - |
| - | 31,321 | 31,321 | - | - |
| - | 69,078 | 69,078 | - | - |
| - | 738,634 | 738,634 | - | - |
| 120,635 | 738,634 | 859,269 | - | - |
| - | - | - | (17,422) | - |
| - | - | - | - | 9,229 |
| - | - | - | (17,422) | 9,229 |
| 1,458,056 | - | 1,458,056 | - | - |
| 355,031 | - | 355,031 | - | - |
| 916,726 | - | 916,726 | - | - |
| 269,284 | - | 269,284 | - | - |
| 185,603 | - | 185,603 | - | - |
| 3,780 | 3,477 | 7,257 | - | - |
| 145,085 | 1,154 | 146,239 | - | - |
| 39,193 | - | 39,193 | - | - |
| 3,372,758 | 4,631 | 3,377,389 | - | - |
| 61,653 | (61,653) | - | - | - |
| 3,434,411 | (57,022) | 3,377,389 | - | - |
| 3,555,046 | 681,612 | 4,236,658 | (17,422) | 9,229 |
| 13,610,736 | 12,437,676 | 26,048,412 | 142,096 | (6,620) |
| $ 17,165,782 | $ 13,119,288 | $ 30,285,070 | $ 124,674 | $ 2,609 |

**CITY OF SENOIA, GEORGIA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2020**

| | General | Special Revenue Fund Confiscated Assets | Capital Project Funds SPLOST 5 | Capital Project Funds SPLOST 6 | Capital Project Funds Development Impact Fee | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 5,073,468 | $ 2,643 | $ 405,094 | $ 1,326,135 | $ 1,015,753 | $ 7,823,093 |
| Receivables- | | | | | | |
| Accounts | 595 | - | - | - | - | 595 |
| Taxes | 616,767 | - | - | - | - | 616,767 |
| Fines | 57,822 | - | - | - | - | 57,822 |
| Intergovernmental | - | - | 664,609 | 146,775 | - | 811,384 |
| Due from other funds | 1,542 | - | - | - | - | 1,542 |
| Due from component unit | - | - | - | - | - | - |
| Prepaid items | 87,933 | - | - | - | - | 87,933 |
| **Total assets** | $ 5,838,127 | $ 2,643 | $ 1,069,703 | $ 1,472,910 | $ 1,015,753 | $ 9,399,136 |
| **Liabilities** | | | | | | |
| Accounts payable - | $ 91,409 | $ - | $ 121,300 | $ - | $ - | 212,709 |
| Accrued salaries and wages | 18,220 | - | - | - | - | 18,220 |
| Other accrued items | 1,944 | - | - | - | - | 1,944 |
| Due to other funds | 1,438,348 | - | - | - | 1,542 | 1,439,890 |
| Deposits | 2,000 | - | - | - | - | 2,000 |
| Unearned revenues | 183,189 | - | - | - | - | 183,189 |
| Total liabilities | 1,735,110 | - | 121,300 | - | 1,542 | 1,857,952 |
| **Deferred Inflows of Resources** | | | | | | |
| Unavailable revenues | 99,259 | - | 150,946 | - | - | 250,205 |
| **Fund balance** | | | | | | |
| Nonspendable | 87,933 | - | - | - | - | 87,933 |
| Restricted for - | | | | | | |
| Capital projects | - | - | 797,457 | 1,472,910 | 1,014,211 | 3,284,578 |
| Police services | - | 2,643 | - | - | - | 2,643 |
| Park and street improvements | 276,267 | - | - | - | - | 276,267 |
| Assigned for - | | | | | | |
| Appropriation for next year's budget | - | - | - | - | - | - |
| Unassigned | 3,639,558 | - | - | - | - | 3,639,558 |
| Total fund balance | 4,003,758 | 2,643 | 797,457 | 1,472,910 | 1,014,211 | 7,290,979 |
| **Total liabilities, deferred inflows of resources, and fund balance** | $ 5,838,127 | $ 2,643 | $ 1,069,703 | $ 1,472,910 | $ 1,015,753 | $ 9,399,136 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF NET POSITION**
**DECEMBER 31, 2020**

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Total fund balances -- total governmental funds | $ 7,290,979 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 10,124,253 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | |
| Unavailable revenues | 250,205 |
| Deferred inflows and outflows related to the net pension liability is not a current asset or liability: | |
| Deferred outflows | 249,151 |
| Deferred inflows | (30,304) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| Long-term portion of compensated absences | (83,752) |
| Net pension liability | (480,607) |
| Capital lease obligation | (149,124) |
| Accrued interest payable | (5,019) |
| Net position of governmental activities. | $ 17,165,782 |

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

**CITY OF SENOIA, GEORGIA**
**GOVERNMENTAL FUNDS**
**STATEMENT OF REVENUES, EXPENDITURES**
**AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | General | Special Revenue Fund Confiscated Assets | Capital Projects Fund SPLOST 5 | Capital Projects Fund SPLOST 6 | Capital Projects Fund Development Impact Fee | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes | $ 3,135,546 | $ - | $ - | $ - | $ - | $ 3,135,546 |
| Licenses and Permits | 437,362 | - | - | - | - | 437,362 |
| Fines, Fees and Forfeitures | 244,235 | - | - | - | - | 244,235 |
| Charges for Services | 71,454 | - | - | - | 202,311 | 273,765 |
| Intergovernmental | 282,658 | - | 2,023,226 | 823,597 | - | 3,129,481 |
| Interest | 3,604 | - | 155 | 191 | 155 | 4,105 |
| Rental income | 7,200 | - | - | - | - | 7,200 |
| Other | 128,341 | - | - | - | - | 128,341 |
| **Total revenues** | 4,310,400 | - | 2,023,381 | 823,788 | 202,466 | 7,360,035 |
| **EXPENDITURES** | | | | | | |
| Current | | | | | | |
| Governing Body | 27,840 | - | - | - | - | 27,840 |
| General Government | 763,561 | - | - | - | - | 763,561 |
| Government Buildings | 80,858 | - | - | - | - | 80,858 |
| Municipal Court | 210,177 | - | - | - | - | 210,177 |
| Public Safety | 1,449,189 | - | - | - | - | 1,449,189 |
| Highways and Streets | 392,554 | - | - | - | - | 392,554 |
| Cemetery | - | - | - | - | - | - |
| Parks | 1,723 | - | - | - | - | 1,723 |
| Planning and Zoning | 95,363 | - | - | - | - | 95,363 |
| Development Authorities | 23,929 | - | - | - | - | 23,929 |
| Code Enforcement | 271,823 | - | - | - | - | 271,823 |
| Debt Service - | | | | | | |
| Principal | 70,781 | - | - | - | - | 70,781 |
| Interest | 7,740 | - | - | - | - | 7,740 |
| Capital Outlay | 87,754 | - | 2,217,388 | 65,811 | 8,739 | 2,379,692 |
| **Total expenditures** | 3,483,292 | - | 2,217,388 | 65,811 | 8,739 | 5,775,230 |
| Excess of revenues over (under) expenditures | 827,108 | - | (194,007) | 757,977 | 193,727 | 1,584,805 |
| **Other financing sources (uses):** | | | | | | |
| Proceeds from capital lease obligation | - | - | - | - | - | - |
| Proceeds from disposition of capital assets | 147,049 | - | - | - | - | 147,049 |
| Transfers | 61,653 | - | - | - | - | 61,653 |
| **Total other financing sources (uses):** | 208,702 | - | - | - | - | 208,702 |
| Net change in fund balance | 1,035,810 | - | (194,007) | 757,977 | 193,727 | 1,793,507 |
| Fund balance - beginning | 2,967,948 | 2,643 | 991,464 | 714,933 | 820,484 | 5,497,472 |
| **Fund balance - ending** | $ 4,003,758 | $ 2,643 | $ 797,457 | $ 1,472,910 | $ 1,014,211 | $ 7,290,979 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | |
|---|---|
| Net change in fund balances -- total governmental funds | $ 1,793,507 |
| 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. | |
| Capital outlay | 2,396,407 |
| Depreciation | (357,421) |
| The net effect of other miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position. This is the amount of net book value of assets disposed of during the current period: | |
| Sales or abandonment of assets | (1,962) |
| Contributions of capital asset to Stormwater Fund | - |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances related to timing differences. | |
| Unavailable revenues | (308,859) |
| Proceeds from long-term debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | |
| Proceeds from debt issues | - |
| Repayments of principal | 70,781 |
| 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: | |
| Change in net pension liability and related deferred items | (51,466) |
| Change in accrued interest payable | 2,191 |
| Change in long-term portion of accrued compensated absences | 11,868 |
| Change in net position of governmental activities. | $ 3,555,046 |

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

**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND**
**CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | BUDGET AMOUNTS | | | |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | VARIANCE |
| **REVENUES** | | | | |
| Taxes | $ 2,880,400 | $ 2,977,499 | $ 3,135,546 | $ 158,047 |
| Licenses and Permits | 335,800 | 335,800 | 437,362 | 101,562 |
| Intergovernmental Grants | 50,000 | 50,000 | 282,658 | 232,658 |
| Charges for Services | 113,500 | 113,500 | 71,454 | (42,046) |
| Fines, Fees and Forfeitures | 345,500 | 345,500 | 244,235 | (101,265) |
| Investment Income | 3,500 | 3,500 | 3,604 | 104 |
| Rents | 14,000 | 14,000 | 7,200 | (6,800) |
| Miscellaneous | 36,000 | 36,000 | 128,341 | 92,341 |
| **Total revenues** | 3,778,700 | 3,875,799 | 4,310,400 | 434,601 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Governing Body | 36,000 | 36,000 | 27,840 | 8,160 |
| Financial Administration | 965,700 | 958,500 | 763,561 | 194,939 |
| Government Buildings | 70,100 | 80,858 | 80,858 | - |
| Municipal Court | 267,200 | 271,200 | 210,177 | 61,023 |
| Public Safety | 1,444,100 | 1,449,189 | 1,449,189 | - |
| Public Works | 542,200 | 542,200 | 392,554 | 149,646 |
| Cemetery | 4,000 | 4,000 | - | 4,000 |
| Code Enforcement | 197,000 | 271,823 | 271,823 | - |
| Parks | 4,000 | 4,000 | 1,723 | 2,277 |
| Planning and Zoning | 96,100 | 96,100 | 95,363 | 737 |
| Development Authorities | 14,300 | 23,929 | 23,929 | - |
| Debt Service | | | | |
| Principal | 124,800 | 124,800 | 70,781 | 54,019 |
| Interest | 1,200 | 1,200 | 7,740 | (6,540) |
| Capital Outlay | 32,000 | 32,000 | 87,754 | (55,754) |
| **Total expenditures** | 3,798,700 | 3,895,799 | 3,483,292 | 412,507 |
| Excess of revenues over (under) expenditures | (20,000) | (20,000) | 827,108 | 847,108 |
| **Other financing sources (uses):** | | | | |
| Proceeds from capital lease | - | - | - | - |
| Proceeds from disposition of capital assets | - | - | 147,049 | 147,049 |
| Transfers | 20,000 | 20,000 | 61,653 | 41,653 |
| **Total other financing sources (uses):** | 20,000 | 20,000 | 208,702 | 188,702 |
| Net change in fund balance | - | - | 1,035,810 | 1,035,810 |
| Fund balance - beginning | 2,967,948 | 2,967,948 | 2,967,948 | - |
| **Fund balance - ending** | $ 2,967,948 | $ 2,967,948 | $ 4,003,758 | $ 1,035,810 |

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

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**BUDGET (GAAP BASIS) AND ACTUAL**
**CONFISCATED ASSETS SPECIAL REVENUE FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Budget Amounts | | | |
|---|---|---|---|---|
| Revenues: | Original Budget | Final Budget | Actual | Variance |
| Forfeitures | $ 2,400 | $ 2,400 | $ - | $ (2,400) |
| Interest | 100 | 100 | - | (100) |
| Total Revenue | 2,500 | 2,500 | - | (2,500) |
| Expenditures: | | | | |
| Current | | | | |
| Police activity | 2,500 | 2,500 | - | 2,500 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 2,500 | 2,500 | - | 2,500 |
| Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses) | - | - | - | - |
| Other Sources and (Uses) | | | | |
| Transfers | - | - | - | - |
| Total Other Sources and (Uses) | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund Balance - Beginning of Year | 2,643 | 2,643 | 2,643 | - |
| Fund Balance - End of Year | $ 2,643 | $ 2,643 | $ 2,643 | $ - |

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

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2020**

| | Water | Sewer | Sanitation | Stormwater | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash | $ 271,548 | $ 333,566 | $ - | $ - | $ 605,114 |
| Receivables- | | | | | |
| Accounts (net) | 122,542 | 119,542 | 24,635 | 9,871 | 276,590 |
| Other | - | - | - | - | - |
| Due from other funds | 1,044,265 | 330,920 | - | 63,163 | 1,438,348 |
| Inventory | 4,729 | - | - | - | 4,729 |
| Restricted assets | | | | | |
| Cash | 91,646 | 1,954,234 | - | - | 2,045,880 |
| Investments | 108,658 | - | - | - | 108,658 |
| Total current assets | 1,643,388 | 2,738,262 | 24,635 | 73,034 | 4,479,319 |
| **Noncurrent assets** | | | | | |
| Capital assets | | | | | |
| Land | 45,647 | 1,430,674 | - | 175,461 | 1,651,782 |
| Construction in progress | 14,747 | 763,840 | - | 51,091 | 829,678 |
| Buildings | 241,597 | - | - | - | 241,597 |
| Improvements other than buildings | 5,570,454 | 10,267,101 | - | 803,702 | 16,641,257 |
| Vehicles | 35,150 | 210,685 | - | - | 245,835 |
| Machinery and equipment | 1,179,015 | 643,064 | - | - | 1,822,079 |
| Accumulated depreciation | (2,863,097) | (3,707,503) | - | (78,700) | (6,649,300) |
| Capital assets (net of depreciation) | 4,223,513 | 9,607,861 | - | 951,554 | 14,782,928 |
| Total noncurrent assets | 4,223,513 | 9,607,861 | - | 951,554 | 14,782,928 |
| **Total assets** | 5,866,901 | 12,346,123 | 24,635 | 1,024,588 | 19,262,247 |
| **Deferred items** | | | | | |
| Deferred pension outflows | 53,988 | 32,192 | - | - | 86,180 |
| Total assets and deferred items | 5,920,889 | 12,378,315 | 24,635 | 1,024,588 | 19,348,427 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2020**

| | Water | Sewer | Sanitation | Stormwater | Total |
|---|---|---|---|---|---|
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Accounts payable - | $ 30,096 | $ 235,971 | $ 28,215 | $ 3,112 | $ 297,394 |
| Customer deposits | 148,173 | - | - | - | 148,173 |
| Due to other funds | - | - | - | - | - |
| Accrued compensated absences | 29,633 | 3,677 | - | - | 33,310 |
| Accrued salaries | 4,920 | 3,354 | - | - | 8,274 |
| Current liabilities payable from restricted assets - | | | | | - |
| Revenue bonds | 45,000 | 106,537 | - | - | 151,537 |
| Notes | 49,256 | - | - | - | 49,256 |
| Capital lease | 20,062 | - | - | - | 20,062 |
| Accrued interest | 2,498 | 3,062 | - | - | 5,560 |
| Total current liabilities | 329,638 | 352,601 | 28,215 | 3,112 | 713,566 |
| **Long-term liabilities** | | | | | |
| Revenue bonds | - | 4,150,457 | - | - | 4,150,457 |
| Notes payable | 610,833 | - | - | - | 610,833 |
| Capital lease | 577,562 | - | - | - | 577,562 |
| Net pension liability | 104,142 | 62,097 | - | - | 166,239 |
| Total long-term liabilities | 1,292,537 | 4,212,554 | - | - | 5,505,091 |
| Total liabilities | 1,622,175 | 4,565,155 | 28,215 | 3,112 | 6,218,657 |
| **Deferred items** | | | | | |
| Deferred pension outflows | 6,567 | 3,915 | - | - | 10,482 |
| **Net Position** | | | | | |
| Net investment in capital assets | 2,920,800 | 5,350,867 | - | 951,554 | 9,223,221 |
| Restricted for capital projects | - | - | - | - | - |
| Restricted under debt covenants | 200,304 | 1,954,234 | - | - | 2,154,538 |
| Unrestricted | 1,171,043 | 504,144 | (3,580) | 69,922 | 1,741,529 |
| Total Net Position | $ 4,292,147 | $ 7,809,245 | $ (3,580) | $ 1,021,476 | $ 13,119,288 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**PROPRIETARY FUNDS**
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Water | Sewer | Sanitation | Stormwater | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for services - | | | | | |
| Sales and services | $ 1,225,625 | $ 884,590 | $ 362,336 | $ 142,176 | $ 2,614,727 |
| Penalties and reconnect fees | 26,949 | - | - | - | 26,949 |
| Miscellaneous | 27,348 | 208,761 | - | - | 236,109 |
| Total operating revenues | 1,279,922 | 1,093,351 | 362,336 | 142,176 | 2,877,785 |
| **OPERATING EXPENSES** | | | | | |
| Purchase of product / service | 109,695 | - | 329,515 | - | 439,210 |
| Salaries and related cost | 457,328 | 293,282 | - | - | 750,610 |
| Supplies and materials | 134,012 | 49,548 | - | - | 183,560 |
| Repairs and maintenance | 131,721 | 141,609 | - | - | 273,330 |
| Utilities | 35,400 | 111,952 | - | - | 147,352 |
| Depreciation and amortization | 185,460 | 237,439 | - | 19,821 | 442,720 |
| Other | 159,166 | 42,694 | 1,500 | 53,277 | 256,637 |
| Total operating expenses | 1,212,782 | 876,524 | 331,015 | 73,098 | 2,493,419 |
| Operating income (loss) | 67,140 | 216,827 | 31,321 | 69,078 | 384,366 |
| Non-operating revenues and (expenses) | | | | | |
| Interest earned | 1,684 | 1,793 | - | - | 3,477 |
| Gain (Loss) on sale of capital assets | 1,154 | - | - | - | 1,154 |
| Interest expense | (78,609) | (188,618) | - | - | (267,227) |
| Total non-operating revenues (expenses) | (75,771) | (186,825) | - | - | (262,596) |
| Income before transfers and capital contributions | (8,631) | 30,002 | 31,321 | 69,078 | 121,770 |
| Capital contributions - | | | | | |
| SPLOST Fund | - | - | - | - | - |
| General Fund | - | - | - | - | - |
| Developers | 219,442 | 402,053 | - | - | 621,495 |
| Transfers | - | - | (61,653) | - | (61,653) |
| Change in net position | 210,811 | 432,055 | (30,332) | 69,078 | 681,612 |
| NET POSITION - BEGINNING | 4,081,336 | 7,377,190 | 26,752 | 952,398 | 12,437,676 |
| **NET POSITION - ENDING** | $ 4,292,147 | $ 7,809,245 | $ (3,580) | $ 1,021,476 | $ 13,119,288 |

See accompanying notes to the basic financial statements.

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**CITY OF SENOIA, GEORGIA**
**PROPRIETARY FUNDS**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Water | Sewer | Sanitation | Stormwater | Total |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Cash received from customers and users | $ 1,312,643 | $ 1,070,655 | $ 364,453 | $ 143,201 | $ 2,890,952 |
| Cash paid to suppliers for goods | (677,056) | (182,603) | (302,800) | (50,165) | (1,212,624) |
| Cash paid to employees | (323,700) | (234,900) | - | - | (558,600) |
| Net cash provided from operating activities | 311,887 | 653,152 | 61,653 | 93,036 | 1,119,728 |
| **Cash flows from investing activities:** | | | | | |
| Interest received | 1,684 | 1,793 | - | - | 3,477 |
| (Purchase) / redemption of investments | (490) | - | - | - | (490) |
| Net cash from investing activities | 1,194 | 1,793 | - | - | 2,987 |
| **Cash flows from non-capital financing activities:** | | | | | |
| Transfers | - | - | (61,653) | - | (61,653) |
| Change in net pension liability and related deferred items | 11,153 | 6,649 | - | - | 17,802 |
| Change in due to/from other funds | (171,840) | (149,377) | - | (80,611) | (401,828) |
| Net cash flows from non-capital financing activities | (160,687) | (142,728) | (61,653) | (80,611) | (445,679) |
| **Cash flows from capital financing activities:** | | | | | |
| Proceeds from long-term debt | - | - | - | - | - |
| Principal payments on long-term debt | (86,467) | (101,951) | - | - | (188,418) |
| Interest paid | (81,534) | (188,689) | - | - | (270,223) |
| Capital contributions | 219,442 | 402,053 | - | - | 621,495 |
| Purchase / construction of capital assets | (204,284) | (600,038) | - | (12,425) | (816,747) |
| Proceeds from grants | - | - | - | - | - |
| Proceeds from sale of capital assets | 1,154 | - | - | - | 1,154 |
| Net cash flows from capital financing activities | (151,689) | (488,625) | - | (12,425) | (652,739) |
| Net cash flows | 705 | 23,592 | - | - | 24,297 |
| Cash and cash equivalents - beginning | 362,489 | 2,264,208 | - | - | 2,626,697 |
| **Cash and cash equivalents - ending** | $ 363,194 | $ 2,287,800 | $ - | $ - | $ 2,650,994 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**PROPRIETARY FUNDS**
**STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

| | Water | Sewer | Sanitation | Stormwater | Total |
|---|---|---|---|---|---|
| **Operating income (loss)** | $ 67,140 | $ 216,827 | $ 31,321 | $ 69,078 | $ 384,366 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 185,460 | 237,439 | - | 19,821 | 442,720 |
| Land contribution to the Housing Authority | - | - | - | - | - |
| (Increase) decrease in receivables | 15,021 | (22,696) | 2,117 | 1,025 | (4,533) |
| (Increase) decrease in inventory | - | - | - | - | - |
| Increase (decrease) in accounts payable | 28,034 | 234,742 | 28,215 | 3,112 | 294,103 |
| Increase (decrease) in customer deposits | 17,700 | - | - | - | 17,700 |
| Increase (decrease) in accrued liabilities | (1,468) | (13,160) | - | - | (14,628) |
| Total adjustments | 244,747 | 436,325 | 30,332 | 23,958 | 735,362 |
| **Net cash from operating activities** | $ 311,887 | $ 653,152 | $ 61,653 | $ 93,036 | $ 1,119,728 |
| **Non-cash transactions -** | | | | | |
| Contribution of land to the Senoia Housing Authority | $ - | $ - | $ - | $ - | $ - |
| Contribution of land from a developer to be used for the construction site of a new sewer plant | $ - | $ - | $ - | $ - | $ - |

See accompanying notes to the basic financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

### B. The Reporting Entity

The City of Senoia, Georgia (the City) was established in 1866 and is located in Coweta County about 40 miles south of Atlanta. The City provides a full range of services to approximately 3,400 residents. These services are provided in whole by the City. These services include public safety, highways and streets, water and sewer, sanitation, public improvements, planning and zoning, parks and recreation, library, cemetery and general administrative services.

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organization's for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. 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 regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. As a result the City has included the Downtown Development Authority and the Development Authority of the City of Senoia as discretely presented component units in the City's financial report. The City has excluded from the City's financial report the Senoia Housing Authority, a related party, since the City is not responsible for the Authority's financial burdens.

Aggregate discretely presented component units –

One of the component unit columns in the Government – Wide Financial Statements includes the financial data of City of Senoia, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Senoia, Georgia Downtown Development Authority was organized to develop and promote commerce, industry and general welfare within the downtown area of the City. The City appoints the Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund and contributions from individuals and private companies. Separate financial statements for the Authority are not issued.

In 2013 the City created the Development Authority of the City of Senoia. This Authority is also included in the Government-Wide Financial Statements of the City of Senoia, Georgia as a discretely presented component unit. The Development Authority was created to develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities in the City and to exercise the powers contained in the development authorities law of the State of Georgia. The City also appoints this Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund and other resources approved under the development authorities law. Separate financial statements for the Authority are not issued.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets, restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column.

**Governmental Fund Types** – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Confiscated Assets Special Revenue Fund** – This fund is used to account for assets seized by the City during investigations into illegal drug activities.

**The SPLOST Capital Projects Funds** – These funds are used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Coweta County, Georgia through the special purpose local option sales tax referendums.

**The Development Impact Fee Capital Projects Fund** – This fund is used to account for monies collected under the City's Development Impact Fee Ordinance as adopted in fiscal year 2003. Monies collected under this ordinance can only be expended for the category of system improvements within the service area (City limits of Senoia) for which the development impact fee was assessed and collected.

**Proprietary Fund Type** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

**The Water Enterprise Fund** – This fund is used to account for activities connected with the development, operation and maintenance of water in the City of Senoia and parts of Coweta County.

**The Sewer Enterprise Fund** – This fund is used to account for activities connected with the development, operation and maintenance of sewer in the City of Senoia and parts of Coweta County.

**Solid Waste Management Enterprise Fund** - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

**Stormwater Utility Fund** – This fund accounts for activities associated with the City's stormwater runoff. Stormwater activities are financed with stormwater charges that began to be assessed by the City during 2016.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### E. Measurement Focus

**Government-wide Financial Statements** – The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows and outflows of resources associated with the operation of the City are included on the statement of net position.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows and outflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, liabilities and deferred inflows and outflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

### F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### 1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### 2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### F. Basis of Accounting, continued

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as unavailable revenues.

### G. 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 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.

In applying GASB Statement No. 31, 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.

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

### H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories of the Water and Sewer Funds, if any, consist of various repair parts and supplies.

### I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2020 are recorded as prepaid items and are expensed during the period benefited.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### J. Restricted Assets

Certain proceeds from the Water and Sewer Enterprise Fund's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "debt service reserve fund" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

### 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 the respective funds.

Capital assets purchased or acquired with an original cost of $3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings and improvements | 30-50 years |
| Improvement other than buildings | 25-50 years |
| Infrastructure | 30-50 years |
| Office equipment | 10-20 years |
| Furniture and fixtures | 10-20 years |
| Vehicles | 5-10 years |
| Machinery and equipment | 5-10 years |

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

### L. Bond Premiums, Discounts and Issuance Cost

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types and government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method while issuance costs are expensed in the year incurred. Bonds payable are reported at their unpaid balance.

(See Independent Auditor's Report)

## 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 liability 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. Revenues

Substantially all governmental fund revenues are accrued. When applicable, property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue 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 deferred revenue by the recipient.

### O. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

### P. Compensated Absences

The City accrues accumulated unpaid vacation and sick leave benefits, which will be paid to employees upon separation from service, when earned (or estimated to be earned) by the employee. The noncurrent 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 Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

### Q. 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 at market or near market rates, are treated as revenues and expenditures/expenses. 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.

### R. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

(See Independent Auditor's Report).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category as of December 31, 2020 which is deferred pension outflows recognized in the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, probation fines, and intergovernmental revenues. In addition, the City recognizes deferred pension inflows in its Statement of Net Position under governmental activities.

### T. Fund Balance – Governmental Funds

As of December 31, 2020, fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of City of Senoia's Council. Senoia's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

**Unassigned** – all other spendable amounts.

(See Independent Auditor's Report).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### T. Fund Balance – Governmental Funds, Continued

As of December 31, 2020, fund balances are composed of the following:

| | Non-Spendable - Prepaids | Restricted: Capital Outlay | Restricted: Police Activities | Restricted: Park & Street Improvements | Unassigned |
|---|---|---|---|---|---|
| General Fund | $ 87,933 | $ - | $ - | $ 276,267 | $ 3,639,558 |
| Confiscated Assets Fund | - | - | 2,643 | - | - |
| SPLOST Fund #5 | - | 797,457 | - | - | - |
| SPLOST Fund #6 | - | 1,472,910 | - | - | - |
| Development Impact Fee Fund | - | 1,014,211 | - | - | - |
| Total | $ 87,933 | $ 3,284,578 | $ 2,643 | $ 276,267 | $ 3,639,558 |

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

### U. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used 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's government-wide statement of net position reports $5,718,026 in restricted net position, of which $3,287,221 is restricted by enabling legislation.

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

### V. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

### W. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(See Independent Auditor's Report).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### X. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all of the City's funds. 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 a resolution. 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 generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Final budgets amounts, as reported in the financial statements, are amended in June 2021. All annual appropriations lapse at year end.

### Y. 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 Senoia Retirement Plan (SRP) and additions to/deductions from SRP's fiduciary net position have been determined on the same basis as they are reported in the SRP. For this purpose, benefit payments (including refunds of employee contributions, if applicable) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## 2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows the State's requirement for all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2020, $10,161,543 of the government's bank balance of $10,661,543 was exposed to custodial credit risk as follows:

The City's deposits are classified as follows at December 31, 2020:

| | |
|---|---|
| Uninsured and uncollateralized | $ - |
| Collateralized with securities held by pledging financial institution or its agent | 10,161,543 |
| Total | $ 10,161,543 |

**Investments**

Investments - Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

Investments as of December 31, 2020, consisted of certificates of deposits and are included in the above-mentioned bank balances. Investments are stated at cost plus accrued interest, which approximates fair value.

(See Independent Auditor's Report).

## 3. PROPERTY TAX

Property taxes were levied on August 17, 2020 and are due 60 days after the receipt of the tax notice. Property taxes attach as an enforceable lien on the property as of January 1. A local option sales tax is in force. Proceeds from this tax are remitted to the City on a monthly basis and are utilized to give property tax owners tax relief. The City has obtained the service of Coweta County to bill and collect the City's property taxes. The County remits monies collected to the City on a semi-monthly basis. Property taxes receivable at December 31, 2020 amounted to $198,675.

## 4. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables reported in the fund financial statements for the year ended December 31, 2020 consist of the following:

| | Revenue | Receivable |
|---|---|---|
| **General Fund** | | |
| CARES Act Grant | $ 230,958 | $ - |
| LMIG | 51,700 | - |
| **Development Impact Fee Fund** | | |
| Multi-Use Trail | - | - |
| **SPLOST 5 Fund** | | |
| Georgia Department of Transportation - Street Improvements | 1,943,226 | 664,609 |
| Atlanta Regional Commission - Pedestriam & Streetscape Improvements | 80,000 | - |
| **SPLOST 6 Fund** | | |
| Coweta County, Georgia - SPLOST Agreement | 823,597 | 146,775 |
| Total Capital Contributions from grants | $ 3,129,481 | $ 811,384 |

(See Independent Auditor's Report)

## 5. RECEIVABLES

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

| | General | SPLOST 5 | SPLOST 6 | Development Impact Fee | Total |
|---|---|---|---|---|---|
| Taxes | $ 616,767 | $ - | $ - | $ - | $ 616,767 |
| Fines | 115,822 | - | - | - | 115,822 |
| Accounts | 595 | - | - | - | 595 |
| Intergovernmental | - | 664,609 | 146,775 | - | 811,384 |
| Gross Receivables | 733,184 | 664,609 | 146,775 | - | 1,544,568 |
| Less: Allowance for Uncollectibles | (58,000) | - | - | - | (58,000) |
| Net Total Receivables | $ 675,184 | $ 664,609 | $ 146,775 | $ - | $ 1,486,568 |

**Proprietary Funds**

| | Water | Sewer | Solid Waste Management | Stromwater Management | Total |
|---|---|---|---|---|---|
| Accounts | $ 157,542 | $ 149,542 | $ 39,635 | $ 11,871 | $ 358,590 |
| Less: Allowance for Uncollectibles | (35,000) | (30,000) | (15,000) | (2,000) | (82,000) |
| Net Total Receivable | $ 122,542 | $ 119,542 | $ 24,635 | $ 9,871 | $ 276,590 |

## 6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2020 were as follows:

| | Payable From | | | | |
|---|---|---|---|---|---|
| Payable To | General | Dev. Impact Fee | SPLOST 5 | Stormwater | Totals |
| General | $ - | $ 1,542 | $ - | $ - | $ 1,542 |
| SPLOST 5 | - | - | - | - | - |
| Stormwater | 63,163 | - | - | - | 63,163 |
| Water | 1,044,265 | - | - | - | 1,044,265 |
| Sewer | 330,920 | - | - | - | 330,920 |
| Totals | $ 1,438,348 | $ 1,542 | $ - | $ - | $ 1,439,890 |

(See Independent Auditor's Report)

## 6. INTER-FUND TRANSACTIONS, Continued

The City's General Fund's operating bank account receives all deposits from the General Fund, and from the Water, Sewer, and Stormwater Fund's operations. All monies collected for the Water, Sewer and Stormwater Funds and all expenditures paid for the Water, Sewer and Stormwater Funds are made through the General Fund's operating bank account. The cumulative net amount over the years (receipts over expenditures) is either due to or due from the Water, Sewer and Stormwater Funds. The amount due from SPLOST 5 to the General Fund is for qualifying expenditures paid from the General Fund and not reimbursed as of December 31, 2020.

Individual fund interfund transfers for the year ended December 31, 2020 were as follows:

| Transfer To | Transfer From: Solid Waste | Transfer From: General | Totals |
|---|---|---|---|
| General | $ 61,653 | $ - | $ 61,653 |
| Stormwater | - | - | - |
| Total | $ 61,653 | $ - | $ 61,653 |

During the fiscal year ended December 31, 2020, the Solid Waste Fund transferred $61,653 to the General Fund as a result of net cash flows.

(See Independent Auditor's Report)

## 7. PROPERTY, PLANT AND EQUIPMENT

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,716,287 | $ - | $ - | $ 1,716,287 |
| Construction in progress | 1,411,513 | 2,218,088 | - | 3,629,601 |
| Total | 3,127,800 | 2,218,088 | - | 5,345,888 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 2,273,498 | - | - | 2,273,498 |
| Improvements other than buildings | 420,046 | 8,031 | - | 428,077 |
| Infrastructure | 3,058,750 | - | - | 3,058,750 |
| Machinery and equipment | 942,617 | 76,201 | (153,140) | 865,678 |
| Office equipment | 99,529 | - | - | 99,529 |
| Vehicles, including related equipment | 1,187,978 | 76,032 | - | 1,264,010 |
| Furniture and fixtures | 91,310 | 18,055 | - | 109,365 |
| Total capital assets being depreciated | 8,073,728 | 178,319 | (153,140) | 8,098,907 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 704,254 | 57,193 | - | 761,447 |
| Improvements other than buildings | 164,799 | 13,720 | - | 178,519 |
| Infrastructure | 666,669 | 82,538 | - | 749,207 |
| Machinery and equipment | 657,141 | 62,338 | (151,178) | 568,301 |
| Office equipment | 74,688 | 8,170 | - | 82,858 |
| Vehicles, including related equipment | 761,307 | 129,593 | - | 890,900 |
| Furniture and other equipment | 85,441 | 3,869 | - | 89,310 |
| Total accumulated depreciation | 3,114,299 | 357,421 | (151,178) | 3,320,542 |
| Total capital assets being depreciated, net | 4,959,429 | (179,102) | (1,962) | 4,778,365 |
| Governmental capital assets, net | $ 8,087,229 | $ 2,038,986 | $ (1,962) | $ 10,124,253 |

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

| | |
|---|---|
| General Government | $ 26,902 |
| Police | 188,856 |
| Highways and Streets | 71,630 |
| Planning and Zoning | - |
| Cemetery | 2,207 |
| Parks and Recreation | 60,349 |
| Library | 7,477 |
| Total depreciation expense | $ 357,421 |

See Independent Auditor's Report)

## 7. PROPERTY, PLANT AND EQUIPMENT – (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,651,782 | $ - | $ - | $ 1,651,782 |
| Construction in progress | 525,715 | 303,963 | - | 829,678 |
| Total | 2,177,497 | 303,963 | - | 2,481,460 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 241,597 | - | - | 241,597 |
| Improvements other than buildings | 16,498,359 | 142,898 | - | 16,641,257 |
| Vehicles | 152,811 | 93,025 | - | 245,836 |
| Machinery and equipment | 1,545,217 | 276,861 | - | 1,822,078 |
| Total capital assets being depreciated | 18,437,984 | 512,784 | - | 18,950,768 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 81,078 | 6,040 | - | 87,118 |
| Improvements other than buildings | 5,429,126 | 336,617 | - | 5,765,743 |
| Vehicles | 152,812 | 3,373 | - | 156,185 |
| Machinery and equipment | 543,563 | 96,691 | - | 640,254 |
| Total capital assets being depreciated | 6,206,579 | 442,721 | - | 6,649,300 |
| Total capital assets being depreciated, net | 12,231,405 | 70,063 | - | 12,301,468 |
| Business-Type Activities capital assets, net | $ 14,408,902 | $ 374,026 | $ - | $ 14,782,928 |

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---|
| Water | $ 185,461 |
| Sewer | 237,439 |
| Stormwater | 19,821 |
| Total depreciation expense | 442,721 |
| Added through transfer from governmental funds | - |
| Total | $ 442,721 |

(See Independent Auditor's Report)

## 8. 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:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Capital Leases - Equipment | $ 219,904 | $ - | $ (70,780) | $ 149,124 | $ 73,272 |
| Accrued Compensated Absences | 95,620 | - | (11,868) | 83,752 | - |
| Total Governmental Activity Long-Term Debt | $ 315,524 | $ - | $ (82,648) | $ 232,876 | $ 73,272 |
| **Business-Type Activities** | | | | | |
| Revenue Bonds - GMAC | $ 90,000 | $ - | $ (45,000) | $ 45,000 | $ 45,000 |
| Revenue Bonds - Rural Dev | 4,358,945 | - | (101,951) | 4,256,994 | 106,537 |
| GEFA Notes Payable | 683,459 | - | (23,369) | 660,090 | 49,256 |
| Capital Lease | 615,721 | - | (18,098) | 597,623 | 20,062 |
| Total Business-Type Activity Long-Term Debt | $ 5,748,125 | $ - | $ (188,418) | $ 5,559,707 | $ 220,855 |

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities.

The Water Enterprise Fund is used to liquidate the revenue bonds – GMAC and the GEFA Notes. The Sewer Fund is used to liquidate the revenue bonds – Rural Development.

**Governmental Activities Long-Term Debt –**

**Capital Lease Obligations –**

**Equipment –**

The City has entered into a lease-purchase and security agreement for the purchase of six police vehicles and related equipment. The City intends to continue to abide by the terms of the lease agreement and eventually own the assets. The assets and related liability are recorded at the present value of future payments due under the lease. The original cost of the assets amounted to $288,278 and had $41,183 of depreciation expense recorded for the year. Accumulated depreciation on the equipment amounted to $120,117 as of December 31, 2020. The interest rate associated with the lease agreement is 3.52%.

(See Independent Auditor's Report)

## 8. LONG-TERM DEBT - (Continued)

**Governmental Activities Long-Term Debt – (Continued)**

**Capital Lease Obligation –**

Annual repayment requirements under the capital lease obligation agreements are as follows:

| F/Y/E | Capital Leases | | | | | |
|---|---|---|---|---|---|---|
| | Vehicles | | Equipment | | TOTALS | |
| DECEMBER 31, | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST |
| 2021 | 73,272 | 5,248 | - | - | 73,272 | 5,248 |
| 2022 | 75,852 | 2,670 | - | - | 75,852 | 2,670 |
| TOTALS | $ 149,124 | $ 7,918 | $ - | $ - | $ 149,124 | $ 7,918 |

**Business-Type Activities Long-Term Debt –**

The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Facilities Authority 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 related to bonds and notes issued in prior years and the current year to finance construction projects to improve the City's water distribution and wastewater treatment facilities.

**Water and Sewer Long-Term Debt – Continued**
Water and Sewer Enterprise Fund long-term liabilities outstanding at year end are as follows:

| | |
|---|---|
| Water Revenue Bonds in the amount of $812,000, with interest at 5.0%, annual principal and interest payments ranging from $49,250 to $51,500 until December 2021 | $ 45,000 |
| Water capital lease payable to a Georgia corporation in the total amount of $615,721, interest imputed at 10.35%, due in equal monthly installments of $6,749, matures in 2035 | 597,623 |
| Water note payable to the Georgia Environmental Facilities Authority, in the amount of $1,014,166, interest at 4%, matures in 2031 | 660,090 |
| Sewer Revenue Bonds in the amount of $5,430,300, interest at 4.375%, payable in monthly installments of $24,200, matures June 2044 | 4,256,994 |
| Total Business-Type Activities Long-Term Debt | $5,559,707 |

(See Independent Auditor's Report)

## 8. LONG-TERM DEBT - (Continued)

Annual repayment requirements to amortize all long-term obligations as they mature are as follows:

| F/Y/E | Sewer Fund | | Water Fund | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Revenue Bonds | | Notes Payable | | Revenue Bonds | | Capital Lease | |
| December 31, | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | $ 106,537 | $ 184,103 | $ 49,256 | $ 25,781 | $ 45,000 | $ 2,250 | $ 20,062 | $ 60,920 |
| 2022 | 111,293 | 179,347 | 51,365 | 23,672 | - | - | 22,240 | 58,742 |
| 2023 | 116,260 | 174,380 | 53,565 | 21,472 | - | - | 24,654 | 56,328 |
| 2024 | 121,450 | 169,190 | 55,858 | 19,179 | - | - | 27,331 | 53,651 |
| 2025 | 126,871 | 163,769 | 58,250 | 16,787 | - | - | 30,297 | 50,685 |
| 2026 | 132,535 | 158,105 | 60,744 | 14,293 | - | - | 33,586 | 47,396 |
| 2027 | 138,451 | 152,189 | 63,345 | 11,692 | - | - | 37,232 | 43,750 |
| 2028 | 144,631 | 146,009 | 66,057 | 8,980 | - | - | 41,274 | 39,708 |
| 2029 | 151,087 | 139,553 | 68,886 | 6,151 | - | - | 45,754 | 35,228 |
| 2030 | 157,831 | 132,809 | 71,835 | 3,202 | - | - | 50,721 | 30,261 |
| 2031 | 164,876 | 125,764 | 60,929 | 14,108 | - | - | 56,227 | 24,755 |
| 2032 | 172,236 | 118,404 | - | - | - | - | 62,331 | 18,651 |
| 2033 | 179,925 | 110,715 | - | - | - | - | 69,097 | 11,885 |
| 2034 | 187,956 | 102,684 | - | - | - | - | 76,817 | 4,165 |
| 2035 | 196,346 | 94,294 | - | - | - | - | - | - |
| 2036 | 205,110 | 85,530 | - | - | - | - | - | - |
| 2037 | 214,266 | 76,374 | - | - | - | - | - | - |
| 2038 | 223,831 | 66,809 | - | - | - | - | - | - |
| 2039 | 233,822 | 56,818 | - | - | - | - | - | - |
| 2040 | 244,259 | 46,381 | - | - | - | - | - | - |
| 2041 | 255,163 | 35,477 | - | - | - | - | - | - |
| 2042 | 266,552 | 24,088 | - | - | - | - | - | - |
| 2043 | 278,451 | 12,189 | - | - | - | - | - | - |
| 2044 | 127,255 | 9,970 | - | - | - | - | - | - |
| | $ 4,256,994 | $ 2,564,951 | $ 660,090 | $ 165,317 | $ 45,000 | $ 2,250 | $ 597,623 | $ 536,125 |

The City has entered into a lease-purchase and security agreement for the purchase of a meter reading system and related equipment. The City intends to continue to abide by the terms of the lease agreement and eventually own the assets. The assets and related liability are recorded at the present value of future payments due under the lease. The original cost of the assets amounted to $615,721 and had $47,304 of depreciation expense recorded for the year. Accumulated depreciation on the equipment amounted to$47,304 as of December 31, 2020. The interest rate associated with the lease agreement is imputed at 10.35%.

## 9. UNAVAILABLE REVENUES

Unavailable revenues as of December 31, 2020, reported in the Governmental Fund's balance sheet, consisted of the following revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

| | |
|---|---|
| Property taxes | $ 45,821 |
| Fines and forfeitures | 53,438 |
| Intergovernmental | 150,946 |
| Total unavailable revenues - Governmental Funds | $ 250,205 |

## 10. RELATED ORGANIZATION

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations.

The City of Senoia Housing Authority is considered a related organization. The Authority operates a multi-family housing facility which is located within the city limits. The citizens who serve as the governing board are appointed by the Mayor and Council. The City has no significant influence over the management budget or policies of the Authority

## 11. JOINT VENTURES

**Three Rivers Regional Commission**

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Three Rivers Regions Commission. Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Board's membership includes the chief elected official of each county and four representatives from each member county. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Center. Separate financial statements may be obtained from:

Three Rivers Regional Commission
13273 Hwy 34 East,
P.O. Box 1600
Franklin, Georgia 30217

(See Independent Auditor's Report)

## 12. RISK MANAGEMENT

The City of Senoia 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 is a member of Georgia Interlocal Risk Management Agency. This membership allows the City to share liability, crime, motor vehicle and property damage risks.

Coverages are as follows:

| | |
|---|---|
| Coverage Description – Property: | |
| Buildings and contents – (Blanket) | $12,190,173 |
| Automobile physical damage | Per Application on file with GIRMA |
| | |
| Coverage Description – Casualty: | |
| Comprehensive general liability | $1,000,000 |
| Automobile liability | $1,000,000 |
| Errors and omissions (Public Officials) | $1,000,000 |
| Employee benefits liability | $1,000,000 |
| Pollution liability | $1,000,000 |
| | |
| Coverage Description – Crime: | |
| Blanket bond – employees required to be bonded | $500,000 |
| Blanket bond – all other employees | $500,000 |
| Depositors forgery | $500,000 |
| Money and securities – loss inside and outside premises | $500,000 |
| | |
| Deductible: | |
| All coverages are subject to a per occurrence deductible of | $1,000 |

Coverage Exceptions:

Coverage Subject to a Retroactive Date:

Public officials and employee benefits liability coverages are subject to a retroactive date of 1/1/1989.

Chapter 85 Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

During the year ended December 31, 2020, the City paid no claims. The City has not compiled a record of the claims paid up to the $1,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to the $1,000) which were outstanding and unpaid at December 31, 2020. No provisions have been made in the financial statements for the year ended December 31, 2020 for any estimate of potential unpaid claims.

(See Independent Auditor's Report)

## 12. Risk Management (continued)

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Senoia became a member of the Georgia Municipal Associated Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (City of Senoia) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and / or employer's liability.

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

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

## 13. 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, if any, of 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.

There were no lawsuits or complaints as of December 31, 2020 that management believes will have a material effect on the financial condition of the City.

## 14. EMPLOYEE BENEFIT PENSION PLANS

**Defined Benefit Plan -**

**Plan Description**

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Senoia Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. 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 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.

(See Independent Auditor's Report)

## 14. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan -**

**Plan Description, continued**

As provided by State law, benefit provisions for Participants in GMEBS are established and amended by the respective employers. As authorized by the City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate immediately upon hiring. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 1.50% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary. Death benefits are calculated using an actuarial reserve.

At July 1, 2020, the date of the most recent actuarial valuation, there were 60 participants consisting of the following:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 8 |
| Terminated vested participants not yet receiving benefits | 14 |
| Active employees - vested | 19 |
| Active employees - nonvested | 12 |
| Total | 53 |

**Contributions**

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard 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 is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2020, the actuarially determined contribution rate was 5.68% of covered payroll.

For fiscal year ended December 31, 2020, the City's recommended and actual contribution was $100,249 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report date July 1, 2020 and recognized as an expense in the Government-Wide Statement of Activity was $170,668.

(See Independent Auditor's Report)

## 14. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan –**

**Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Outflows of Resources Related to Pensions**

At December 31, 2020, the City reported a liability of $646,847 for its net pension liability. The net pension liability was measured as of March 31, 2020 and was determined by an actuarial valuation as of July 1, 2020. The changes in the Net Pension Liability for the year ended March 31, 2020 (the measurement date) were as follow:

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at beginning of year | $ 1,717,513 | $1,331,425 | $ 386,088 |
| Changes for the year- | | | |
| Service cost | 75,855 | - | 75,855 |
| Interest | 132,758 | - | 132,758 |
| Differences between expected and actual experience | 45,103 | - | 45,103 |
| Contributions - Employer | - | 96,619 | (96,619) |
| Net investment income | - | (98,676) | 98,676 |
| Benefit payments, including refunds of employee contributions | (46,530) | (46,530) | - |
| Administrative expense | - | (9,295) | 9,295 |
| Other | (4,309) | - | (4,309) |
| Net Changes | 202,877 | (57,882) | 260,759 |
| Balance at end of year | $ 1,920,390 | $1,273,543 | $ 646,847 |

Effective July 1, 2018, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all Employees are now included in the valuation. This change has minimal impact on the Plan's liability.

(See Independent Auditor's Report)

## 14. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan –**

For the year ended December 31, 2020, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | |
|---|---|
| Service cost | $ 75,855 |
| Interest on The Pension Liability (TPL) | 132,758 |
| Administrative expenses | 9,295 |
| Expected return on assets | (101,387) |
| Expensed portion of current year period differences between expected and actual experience in TPL | 9,019 |
| Expensed portion of current year period assumption changes | (861) |
| Expensed portion of current year period differences between projected and actual investment earnings | 40,011 |
| Current year recognition of deferred inflows and outflows established in prior years | 5,978 |
| Total expense | $ 170,668 |

**Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Outflows of Resources Related to Pensions, Continued**

$75,187 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| F/Y/E December 31, | Deferred Outflows | Deferred Inflows |
|---|---|---|
| 2021 | $ 62,741 | $ (21,817) |
| 2022 | 67,156 | (17,245) |
| 2023 | 77,336 | (862) |
| 2024 | 52,911 | (862) |
| 2025 | - | - |
| | $ 260,144 | $ (40,786) |

(See Independent Auditor's Report)

## 14. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan –**

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2020 are as follow:

| | Outflows | Inflows |
|---|---|---|
| Contributions subsequent to the measurement date | $ 75,187 | $ - |
| Demographic | 90,144 | (37,256) |
| Investment | 159,992 | - |
| Assumption change | 10,008 | (3,530) |
| Total | $ 335,331 | $ (40,786) |

**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:

**Actuarial Assumptions:**

| | |
|---|---|
| Net Investment Rate of Return | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | N/A |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study conducted in November and December 2019.

(See Independent Auditor's Report)

## 14. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan –**

The long-term 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 | 45.00% | 6.41% |
| International equity | 20.00% | 6.96% |
| Real estate | 10.00% | 4.76% |
| Global fixed income | 5.00% | 3.06% |
| Domestic fixed income | 20.00% | 1.96% |
| Cash | 0.00% | |
| Total | 100.00% | |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability*
*To Changes in the Discount Rate*

The following presents the City's net pension liability calculated using the discount rate of 7.375 percent, 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 or 1-percentage-point higher than the current rate:

| | 1% Decrease 6.375% | Current Rate 7.375% | 1% Increase 8.375% |
|---|---|---|---|
| Net Pension Liability | $ 942,714 | $ 646,847 | $ 404,286 |

**Pension Plan Net Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Senoia Retirement Plan financial report.

(See Independent Auditor's Report)

## 15. RESTRICTED ASSETS

Pursuant to the Water and Sewer Revenue Bonds, the City was required to create various funds and accounts. Balances in these bond restricted funds and other various restricted funds and accounts as of December 31, 2020 are as follows:

| | |
|---|---|
| Revenue Bond Restricted Assets - | |
| Debt service account | $ 92,246 |
| Debt service reserve fund | 551,828 |
| Renewal and extension fund | 1,510,464 |
| Capital projects- | |
| Special purpose local option sales funds | 1,731,229 |
| Development impact fee funds | 1,015,753 |
| Confiscated asset funds | 2,643 |
| | $ 4,904,163 |

## 16. CONDUIT DEBT OBLIGATION

In June 2014 the Development Authority of the City of Senoia, Georgia issued $11,905,000 aggregate principal amount of Charter School Revenue Bonds Series 2014A and $580,000 aggregate principal amount of Charter School Taxable Revenue Bonds Series 2014B. Proceeds from the sale of the Series 2014 Bonds was loaned to Georgia Charter Educational Foundation, Inc., a Georgia Nonprofit Corporation in accordance with the terms of the loan agreement dated June 1, 2014. The proceeds will be used for the purpose of acquiring the charter school building and all other ancillary structures, improvements etc... on approximately 11.2 acres of land. The Series 2014 Bonds do not constitute a debt, moral obligation, liability, or a loan, or credit or pledge of full faith and credit of the taxpayers of the City of Senoia, Georgia. Accordingly, the bonds have not been reported as liabilities in the accompanying financial statements. As of December 31, 2020, $11,695,000 was outstanding under the bond issues.

## 17. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

A) Deficit fund balances or net position balances of individual funds – As of December 31, 2020, the City's Sanitation Fund had a deficit net position balance of $3,580 which is expected to be funded through future additional revenues.

B) Excess expenditures over budget – The City had no expenditures that materially (if over 5 percent and greater than $5,000) exceeded their corresponding appropriations at the department level (the legal level of control).

## 18. DOWNTOWN DEVELOPMENT AUTHORITY DISCLOSURES

**Capital Assets –**
Capital asset activity for the year ended December 31, 2020 for the Authority was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,000 | $ - | $ - | $ 1,000 |
| Construction in progress | - | - | - | - |
| Total | 1,000 | - | - | 1,000 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 127,537 | - | - | 127,537 |
| Furniture and fixtures | 10,379 | - | - | 10,379 |
| Machinery and equipment | 38,773 | - | - | 38,773 |
| Total capital assets being depreciated | 176,689 | - | - | 176,689 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 34,076 | 4,181 | - | 38,257 |
| Furniture and fixtures | 10,379 | - | - | 10,379 |
| Machinery and equipment | 17,228 | 2,452 | - | 19,680 |
| Total capital assets being depreciated | 61,683 | 6,633 | - | 68,316 |
| Total capital assets being depreciated, net | 115,006 | (6,633) | - | 108,373 |
| Capital assets, net | $ 116,006 | $ (6,633) | $ - | $ 109,373 |

**Long-Term Debt –**
In June 2012 the Authority borrowed $85,000 to help finance improvements to the Welcome Center. The note has been renewed several times and currently bears interest at the rate of 5.95% and is due in equal monthly installments of $594.11 until December 2022. A summary of changes in long-term debt for the Authority for the year ended December 31, 2020 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
|---|---|---|---|---|---|
| Note payable | $ 38,470 | $ - | $ (4,938) | $ 33,532 | $ 5,279 |

Annual repayment requirements under the note payable agreement are as follow:

| F/Y/E DECEMBER 31, | PRINCIPAL | INTEREST | TOTAL |
|---|---|---|---|
| 2021 | $ 5,279 | $ 1,850 | $ 7,129 |
| 2022 | 28,253 | 1,555 | 29,808 |
| | $ 33,532 | $ 3,405 | $ 36,937 |

(See Independent Auditor's Report)

CITY OF SENOIA, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

| | Fiscal Year End | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 75,855 | $ 73,097 | $ 71,138 | $ 67,336 | $ 69,310 | $ 56,627 | | | | |
| Interest | 132,758 | 119,656 | 100,745 | 97,991 | 90,242 | 79,906 | | | | |
| Differerences between expected and actual experience | 45,103 | 23,262 | 67,668 | (98,300) | (26,937) | 33,025 | | | | |
| Other | (4,309) | - | 20,016 | - | - | (571) | (Historical information prior to implementation | | | |
| Benefit payments | (46,530) | (41,639) | (32,721) | (30,260) | (35,013) | (36,222) | of GASB 67/68 is not required) | | | |
| Net changes in total pension liability | 202,877 | 174,376 | 226,846 | 36,767 | 97,602 | 132,765 | | | | |
| Total pension liability - beginning | 1,717,513 | 1,543,137 | 1,316,291 | 1,279,524 | 1,181,922 | 1,049,157 | | | | |
| Total pension liability - ending | $ 1,920,390 | $ 1,717,513 | $ 1,543,137 | $ 1,316,291 | $ 1,279,524 | $ 1,181,922 | | | | |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Contributions - employer | $ 96,619 | $ 81,063 | $ 91,124 | $ 74,837 | $ 75,746 | $ 73,462 | | | | |
| Net investment income | (98,676) | 46,155 | 135,577 | 117,810 | 2,967 | 75,669 | | | | |
| Benefit payments | (46,530) | (41,639) | (32,721) | (30,260) | (35,013) | (36,222) | (Historical information prior to implementation | | | |
| Administrative expense | (9,295) | (7,759) | (7,575) | (7,649) | (4,937) | (4,414) | of GASB 67/68 is not required) | | | |
| Other | - | - | - | - | - | - | | | | |
| Net change in fiduciary net position | (57,882) | 77,820 | 186,405 | 154,738 | 38,763 | 108,495 | | | | |
| Plan fiduciary net position - beginning | 1,331,425 | 1,253,605 | 1,067,200 | 912,462 | 873,699 | 765,204 | | | | |
| Plan fiduciary net position - ending | $ 1,273,543 | $ 1,331,425 | $ 1,253,605 | $ 1,067,200 | $ 912,462 | $ 873,699 | | | | |
| **Net Pension Liability** | | | | | | | | | | |
| Net pension liability | $ 646,847 | $ 386,088 | $ 289,532 | $ 249,091 | $ 367,062 | $ 308,223 | | | | |
| Plan's fiduciary net position as a percentage of the total pension liability | 66.32% | 77.52% | 81.24% | 81.08% | 71.31% | 73.92% | (Historical information prior to implementation | | | |
| Covered-employee payroll | 1,763,048 | $ 1,612,946 | $ 1,630,233 | $ 1,525,090 | $ 1,509,140 | $ 1,412,558 | of GASB 67/68 is not required) | | | |
| Net pension liability as a percentage of covered payroll | 36.69% | 23.94% | 17.76% | 16.33% | 24.32% | 21.82% | | | | |

CITY OF SENOIA, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

| | Fiscal Year End | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2,014 | 2013 | 2012 | 2011 |
| Actuarially determined contributions | 100,249 | 93,875 | 76,792 | 86,311 | 80,603 | 74,127 | | | | |
| Contributions in relation to the actuarially determined contribution | (100,249) | (93,875) | (76,792) | (86,311) | (80,603) | (74,127) | (Historical information prior to implementation of GASB 67/68 is not required) | | | |
| Contribution deficiency (excess) | - | - | - | - | - | - | | | | |
| Covered-employee payroll | 1,763,048 | 1,612,946 | 1,630,233 | 1,525,090 | 1,412,528 | 1,285,779 | | | | |
| Contributions as a percentage of covered-employee payroll | 5.69% | 5.82% | 4.71% | 5.66% | 5.71% | 5.77% | | | | |

## CITY OF SENOIA, GEORGIA

## NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

## FOR THE YEAR ENDED DECEMBER 31, 2020

**Note 1**

Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

**Methods and assumptions used to determine contribution rates:**

| | |
|---|---|
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Closed level dollar for remaining unfunded liability |
| Remaining Amortization Period | N/A |
| Asset Valuation Method | Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value. |

**Actuarial Assumptions:**

| | |
|---|---|
| Net Investment Rate of Return | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | 0.00% |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

No significant factors changed that significantly affected trends in the amounts reported such as changes in benefit terms, the size or composition of the population covered by the benefit terms. However, the assumptions used changed as follows:

- Net Investment Rate of Return decreased from 7.50% to 7.375%
- Projected Salary Increases decreased from 2.75% TO 2.25%.

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**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 5,073,468 | $ 3,750,021 |
| Receivables: | | |
| Taxes | 616,767 | 641,925 |
| Fines | 57,822 | 54,825 |
| Other | 595 | 1,568 |
| Due from other funds | 1,542 | 99,228 |
| Due from component unit | - | 9,229 |
| Prepaid expenses | 87,933 | 24,325 |
| Total Assets | $ 5,838,127 | $ 4,581,121 |
| **LIABILITIES** | | |
| Accounts payable | $ 91,409 | $ 224,550 |
| Accrued expenses | | |
| Salaries and wages | 18,220 | 61,586 |
| Other | 1,944 | - |
| Due to other funds | 1,438,348 | 1,053,967 |
| Deposits | 2,000 | 2,153 |
| Unearned revenues | 183,189 | 171,832 |
| Total Liabilities | 1,735,110 | 1,514,088 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Unavailable revenues | 99,259 | 99,085 |
| **FUND BALANCE:** | | |
| Nonspendable | 87,933 | 24,325 |
| Restricted - park and street improvements | 276,267 | 319,023 |
| Unassigned | 3,639,558 | 2,624,600 |
| Total Fund Balance | 4,003,758 | 2,967,948 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | $ 5,838,127 | $ 4,581,121 |

**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES**
**AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **REVENUES** | | |
| Taxes | $ 3,135,546 | $ 2,918,755 |
| Licenses and permits | 437,362 | 282,768 |
| Intergovernmental grants | 282,658 | - |
| Charges for services | 71,454 | 93,868 |
| Fines, fees and forfeitures | 244,235 | 353,959 |
| Investment income | 3,604 | 4,940 |
| Rental income | 7,200 | 17,550 |
| Miscellaneous | 128,341 | 27,361 |
| **Total revenues** | 4,310,400 | 3,699,201 |
| **EXPENDITURES** | | |
| Current | | |
| Governing Body | 27,840 | 35,855 |
| Financial Administration | 763,561 | 732,511 |
| Government Buildings | 80,858 | 43,222 |
| Municipal Court | 210,177 | 244,907 |
| Public Safety | 1,449,189 | 1,304,163 |
| Highways and Streets | 392,554 | 460,800 |
| Cemetery | - | 2,054 |
| Parks | 1,723 | 2,105 |
| Planning and Zoning | 95,363 | 81,803 |
| Development Authorities | 23,929 | 11,562 |
| Code Enforcement | 271,823 | 190,193 |
| Debt Service | | |
| Principal | 70,781 | 68,374 |
| Interest | 7,740 | 10,147 |
| Capital Outlay | 87,754 | 118,763 |
| **Total expenditures** | 3,483,292 | 3,306,459 |
| Excess of revenues over (under) expenditures | 827,108 | 392,742 |
| **Other financing sources (uses):** | | |
| Proceeds from capital lease | - | - |
| Proceeds from disposal of capital assets | 147,049 | - |
| Transfers | 61,653 | 24,746 |
| **Total other financing sources (uses):** | 208,702 | 24,746 |
| Net change in fund balance | 1,035,810 | 417,488 |
| Fund balance - beginning | 2,967,948 | 2,550,460 |
| **Fund balance - ending** | $ 4,003,758 | $ 2,967,948 |

**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**SCHEDULE OF REVENUES - COMPARED TO BUDGET (GAAP BASIS)**
**FOR THE YEAR ENDED DECEMBER 31, 2020**
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019**

| | 2020 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2019 |
| **REVENUES** | | | | |
| **Taxes** | | | | |
| Property taxes | $ 1,359,000 | $ 1,307,056 | $ (51,944) | $ 1,189,073 |
| Motor vehicle | 110,000 | 158,582 | 48,582 | 168,153 |
| Franchise | 359,900 | 355,031 | (4,869) | 392,588 |
| Local option sales | 797,099 | 916,726 | 119,627 | 796,886 |
| Alcohol beverage | 103,500 | 105,974 | 2,474 | 103,236 |
| Premium | 240,000 | 269,284 | 29,284 | 255,737 |
| Intangible | 5,000 | 18,143 | 13,143 | 8,159 |
| Transfer | 3,000 | 4,750 | 1,750 | 4,923 |
| Other | - | - | - | - |
| **Total taxes** | 2,977,499 | 3,135,546 | 158,047 | 2,918,755 |
| **Licenses and permits** | | | | |
| Business licenses and permits | 335,800 | 437,362 | 101,562 | 282,768 |
| **Intergovernmental** | 50,000 | 282,658 | 232,658 | - |
| **Charges for services** | | | | |
| Planning and Zoning fees | 85,500 | 35,889 | (49,611) | 56,359 |
| Convenience fees | 15,000 | 11,278 | (3,722) | 8,476 |
| Police services | 3,000 | 6,537 | 3,537 | 1,828 |
| Cemetery fees | 10,000 | 17,300 | 7,300 | 4,100 |
| Other | - | 450 | 450 | 23,105 |
| **Total charges for services** | 113,500 | 71,454 | (42,046) | 93,868 |
| **Fines and forfeitures** | 345,500 | 244,235 | (101,265) | 353,959 |
| **Interest** | 3,500 | 3,604 | 104 | 4,940 |
| **Rents** | 14,000 | 7,200 | (6,800) | 17,550 |
| **Miscellaneous** | | | | |
| Contributions | - | 89,121 | 89,121 | 8,300 |
| Other | 36,000 | 39,220 | 3,220 | 19,061 |
| **Total miscellaneous** | 36,000 | 128,341 | 92,341 | 27,361 |
| Total Revenues | $ 3,875,799 | $ 4,310,400 | $ 434,601 | $ 3,699,201 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019

| | 2020 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2019 |
| **EXPENDITURES** | | | | |
| **Current** | | | | |
| **GOVERNING BODY** | | | | |
| Personal services and benefits | $ 26,000 | $ 22,646 | $ 3,354 | $ 25,567 |
| Purchased/contracted services | 10,000 | 5,194 | 4,806 | 10,288 |
| Total Governing Body | 36,000 | 27,840 | 8,160 | 35,855 |
| **FINANCIAL ADMINISTRATION** | | | | |
| Personal services and benefits | 579,600 | 442,428 | 137,172 | 381,142 |
| Purchased/contracted services | 331,600 | 287,277 | 44,323 | 307,573 |
| Supplies | 47,300 | 33,856 | 13,444 | 43,796 |
| Total Financial Administration | 958,500 | 763,561 | 194,939 | 732,511 |
| **GOVERNMENT BUILDINGS** | | | | |
| Personal services and benefits | - | - | - | - |
| Purchased/contracted services | 45,658 | 55,008 | (9,350) | 32,531 |
| Supplies | 35,200 | 25,850 | 9,350 | 10,691 |
| Total Government Buildings | 80,858 | 80,858 | - | 43,222 |
| **MUNICIPAL COURT** | | | | |
| Personal services and benefits | 115,600 | 110,599 | 5,001 | 107,869 |
| Purchased/contracted services | 42,800 | 36,356 | 6,444 | 37,754 |
| Supplies | 2,600 | 2,110 | 490 | 1,636 |
| Other costs | 110,200 | 61,112 | 49,088 | 97,648 |
| Total Municipal Court | 271,200 | 210,177 | 61,023 | 244,907 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019

| | 2020 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2019 |
| **PUBLIC SAFETY** | | | | |
| **POLICE SERVICES** | | | | |
| Personal services and benefits | $ 1,114,468 | $ 1,091,339 | $ 23,129 | $ 1,011,286 |
| Purchased/contracted services | 208,289 | 246,376 | (38,087) | 195,637 |
| Supplies | 126,432 | 111,474 | 14,958 | 97,240 |
| Total Police Services | 1,449,189 | 1,449,189 | - | 1,304,163 |
| **FIRE SERVICES** | | | | |
| Purchased/contracted services | - | - | - | - |
| Total Fire Services | - | - | - | - |
| Total Public Safety | 1,449,189 | 1,449,189 | - | 1,304,163 |
| **HIGHWAYS AND STREETS** | | | | |
| Personal services and benefits | 268,500 | 201,575 | 66,925 | 210,377 |
| Purchased/contracted services | 161,700 | 80,144 | 81,556 | 146,713 |
| Supplies | 112,000 | 110,835 | 1,165 | 103,710 |
| Total Highways and Streets | 542,200 | 392,554 | 149,646 | 460,800 |
| **CEMETERY** | | | | |
| Purchased/contracted services | 4,000 | - | 4,000 | 2,054 |
| Total Cemetery | 4,000 | - | 4,000 | 2,054 |
| **LIBRARY** | | | | |
| Purchased/contracted services | - | - | - | - |
| Total Library | - | - | - | - |
| **PARKS** | | | | |
| Purchased/contracted services | 4,000 | 1,723 | 2,277 | 2,105 |
| Total Parks | 4,000 | 1,723 | 2,277 | 2,105 |

**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)**
**FOR THE YEAR ENDED DECEMBER 31, 2020**
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019**

| | 2020 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2019 |
| **PLANNING AND ZONING** | | | | |
| Personal services and benefits | $ 74,400 | $ 89,339 | $ (14,939) | $ 61,041 |
| Purchased/contracted services | 20,500 | 4,629 | 15,871 | 18,447 |
| Supplies | 1,200 | 1,395 | (195) | 2,315 |
| Total Planning and Zoning | 96,100 | 95,363 | 737 | 81,803 |
| **DEVELOPMENT AUTHORITIES** | | | | |
| Personal services and benefits | 11,100 | 10,780 | 320 | 11,522 |
| Purchased/contracted services | 11,629 | 13,149 | (1,520) | - |
| Supplies | 1,200 | - | 1,200 | 40 |
| Total Community Development | 23,929 | 23,929 | - | 11,562 |
| **CODE ENFORCEMENT** | | | | |
| Personal services and benefits | 64,900 | 65,135 | (235) | 66,515 |
| Purchased/contracted services | 201,423 | 201,397 | 26 | 116,049 |
| Supplies | 5,500 | 5,291 | 209 | 7,629 |
| Total Code Enforcement | 271,823 | 271,823 | - | 190,193 |
| **DEBT SERVICE:** | | | | |
| Principal | 124,800 | 70,781 | 54,019 | 68,374 |
| Interest | 1,200 | 7,740 | (6,540) | 10,147 |
| Total Debt Service | 126,000 | 78,521 | 47,479 | 78,521 |
| **CAPITAL OUTLAY** | | | | |
| Financial Administration | 6,000 | 8,938 | (2,938) | 4,000 |
| Court | 3,000 | 758 | 2,242 | - |
| Police Services | 19,000 | 20,968 | (1,968) | 43,224 |
| Highways and Streets | - | 57,090 | (57,090) | 40,926 |
| Parks | 4,000 | - | 4,000 | 30,613 |
| Code Enforcement | - | - | - | - |
| Planning and Zoning | - | - | - | - |
| Total Capital Outlay | 32,000 | 87,754 | (55,754) | 118,763 |
| **Total Expenditures** | $ 3,895,799 | $ 3,483,292 | $ 412,507 | $ 3,306,459 |

**CITY OF SENOIA, GEORGIA**
**CONFISCATED ASSETS SPECIAL REVENUE FUND**
**BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 2,643 | $ 2,643 |
| Total Assets | $ 2,643 | $ 2,643 |
| **LIABILITIES AND FUND EQUITY** | | |
| Liabilities: | | |
| Accounts payable | $ - | $ - |
| Unearned revenues | - | - |
| Total Liabilities | - | - |
| Fund Equity: | | |
| Restricted for police activities | 2,643 | 2,643 |
| Total Fund Equity | 2,643 | 2,643 |
| Total Liabilities and Fund Equity | $ 2,643 | $ 2,643 |

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**BUDGET (GAAP BASIS) AND ACTUAL**
**CONFISCATED ASSETS SPECIAL REVENUE FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Budget Amounts | | | |
|---|---|---|---|---|
| Revenues: | Original Budget | Final Budget | Actual | Variance |
| Forfeitures | $ 2,400 | $ 2,400 | $ - | $ (2,400) |
| Interest | 100 | 100 | - | (100) |
| Total Revenue | 2,500 | 2,500 | - | (2,500) |
| Expenditures: | | | | |
| Current | | | | |
| Police activity | 2,500 | 2,500 | - | 2,500 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 2,500 | 2,500 | - | 2,500 |
| Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses) | - | - | - | - |
| Other Sources and (Uses) | | | | |
| Transfers | - | - | - | - |
| Total Other Sources and (Uses) | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund Balance - Beginning of Year | 2,643 | 2,643 | 2,643 | - |
| Fund Balance - End of Year | $ 2,643 | $ 2,643 | $ 2,643 | $ - |

**CITY OF SENOIA, GEORGIA**
**SPLOST 5 CAPITAL PROJECTS FUND**
**BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 405,094 | $ 1,077,869 |
| Due from other governments | 664,609 | 439,962 |
| Due from other funds | - | - |
| **Total assets** | $ 1,069,703 | $ 1,517,831 |
| **LIABILITIES AND FUND BALANCE** | | |
| **Liabilities** | | |
| Accounts payable | $ 121,300 | $ 6,167 |
| Due to other funds | - | 80,238 |
| | 121,300 | 86,405 |
| **Deferred inflows of resources** | | |
| Unavailable revenues | 150,946 | 439,962 |
| **Fund balance** | | |
| Reserved for specified purposes | 797,457 | 991,464 |
| Total fund balance | 797,457 | 991,464 |
| **Total liabilities and fund balance** | $ 1,069,703 | $ 1,517,831 |

**CITY OF SENOIA, GEORGIA**
**SPLOST 5 CAPITAL PROJECTS FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND**
**CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **REVENUES** | | |
| Intergovernmental - Coweta County | $ - | $ - |
| Intergovernmental - DOT | 2,023,226 | 120,483 |
| Interest | 155 | - |
| **Total revenues** | 2,023,381 | 120,483 |
| **EXPENDITURES** | | |
| Administrative | - | - |
| Capital Outlay - | | |
| Public Safety | - | - |
| Road and street projects | 2,185,488 | 710,921 |
| Park and recreation projects | 31,900 | - |
| **Total expenditures** | 2,217,388 | 710,921 |
| Excess of revenues over (under) expenditures | (194,007) | (590,438) |
| Other financing sources (uses) | | |
| Transfers | - | - |
| Net change in fund balance | (194,007) | (590,438) |
| **Fund Balance -** | | |
| Beginning | 991,464 | 1,581,902 |
| Ending | $ 797,457 | $ 991,464 |

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF PROJECTS FINANCED**
**WITH SPECIAL SALES TAX #5 PROCEEDS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| PROJECTS | ORIGINAL ESTIMATED COST | EXPENDITURES BEGINNING OF YEAR | EXPENDITURES CURRENT YEAR | EXPENDITURES TO DATE | ESTIMATED PERCENT COMPLETE |
|---|---|---|---|---|---|
| City Hall | $ 120,000 | $ 419 | $ - | $ 419 | 0.3% |
| Public Safety | 200,000 | 63,344 | - | 63,344 | 31.7% |
| Road, streets, bridges and sidewalks | 1,250,000 | 2,043,289 | 2,185,488 | 4,228,777 | 338.3% |
| Parks and Recreationsl | 1,250,000 | 681,760 | 31,900 | 713,660 | 57.1% |
| Public Works | 300,000 | - | - | - | 0.0% |
| | $ 3,120,000 | $ 2,788,812 | $ 2,217,388 | $ 5,006,200 | |

CITY OF SENOIA, GEORGIA
SPLOST 6 CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 1,326,135 | $ 581,833 |
| Due from other governments | 146,775 | 133,100 |
| Due from other funds | - | - |
| **Total assets** | $ 1,472,910 | $ 714,933 |
| **LIABILITIES AND FUND BALANCE** | | |
| **Liabilities** | | |
| Accounts payable | $ - | $ - |
| Due to other funds | - | - |
| | - | - |
| **Deferred inflows of resources** | | |
| Unavailable revenues | - | - |
| **Fund balance** | | |
| Reserved for specified purposes | 1,472,910 | 714,933 |
| Total fund balance | 1,472,910 | 714,933 |
| **Total liabilities and fund balance** | $ 1,472,910 | $ 714,933 |

**CITY OF SENOIA, GEORGIA**
**SPLOST 6 CAPITAL PROJECTS FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND**
**CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **REVENUES** | | |
| Intergovernmental - Coweta County | $ 823,597 | $ 714,904 |
| Intergovernmental - DOT | - | - |
| Interest | 191 | 50 |
| **Total revenues** | 823,788 | 714,954 |
| **EXPENDITURES** | | |
| Administrative | - | 21 |
| Capital Outlay - | | |
| General Government | 5,824 | - |
| Public Safety | - | - |
| Public Works | 59,987 | - |
| Road and street projects | - | - |
| Park and recreation projects | - | - |
| **Total expenditures** | 65,811 | 21 |
| Excess of revenues over (under) expenditures | 757,977 | 714,933 |
| Other financing sources (uses) | | |
| Transfers | - | - |
| Net change in fund balance | 757,977 | 714,933 |
| **Fund Balance -** | | |
| Beginning | 714,933 | - |
| Ending | $ 1,472,910 | $ 714,933 |

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF PROJECTS FINANCED**
**WITH SPECIAL SALES TAX #6 PROCEEDS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| PROJECTS | ORIGINAL ESTIMATED COST | EXPENDITURES BEGINNING OF YEAR | EXPENDITURES CURRENT YEAR | EXPENDITURES TO DATE | ESTIMATED PERCENT COMPLETE |
|---|---|---|---|---|---|
| City Hall | $ - | $ 21 | $ 5,824 | $ 5,845 | #DIV/0! |
| Public Safety | 699,132 | - | - | - | 0.0% |
| Road, streets, bridges and sidewalks | 1,500,000 | - | - | - | 0.0% |
| Parks and Recreationsl | 1,435,000 | - | - | - | 0.0% |
| Public Works | 300,000 | - | 59,987 | 59,987 | 20.0% |
| | $ 3,934,132 | $ 21 | $ 65,811 | $ 65,832 | |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT IMPACT FEE FUND**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| Cash | $ 1,015,753 | $ 822,845 |
| Due from other governments | - | 20,017 |
| Due from other funds | - | - |
| Total Assets | $ 1,015,753 | $ 842,862 |
| **Liabilities Deferred Inflows of Resources and Fund Equity** | | |
| **Liabilities:** | | |
| Accounts payable | $ - | $ 819 |
| Unearned revenues | - | - |
| Due to other funds | 1,542 | 1,542 |
| | 1,542 | 2,361 |
| **Deferred inflows of resources** | | |
| Unavailable revenues | - | 20,017 |
| **Fund equity:** | | |
| Restricted for capital outlay | 1,014,211 | 820,484 |
| Total Fund Equity | 1,014,211 | 820,484 |
| Total Liabilities and Fund Equity | $ 1,015,753 | $ 842,862 |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT IMPACT FEE FUND**
**SCHEDULE OF REVENUES AND EXPENDITURES AND**
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**
**FOR THE YEAR ENDED DECEMBER 31, 2020**
**WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019**

| | 2020 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2019 |
| Revenues | | | | |
| Impact fees | $ 279,300 | $ 202,311 | $ (76,989) | $ 167,005 |
| Intergovernmental | - | - | - | 720 |
| Interest | 500 | 155 | (345) | 139 |
| Total Revenues | 279,800 | 202,466 | (77,334) | 167,864 |
| Expenditures | | | | |
| Current | | | | |
| Bank charges | - | - | - | 21 |
| Administrative fees | - | - | - | 23,105 |
| Capital outlay | | | | |
| Administration | - | - | - | - |
| Police | 19,800 | - | 19,800 | - |
| Library | - | - | - | - |
| Parks | 260,000 | 8,739 | 251,261 | 101,237 |
| Total Expenditures | 279,800 | 8,739 | 271,061 | 124,363 |
| Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses) | - | 193,727 | 193,727 | 43,501 |
| Other Sources and (Uses) | | | | |
| Transfers | - | - | - | - |
| Net change in fund balance | - | 193,727 | 193,727 | 43,501 |
| Fund Balance - Beginning | 820,484 | 820,484 | - | 776,983 |
| Fund Balance - End of Year | $ 820,484 | $ 1,014,211 | $ 193,727 | $ 820,484 |

**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**COMPARATIVE STATEMENT OF NET POSITION**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 271,548 | $ 271,072 |
| Receivables- | | |
| Accounts (net) | 122,542 | 137,563 |
| Inventory | 4,729 | 4,729 |
| Due to other funds | 1,044,265 | 872,425 |
| Restricted assets | | |
| Cash | 91,646 | 91,417 |
| Investments | 108,658 | 108,168 |
| Total current assets | 1,643,388 | 1,485,374 |
| **Noncurrent assets** | | |
| Capital assets | | |
| Land | 45,647 | 45,647 |
| Construction in progress | 14,747 | 14,747 |
| Improvements other than buildings | 5,570,454 | 5,439,981 |
| Buildings | 241,597 | 241,597 |
| Machinery and equipment | 1,179,015 | 1,105,202 |
| Vehicles | 35,150 | 35,150 |
| Accumulated depreciation | (2,863,097) | (2,677,636) |
| Capital assets (net of depreciation) | 4,223,513 | 4,204,688 |
| Total noncurrent assets | 4,223,513 | 4,204,688 |
| **Total assets** | 5,866,901 | 5,690,062 |
| **Deferred items** | | |
| Deferred pension outflows | 53,988 | 25,977 |
| **Total assets and deferred items** | 5,920,889 | 5,716,039 |

**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**COMPARATIVE STATEMENT OF NET POSITION**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | $ 30,096 | $ 2,062 |
| Accrued expenses | | |
| Customer deposits | 148,173 | 130,473 |
| Salaries | 4,920 | 13,734 |
| Compensated absences | 29,633 | 22,287 |
| Due to other funds | - | - |
| Current liabilities payable from restricted assets | | |
| Revenue bonds | 45,000 | 45,000 |
| Notes | 49,256 | 47,234 |
| Capital lease | 20,062 | 18,098 |
| Accrued interest | 2,498 | 5,422 |
| Total current liabilities | 329,638 | 284,310 |
| **Long-term liabilities** | | |
| Revenue bonds | - | 45,000 |
| Notes payable | 610,833 | 636,225 |
| Capital lease | 577,562 | 597,623 |
| Net pension liability | 104,142 | 62,160 |
| Total long-term liabilities | 1,292,537 | 1,341,008 |
| Total liabilities | 1,622,175 | 1,625,318 |
| **Deferred items** | | |
| Deferred pension inflows | 6,567 | 9,385 |
| **Net Position** | | |
| Net investment in capital assets | 2,920,800 | 2,815,508 |
| Restricted under debt ordinance | 200,304 | 199,585 |
| Unrestricted | 1,171,043 | 1,066,243 |
| Total Net Position | $ 4,292,147 | $ 4,081,336 |

**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Sales and service | $ 1,225,625 | $ 1,190,387 |
| Penalties | 26,949 | 43,124 |
| Miscellaneous | 27,348 | 37,547 |
| Total operating revenues | 1,279,922 | 1,271,058 |
| **OPERATING EXPENSES** | | |
| Purchase of product | 109,695 | 122,296 |
| Salaries and related cost | 457,328 | 488,015 |
| Supplies and materials | 134,012 | 103,203 |
| Repairs and maintenance | 131,721 | 140,839 |
| Utilities | 35,400 | 38,706 |
| Depreciation and amortization | 185,460 | 136,371 |
| Other | 159,166 | 180,430 |
| Total operating expenses | 1,212,782 | 1,209,860 |
| Operating income (loss) | 67,140 | 61,198 |
| Non-operating revenues and (expenses) | | |
| Interest earned | 1,684 | 1,275 |
| Gain (Loss) on sale of capital asset | 1,154 | (1,225) |
| Interest expense | (78,609) | (38,802) |
| Total non-operating revenues (expenses) | (75,771) | (38,752) |
| Income before transfers and capital contributions | (8,631) | 22,446 |
| Capital contributions - | | |
| Developers | 219,442 | 172,393 |
| Intergovernmental | - | - |
| Transfers | - | - |
| Change in net position | 210,811 | 194,839 |
| **NET POSITION - BEGINNING** | 4,081,336 | 3,886,497 |
| **NET POSITION - ENDING** | $ 4,292,147 | $ 4,081,336 |

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**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**COMPARATIVE STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 1,312,643 | $ 1,281,156 |
| Cash paid to suppliers for goods and services | (677,056) | (711,557) |
| Cash paid to employees | (323,700) | (301,471) |
| Net cash provided from operating activities | 311,887 | 268,128 |
| **Cash flows from investing activities:** | | |
| Interest received | 1,684 | 1,275 |
| (Purchase) / redemption of investments | (490) | (485) |
| Net cash from investing activities | 1,194 | 790 |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | - | - |
| Change in net pension liability and related deferred items | 11,153 | 45,568 |
| Change in due to/from other funds | (171,840) | (218,044) |
| Net cash flows from non-capital financing activities | (160,687) | (172,476) |
| **Cash flows from capital financing activities:** | | |
| Proceeds from long-term debt | - | 615,721 |
| Principal payments on long-term debt | (86,467) | (90,294) |
| Interest paid | (81,534) | (36,492) |
| Capital contributions | 219,442 | 172,393 |
| Proceeds from sale of capital assets | 1,154 | - |
| Purchase / construction of capital assets | (204,284) | (756,980) |
| Net cash flows from capital financing activities | (151,689) | (95,652) |
| Net cash flows | 705 | 790 |
| Cash and cash equivalents - beginning | 362,489 | 361,699 |
| **Cash and cash equivalents - ending** | $ 363,194 | $ 362,489 |

**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**STATEMENTS OF CASH FLOWS**

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| **Operating income (loss)** | $ 67,140 | $ 61,198 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 185,460 | 136,371 |
| Land contribution to the Housing Authority | - | 60,000 |
| (Increase) decrease in receivables | 15,021 | (7,077) |
| (Increase) decrease in inventory | - | - |
| Increase (decrease) in accounts payable | 28,034 | 2,062 |
| Increase (decrease) in customer deposits | 17,700 | 17,175 |
| Increase (decrease) in accrued liabilities | (1,468) | (1,601) |
| Total adjustments | 244,747 | 206,930 |
| **Net cash from operating activities** | $ 311,887 | $ 268,128 |
| **Non-cash transactions -** | | |
| Contribution of land to the Senoia Housing Authority. | $ - | $ 60,000.00 |

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 333,566 | $ 333,504 |
| Receivables- | | |
| Accounts (net) | 119,542 | 96,846 |
| Due from other funds | 330,920 | 181,543 |
| Restricted assets | | |
| Cash | 1,954,234 | 1,930,704 |
| Total current assets | 2,738,262 | 2,542,597 |
| **Noncurrent** | | |
| Capital assets | | |
| Land | 1,430,674 | 1,430,674 |
| Construction in progress | 763,840 | 459,877 |
| Improvements other than buildings | 10,267,101 | 10,267,101 |
| Vehicles | 210,685 | 117,661 |
| Machinery and equipment | 643,064 | 440,015 |
| Accumulated depreciation | (3,707,503) | (3,470,064) |
| Capital assets (net of depreciation) | 9,607,861 | 9,245,264 |
| **Total assets** | 12,346,123 | 11,787,861 |
| **Deferred items** | | |
| Deferred pension outflows | 32,192 | 15,489 |
| **Total assets and deferred items** | 12,378,315 | 11,803,350 |

**CITY OF SENOIA, GEORGIA**
**SEWER ENTERPRISE FUND**
**COMPARATIVE STATEMENT OF NET POSITION**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | | |
| Trade | $ 235,971 | $ 1,229 |
| Accrued compensated absences | 3,677 | 10,792 |
| Accrued salaries | 3,354 | 9,399 |
| Current liabilities payable from restricted assets | | |
| Revenue bonds | 106,537 | 101,985 |
| Accrued interest | 3,062 | 3,135 |
| Total current liabilities | 352,601 | 126,540 |
| **Long-term liabilities** | | |
| Revenue bonds | 4,150,457 | 4,256,960 |
| Net pension liability | 62,097 | 37,064 |
| Total long-term liabilities | 4,212,554 | 4,294,024 |
| Total liabilities | 4,565,155 | 4,420,564 |
| **Deferred items** | | |
| Deferred pension inflows | 3,915 | 5,596 |
| **Net Position** | | |
| Net investments in capital assets | 5,350,867 | 4,886,319 |
| Restricted as to debt covenants | 1,954,234 | 1,930,704 |
| Unrestricted | 504,144 | 560,167 |
| Total Net Position | $ 7,809,245 | $ 7,377,190 |

**CITY OF SENOIA, GEORGIA**
**SEWER ENTERPRISE FUND**
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Sales and service | $ 884,590 | $ 814,134 |
| Miscellaneous | 208,761 | 17,062 |
| Total operating revenues | 1,093,351 | 831,196 |
| **OPERATING EXPENSES** | | |
| Salaries and related cost | 293,282 | 265,781 |
| Supplies and materials | 49,548 | 43,516 |
| Repairs and maintenance | 141,609 | 126,070 |
| Utilities | 111,952 | 95,959 |
| Depreciation and amortization | 237,439 | 228,170 |
| Other | 42,694 | 36,044 |
| Total operating expenses | 876,524 | 795,540 |
| Operating income (loss) | 216,827 | 35,656 |
| Non-operating revenues and (expenses) | | |
| Interest earned | 1,793 | 1,309 |
| Interest expense | (188,618) | (192,955) |
| Total non-operating revenues (expenses) | (186,825) | (191,646) |
| Income before transfers and capital contributions | 30,002 | (155,990) |
| Capital contributions - | | |
| Community Development Block Grant | - | - |
| Developers | 402,053 | 919,294 |
| Change in net position | 432,055 | 763,304 |
| NET POSITION - BEGINNING | 7,377,190 | 6,613,886 |
| **NET POSITION - ENDING** | $ 7,809,245 | $ 7,377,190 |

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**CITY OF SENOIA, GEORGIA**
**SEWER ENTERPRISE FUND**
**COMPARATIVE STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 1,070,655 | $ 821,424 |
| Cash paid to suppliers for goods | (182,603) | (387,658) |
| Cash paid to employees | (234,900) | (173,129) |
| Net cash provided from operating activities | 653,152 | 260,637 |
| **Cash flows from investing activities:** | | |
| Interest received | 1,793 | 1,309 |
| Net cash from investing activities | 1,793 | 1,309 |
| **Cash flows from non-capital financing activities:** | | |
| Change in net pension liability and related deferred items | 6,649 | 27,171 |
| Change in due to/from other funds | (149,377) | 1,688,302 |
| Net cash flows from non-capital financing activities | (142,728) | 1,715,473 |
| **Cash flows from capital financing activities:** | | |
| Proceeds from long-term debt | - | - |
| Payments on long-term debt | (101,951) | (97,615) |
| Interest paid | (188,689) | (193,025) |
| Purchase / construction of capital assets | (600,038) | (406,811) |
| Capital contributions - other governments | - | - |
| Capital contributions from developers | 402,053 | 322,094 |
| Net cash flows from capital financing activities | (488,625) | (375,357) |
| Net cash flows | 23,592 | 1,602,062 |
| Cash and cash equivalents - beginning | 2,264,208 | 662,146 |
| **Cash and cash equivalents - ending** | $ 2,287,800 | $ 2,264,208 |

**CITY OF SENOIA, GEORGIA**
**SEWER ENTERPRISE FUND**
**STATEMENTS OF CASH FLOWS**

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| **Operating income (loss)** | $ 216,827 | $ 35,656 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 237,439 | 228,170 |
| (Increase) decrease in receivables | (22,696) | (9,772) |
| Increase (decrease) in accounts payable | 234,742 | 1,229 |
| Increase (decrease) in accrued liabilities | (13,160) | 5,354 |
| Total adjustments | 436,325 | 224,981 |
| **Net cash from operating activities** | $ 653,152 | $ 260,637 |
| **Non-cash transactions -** | | |
| Contribution of land from a developer to be used for the construction site of a new sewer plant. | $ - | $ 597,200 |

**CITY OF SENOIA, GEORGIA**
**SOLID WASTE MANAGEMENT FUND**
**COMPARATIVE STATEMENT OF NET POSITION**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Receivables, net - | | |
| Accounts | $ 24,635 | $ 26,752 |
| Total current assets | 24,635 | 26,752 |
| **Total assets** | 24,635 | 26,752 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | 28,215 | - |
| Total current liabilities | 28,215 | - |
| **Long-term liabilities** | - | - |
| **Total liabilities** | 28,215 | - |
| **NET POSITION** | | |
| Investment in capital assets | - | - |
| Unrestricted | (3,580) | 26,752 |
| Total Net Position | $ (3,580) | $ 26,752 |

**CITY OF SENOIA, GEORGIA**
**SOLID WASTE MANAGEMENT FUND**
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEARS DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | $ 362,336 | $ 335,854 |
| Total operating revenues | 362,336 | 335,854 |
| **OPERATING EXPENSES** | | |
| Purchase of product | 329,515 | 307,494 |
| Other | 1,500 | 1,000 |
| Total operating expenses | 331,015 | 308,494 |
| Operating income (loss) | 31,321 | 27,360 |
| Transfers | (61,653) | (24,746) |
| Change in net position | (30,332) | 2,614 |
| NET POSITION - BEGINNING | 26,752 | 24,138 |
| **NET POSITION - ENDING** | $ (3,580) | $ 26,752 |

**CITY OF SENOIA, GEORGIA**
**SOLID WASTE MANAGEMENT FUND**
**COMPARATIVE STATEMENT OF CASH FLOWS**
**FOR THE YEARS DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 364,453 | $ 333,240 |
| Cash paid to suppliers for goods | (302,800) | (308,494) |
| Cash paid to employees | - | - |
| Net cash provided from operating activities | 61,653 | 24,746 |
| **Cash flows from investing activities:** | | |
| Other | - | - |
| Net cash from investing activities | - | - |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | (61,653) | (24,746) |
| Net cash flows from non-capital financing activities | (61,653) | (24,746) |
| **Cash flows from capital financing activities:** | | |
| Purchase of capital assets | - | - |
| Net cash flows from capital financing activities | - | - |
| Net cash flows | - | - |
| Cash and cash equivalents - beginning | - | - |
| **Cash and cash equivalents - ending** | $ - | $ - |

**CITY OF SENOIA, GEORGIA**
**SOLID WASTE MANAGEMENT FUND**
**STATEMENTS OF CASH FLOWS**

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| **Operating income (loss)** | $ 31,321 | $ 27,360 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | - | - |
| (Increase) decrease in receivables | 2,117 | (2,614) |
| Increase (decrease) in accounts payable | 28,215 | - |
| Total adjustments | 30,332 | (2,614) |
| **Net cash from operating activities** | $ 61,653 | $ 24,746 |

CITY OF SENOIA, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Receivables, net - | | |
| Accounts | $ 9,871 | $ 10,896 |
| Due from other funds | 63,163 | - |
| Total current assets | 73,034 | 10,896 |
| **Noncurrent assets** | | |
| Capital assets - | | |
| Land | 175,461 | 175,461 |
| Construction in progress | 51,091 | 51,091 |
| Improvements other than buildings | 803,702 | 791,277 |
| Accumulated depreciation | (78,700) | (58,879) |
| Capital assets (net of depreciation) | 951,554 | 958,950 |
| **Total assets** | 1,024,588 | 969,846 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | 3,112 | - |
| Due to other funds | - | 17,448 |
| Total current liabilities | 3,112 | 17,448 |
| **Long-term liabilities** | - | - |
| **Total liabilities** | 3,112 | 17,448 |
| **NET POSITION** | | |
| Investment in capital assets | 951,554 | 958,950 |
| Unrestricted | 69,922 | (6,552) |
| Total Net Position | $ 1,021,476 | $ 952,398 |

**CITY OF SENOIA, GEORGIA**
**STORMWATER MANAGEMENT FUND**
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEARS DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | $ 142,176 | $ 137,104 |
| Total operating revenues | 142,176 | 137,104 |
| **OPERATING EXPENSES** | | |
| Professional fees | 41,054 | 29,199 |
| Other | 12,223 | 7,283 |
| Depreciation | 19,821 | 19,782 |
| Total operating expenses | 73,098 | 56,264 |
| Operating income (loss) | 69,078 | 80,840 |
| Capital contributions - | | |
| General and SPLOST Funds | - | - |
| Transfers | - | - |
| Change in net position | 69,078 | 80,840 |
| NET POSITION - BEGINNING | 952,398 | 871,558 |
| **NET POSITION - ENDING** | $ 1,021,476 | $ 952,398 |

**CITY OF SENOIA, GEORGIA**
**STORMWATER MANAGEMENT FUND**
**COMPARATIVE STATEMENT OF CASH FLOWS**
**FOR THE YEARS DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 143,201 | $ 137,541 |
| Cash paid to suppliers for goods | (50,165) | (36,482) |
| Cash paid to employees | - | - |
| Net cash provided from operating activities | 93,036 | 101,059 |
| **Cash flows from investing activities:** | | |
| Other | - | - |
| Net cash from investing activities | - | - |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | - | - |
| Increase in due to other funds | (80,611) | 26,493 |
| Net cash flows from non-capital financing activities | (80,611) | 26,493 |
| **Cash flows from capital financing activities:** | | |
| Purchase of capital assets | (12,425) | (127,552) |
| Net cash flows from capital financing activities | (12,425) | (127,552) |
| Net cash flows | - | - |
| Cash and cash equivalents - beginning | - | - |
| **Cash and cash equivalents - ending** | $ - | $ - |

CITY OF SENOIA, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENTS OF CASH FLOWS

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| **Operating income (loss)** | $ 69,078 | $ 80,840 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 19,821 | 19,782 |
| (Increase) decrease in receivables | 1,025 | 437 |
| Increase (decrease) in accounts payable | 3,112 | - |
| Total adjustments | 23,958 | 20,219 |
| **Net cash from operating activities** | $ 93,036 | $ 101,059 |
| **Non-cash transactions -** | | |
| Transfers of a completed capital project from Governmental-Type Funds to the Stormwater Fund. | $ - | $ - |

**CITY OF SENOIA, GEORGIA**
**DOWNTOWN DEVELOPMENT AUTHORITY**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| Assets: | | |
| Cash | $ 47,348 | $ 58,222 |
| Accounts receivable | - | 180 |
| Due from primary government | 4,394 | 8,888 |
| Total Assets | $ 51,742 | $ 67,290 |
| **Liabilities and Fund Equity** | | |
| Liabilities: | | |
| Accounts payable | $ 892 | $ 689 |
| Customer deposits | 1,850 | 1,850 |
| Total Liabilities | 2,742 | 2,539 |
| Fund equity: | | |
| Fund Balance - Unassigned | 49,000 | 64,751 |
| Total Fund Equity | 49,000 | 64,751 |
| Total Liabilities and Fund Equity | $ 51,742 | $ 67,290 |

**CITY OF SENOIA, GEORGIA**
**DOWNTOWN DEVELOPMENT AUTHORITY**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| Revenues: | | |
| Intergovernmental | $ 4,937 | $ 1,635 |
| Events and promotions | 7,965 | 42,098 |
| Rents | 11,100 | 22,200 |
| Miscellaneous | - | 5,251 |
| Total Revenues | 24,002 | 71,184 |
| Expenditures: | | |
| Purchased / contracted services | 22,279 | 47,675 |
| Supplies | 2,258 | 3,443 |
| Payments to others - Façade Grants | - | - |
| Capital outlay | - | - |
| Event expenditures | 8,086 | 28,292 |
| Debt service - | | |
| Principal | 4,938 | 28,797 |
| Interest | 2,192 | 3,333 |
| Total Expenditures | 39,753 | 111,540 |
| Excess of revenues over (under) expenditures | (15,751) | (40,356) |
| Other financing sources (uses): | | |
| Proceeds from note issue | - | - |
| Proceeds from sale of asset | - | - |
| Total Other Financing Sources (Uses) | - | - |
| Net change in fund balance | (15,751) | (40,356) |
| Fund Balance - Beginning of year | 64,751 | 105,107 |
| Fund Balance - End of year | $ 49,000 | $ 64,751 |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT AUTHORITY**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| Assets: | | |
| Cash | $ 2,609 | $ 2,609 |
| Accounts receivable | - | - |
| Note receivable | - | - |
| Total Assets | $ 2,609 | $ 2,609 |
| **Liabilities and Fund Equity** | | |
| Liabilities: | | |
| Due to primary government | $ - | $ 9,229 |
| Total Liabilities | - | 9,229 |
| Fund equity: | | |
| Fund Balance - Unassigned | 2,609 | (6,620) |
| Total Fund Equity | 2,609 | (6,620) |
| Total Liabilities and Fund Equity | $ 2,609 | $ 2,609 |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT AUTHORITY**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

| | 2020 | 2019 |
|---|---|---|
| Revenues: | | |
| From Primary Government | $ 13,149 | $ - |
| Interest | - | - |
| Total Revenues | 13,149 | - |
| Expenditures: | | |
| Purchased / contracted services | 3,920 | 4,426 |
| Supplies | - | 213 |
| Payments to others - Façade Grants | - | - |
| Capital outlay | - | - |
| Debt service - | | |
| Principal | - | - |
| Interest | - | - |
| Total Expenditures | 3,920 | 4,639 |
| Excess of revenues over (under) expenditures | 9,229 | (4,639) |
| Other financing sources (uses): | | |
| Proceeds from note issue | - | - |
| Proceeds from sale of asset | - | - |
| Total Other Financing Sources (Uses) | - | - |
| Net change in fund balance | 9,229 | (4,639) |
| Fund Balance - Beginning of year | (6,620) | (1,981) |
| Fund Balance - End of year | $ 2,609 | $ (6,620) |

# COMPLIANCE SECTION

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF PROJECTS FINANCED**
**WITH SPECIAL SALES TAX #5 PROCEEDS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| PROJECT | ORIGINAL ESTIMATED COST | EXPENDITURES BEGINNING OF YEAR | EXPENDITURES CURRENT YEAR | EXPENDITURES TO DATE | ESTIMATED PERCENT COMPLETE |
|---|---|---|---|---|---|
| City Hall | $ 120,000 | $ 419 | $ - | $ 419 | 0.0% |
| Public Safety | 200,000 | 63,344 | - | 63,344 | 31.7% |
| Roads, streets, bridges and sidewalks | 1,250,000 | 2,043,289 | 2,185,488 | 4,228,777 | 338.3% |
| Parks and Recreation | 1,250,000 | 681,760 | 31,900 | 713,660 | 57.1% |
| Public Works | 300,000 | - | - | - | 0.0% |
| | $ 3,120,000 | $ 2,788,812 | $ 2,217,388 | $ 5,006,200 | |

Note - Above expenditures include $496,151 of prior year and $2,023,226 of current year expenditures paid with grant funds.

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF PROJECTS FINANCED**
**WITH SPECIAL SALES TAX #6 PROCEEDS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| PROJECT | ORIGINAL ESTIMATED COST | EXPENDITURES BEGINNING OF YEAR | EXPENDITURES CURRENT YEAR | EXPENDITURES TO DATE | ESTIMATED PERCENT COMPLETE |
|---|---|---|---|---|---|
| Administrative | $ - | $ 21 | $ 5,824 | $ 5,845 | 0.0% |
| Public Safety | 699,132 | - | - | - | 0.0% |
| Roads, streets, bridges and sidewalks | 1,500,000 | - | - | - | 0.0% |
| Parks and Recreation | 1,435,000 | - | - | - | 0.0% |
| Public Works | 300,000 | - | 59,987 | 59,987 | 20.0% |
| | $ 3,934,132 | $ 21 | $ 65,811 | $ 65,832 | |

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF DEVELOPMENT IMPACT FEES**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| | LIBRARY | POLICE | PARKS | CIE COST RECOVERY | ADMIN | TOTAL |
|---|---|---|---|---|---|---|
| **Receipts -** | | | | | | |
| Prior years | $ 383,902 | $ 287,693 | $ 1,362,117 | $ 14,396 | $ 60,002 | $ 2,108,110 |
| Current year | 18,732 | 24,283 | 152,571 | 1,017 | 5,862 | 202,465 |
| Total receipts | 402,634 | 311,976 | 1,514,688 | 15,413 | 65,864 | 2,310,575 |
| **Expenditures -** | | | | | | |
| Prior years | 246,745 | 203,692 | 773,070 | 8,940 | 55,179 | 1,287,626 |
| Current year | - | - | 8,730 | - | 9 | 8,739 |
| Total expenditures | 246,745 | 203,692 | 781,800 | 8,940 | 55,188 | 1,296,365 |
| **Balance at end of year** | $ 155,889 | $ 108,284 | $ 732,888 | $ 6,473 | $ 10,676 | $ 1,014,210 |

Note - Expenditures are net of Federal and State grant revenues and interfund transfers / reimbursements of expenditures.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of City Council
City of Senoia, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of City of Senoia, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Senoia's basic financial statements and have issued our report thereon dated August 9, 2021.

### *Internal Control over Financial Reporting*

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 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. We consider the deficiencies described as items 2006.001, 2013.002 and 2020.001 in the accompanying schedule of findings and questioned costs to be material weaknesses.

*Compliance and Other Matters*

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

**City of Senoia, Georgia's Response to Findings**

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

**Purpose of this Report**

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

James L. Whitaker, P.C.

Snellville, Georgia
August 9, 2021

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

To the Honorable Mayor and Members of City Council
City of Senoia, Georgia

### Report on Compliance for Each Major Federal Program

We have audited City of Senoia, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Senoia, Georgia's major federal programs for the year ended December 31, 2020. City of Senoia, Georgia'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 City of Senoia Georgia'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 City of Senoia, Georgia'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 City of Senoia, Georgia's compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Senoia, Georgia 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.

**Report on Internal Control over Compliance**

Management of City of Senoia, Georgia 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 City of Senoia, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 City of Senoia, Georgia'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 a 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 control 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.

James A. Whitaker, P.C.

Snellville, Georgia
August 9, 2021

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Transportation** | | | |
| Passed through the Georgia Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Federal-Aid Highway Program | 20.205 | P.I. #0012879 | $ 1,737,416 |
| Passed through the Atlanta Regional Commission | | | |
| Highway Planning and Construction Cluster | | | |
| Federal-Aid Highway Program | 20.205 | UP924 | 2,000 |
| Total Highway Planning and Construction Cluster | | | 1,739,416 |
| **Total U.S. Department of Transportation** | | | **1,739,416** |
| **U.S. Environmental Protection Agency** | | | |
| Passed through the Georgia Environmental Facilities Authority | | | |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | CW2018001 | 693,223 |
| **Total U.S. Environmental Protection Agency** | | | **693,223** |
| **U.S. Department of Treasury** | | | |
| Georgia Governor's Office of Planning & Budget | | | |
| COVID-19 - Coronavirus Relief Fund | 21.019 | | 230,958 |
| **Total U.S. Department of Treasury** | | | **230,958** |
| **Total expenditures of federal awards** | | | **$ 2,663,597** |

See accompanying notes to schedule of expenditures of federal awards.

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

## NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Senoia, Georgia under programs of the federal government for the year ended December 31, 2020. The information in the 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). Because the Schedule presents only a selected portion of the operations of City of Senoia, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Senoia, Georgia.

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE C – EXPENDITURES REPORTED FOR U.S. ENVIRONMENTAL PROTECTION AGENCY

In accordance with EPA's consultation for an entity to report expenditures on its Schedule of Expenditures of Federal Awards (SEFA) when the entity requests reimbursement from its awarding agency, the City has recognized prior year expenditures for its Capitalization Grants for Clean Water State Revolving Funds. The make-up of the amount reported on the SEFA for this loan is as follows:

| | |
|---|---|
| Current year expenditures | $252,515 |
| Prior year expenditures | 440,708 |
| Total amount reported | $693,223 |

## NOTE D – INDIRECT COST RATE

The City elected not to utilize the 10% de minimus indirect cost rate.

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF FINDINGS AND QUESTIONED COST**
**FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I

SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

| | |
|---|---|
| Type of report the auditor issued on whether the financial statements audited weree prepared in accordance with GAAP | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | yes |
| Significant deficiency(ies) identified? | no |
| Noncompliance material to financial stattements noted? | no |

**Federal Awards**

| | |
|---|---|
| Internal Control over major federal programs: | |
| Material weakness(es) identified | no |
| Significant deficiency(ies) identified? | no |
| Type of auditor's report issued on compliance for major federal programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | no |

Identification of major programs:

| CFDA NUMBER | Name of Federal Program or Cluster |
|---|---|
| 20.205 | Highway Planning & Construction Cluster |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 750,000 |
| Auditee qualified as low-risk auditee | no |

CITY OF SENOIA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II

| B. FINDINGS--FINANCIAL STATEMENT AUDITS | | | QUESTIONED COST |
|---|---|---|---|
| **2006.001** | **RECEIVABLE RECONCILIATION AND REVENUE RECOGNITION - REPEAT FINDING** | | |
| | Condition: | The City does not reconcile its receivables from such items as property taxes, probation fines and utility billings. | N/A |
| | Criteria: | A detailed list of receivables should be reconciled to the general ledger on a monthly basis. | |
| | Effect: | Errors or irregularities could go undetected by employees in the normal course of performing their duties. Significant errors were found during the 2018 audit where utility revenues were over-stated by approximately $100,000. | |
| | Cause: | Accounting personnel has not had a significant amount of training in the area of reconciliations. | |
| | Recommendation: | Management should ensure that accounting personnel obtain the necessary training in order to properly perform reconciliations on a monthly basis. | |
| | View of responsible officials and planned corrective action: | Management agrees with the finding. Management will provide the accounting staff with the amount of training needed in order to properly reconcile accounts receivable. | |
| **2013.002** | **LACK OF RECONCILIATION PROCEDURES OVER ACCRUED LIABILITY ACCOUNTS - REPEAT FINDING** | | |
| | Condition: | The City was reporting approximately $42,000 of debit balances in accrued liability accounts for 2020 and substantial amounts in previous years. After we performed reconciliation procedures we determined the balances should be zero for each year. | N/A |
| | Criteria: | All balance sheet accounts should be reviewed and / or reconciled on a monthly basis to determine if the account balances are reasonable and properly stated. | |
| | Effect: | Errors or fraud could occur without being detected in a timely manner by employees performing their regular duties. In addition, expenditures were understated by the amounts stated above. | |
| | Cause: | Accrued liability accounts were not properly reconciled during the year. | |
| | Recommendation: | Management should ensure that all balance sheet accounts are reviewed and / or reconciled on a monthly basis to determine if they are properly stated. | |
| | View of responsible officials and planned corrective action: | Management agrees with the finding. Management will emphasize to the accounting personnel the importance of reconciling and / or reviewing all balance sheet accounts on a monthly basis to determine if the accounts are properly stated. | |

CITY OF SENOIA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II

| B. FINDINGS--FINANCIAL STATEMENT AUDITS | | QUESTIONED COST |
|---|---|---|
| **2020.001** | **GRANT REIMBURSEMENT REQUEST AND SUBSEQUENT PAYMENTS** | |
| Condition: | The City request reimbursements for eligible expenditures from Grantors under grant agreements entered into by Mayor and Council. The requests are usually prepared on a monthly basis and mailed to the Grantor for reimbursement. The reimbursement requests are not recorded on the City's general ledger nor monitored to insure reimbursements are actually received. | N/A |
| Criteria: | Grant reimbursement requests should be recorded in the City's general ledger when the requests are issued. Accounting personnel should monitor the receivable to insure that payment for the reimbursement requests are received and properly recorded in the general ledger. | |
| Effect: | The City did not receive a check from the Grantor in the amount of $176,919.70 that was written in October 2020 by the Grantor. City personnel were unaware that the check had not been received as of March 2, 2021. | |
| Cause: | Accounting controls over grant reimbursement requests had not been implemented into the City accounting system. | |
| Recommendation: | Management should review the accounting system and controls over grant reimbursement request and implement a system that would allow for the recording of reimbursement request when issued and monitor the receivable for payment. | |
| View of responsible officials and planned corrective action: | Management agrees with the finding. Management will review the accounting system for grant reimbursements and insure that the reimbursement request will be recorded in the books of the City when issued and the related receivable will be monitored for payment. | |

CITY OF SENOIA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

**SECTION III**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COST**

None reported

CITY OF SENOIA, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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**2006.001 Receivable Reconciliation and Revenue Recognition**

**Condition:** The City does not reconcile its receivables from such items as property taxes, probation fines and utility billings which could lead to errors and irregularities going undetected by employees in the normal course of performing their duties.

**Context:** During our audit work, significant adjustments have had to be made to adjust the general ledger balances in various receivable accounts to the detail subsidiary ledger listings.

**Status:** During 2020, the City hired an experienced finance director with sufficient skills and knowledge to be able to perform proper reconciliations of receivables in a timely manner. The new finance director is working hard to implement controls over all balance sheet items.

**2013.002 Lack of Reconciliation Procedures Over Accrued Liability Accounts**

**Condition:** The City does not reconcile accrued liability accounts which could lead to errors and irregularities going undetected by employees in the normal course of performing their duties.

**Context:** During our testing of the City's accrued liability accounts, we noted significant debit balances in accrued health insurance withholding accounts. After we performed reconciliations of the liability accounts, we determined the balances should be zero, which required significant adjustments to the City general fund's balance sheet and expenditures.

**Status:** During 2020, the City hired an experienced finance director with sufficient skills and knowledge to be able to perform proper reconciliations of all balance sheet accounts in a timely manner. The new finance director is working hard to implement controls over all balance sheet items.

William "Dub" Pearman, III
Mayor

Harold Simmons
City Manager

Senoia
GEORGIA EST. 1866
The perfect setting. For life.

Department of Audits
Medicaid and Local Government Audit Division
270 Washington Street, SW
Room 1-156
Atlanta, Georgia 30334-8400

The following is management's response to the findings noted in the auditor's report for the year ended December 31, 2020 and dated August 9, 2021 for the City of Senoia, Georgia.

**FINDING:**

**2006.001 RECEIVABLE RECONCILIATION AND REVENUE RECOGNITION**

The City does not reconcile its receivables from such items as property taxes, probation fines and utility billings.

**CORRECTIVE ACTION PLAN:**

Management agrees with the finding. Management has hired a new finance director with significant experience and is currently reviewing the accounting system and internal control to determine improvements are made. It should be noted that the City attempted to properly reconcile receivables but continues to have problems with obtaining the necessary information from the tax commissioner's office. The Finance Director will continue to work toward a solution in 2021.

**FINDING:**

**2013.002 LACK OF RECONCILIATION PROCEDURES OVER ACCRUED LIABILITY ACCOUNTS**

The City was reporting approximately $42,000 of debit balances in accrued liability accounts for 2020 and substantial amounts in previous years. After we performed reconciliation procedures we deterred the balances should be zero.

**CORRECTIVE ACTION PLAN:**

Management agrees with the finding. The Finance Director has made changes in the accounting procedures on liabilities. She will continue to monitor the balances monthly to maintain oversight of the accounts.

**FINDING:**

**2020.001 GRANT REIMBURSEMENT REQUESTS AND SUBSEQUENT PAYMENTS**

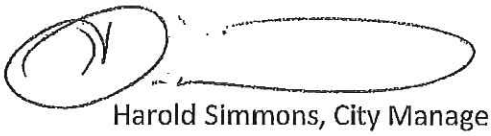
The City requests reimbursements for eligible expenditures from Grantors under grant agreements entered into by Mayor and Council. The requests are usually prepared on a monthly basis and mailed to the Grantor for reimbursement. The reimbursement requests are not recorded on the City's general ledger nor monitored to insure reimbursements are actually received.

**CORRECTIVE ACTION PLAN:**

Management agrees with the finding. The Finance Director has set up receivable accounts for the active grants in order to monitor reimbursement payments monthly and to assure reimbursements are completed on a timely basis.

Should you have any additional questions or comments please contact me at your earliest convenience.

Sincerely,



Harold Simmons, City Manager
City of Senoia, Georgia