

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council of the City of Stonecrest, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Stonecrest, Georgia (the "City"), as of and for year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the General Fund, the Special Local Option Sales Tax Fund, the Urban Redevelopment Fund and American Rescue Plan Act Fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual nonmajor fund budgetary comparison schedule and the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Tabb & Tabb

December 5, 2025

The following discussion and analysis of the City of Stonecrest, Georgia (the "City") introduces the basic financial statements for the year ended December 31, 2022. Management prepared this discussion that should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information, taken collectively, is designed to provide readers with an understanding of the City's finances.

CITY ACTIVITY HIGHLIGHTS

The City, which was incorporated by a voter approved referendum in 2016, commenced operations during July 2017 pursuant to the election of a mayor and council in April 2017. The City is located 11 miles east of Atlanta with a population of approximately 60,000. The City is home to major commercial and industrial establishments such as DeKalb Medical Center, Dart Container Corporation, The Home Depot Flatbed Distribution Center and the 1.2 million square foot Mall at Stonecrest.

Policymaking and legislative authority of the government is vested in the Mayor and five Council Members, who are elected for four-year terms. Council members are elected by district, and the Mayor is elected at-large by popular vote. Terms of office begin after the certification of the election and swearing into office. The legislative authority of the government of the City of Stonecrest, except as otherwise specifically provided in the Charter, shall be vested in the City Council with the Mayor voting in the event of a tie, and possesses all the executive powers granted to the government under the constitution and laws of the State of Georgia and the City of Stonecrest Charter. The City Manager maintains all the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's Charter. The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the year by $59,833,727 (total net position), which represents an increase of $10,391,414 or 21.02% from the prior year ending balance. Of the total net position, $30,004,750 (unrestricted net position) is available to meet the ongoing obligations of the City.

- As of December 31, 2022, the City's governmental funds reported combined ending fund balances of $40,120,614 which represents an increase of $9,260,575 over the prior year.

- The City expended $8,104,146 of SPLOST funds primarily for street resurfacing and parcel acquisition.

- The City received $4,865,023 in 2022 as well as $4,865,023 in 2021 for a total of $9,730,046 pursuant to the Coronavirus State and Local Fiscal Recovery Funds program provided for under the American Rescue Plan Act of 2021. A separate governmental fund was established to account for such funds and the amount of the funds received in 2022 and 2021 are shown as unearned revenue.

- The City, in October 2022, issued $2,335,000 of Series 2022A Tax-exempt Revenue Bonds and $3,715,000 of Series 2022B Taxable Revenue Bonds, for a total bond issuance of $6,050,000. The Series 2022A and 2022B Revenue Bonds were issued for the purpose of purchasing the City Hall administrative building with commercial rental space. The City Hall administrative building is reported within the City's capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all 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 period. 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements report only governmental activities of the City which are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government, judicial, public works type operations, culture and recreation, economic development, and community development.

The government-wide financial statements include financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 period. Such information may be useful in evaluating the City'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 City'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 governmental funds and governmental activities.

The City maintains six individual governmental funds: the General Fund, the Special Purpose Local Option Sales Tax (SPLOST) Fund, the Hotel/Motel Tax Fund, the Urban Redevelopment Agency (URA), the American Rescue Plan Act (ARPA) Fund, and the COVID-19 Relief Fund established to account for the Coronavirus Relief Funds. The General Fund, the SPLOST Fund, the URA and the ARPA fund are major funds. Data from the other funds, the Hotel/Motel Tax Fund and the COVID-19 Relief Fund are reported as a single column presentation alongside the major funds, as the City's two nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 28 of this report.

Required supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedules for the General Fund, the SPLOST Fund, the URA Fund and the ARPA Fund as presented on a generally accepted accounting principal basis. These schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 29 through 32 of this report.

Supplementary Information. This section presented the combining and individual statements and schedules for nonmajor funds, including budgetary comparison schedules. Also the Schedule of Expenditures of the Special Purpose Local Option Sales Tax is included in this section. Supplementary information can be found on pages 33 through 37 of this report.

OVERVIEW OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $59,833,727, representing a $10,391,414 or 21.02% increase over the prior year.

The City's net position is comprised of net investment in capital assets of $14,553,902, amounts restricted for promotion of trade and tourism of $473,024, and capital projects of $14,802,051. The remaining portion of the City's net position represents unrestricted net position of $30,004,750, which is available to meet the ongoing obligations of the City.

City of Stonecrest, Georgia
Net Position
December 31, 2022 and 2021

	Government Activities	
	2022	2021
Assets		
Current assets	$ 57,787,948	$ 42,224,429
Capital assets	23,798,902	17,664,966
Total assets	81,586,850	59,889,395
Liabilities		
Current liabilities	12,508,123	7,227,531
Financed purchases payable	-	24,551
Revenue bonds payable	9,245,000	3,195,000
Total liabilities	21,753,123	10,447,082
Net Position		
Net investment in capital assets	14,553,902	14,446,740
Restricted	15,275,075	12,856,721
Unrestricted	30,004,750	22,138,852
Total net position	$ 59,833,727	$ 49,442,313

The largest portion of the City's current assets, $47,334,107 reflects its cash holdings at December 31, 2022, an increase from the prior year of $15,465,261 or 48.53%. Capital assets increased $6,133,936, or 34.72%, from the prior year mainly due to the purchase of the City Hall administrative building. Current liabilities increased $5,280,592 or 73.06%. Most of the increase is the result of the recognition of $4,865,023 of the Coronavirus State and Local Fiscal Recovery Funds provided under the American Rescue Plan Act as unearned revenue. Revenue bonds payable increased $6,050,000 because of the issuances of the Series 2022A Revenue Bonds and the Series 2022B Revenue Bonds.

Government Activities: The table below reflects changes in the net position for years 2022 and 2021.

City of Stonecrest, Georgia
Changes in Net Position
For the years ended December 31, 2022 and 2021

	Government Activities	
	2022	2021
Revenues:		
Program revenues:		
Grants and contributions	$ 10,528,350	$ 16,878,115
Charges for services	2,964,339	1,827,281
General revenues:		
Taxes	15,005,938	14,741,350
Interest	56,690	3,906
Miscellaneous	305,774	462,617
Total revenues	28,861,091	33,913,269
Expenditures:		
Current:		
General government	6,145,565	5,484,463
Judicial	218,740	82,142
Public works	8,538,731	6,606,635
Culture and recreation	1,916,091	1,700,485
Community development	303,168	1,487,192
Economic development	1,196,721	1,134,200
Debt service:		
Interest on long-term debt	150,661	167,259
Total expenditures	18,469,677	16,662,376
Excess of revenues over expenditures	10,391,414	17,250,893
Change in net position	10,391,414	17,250,893
Net position, beginning of year	49,442,313	32,191,420
Net position, end of year	$ 59,833,727	$ 49,442,313

Revenues. In 2022, government-wide total revenues decreased $5,052,178, or 14.90%. Most of this decrease is reflected in grants and contributions and is because no Coronavirus Relief Funds were received in the current year as the program was concluded in 2021. The City received $5,954,282 in Coronavirus Relief Funds in 2021.

Also in 2022, charges for services increased by $1,137,058 or 62.23% due to the increase in the issuance of business licenses and building and development permits. Tax revenue, which includes property, hotel and motel, insurance premium, business and occupation, alcoholic beverages and franchise, was stable with a $264,588 increase between the two years.

Expenses. Expenses increased $1,807,301 or 10.85%, primarily related to an increase in general government costs and an increase in public works type operations (SPLOST). The increase in government costs is due to the City hiring full-time staff that replaced a outside contractor that conducted the day-to-day operations of the City. Community development expenses decreased $1,184,024, or 79.61%, which helped offset the increase in expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

General Fund. The General Fund is the chief operating fund of the City. At the end of the current year the total fund balance was $25,138,355, an increase in fund balance of $6,843,546 or 37.41% All the fund balance is unassigned and available for use by the City.

CITY OF STONECREST, GEORGIA
General Fund
Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2022 and 2021

	2022	2021	Increase (Decrease)	Variance
Revenues:				
Taxes	$ 12,773,221	$ 13,597,541	$ (824,320)	(6.06)%
Licenses and permits	2,807,055	3,287,493	(480,438)	(14.61)%
Intergovernmental	548,188	497,475	50,713	10.19%
Charges for services	99,864	84,261	15,603	18,52%
Fines and forfeitures	57,420	19,073	38,347	201.05%
Miscellaneous	133,140	384,758	(251,679)	(65.41)%
Investment earnings	1,400	3,906	(2,506)	(64.16)%
Total revenues	16,420,227	17,874,507	(1,454,280)	(8.14)%
Expenditures:				
Current:				
General government	5,808,004	4,902,114	905,890	18.48%
Judicial	218,740	82,142	136,598	166.29%
Public works	750,768	329,712	421,056	127.70%
Culture and recreation	1,714,274	1,535,265	179,009	11.66%
Community development	303,168	703,863	(400,695)	(56.93)%
Economic development	686,820	1,396,147	(709,327)	(50.81)%
Capital outlay	214,172	105,276	108,896	103.44%
Debt service:				
Principal retirement	24,551	33,551	(9,000)	(26.64)%
Interest and fiscal charges	93,910	4,849	89,061	1,836.69%
Total expenditures	9,814,407	9,092,919	721,488	7.93%
Excess (deficiency) of revenues (under) expenditures	6,605,820	8,781,588	(2,175,768)	(24.78)%
Other financing sources (uses)				
Net transfers in/(out)	237,728	152,108	85,620)	56.26)%
Net change in fund balances	6,843,548	8,933,696	(2,090,148)	(23.40)%
Fund balances, beginning of year	18,294,809	9,361,113	6,843,548	95.43%
Fund balances, end of year	$ 25,138,357	$ 18,294,809	$ 6,843,548	37.41%

Total General Fund revenues decreased $1,454,221 or 8.14% principally due to a decrease in franchise tax revenue related to a catch-up collection from Georgia Power Company in 2021 that was not repeated in 2022.

Total General Fund expenditures increased $721,550, or 7.93%, due to the ramp up in City staff to replace the contractor staff previously retained to oversee the City's day-to-day operations.

SPLOST Fund. In 2018, the City began receiving proceeds of a sales tax levied in DeKalb County, which will be used by the City for the exclusive purpose of capital outlay projects in accordance with a voter approved sales tax referendum. For years 2022 and 2021, the City received SPLOST revenue of $9,885,949 and $8,936,533, respectively, not including interest earned off SPLOST collections. In 2022 and 2021, the City expended $8,104,146 and $8,298,084, respectively. These expenditures of SPLOST funds were primarily for resurfacing projects and roadway improvements.

Urban Redevelopment Agency (URA). The Urban Redevelopment Agency was created to exercise the City's urban redevelopment powers. Under Georgia's Urban Redevelopment Act (O.C.G.A 36-61-1), cities are given broad powers to redevelop blighted or threatened areas of the community. These powers include: (1) the use of eminent domain to buy and assemble property for revitalization and resale; (2) encouragement of private-public partnerships to redeveloped neglected areas; (3) permit the use of tax-exempt bonds for redevelopment purposes, that can be secured by loans or grants; (4) allow the City to negotiate variances and wave many requirements of its existing zoning and development requirements in order to achieve the optimum economic and aesthetic results in the blighted or threatened area. In 2022, the Series 2022A and Series 2022B Bonds were issued to purchase the City Hall administrative building. The URA reported a change in fund balance of $172,624 during 2022 reducing the fund balance from $79,184 to $251,808 for year ended December 31, 2022.

The American Rescue Plan (ARPA) Fund. The ARPA Fund is a special revenue fund used to account for amounts awarded under the Coronavirus State and Local Fiscal Recovery Funds program provided for under the American Rescue Plan of 2021. The City received $4,865,023 in 2021, however none of the awarded funds were expended in 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget versus actual comparison can be found on page 36. Total revenues were $3,225,536 more than budget. Taxes were $2,943,969 more than budget. Licenses and permits were $527,945 less than budget. Intergovernmental revenues were $548,188 in excess of budget as the City did not anticipate receiving certain revenue streams when the budget was adopted.

For the year ended December 31, 2022, the General Fund had expenditures in excess of final budgeted line-item appropriations as follows:

General Fund:		
Debt Service:		
Principal retirements	$	4,551
Interest and fiscal charges	$	88,910

Total expenditures were $3,931,532 less than the final budget. General government expenditures were $1,776,066 less than budgeted due to savings realized in various departments. This category also included a $280,988 contingency that could have been allocated to other expenditure line items. The City transitioned from prime contractor to hire full-time staff, with key positions left unfilled. The salary savings had the greatest impact on the variance in total expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities as of December 31, 2022 was $23,798,902, an increase of $6,200,361 from the prior year.

City of Stonecrest, Georgia
Capital Assets (net of accumulated depreciation)
December 31, 2022 and 2021

	2022	2021
Land	$ 10,931,746	$ 10,931,746
Construction in progress	-	67,071
Buildings	6,402,845	556,789
Building Improvements	6,077,463	5,826,888
Furniture and equipment	386,848	216,047
Total	$ 23,798,902	$ 17,598,541

Additional information on the City's capital assets can be found in Note 4 on page 24 of this report.

Revenue Bonds – Direct Placement. In 2022, the City of Stonecrest URA voted unanimously to pass a bond resolution to purchase the Stonecrest City Hall building. Two revenue bonds were issued, Series 2022A and Series 2022B, totaling $6,050,000. The Series 2022A Bonds, with the principal amount of $2,335,000, will be paid for in 20 years at an interest rate of 3.50 percent per annum. The Series 2022B Bonds will be paid for in 20 year at an interest rate of 4.48 percent per annum.

City of Stonecrest, Georgia
Long Term Debt
December 31, 2022 and 2021

	2022	2021
Revenue bonds	$ 9,245,000	$ 3,195,000
Financed purchases	-	24,551
Total	$ 9,245,000	$ 3,219,551

Additional information on the City's long-term debt can be found in Note 5 on page 25 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

These factors were considered in preparing the City's budget for the 2023 year.

- Adopt governing authority priorities to enhance citizen services,
- Conduct studies to consider takeover of police services and public works type operations from DeKalb County, focusing on services and cost,
- Plan and execute the transition from contracted services to full-time staff to handle the day-to-day operations of City Hall,
- Budget to operate at an expenditure level consistent with revenue, and
- Explore all viable options to maintain the General Fund millage rate at or near the current rate of 1.336 mills.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Stonecrest finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, Attention: Director of Finance, City of Stonecrest, 3120 Stonecrest Blvd, Stonecrest, GA 30038.

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BASIC FINANCIAL STATEMENTS

CITY OF STONECREST, GEORGIA
Statement of Net Position
December 31, 2022

	Government Activities
Assets	
Cash and cash equivalents	$ 47,334,107
Receivables:	
Accounts, net	175,359
Property taxes, net	9,336,060
Intergovernmental	936,154
Total receivables	10,447,573
Prepaid items	6,268
Capital assets	
Nondepreciable	
Land	10,931,746
Depreciable, net	12,867,156
Total capital assets	23,798,902
Total assets	81,586,850
Liabilities	
Accounts payable	1,590,421
Compensation payable	555,582
Intergovernmental payable	102,161
Accrued liabilities payable	206,457
Contract retainage payable	129,854
Unearned revenue	9,923,648
Revenue bonds payable	9,245,000
Total liabilities	21,753,123
Net position	
Net investment in capital assets	14,553,902
Restricted for:	
Promotion of trade and tourism	473,024
Capital projects	14,802,051
Total restricted	15,275,075
Unrestricted	30,004,750
Total net position	$ 59,833,727

See accompanying notes to the financial statements.

CITY OF STONECREST, GEORGIA
Statement of Activities
For the year ended December 31, 2022

Function/program	Expenses	Program revenues: Charges for services and fines	Program revenues: Grants and contributions	Net (expenses) revenues and changes in net position: Governmental activities
Primary government				
Government activities				
General government	$ 6,145,565	$ 2,906,919	$ 642,401	$ (2,596,245)
Judicial	218,740	57,420	-	(161,320)
Public works	8,538,731	-	9,885,949	1,347,218
Culture and recreation	1,916,091	-	-	(1,916,091)
Community development	303,168	-	-	(303,168)
Economic development	1,196,721	-	-	(1,196,721)
Interest and fiscal charges	150,661	-	-	(150,661)
Total government activities	$ 18,469,677	$ 2,964,339	$ 10,528,350	(4,976,988)
General revenues				
Taxes				15,005,938
Unrestricted investment earnings				56,690
Miscellaneous revenues				305,774
Total general revenues				15,368,402
Change in net position				10,391,414
Net position, beginning of the year				49,442,313
Net position, end of the year				$ 59,833,727

See accompanying notes to the financial statements.

CITY OF STONECREST, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2022

	General Fund	SPLOST Fund	Urban Redevelopment Agency Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 22,201,826	$ 14,516,225	$ 100,970	$ 9,635,832	$ 879,254	$ 47,334,107
Receivables:						
Accounts, net	-	-	175,359	-	-	175,359
Property taxes, net	9,336,060	-	-	-	-	9,336,060
Intergovernmental	-	936,154	-	-	-	936,154
Due from other funds	57,525	487,293	-	-	8,500	553,318
Prepaid items	6,268	-	-	-	-	6,268
Total assets	$ 31,601,679	$ 15,939,672	$ 276,329	$ 9,635,832	$ 887,754	$ 58,341,266
Liabilities, deferred inflow of resources and fund balances						
Liabilities						
Accounts payable	$ 60,141	$ 1,259,575	$ -	$ -	$ 270,705	$ 1,590,421
Compensation payable	555,582	-	-	-	-	555,582
Intergovernmental payables	-	-	4,161	-	98,000	102,161
Accrued expenditures payable	43,826	-	20,360	-	-	64,186
Contract retainage payable	-	129,854	-	-	-	129,854
Unearned revenue	15,000	-	-	9,635,832	272,816	9,923,648
Due to other funds	487,293	-	-	-	66,025	553,318
Total liabilities	1,161,842	1,389,429	24,521	9,635,832	707,546	12,919,170
Deferred inflow of resources	5,301,482	-	-	-	-	5,301,482
Total liabilities and deferred inflow of resources	6,463,324	1,389,429	24,521	9,635,832	707,546	18,220,652
Fund balances						
Nonspendable	6,268	-	-	-	-	6,268
Restricted	-	14,550,243	251,808	-	473,024	15,275,075
Unassigned	25,132,087	-	-	-	(292,816)	24,839,271
Total fund balances	25,138,355	14,550,243	251,808	-	180,208	40,120,614
Total liabilities, deferred inflow of resources and fund balances	$ 31,601,679	$ 15,939,672	$ 276,329	$ 9,635,832	$ 887,754	$ 58,341,266

See accompanying notes to the financial statements.

CITY OF STONECREST, GEORGIA
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2022

Total governmental funds balances		$ 40,120,614
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Cost of capital assets	$ 24,789,252	
Less accumulated depreciation	(990,350)	23,798,902
Accrued interest not due and payable in the current period is not reported in the governmental fund balance sheets but is reported on the government-wide statement of net position.		(142,271)
Liabilities not due and payable in the current period are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position:		
Bonds payable		(9,245,000)
Tax receivables not collected within 60 days of year end are not considered available and are deferred inflows of resources on the government fund's balance sheet. The amount is recognized as revenue on the government wide statement of net position.		5,301,482
Net position of governmental activities		$ 59,833,727

See accompanying notes to the financial statements.

CITY OF STONECREST, GEORGIA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2022

	General	SPLOST Fund	Urban Redevelopment Agency Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 12,773,219	$ -	$ -	$ -	$ 1,153,616	$ 13,926,835
Licenses and permits	2,807,055	-	-	-	-	2,807,055
Intergovernmental	548,188	9,885,949	-	94,213	-	10,528,350
Charges for services	99,864	-	-	-	-	99,864
Fines and forfeitures	57,420	-	-	-	-	57,420
Miscellaneous	133,079	-	172,695	-	-	305,774
Interest earned	1,400	55,290	-	-	-	56,690
Total revenues	16,420,225	9,941,239	172,695	94,213	1,153,616	27,781,988
Expenditures:						
Current:						
General government	5,808,004	-	155,059	94,213	-	6,057,276
Judicial	218,740	-	-	-	-	218,740
Public works	750,768	-	-	-	-	750,768
Culture and recreation	1,714,274	-	-	-	-	1,714,274
Community development	303,168	-	-	-	-	303,168
Economic development	686,820	-	-	-	509,901	1,196,721
Capital outlay	214,172	8,104,146	5,893,687	-	-	14,212,005
Debt service:						
Principal retirement	24,551	-	-	-	-	24,551
Interest and fiscal charges	93,910	-	-	-	-	93,910
Total expenditures	9,814,407	8,104,146	6,048,746	94,213	509,901	24,571,413
Excess (deficiency) of revenues over (under) expenditures	6,605,818	1,837,093	(5,876,051)	-	643,715	3,210,575
Other financing sources (uses)						
Transfers in	237,728	-	-	-	-	237,728
Transfer out	-	-	(1,325)	-	(236,403)	(237,728)
Proceeds from issuance of bonds	-	-	6,050,000	-	-	6,050,000
Total other financing sources (uses)	237,728	-	6,048,675	-	(236,403)	6,050,000
Net change in fund balances	6,843,546	1,837,093	172,624	-	407,312	9,260,575
Fund balances, beginning of year	18,294,809	12,713,150	79,184	-	(227,104)	30,860,039
Fund balances, end of year	$ 25,138,355	$ 14,550,243	$ 251,808	$ -	$ 180,208	$ 40,120,614

See accompanying notes to the financial statements.

CITY OF STONECREST, GEORGIA
Governmental Funds
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended December 31, 2022

Net changes in fund balances - total governmental funds		$ 9,260,575
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlays exceeded depreciation expense in the current period:		
Capital outlays	$ 6,424,042	
Depreciation expense	(290,106)	6,133,936
The issuance of long-term debt provides current financial resources to the governmental funds. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect on the differences in treatment of long-term debt:		
Proceeds from the issuance of bonds	(6,050,000)	
Payment of finance purchase obligation	24,551	(6,025,449)
Some expenses and other items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued interest	(56,751)	(56,751)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue on the governmental funds.	1,079,103	1,079,103
Change in net position of governmental activities		$ 10,391,414

See accompanying notes to the financial statements.

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

The City, which was incorporated by a voter-approved referendum on November 8, 2016, commenced operations on July 10, 2017 pursuant to the election of a mayor and council on April 18, 2017. Policy-making and legislative authority are vested in the Mayor and City Council which consists of five council members and the Mayor. The government provides such services as general government administration, judicial services through its municipal court, code enforcement, building and zoning, and housing and development. DeKalb County, Georgia provides public safety related services to the City.

The Urban Redevelopment Agency ("URA" or "Agency") was activated by resolution in 2020 to promote and further develop trade and tourism opportunities within the City. The Agency operates under a six-member board appointed by the Mayor and approved by the City Council. Any debt issued by the URA is expected to be repaid with City resources. The Agency does not issue separate financial statements and is included as a blended component unit in the City's financial report.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Government-wide financial statements do not provide information by fund, but by the City's governmental activities. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, hotel/motel occupancy taxes, business taxes, insurance premium taxes, excise taxes, and licenses and permits associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period if availability criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Special Purpose Local Option Sales Tax (SPLOST) Fund** is used to account for the proceeds of a sales tax levied in DeKalb County, which will be used by the City for the exclusive purpose of capital outlay projects in accordance with the voter-approved sales tax referendum.
- The **Urban Redevelopment Agency (URA)** is used to account for the proceeds of the Series 2020 A Revenue Bonds, Series 2022 A Revenue Bonds and Series 2022 B Revenue Bonds issuances.
- The **American Rescue Plan (ARPA) Fund** is a special revenue fund used to account for amounts awarded under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Additionally, the City reports the following fund type:

The **Special Revenue Funds** are used to account for revenues which are either legally restricted or committed to expenditures for specific purposes.

D. Budgets

Formal budgetary accounting is employed as a management control device for the funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual operating budget is adopted each year through passage of an annual budget ordinance and amended as required for the General Fund. Any changes from the original budget are reflected in the budgetary comparison schedule. All appropriations lapse at year end. The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

F. Receivables

All receivables are reported at their gross value, and, where appropriate, reduced by the estimated portion expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year as well as all other outstanding balances between funds are reported as "due to/due from other funds".

H. Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements, furniture, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Note 1 - Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

Capital assets of the City are depreciated using the straight-line method over the following useful lives:

Category	Useful Life
Land	N/A
Building and improvements	20 - 50 years
Furniture, equipment and vehicles	5 - 10 years
Intangible assets	10 years

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

K. Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item, *unavailable revenue* is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from insurance premium taxes and property taxes as these amounts are deferred and will be recognized as inflows of resources in the period in which the amounts become available.

L. Fund Equity

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

L. Fund Equity (continued)

Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The authority to assign fund balances remains with the City Council.

- **Unassigned** – Fund balances are reported as unassigned at the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds. The City, by resolution, has created a minimum fund balance policy to be no less than 6% of current year revenues of the General Fund, in order to cover unforeseen emergencies and/or revenue shortfalls.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Note 1 - Summary of Significant Accounting Policies (continued)

M. Use of Estimates

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

Note 2 - Legal Compliance - Budgets

A. Budgets and Budgetary Accounting

The budget is officially adopted by the governing body prior to the beginning of its year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Transfers of appropriations within a department budget or within a non-departmental expenditure category may be made without the approval of the City Council, but expenditures or expense may not exceed the amount appropriated for a department without an amendment approved by the City Council. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

B. Excess Expenditures Over Appropriations

For the year ended December 31, 2022, the following funds had actual expenditures in excess of their appropriations:

General Fund:	
Debt service:	
Principal payments	$ 4,551
Interest and fiscal charges	$ 88,910
Urban Redevelopment Fund:	
General government	$ 155,059
Capital outlay	$ 5,893,687
ARPA:	
General government	$ 94,213
Hotel/ Motel Tax Fund:	
Economic development	$ 81,151

These expenditures in excess of appropriations were primarily funded by lower than budgeted expenditures in other areas, greater than anticipated revenues, or require future appropriation from another fund.

C. Deficit Fund Balance

At December 31, 2022, the COVID-19 Relief Fund is reporting a deficit fund balance of $292,816 as a result of expenditures deemed ineligible for revenue recognition. This deficit, if finally determined to be expended for unallowable program costs, will be funded with appropriations from the General Fund.

Note 3 - Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program.

As of December 31, 2022, the City had deposits with one (1) financial institution collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State.

Additionally, the City had deposits with two financial institutions that were collateralized by pledged securities, as defined above, such that all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

Note 4 - Capital Assets

Capital asset activity for the City for the year ended December 31, 2022 is as follows:

	Balance December 31, 2021	Additions	Retirements / Reclasses	Balance December 31, 2022
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 10,931,746	$ -	$ -	$ 10,931,746
Construction in progress	67,071	-	(67,071)	-
Total nondepreciable capital assets	$ 10,998,817	$ -	$ (67,071)	$ 10,931,746
Depreciable capital assets:				
Buildings	$ 622,079	$ 5,893,687	$ -	$ 6,515,766
Improvements	6,245,490	359,554	67,071	6,672,115
Furniture, equipment and vehicles	498,824	170,801	-	669,625
Total depreciable capital assets	7,366,393	6,424,042	67,071	13,857,506
Less accumulated depreciation:				
Building	65,290	47,631	-	112,921
Improvements	418,602	176,050	-	594,652
Furniture, equipment and vehicles	216,352	66,425	-	282,777
Total accumulated depreciation	700,244	290,106	-	990,350
Total depreciable capital assets, net	6,666,149	6,133,936	67,071	12,867,156
Governmental activities capital assets, net	$ 17,664,966	$ 6,133,936	$ -	$ 23,798,902

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

Governmental activities:	
General government	$ 88,289
Culture and recreation	201,817
Total depreciation expense by governmental activities	$ 290,106

Note 5 - Long-term Debt

The following is a summary of long-term debt activity of the City for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Governmental activities:				
Direct placement revenue bonds:				
Series 2020A	$ 3,195,000	$ -	$ -	$ 3,195,000
Series 2022A	-	2,335,000	-	2,335,000
Series 2022B	-	3,715,000	-	3,715,000
Total bonded debt	3,195,000	6,050,000	-	9,245,000
Financed purchase	24,551	-	24,551	-
Total governmental debt	$ 3,219,551	$ 6,050,000	$ 24,551	$ 9,245,000

Direct Placement Revenue Bonds

In July 2020, the City issued $3,195,000 of Series 2020A Tax-exempt Revenue Bonds for the purpose of purchasing, renovating and paying the tax anticipation note issued for a former Sam's building, which is reported within the City's capital assets. Annual interest payments are at 2.92% per annum on the bonds are due on February 1. Principal payments on the bonds start in February 2030 and are due annually on February 1 until the bonds mature in February 2040.

In October 2022, the City issued $2,335,000 of Series 2022A Tax-exempt Revenue Bonds and $3,715,000 of Series 2022B Taxable Revenue Bonds, for a total bond issuance of $6,050,000. The Series 2022A and 2022B Revenue Bonds were issued for the purpose of purchasing the City Hall administrative building with commercial rental space. The City Hall administrative building is reported within the City's capital assets.

The Series 2022A Tax-exempt Revenue Bonds carry an interest rate of 3.50% per annum. Interest on the bonds is payable semi-annually on August 1 and February 1 of each year. Principal on the bonds is payable on February, starting February 1, 2023, and each year thereafter until maturity.

The Series 2022B Taxable Revenue Bonds carry an interest rate of 4.48% per annum. Interest on the bonds is payable semi-annually on August 1 and February 1 of each year. Principal on the bonds is payable on February 1, starting February 1, 2023, and each year thereafter until maturity.

The Series 2022A Tax-exempt Revenue Bonds and Series 2022B Taxable Revenue Bonds mature in February 2042.

Note 5 - Long-term Debt - continued

The City's debt service requirements to maturity on the Series 2020A Tax-exempt Revenue Bonds, the Series 2022A Tax-exempt Revenue Bonds and Series 2022B Taxable Revenue Bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2023	$ 125,000	$ 341,451	$ 466,451
2024	210,000	336,341	546,341
2025	220,000	327,766	547,766
2026	230,000	318,792	548,792
2027	235,000	309,419	544,419
2028-2032	1,995,000	1,379,789	3,374,789
2033-2037	3,180,000	912,030	4,092,030
2038-2042	3,050,000	299,390	3,349,390
Total	$ 9,245,000	$ 4,224,978	$ 13,469,978

Financed Purchase from Direct Borrowings

On July 1, 2017, the City entered into a financed purchase to acquire computer equipment through Government Leasing, LLC for $146,278. Monthly payments of $3,200, including interest at a rate of 11.27% began September 1, 2017 and continued through August 1, 2022. The finance purchase balance was liquidated during 2022.

As of December 31, 2022, the $146,278 cost of the financed purchased equipment was fully depreciated. The annual depreciation is included in the capital asset depreciation total in Note 4.

Note 6 - Interfund Receivables, Payable and Transfers

The composition of due to/from other funds as of December 31, 2022 is as follows:

Receivable entity	Payable Entity	Amount
General Fund	COVID-19 Relief Fund	$ 57,525
Nonmajor Governmental Fund	COVID-19 Relief Fund	8,500
SPLOST	General Fund	487,293

The interfund balance between the SPLOST Fund and the General Fund is due to the City matching state grant expenditures initially recorded in the SPLOST Fund to be paid out of the General Fund, where the state grant revenue is recorded. The year-end balance is a carry-over balance from the prior year. The interfund balance between the General Fund and the COVID-19 Relief Fund is the result of expenditures being initially paid from the General Fund and Hotel/Motel Tax Fund but not reimbursed to the funds from the COVID-19 Relief Fund. The year-end balances are carry-over balances from the prior year.

The composition of interfund transfers as of December 31, 2022 is as follows:

Transfers in	Transfers outs	Amount
General Fund	Nonmajor Governmental Fund	$ 236,403
General Fund	Urban Redevelopment Agency	1,325

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Note 7 - Contract Commitment - Hotel/Motel Lodging Tax

The City has levied an occupancy tax of 8% for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(a)(3). For the year ended December 31, 2022, the City earned $1,153,616 in hotel/motel lodging tax revenues. On January 13, 2022, the City contracted with the DeKalb Convention Visitors Bureau, Inc., a destination marketing organization (DMO), to expend the hotel-motel tax revenues. During the calendar year, the City paid $509,901 to DeKalb Convention Visitors Bureau, Inc.

Note 8 - Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as common risk management and insurance programs for member local governments. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract.

According to the Official Code of Georgia Annotated (O.C.G.A.) §36-33-1te of Georgia, Section 36-33-1, municipal corporations (i.e., the City of Stonecrest), via sovereign immunity, shall be immune from liability for damages for actions based upon tort, but not contract. This immunity is still subject to actions brought based upon federal constitutional or statutory rights.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years of operations.

Note 9 - Contingent Liabilities

Litigation and Claims

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Attorney and City Management that the potential liability resulting from these actions, if any, cannot be determined.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies.

The City is reporting $272,816 in unearned revenue from its Coronavirus Relief grant as shown in the COVID-19 Relief Fund. The unearned revenue resulted from grant assets being recognized before the revenue recognition criteria had been satisfied.

During 2021, the City was awarded Coronavirus State and Local Relief grant under the American Rescue Plan of 2021 from the U.S. Treasury Department in the aggregate amount of $9,730,045. As of December 31, 2022, $9,635,832 is reported as unearned revenue in the City's American Rescue Plan Fund.

The Coronavirus Relief and the Coronavirus State and Local Relief funds are obligated through December 31, 2024 and the City has plans to fully expend the funding on or before December 31, 2026.

Unearned revenue at December 31, 2022 also includes other amounts totaling $15,000.

Note 10 - Joint Venture

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which DeKalb County has paid on behalf of the City of Stonecrest. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from Atlanta Regional Commission, 229 Peachtree Street NE, STE 100, Atlanta, Georgia 30303 or online at https://atlantaregional.org/about-arc/comprehensive-annual-financial-report.

Note 11 - Subsequent Event

During calendar year 2024, several commercial businesses filed a lawsuit in the Northern District Court of Georgia asserting that the City violated multiple rights under the Fifth and Fourteenth Amendments and seeking damages for wrongful injunction. The City and the commercial businesses are actively engaged in settlement discussions to resolve the matter amicably. It is the opinion of the City Attorney and City Management that the potential liability and the financial impact on the City, resulting from this lawsuit, can not be determined. The City and the Plaintiffs have been in legal negotiations since 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF STONECREST, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 9,829,250	$ 9,829,250	$ 12,773,219	$ 2,943,969
Licenses and permits	3,335,000	3,335,000	2,807,055	(527,945)
Intergovernmental	-	-	548,188	548,188
Charges for services	30,000	30,000	99,864	69,864
Fines and forfeitures	-	-	57,420	57,420
Miscellaneous	-	-	133,079	133,079
Investment earnings	500	500	1,400	900
Total revenues	13,194,750	13,194,750	16,420,225	3,225,475
Expenditures:				
Current:				
General government:				
Mayor and city council	354,487	354,487	176,817	177,670
City manager	1,310,612	1,310,612	1,127,669	182,943
City clerk	432,227	432,227	306,252	125,975
General administration services	3,885,126	3,885,126	3,272,310	612,816
Facilities and building department	1,601,618	1,601,618	924,956	676,662
Total general government	7,584,070	7,584,070	5,808,004	1,776,066
Judicial	362,801	362,801	218,740	144,061
Public works	800,000	800,000	750,768	49,232
Culture and recreation	2,577,214	2,577,214	1,714,274	862,940
Community development	650,159	650,159	303,168	346,991
Economic development:				
Code enforcement	717,833	717,833	543,748	174,085
Business development	554,723	554,723	143,072	411,651
Total economic development	1,272,556	1,272,556	686,820	585,736
Capital outlays	474,200	474,200	214,172	260,028
Debt service:				
Principal retirements	20,000	20,000	24,551	(4,551)
Interest and fiscal charges	5,000	5,000	93,910	(88,910)
Total interest and fiscal charges	25,000	25,000	118,461	(93,461)
Total expenditures	13,746,000	13,746,000	9,814,407	3,931,593
Excess (deficiency) of revenues over (under) expenditures	(551,250)	(551,250)	6,605,818	7,157,068
Other financing sources (uses):				
Transfer in	551,250	551,250	237,728	(313,522)
Total other financing sources (uses)	551,250	551,250	237,728	(313,522)
Net change in fund balances	$ -	$ -	6,843,546	$ 6,843,546
Fund balance, beginning of year			18,294,809	
Fund balance, end of year			$ 25,138,355	

CITY OF STONECREST, GEORGIA
Special Purpose Local Option Sales Tax (SPLOST) Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 8,548,000	$ 8,548,000	$ 9,885,949	$ 1,337,949
Investment earnings	2,500	2,500	55,290	52,790
Total revenues	8,550,500	8,550,500	9,941,239	1,390,739
Expenditures:				
Capital outlays	8,550,500	8,550,500	8,104,146	446,354
Total expenditures	8,550,500	8,550,500	8,104,146	446,354
Net change in fund balances	$ -	$ -	1,837,093	$ 1,837,093
Fund balance, beginning of year			12,713,150	
Fund balance, end of year			$ 14,550,243	

CITY OF STONECREST, GEORGIA
Urban Redevelopment Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ 172,695	$ 172,695
Total revenues	-	-	172,695	172,695
Expenditures:				
General government	-	-	155,059	(155,059)
Capital outlays	-	-	5,893,687	(5,893,687)
Total expenditures	-	-	6,048,746	(6,048,746)
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,876,051)	(5,876,051)
Other financing sources (uses):				
Transfer out	-	-	(1,325)	1,325
Proceeds from the issuance of bonds	-	-	6,050,000	(6,050,000)
Total other financing sources (uses)	-	-	6,048,675	(6,048,675)
Net change in fund balances	$ -	$ -	172,624	$ 172,624
Fund balance, beginning of year			79,184	
Fund balance, end of year			$ 251,808	

CITY OF STONECREST, GEORGIA
American Rescue Plan Act (ARPA) Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ 94,213	$ 94,213
Total revenues	-	-	94,213	94,213
Expenditures:				
General government	-	-	94,213	(94,213)
Total expenditures	-	-	94,213	(94,213)
Net change in fund balances	$ -	$ -	-	$ -
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

SUPPLEMENTARY INFORMATION

Nonmajor Special Revenue Governmental Funds

The **Hotel/Motel Tax Fund** accounts for the collection of the 8% tax levied by the City on all hotel/motel lodgings and accommodations within the City and for the expenditures made distributing these collections to the appropriate entities as required by §OCGA 48-13-51.

The **COVID-19 Relief Fund** accounts for the Coronavirus Relief grant revenues and expenditures of the City.

CITY OF STONECREST, GEORGIA
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Hotel/Motel Tax Fund	COVID-19 Relief Fund	Total
Assets			
Cash and cash equivalents	$ 735,229	$ 144,025	$ 879,254
Due from other funds	8,500	-	8,500
Total assets	$ 743,729	$ 144,025	$ 887,754
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 270,705	$ -	$ 270,705
Intergovernmental payable	-	98,000	98,000
Unearned revenue	-	272,816	272,816
Due to other funds	-	66,025	66,025
Total liabilities	270,705	436,841	707,546
Total liabilities	270,705	436,841	707,546
Fund balances			
Restricted	473,024	-	473,024
Unassigned	-	(292,816)	(292,816)
Total fund balances	473,024	(292,816)	180,208
Total liabilities and fund balances	$ 743,729	$ 144,025	$ 887,754

CITY OF STONECREST, GEORGIA
Nonmajor Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2022

	Hotel/Motel Tax Fund	COVID-19 Relief Fund	Total
Revenues:			
Hotel/Motel taxes	$ 1,153,616	$ -	$ 1,153,616
Total revenues	1,153,616	-	1,153,616
Expenditures:			
Economic development	509,901	-	509,901
Total expenditures	509,901	-	509,901
Excess (deficiency) of revenues over (under) expenditures	643,715	-	643,715
Other financing source (uses):			
Transfers out	(236,403)	-	(236,403)
Net change in fund balances	407,312	-	407,312
Fund balance, beginning of year	65,712	(292,816)	(227,104)
Fund balance, end of year	$ 473,024	$ (292,816)	$ 180,208

CITY OF STONECREST, GEORGIA
Hotel/Motel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 980,000	$ 980,000	$ 1,153,616	$ 173,616
Total revenues	980,000	980,000	1,153,616	173,616
Expenditures:				
Economic development	428,750	428,750	509,901	(81,151)
Total expenditures	428,750	428,750	509,901	(81,151)
Excess (deficiency) of revenues over (under) expenditures	551,250	551,250	643,715	92,465
Other financing sources (uses):				
Transfers out	(551,250)	(551,250)	(236,403)	(314,847)
Total other financing sources (uses)	(551,250)	(551,250)	(236,403)	(314,847)
Net change in fund balances	$ -	$ -	407,312	$ 407,312
Fund balance, beginning of year			65,712	
Fund balance, end of year			$ 473,024	

CITY OF STONECREST, GEORGIA
COVID-19 Relief Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balance, beginning of year			(292,816)	
Fund balance, end of year			$ (292,816)	

CITY OF STONECREST, GEORGIA
Schedule of Expenditures of Special Purpose Local Option Sales Tax
For the year ended December 31, 2022

Project	Original Estimated Cost	Current Estimated Cost	Prior Year	Current Year	Total
SPLOST - 2017 Series:					
Resurfacing and street paving	$ 10,000,000	$ 22,234,916	$ 13,734,916	$ 7,811,358	$ 21,546,274
Transportation improvements, design and planning	18,539,000	18,539,000	2,286,656	-	2,286,656
Parks and recreation	5,000,000	5,000,000	816,048	292,788	1,108,836
Multi-modal transportation consisting of sidewalks, paths and bikeway projects	3,240,000	3,240,000	-	-	-
Capital improvements on public safety facilities and City Hall	7,161,000	7,161,000	24,519	-	24,519
Construction and program management	3,820,000	3,820,000	-	-	-
	$ 47,760,000	$ 59,994,916	$ 16,862,139	$ 8,104,146	$ 24,966,285

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