UNION CITY
Georgia









2021

Annual Comprehensive Financial Report

For Fiscal Ended August 31

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2021

Prepared by:
Union City Finance Department

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal ..... **i – iv**
Certificate of Achievement for Excellence in Financial Reporting ..... **v**
Organizational Chart ..... **vi**
List of Principal Officials ..... **vii**

FINANCIAL SECTION

Independent Auditor's Report ..... **1 - 3**
Management's Discussion and Analysis ..... **4 - 13**

Basic Financial Statements:
- **Government-wide Financial Statements:**
  - **Statement of Net Position** **14**
  - **Statement of Activities** **15**
- **Fund Financial Statements:**
  - **Balance Sheet – Governmental Funds** **16**
  - **Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities** **17**
  - **Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds** **18**
  - **Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities** **19**
  - **Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund** **20**
  - **Statement of Revenues, Expenses and Changes in Fund Balances – Budget (GAAP Basis) and Actual – ARPA Fund** **21**
  - **Statement of Net Position – Proprietary Funds** **22**
  - **Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds** **23**
  - **Statement of Cash Flows – Proprietary Funds** ..... **24 and 25**
- **Notes to Financial Statements** ..... **26 – 57**

Required Supplementary Information
- **Schedule of Changes in the City's Net Pension Liability and Related Ratios** **58**
- **Schedule of City Contributions** **59**

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Combining Statements and Schedules:

- **Combining Balance Sheet – Nonmajor Governmental Funds ..... 60 and 61**
- **Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 62 and 63**
- **Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**
  - **TSPLOST Fund 64**
  - **Capital Projects Fund 65**
  - **Special Revenue Funds:**
    - **Federal Seized Funds Fund 66**
    - **Vehicle Rental Excise Tax Fund 67**
    - **Hotel/Motel Tax Fund 68**
    - **Emergency 911 Fund 69**
    - **Tax Allocation District Fund 70**
    - **Multiple Operating Grant Fund 71**
  - **Capital Projects Funds:**
    - **CDBG Fund 72**
  - **Debt Service Funds:**
    - **2014 Certificate of Participation Debt Service Fund 73**
    - **2017 General Obligation Bond Debt Service Fund 74**
- **Schedule of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax (TSPLOST) 75**
- **Statement of Cash Flows – Component Unit 76**

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

TABLE OF CONTENTS (CONTINUED)

Page

STATISTICAL SECTION

Fund information:

- **Net Position by Activity 77**
- **Changes in Net Position ..... 78 – 80**
- **Fund Balances, Governmental Funds 81**
- **Changes in Fund Balances, Governmental Funds ..... 82 and 83**
- **Assessed Value and Estimated Actual Value of Taxable Property 84**
- **Direct and Overlapping Property Tax Rates 85**
- **Property Tax Levies and Collections 86**
- **Principal Property Taxpayers 87**
- **Ratio of Outstanding Debt by Type 88**
- **Ratio of General Bonded Debt Outstanding 89**
- **Legal Debt Margin Information 90**
- **Direct and Overlapping Governmental Activities Debt 91**
- **Pledged-Revenue Coverage 92**
- **Demographic and Economic Statistics 93**
- **Principal Employers 94**
- **Full-Time Equivalent City Employees by Function/Program 95**
- **Operating Indicators by Function 96**
- **Capital Assets Statistics by Function 97**

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 98 and 99

Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniformed Guidance ..... 100 and 101

Schedule of Expenditures of Federal Awards 102

Schedule of Findings and Questioned Costs ..... 103 – 105

Status of Prior Year Findings 106

Management's Corrective Action Plan 107

INTRODUCTORY SECTION

THE CITY OF
UNION CITY
GEORGIA

September 12, 2022

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

The Annual Comprehensive Financial Report (ACFR) of Union City, Georgia for the fiscal year ending August 31, 2021, is hereby submitted as mandated by State law. The report is presented to demonstrate the City's financial position and activities and was audited by Mauldin and Jenkins, LLC, a firm of licensed certified public accountants.

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

Mauldin & Jenkins, LLC audited the City's financial statements with the goal of providing reasonable assurance that they were free of any material misrepresentation. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the fiscal year ended August 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Union City, incorporated in 1908, is located in the north-central part of Georgia on Interstate 85 in South Fulton County, the largest county in the State. The City currently occupies a land area of 19.11 square miles, with a population of 26,830 residents. Approximately 15 miles south of downtown Atlanta, Union City is only 5 miles from Hartsfield-Jackson International Airport and is part of the metropolitan statistical area.

The City operates under a Mayor and Council-Chief Administrative Officer form of government. A City Manager is appointed and serves at the pleasure of the City Council. Adoption of a balanced budget and the establishment of a tax rate in support of city programs is executed annually by the Council. The City Manager has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Council.

Services provided by the City under general governmental functions include finance, human resources, information technology, police and fire protection, community development, public services, and parks and recreation. In addition, water and sewer services, solid waste collection and disposal services, and criminal justice management are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

City Management reviewed all potential component units to determine if any should be included in these financial statements and has concluded that the South Fulton Municipal Regional Jail Authority and the Union City Development Authority are component units that should be included in the financial statements.

Annual budgets are adopted for the General Fund, Debt Service Funds, Special Revenue Funds and Capital Projects Funds. Annual operating budgets are prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. The legal level of budgetary control is the department level. Increases in the total appropriations of a fund, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among funds, require the recommendation of the Chief Administrative Officer and approval of the Mayor and Council. Appropriations lapse at fiscal year-end except those for capital projects which are accounted for in future periods as "fund balance reserved for construction" until the appropriation is expended or the project is completed.

Final budget amounts included on all budget comparisons in this report are as amended as of August 31, 2021, by the Mayor and Council.

DISTINGUISHING ATTRIBUTES OF UNION CITY, GEORGIA

Union City has great accessibility to three major interstate highways: I-20, I-75, and I-85, all of which provide superior logistical connectivity to cities in the southeastern region of the U.S. As the City grows, there is a continuous effort to ensure infrastructure is sustainable. The community is encouraging active transportation as well as a network of continuous bike and sidewalk routes. TSPLOST, a Transportation Special Purpose Local Option Sales Tax, could provide critical assistance with this effort. The tax serves as a resource in supporting infrastructure projects, improving safety, reducing congestion, and improving quality of life

for residents. Projects completed with TSPLOST funding include: Street Resurfacing of Highpoint Road, Bryant Street, Union Street, Watson Street, College Street, Alexander Street, Baker Street, and Union Pointe Drive.

The local economy has been and continues to be on an upward trend regarding population growth as well as economic development. With the increase of both national and international corporations choosing to join Union City, the area continues to bolster a healthy tax digest that will sustain it well into the future. Recent community partners include PAC Worldwide and the addition of two Amazon facilities. The City is encouraging current businesses to expand their operations which will afford the community the ability to provide quality jobs to residents. Costco Wholesale facility has completed a 50,000 square foot expansion and ASOS announced a $100 million dollar expansion of their facility.

This expanded economy has been a laborious movement where more than several million dollars in investment has occurred. This is made possible by the residential and commercial permits issued by the Community Development Department. Housing options are also increasing with the establishment of mixed-use residential community, market rate multi-family, townhomes and single-family communities.

The City maintains a federal designation as a Georgia Foreign Trade Zone (GFTZ) which helps businesses remain competitive, reducing processing fees, custom fees and enhancing the movement of goods in a global marketplace. With this incentive, the community continues to maintain a solid yet distinctive blend of business clusters that are strategically designed to succeed.

LOCAL ECONOMIC CONDITIONS

Unlike the 2008 financial crisis, COVID-19 is a "disruption" which impacted the entire economy both globally and nationally. These unparalleled times pose a serious threat to the City's existing and future General Fund revenues which are used for operating expenses.

To combat the spread of COVID-19, the City enacted numerous restrictions including several mandates along with the closure of several public facilities. As a result, the fiscal year 2021 General Fund budget was developed to be adaptable to economic factors affected by the pandemic, particularly as it pertains to local option sales tax, licenses and permits, fines, hotel/motel, and other taxes.

MAJOR INITIATIVES

Several projects were undertaken during Fiscal Year 2021. The City, for example, was able to upgrade its parks and recreation system with the addition of a new skate park. Additionally, the Kenneth Johnson Depot was reconstructed. This facility provides the community with new public gathering space via a state-of-the-art conference center. A new gateway was installed along the Shannon Parkway Corridor, further fortifying the City's desire to establish a sense of place and identity. The City also began its arts and community engagement initiative. This comprised the painting of trains for distribution at strategic locations in the City. Vital resources were procured for public safety including a new fire engine and police cars. Maintenance of City roadways, repair of infrastructure and storm water improvements also serve as examples

of initiatives executed during the year.

REPORTING ACHIEVEMENTS AND RECENT AWARDS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to cities for its Annual Comprehensive Financial Report. The City of Union City is currently under review for the fiscal period ending August 31, 2020. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City is pleased to present the City's seventeenth Annual Comprehensive Financial Report and submit the same to the Government Finance Officers Association (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting program. We believe our current Annual Comprehensive Financial Report continues to meet the program's requirements.

ACKNOWLEDGMENTS

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

Respectfully Submitted,

Sonja Fillingame
City Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Union City Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF UNION CITY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
AUGUST 31, 2021

Elected Officials

Vince Williams, Mayor

City Council
Christina Hobbs
Brian K. Jones
Angelette Mealing
Shayla J. Nealy

Appointed Officials

City Manager
Sonja Fillingame

City Clerk
Shandrella Jewett

Chief of Police
Cassandra Jones

Chief of Fire Administration
Joe Maddox

Director of Public Services
Lonnie Ferguson

Directors

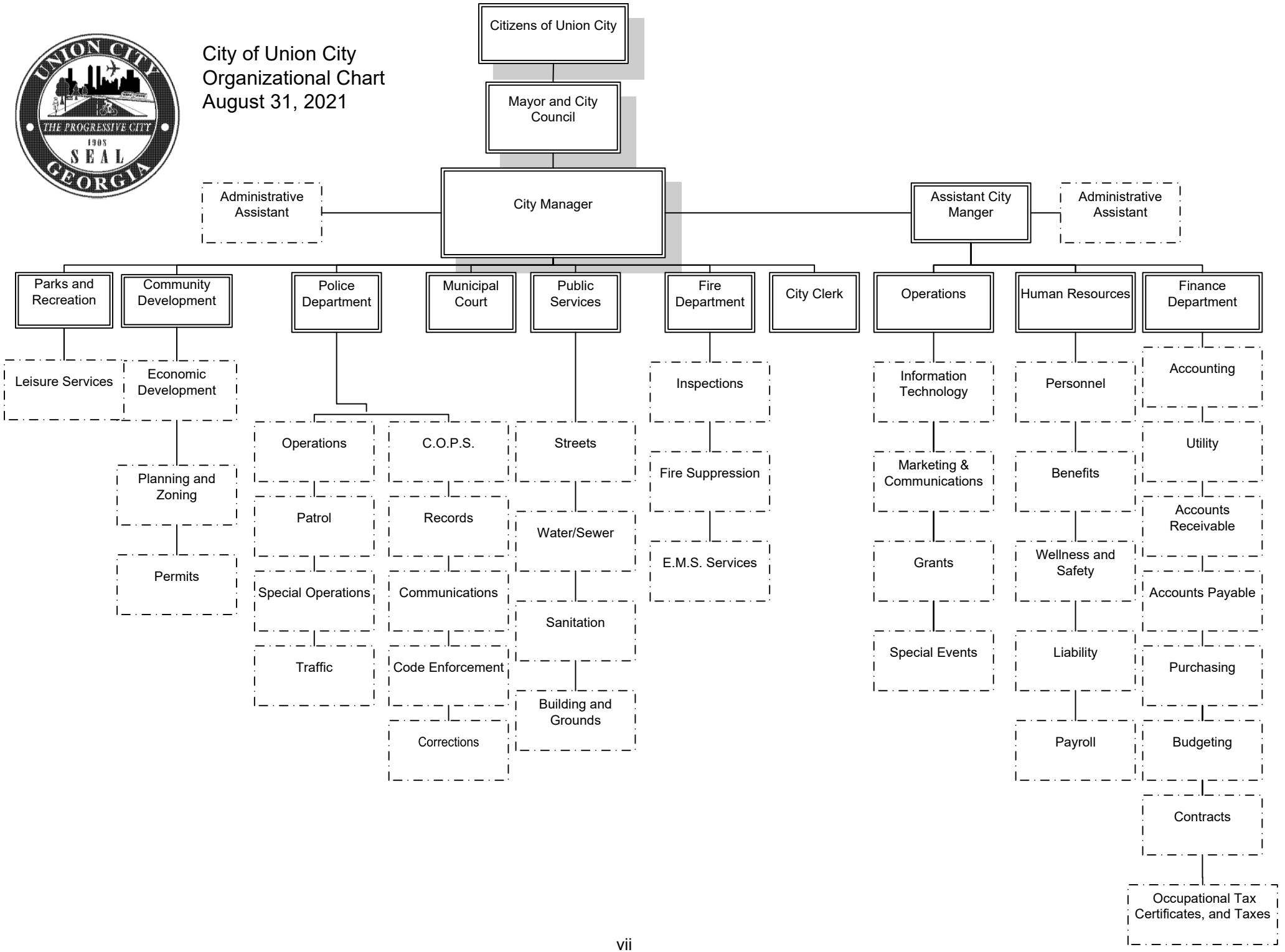
Director of Finance
Tarsha Calloway

Director of Community Development
Ellis Still

Director of Human Resources
Linda Goodman-Warren

Comptroller
VACANT

City of Union City
Organizational Chart
August 31, 2021



FINANCIAL SECTION

MAULDIN & JENKINS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Union City, Georgia** (the "City"), as of and for the fiscal year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Union City, Georgia, as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and ARPA Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the City of Union City, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of September 1, 2020. This standard significantly changed the accounting for the City's Municipal Court Fund. Our opinions are not modified with respect to this matter

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 4 through 13), and the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions on pages 58 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, the schedule of projects constructed with proceeds from transportation special purpose local option sales tax (as required by the Official Code of Georgia Annotated 48-8-249) 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 for Federal Awards*), and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The combining and individual fund statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects constructed with proceeds from transportation special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Union City, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *with Government Auditing Standards* in considering the City of Union City, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 12, 2022

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

As management of the City of Union City, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $76,134,591 (net position).
- The City's total net position increased by $14,753,927 or 24.04%.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of $59,957,963 an increase of $12,785,889 or 27.10% from the prior fiscal year.
- The City's General Fund reported a positive fund balance of $28,821,580 which represents 137.47% of the current fiscal year expenditures.
- General Fund results were $10,026,682 better than budgeted.
- The City received $4,182,301 in grants from the American Rescue Plan Act; however, the City only expended $396,000 during fiscal year ended August 31, 2021 and therefore leaving $3,786,301 as unearned revenue as of August 31, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, judicial, public safety, public works, community services, recreation, and economic development.

The business-type activities of the City include water and sewerage, sanitation, and stormwater management.

The government-wide financial statements include not only the City itself (known as the primary government), but also the South Fulton Municipal Regional Jail Authority and the Union City Development Authority. These are legally separate entities that are component units of the City due to the significance of their operational or financial relationship with the City. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The City's government-wide financial statements are presented on pages 14 and 15.

Reporting the City's Most Significant Funds

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the city as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The City's fund financial statements are divided into two broad categories, namely, (1) governmental funds and (2) proprietary funds.

Governmental Funds

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

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis at the bottom of the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (non-major funds). The City's governmental fund financial statements are presented on pages 16 – 20.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, statement of revenues, expenses, and changes in fund net position and statement of cash flows, and are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. For the most part, the balances and activities accounted for in the City's Enterprise Funds are also reported in the business-type activities columns of the government-wide financial statements.

The City presents in separate columns Enterprise Funds that are most significant to the City and all other Enterprise Funds are aggregated and reported in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 22 – 25.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements (see pages 14 and 15):

City of Union City's Net Position
August 31, 2021 and 2020

	Governmental		Business Type		Total	
	2021	2020	**2021**	2020	**2021**	2020
Current and other assets	**$ 58,892,175**	$ 44,647,387	**$ 13,804,307**	$ 11,707,573	**$ 72,696,482**	$ 56,354,960
Capital assets, net	**29,052,715**	25,925,417	**13,663,645**	13,028,320	**42,716,360**	38,953,737
Total assets	**87,944,890**	70,572,804	**27,467,952**	24,735,893	**115,412,842**	95,308,697
Deferred outflows of resources	**3,363,493**	3,023,575	**573,365**	142,782	**3,936,858**	3,166,357
Other liabilities	**13,043,795**	7,794,498	**4,352,557**	3,292,483	**17,396,352**	11,086,981
Long-term liabilities outstanding	**17,977,046**	18,324,330	**7,495,050**	7,361,768	**25,472,096**	25,686,098
Total liabilities	**31,020,841**	26,118,828	**11,847,607**	10,654,251	**42,868,448**	36,773,079
Deferred inflows of resources	**329,579**	305,477	**17,082**	15,832	**346,661**	321,309
Net position:						
Net investment in capital assets	**18,189,287**	14,990,907	**7,548,093**	5,705,750	**25,737,380**	20,696,657
Restricted	**14,773,527**	14,950,289	**586,945**	1,294,574	**15,360,472**	16,244,863
Unrestricted	**26,995,149**	17,230,878	**8,041,590**	7,208,266	**35,036,739**	24,439,144
Total net position	**$ 59,957,963**	$ 47,172,074	**$ 16,176,628**	$ 14,208,590	**$ 76,134,591**	$ 61,380,664

Financial Position

The total net position of the City increased $14,753,927 or 24.04%, from $61,380,664 to $76,134,591 as noted in the table above. The increase is primarily the result of better than budgeted balances in the General Fund and management's emphasis on generating reserves for future projects and any further downturns in the economy.

City of Union City's Changes in Net Position

	Governmental		Business Type		Total	
Revenues:	**2021**	2020	**2021**	2020	**2021**	2020
Program revenues						
Charges for services	**$ 4,080,571**	$ 4,557,476	**$ 11,983,090**	$ 10,822,642	**$ 16,063,661**	$ 15,380,118
Operating grants and contributions	**1,775,969**	291,203	**-**	-	**1,775,969**	291,203
Capital grants and contributions	**541,082**	619,893	**-**	-	**541,082**	619,893
General revenues:						
Property taxes	**17,849,492**	13,450,992	**-**	-	**17,849,492**	13,450,992
Sales taxes	**9,996,215**	8,893,566	**-**	-	**9,996,215**	8,893,566
Insurance premium taxes	**1,551,377**	1,471,609	**-**	-	**1,551,377**	1,471,609
Franchise taxes	**1,478,829**	1,569,209	**-**	-	**1,478,829**	1,569,209
Other taxes	**603,822**	579,425	**-**	-	**603,822**	579,425
Miscellaneous	**200,233**	106,008	**-**	-	**200,233**	106,008
Unrestricted investment earnings	**98,356**	534,631	**6,545**	11,957	**104,901**	546,588
Total revenues	**38,175,946**	32,074,012	**11,989,635**	10,834,599	**50,165,581**	42,908,611
Expenses:						
General government	**5,271,243**	4,888,582	**-**	-	**5,271,243**	4,888,582
Judicial	**527,323**	548,549	**-**	-	**527,323**	548,549
Public safety	**13,742,563**	13,080,397	**-**	-	**13,742,563**	13,080,397
Public works	**3,094,858**	3,392,895	**-**	-	**3,094,858**	3,392,895
Parks and recreation	**1,199,207**	1,359,836	**-**	-	**1,199,207**	1,359,836
Economic development	**1,053,596**	1,049,391	**-**	-	**1,053,596**	1,049,391
Interest on long-term debt	**442,139**	438,781	**-**	-	**442,139**	438,781
Water and Sewer	**-**	-	**8,134,362**	7,690,586	**8,134,362**	7,690,586
Sanitation	**-**	-	**1,696,069**	1,497,294	**1,696,069**	1,497,294
Stormwater	**-**	-	**250,294**	644,313	**250,294**	644,313
Total expenses	**25,330,929**	24,758,431	**10,080,725**	9,832,193	**35,411,654**	34,590,624
Increase in net position before transfers	**12,845,017**	7,315,581	**1,908,910**	1,002,406	**14,753,927**	8,317,987
Transfers	**(59,128)**	(50,753)	**59,128**	50,753	**-**	**-**
Change in net position	**12,785,889**	7,264,828	**1,968,038**	1,053,159	**14,753,927**	8,317,987
Net position, beginning of fiscal year	**47,172,074**	40,007,246	**14,208,590**	13,155,431	**61,380,664**	53,162,677
Net position, end of fiscal year	**$ 59,957,963**	$ 47,272,074	**$ 16,176,628**	$ 14,208,590	**$ 76,134,591**	$ 61,480,664

Governmental Activities

As noted in the table on the preceding page, governmental revenues increased $6,101,934 or 19.02%. The more significant changes were operating grants and contributions which increased $1,484,766 or 509.87% as the City benefitted from federal pandemic relief. Property taxes increased $4,398,500 or 32.7% as a result of increases in assessed property values and commercial growth. Sales taxes which include Local Option Sales Taxes (LOST) and Transportation Special Purpose Local Option Sales Taxes (TSPLOST), increased $1,102,649 (12.4%) respectively, as the economy recovered from the pandemic.

In total, governmental expenses increased $472,498 or 1.9% over the prior fiscal year. General Government expenses increased $382,661 or 7.83% for several reasons as follows. Current fiscal year expenses included approximately $807,000 of non-capitalizable assets reclassed as general government expenses compared to $113,000 in the prior fiscal year; General fund operating expenditures increased $514,382 primarily from increased outsourced professional services. These increases were offset by decreases in liability expenses as a result of change in estimates for legal claims. Public safety expenses increased $662,166 or 5.06% because of general increases in wages and expenses. Parks and recreation expenses decreased $160,629 or 11.81% because of decreases in service as a result of the pandemic. Changes in other categories of expense were not significant.

Business-Type Activities

Net position for business-type activities increased $1,968,038 or 13.85%. The Water and Sewerage Fund reported an increase in net position of $1,241,703; the Stormwater Fund had an increase in net position of $541,016; and the Sanitation Fund had an increase in net position of $185,319.

The Water and Sewerage Fund had net operating income of $2,847,462, $2,308,887, and $1,833,777 for fiscal years ending 2021, 2020 and 2019, respectively. Operating income increased $538,575 in fiscal year 2021 compared to fiscal year 2020. Water and sewerage sales increased $899,526 or 12.24%, primarily from new development. Operating expenses increased $282,954 or 4.79% primarily from increases in water and sewerage purchases. The Water and Sewer Fund continues to bear non-operating expenses for obligations under an intergovernmental agreement with the South Fulton Regional Water Authority to fund the repayment of construction bonds for alternative water and sewer resources. These obligations were $1,619,196, $1,496,640, and $1,516,551 for fiscal years 2021, 2020 and 2019, respectively. (See Note 13, page 55).

The Stormwater Fund had net operating income of $681,364, $205,354, and $349,410 for fiscal years ending 2021, 2020, and 2019, respectively. Contributing to the increase in operating income for 2021 over this period were decreases in outsourced professional services for city wide stormwater planning. The City expended $324,000 in fiscal 2020 for such services and none were required in 2021.

Sanitation Fund. The City manages the billing and collection of revenues for its Sanitation customers, and outsources the collection and disposal of garbage to a private vendor for both residential and commercial customers. The City's goal in the process is to, at a minimum, break even and attempt to maintain a level retained earnings balance in order to refrain from having to transfer funds into the Sanitation activities from other sources. This is a service that the City provides to its residents which aides residents further by controlling and maintaining the lowest cost for these services, as opposed to allowing a private vendor to

take over the entire process and expose residents to garbage fees that could be inflated for profit reasons. The Sanitation Fund had net income before transfers of $322,468, $264,317; and $267,030; for fiscal years ending 2021, 2020, and 2019, respectively.

Financial Analysis of the City's Funds

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

Governmental Fund Balance and Proprietary Net Position – Major Funds

The City's combined fund balances as of the end of the current year for governmental funds, presented on pages 18 and 19, are $45,600,045. This balance represents an increase of $6,914,986 or 17.88% from last fiscal year's ending balance.

The General Fund's fund balance has increased $5,123,502 or 21.62% as the City continues to build reserves for funding future capital projects and as a hedge against future economic disruptions. The T-SPLOST Fund's fund balance has increased $1,529,165 or 14.94% as the City collects T-SPLOST proceeds for transportation projects projected to start in future fiscal years. The City received $4,182,301 in grants from the American Rescue Plan Act Fund and is holding $3,786,301 in cash for future eligible and allowable expenditures. The Capital Projects Fund increased $164,033 or 7.87% as planned capital projects are in progress.

As noted in the table on the following page, excess of revenues over expenditures prior to other financing sources in the Governmental Funds was $6,792,578 as compared to $5,265,737 in the prior fiscal year. Governmental revenues increased $4,232,635 or 13.03%. Property taxes increased $3,408,711 or 25.79% due to increases in property values and additional commercial development within the city. Sales and other taxes increased $1,102,649 (12.4%) and $104,164 (5.08%) as the local economy recovers from the pandemic. Fines and forfeitures decreased $387,489 or 56.61% due to more community service penalties as opposed to financial penalties and court backlog. Interest revenues decreased $414,114 or 77.46% as a result of decreases in interest rates.

Overall governmental expenditures increased $2,705,794 or 9.94%. General government expenditures increased $551,083 or 12.7% because of overall increases in general operating costs primarily outsourced professional services. Public safety expenditures increased $905,252 or 7.41% as a result of general increases in wages and other expenditures. Parks and recreation expenditures decreased $178,978 or 17.65% due to reduction in services as a result of the pandemic. Capital outlay increased $2,238,070 or 67.4% as the City expends TSPLOST funding on various transportation related projects.

City of Union City's Changes in Governmental Fund Balance
August 31, 2021 and 2020

	2021	2020	$ Change	% Change
Revenues				
Property taxes	**$ 16,627,532**	$ 13,218,821	$ 3,408,711	25.79 %
Sales taxes	**9,996,215**	8,893,566	1,102,649	12.40
Other taxes	**2,155,198**	2,051,034	104,164	5.08
Charges for services	**686,104**	882,277	(196,173)	(22.23)
Licenses and permits	**3,052,106**	2,966,018	86,088	2.90
Intergovernmental	**2,051,783**	1,547,499	504,284	32.59
Franchise fees	**1,478,829**	1,569,209	(90,380)	(5.76)
Fines and forfeitures	**296,972**	684,401	(387,429)	(56.61)
Interest revenue	**120,517**	534,631	(414,114)	(77.46)
Rental income	**45,390**	24,780	20,610	83.17
Other revenue	**200,233**	106,008	94,225	88.88
Total revenues	**36,710,879**	32,478,244	4,232,635	13.03
Expenditures				
Current:				
General government	**4,888,941**	4,337,858	551,083	12.70
Judicial	**438,288**	446,479	(8,191)	(1.83)
Public safety	**13,115,442**	12,210,190	905,252	7.41
Public works	**2,546,129**	2,892,626	(346,497)	(11.98)
Parks and recreation	**835,231**	1,014,209	(178,978)	(17.65)
Planning and economic development	**1,047,802**	1,138,403	(90,601)	(7.96)
Capital outlay	**5,558,749**	3,320,679	2,238,070	67.40
Debt service				
Principal (net of refunding)	**1,061,111**	1,385,954	(324,843)	(23.44)
Interest	**426,608**	466,109	(39,501)	(8.47)
Total expenditures	**29,918,301**	27,212,507	2,705,794	9.94
Excess of revenues over expenditures	**6,792,578**	5,265,737	1,526,841	29.00
Other financing sources				
Financed purchases	**181,536**	-	181,536	-
Net transfers	**(59,128)**	(50,753)	(8,375)	16.50
Total other financing sources	**122,408**	(50,753)	173,161	(341.18)
Net change in fund balance	**$ 6,914,986**	$ 5,214,984	$ 1,700,002	32.60 %

The City of Union City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Union City's business-type activities.

General Fund Budgetary Highlights

The final budgets passed by the City Council anticipated $22,490,155 of revenues and prior fiscal year surpluses of $4,903,180 to cover expenditures of $22,631,515 and net transfers out of $4,761,820. Actual results were $10,026,682 better than projected.

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 20.

- For the General Fund, the actual revenues were $7,439,044 better than the final budget. Revenues were budgeted at $22,490,155 and actual revenues were $29,929,199. Property taxes were $4,627,882 better than budgeted due to increases in property values and additional development. Sales taxes were $1,264,236 better than budgeted as the budget did not anticipate the extent of the economic recovery from the pandemic. Other taxes and charges for services were $483,836 and $316,233 better than budgeted, respectively, as the City used a very conservative estimate for these revenue sources. Licenses and permits were $980,606 better than budgeted due to significant new development and business activity in the City. Fines and forfeitures were $400,028 less than budgeted due to penalties being assessed using community service as opposed to cash penalties.
- Actual expenditures of $20,965,925 were $1,665,590 less than the budgeted amount of $22,631,515 as management continues to be very conservative in their budgeting. General government expenditures were $717,734 better than budgeted as the City continues to use very conservative budgeting practices. Public safety expenditures were $451,660 better than budgeted because of vacancies in the police and fire departments. Parks and recreation expenditures were $246,229 better than budgeted and the City continues to limit services due to the pandemic.

Capital Asset and Debt Administration

Capital Assets

The City has invested $42,716,360 in capital assets (net of depreciation). Capital assets held by the City at the end of the current and previous fiscal year are summarized below:

City of Union City's Capital Assets, net of Accumulated Depreciation
August 31, 2021 and 2020

	Government Type		Business Type		Total	
	2021	2020	**2021**	2020	**2021**	2020
Land	**$ 1,026,496**	$ 1,008,556	**$ 493,194**	$ 493,194	**$ 1,519,690**	$ 1,501,750
Construction in progress	**3,344,920**	517,346	**625,372**	-	**3,970,292**	517,346
Buildings, grounds and improvements	**11,156,382**	11,322,948	**8,430,551**	7,949,444	**19,586,933**	19,272,392
Machinery and equipment	**618,022**	419,017	**230,200**	277,801	**848,222**	696,818
Infrastructure	**11,149,420**	11,165,881	**877,425**	862,498	**12,026,845**	12,028,379
Intangibles	**-**	-	**2,939,405**	3,364,378	**2,939,405**	3,364,378
Vehicles	**1,757,475**	1,491,669	**67,498**	81,005	**1,824,973**	1,572,674
Total	**$ 29,052,715**	$ 25,925,417	**$ 13,663,645**	$ 13,028,320	**$ 42,716,360**	$ 38,953,737

The detailed schedule of capital assets are reported in Note 5 of the financial statements. Total capital asset additions for 2021 were $6,298,815 compared to $3,513,362 in 2020.

Long-Term Debt

At the end of the current fiscal year, the City had long-term debt related to governmental activities of $9,663,412 and $7,680,000 for business type activities. All debt is 100% backed by the full faith and credit of the government. Governmental debt is secured by property tax revenue sources and Water and Sewer bonds are secured by related revenues.

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

City of Union City's Outstanding Long-Term Liabilities

August 31, 2021 and 2020

	Government Type		Business Type		Total	
	2021	2020	**2021**	2020	**2021**	2020
General obligation bonds backed by property taxes	**$ 9,520,000**	$10,415,000	**$ -**	$ -	**$ 9,520,000**	$10,415,000
Revenue bonds	**-**	-	**7,680,000**	7,540,000	**7,680,000**	7,540,000
Financed purchases	**143,412**	127,987	**-**	-	**143,412**	127,987
	$ 9,663,412	$10,542,987	**$ 7,680,000**	$ 7,540,000	**$17,343,412**	$18,082,987

Economic Factors and Next Fiscal Year's Budgets and Rates

Union City, like most cities, has been hit hard by the pandemic. Due to uncertain economic conditions, the City will make very conservative budget forecasts. The City continues to benefit from its strategic location and this has led to the acquisition of several high profile companies including Proctor and Gamble, the Walmart Distribution E-commerce facility, Amazon, and Atlanta Metro Studios of Union City. Millage rates for property taxes were set at 13.197 mills for the fiscal year 2022.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, City Hall, 5047 Union Street, Union City, Georgia 30291 or by calling (770) 964-2288.

CITY OF UNION CITY, GEORGIA
STATEMENT OF NET POSITION
AUGUST 31, 2021

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total Primary Government	South Fulton Municipal Regional Jail Authority	Union City Development Authority	Total Component Units
ASSETS						
Cash and cash equivalents	$ 54,410,503	$ 7,900,694	$ 62,311,197	$ -	$ 152,499	$ 152,499
Taxes receivable	1,680,072	-	1,680,072	-	-	-
Accounts receivable, net of allowances	158,421	2,669,317	2,827,738	-	-	-
Interest receivable	-	-	-	116,461	-	116,461
Due from other governments	1,806,386	-	1,806,386	-	-	-
Intergovernmental receivable from Fulton County	-	-	-	11,685,000	-	11,685,000
Inventory	16,720	28,185	44,905	-	-	-
Prepaid items	712,814	-	712,814	-	-	-
Restricted assets:						
Cash and cash equivalents	107,259	3,206,111	3,313,370	-	-	-
Capital assets:						
Nondepreciable	4,371,416	1,118,566	5,489,982	-	-	-
Depreciable, net of accumulated depreciation	24,681,299	12,545,079	37,226,378	-	-	-
Total assets	87,944,890	27,467,952	115,412,842	11,801,461	152,499	11,953,960
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	3,138,530	162,673	3,301,203	-	-	-
Deferred charges on refunding	224,963	410,692	635,655	711,531	-	711,531
Total deferred outflows of resources	3,363,493	573,365	3,936,858	711,531	-	711,531
LIABILITIES						
Accounts payable	6,504,729	2,406,247	8,910,976	-	-	-
Accrued liabilities	508,885	38,925	547,810	-	-	-
Interest payable	-	-	-	116,461	-	116,461
Unearned revenues	3,817,712	-	3,817,712	-	62,500	62,500
Due to other governments	598,531	-	598,531	-	-	-
Customer deposits payable	-	1,260,889	1,260,889	-	-	-
Financed purchases due within one fiscal year	45,384	-	45,384	-	-	-
Financed purchases due in more than one year	98,028	-	98,028	-	-	-
Bonds payable due within one fiscal year	950,000	630,000	1,580,000	745,000	-	745,000
Bonds payable due in more than one fiscal year	9,292,493	7,050,000	16,342,493	10,940,000	-	10,940,000
Claims payable due within one fiscal year	158,454	-	158,454	-	-	-
Compensated absences due within one fiscal year	460,100	16,496	476,596	-	-	-
Net pension liability due in more than one fiscal year	8,586,525	445,050	9,031,575	-	-	-
Total liabilities	31,020,841	11,847,607	42,868,448	11,801,461	62,500	11,863,961
DEFERRED INFLOWS OF RESOURCES						
	329,579	17,082	346,661	-	-	-
Total deferred inflows of resources	329,579	17,082	346,661	-	-	-
NET POSITION						
Net investment in capital assets	18,189,287	7,548,093	25,737,380	-	-	-
Restricted						
Law enforcement	980,783	-	980,783	-	-	-
Economic development	729,845	-	729,845	-	-	-
Emergency telephone operations	21,422	-	21,422	-	-	-
Debt service	122,515	586,945	709,460	711,531	-	711,531
Capital projects	12,918,962	-	12,918,962	-	-	-
Unrestricted	26,995,149	8,041,590	35,036,739	-	89,999	89,999
Total net position	$ 59,957,963	$ 16,176,628	$ 76,134,591	$ 711,531	$ 89,999	$ 801,530

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: South Fulton Municipal Regional Jail Authority	Component Units: Union City Development Authority	Component Units: Total
Primary government:										
Governmental activities:										
General government	$ 5,271,243	$ 2,251,846	$ -	$ -	$ (3,019,397)	$ -	$ (3,019,397)	$ -	$ -	$ -
Judicial	527,323	305,715	-	-	(221,608)	-	(221,608)	-	-	-
Public safety	13,742,563	67,997	1,775,969	-	(11,898,597)	-	(11,898,597)	-	-	-
Public works	3,094,858	865,389	-	541,082	(1,688,387)	-	(1,688,387)	-	-	-
Parks and recreation	1,199,207	24,544	-	-	(1,174,663)	-	(1,174,663)	-	-	-
Planning and economic development	1,053,596	565,080	-	-	(488,516)	-	(488,516)	-	-	-
Interest on long-term debt	442,139	-	-	-	(442,139)	-	(442,139)	-	-	-
Total governmental activities	25,330,929	4,080,571	1,775,969	541,082	(18,933,307)	-	(18,933,307)	-	-	-
Business-type activities:										
Water and Sewerage	8,134,362	9,032,895	-	-	-	898,533	898,533	-	-	-
Stormwater	250,294	931,658	-	-	-	681,364	681,364	-	-	-
Sanitation	1,696,069	2,018,537	-	-	-	322,468	322,468	-	-	-
Total business-type activities	10,080,725	11,983,090	-	-	-	1,902,365	1,902,365	-	-	-
Total primary government	$ 35,411,654	$ 16,063,661	$ 1,775,969	$ 541,082	(18,933,307)	1,902,365	(17,030,942)	-	-	-
Component unit:										
South Fulton Municipal Regional Jail Authority	$ 222,347	$ -	$ -	$ -	-	-	-	(222,347)	-	(222,347)
Union City Development Authority	10,014	-	-	-	-	-	-	-	(10,014)	(10,014)
Total component unit	$ 222,347	$ -	$ -	$ -	-	-	-	(222,347)	(10,014)	(222,347)
General revenues:										
Property taxes					17,849,492	-	17,849,492	-	-	-
Sales taxes					9,996,215	-	9,996,215	-	-	-
Insurance premium tax					1,551,377	-	1,551,377	-	-	-
Other taxes					603,822	-	603,822	-	-	-
Franchise taxes					1,478,829	-	1,478,829	-	-	-
Unrestricted investment earnings					98,356	6,545	104,901	116,461	8	116,469
Miscellaneous					200,233	-	200,233	-	-	-
Transfers					(59,128)	59,128	-	-	-	-
Total general revenues and transfers					31,719,196	65,673	31,784,869	116,461	8	116,469
Change in net position					12,785,889	1,968,038	14,753,927	(105,886)	(10,006)	(115,892)
Net position, beginning of fiscal year					47,172,074	14,208,590	61,380,664	817,417	100,005	917,422
Net position, end of fiscal year					$ 59,957,963	$ 16,176,628	$ 76,134,591	$ 711,531	$ 89,999	$ 801,530

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

CITY OF UNION CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 32,481,649	$ 11,441,215	$ 3,786,301	$ 3,362,437	$ 3,338,901	$ 54,410,503
Taxes receivable, net	1,626,650	-	-	-	53,422	1,680,072
Intergovernmental receivable	742,770	355,423	-	-	708,193	1,806,386
Accounts receivable	158,421	-	-	-	-	158,421
Inventory	16,720	-	-	-	-	16,720
Due from other funds	630,907	-	-	-	23,095	654,002
Prepaid items	530,042	-	-	-	182,772	712,814
Restricted cash	107,259	-	-	-	-	107,259
Total assets	$ 36,294,418	$ 11,796,638	$ 3,786,301	$ 3,362,437	$ 4,306,383	$ 59,546,177
LIABILITIES						
Accounts payable	$ 4,999,673	$ 28,777	$ -	$ 673,709	$ 802,570	$ 6,504,729
Accrued liabilities	240,202	-	-	-	-	240,202
Unearned revenue	31,411	-	3,786,301	-	-	3,817,712
Due to others	578,790	-	-	-	19,741	598,531
Due to other funds	-	-	-	440,944	213,058	654,002
Total liabilities	5,850,076	28,777	3,786,301	1,114,653	1,035,369	11,815,176
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,622,762	-	-	-	-	1,622,762
Unavailable revenue - intergovernmental revenues	-	-	-	-	508,194	508,194
Total deferred inflows of resources	1,622,762	-	-	-	508,194	2,130,956
FUND BALANCES						
Nonspendable:						
Inventory	16,720	-	-	-	-	16,720
Prepaid items	530,042	-	-	-	182,772	712,814
Restricted for:						
Law enforcement	-	-	-	-	583,942	583,942
Economic development	-	-	-	-	729,845	729,845
Emergency telephone operations	-	-	-	-	21,422	21,422
Debt service	-	-	-	-	122,515	122,515
Capital projects	-	11,767,861	-	-	1,122,324	12,890,185
Assigned:						
Capital projects	-	-	-	2,247,784	-	2,247,784
Unassigned	28,274,818	-	-	-	-	28,274,818
Total fund balances	28,821,580	11,767,861	-	2,247,784	2,762,820	45,600,045
Total liabilities, deferred inflows of resources and fund balances	$ 36,294,418	$ 11,796,638	$ 3,786,301	$ 3,362,437	$ 4,306,383	$ 59,546,177

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

CITY OF UNION CITY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
AUGUST 31, 2021

TOTAL GOVERNMENTAL FUND BALANCES			$ 45,600,045
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Cost	$	51,964,351	
Less accumulated depreciation		(22,911,636)	29,052,715
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.			
Property taxes	$	1,622,762	
intergovernmental revenues		508,194	2,130,956
Deferred refunding charges are not financial resources and, therefore, are not reported in the governmental funds.			224,963
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.			
Net pension liability	$	(8,586,525)	
Deferred outflows of resources - pension related items		3,138,530	
Deferred inflows of resources - pension related items		(329,579)	(5,777,574)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest	$	(268,683)	
Financed purchases		(143,412)	
Bonds payable		(9,520,000)	
Premium		(722,493)	
Claims payable		(158,454)	
Compensated absences		(460,100)	(11,273,142)
NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 59,957,963

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 16,627,532	$ -	$ -	$ -	$ -	$ 16,627,532
Sales taxes	5,939,236	4,056,979	-	-	-	9,996,215
Other taxes	1,564,186	-	-	-	591,012	2,155,198
Charges for services	672,733	-	-	-	13,371	686,104
Licenses and permits	3,052,106	-	-	-	-	3,052,106
Intergovernmental	-	-	396,000	-	1,655,783	2,051,783
Franchise taxes	1,478,829	-	-	-	-	1,478,829
Fines and forfeitures	296,972	-	-	-	-	296,972
Interest	92,956	22,161	-	4,245	1,155	120,517
Rental income	45,390	-	-	-	-	45,390
Other revenues	159,259	-	-	-	40,974	200,233
Total revenues	29,929,199	4,079,140	396,000	4,245	2,302,295	36,710,879
Expenditures						
Current:						
General government	4,848,008	-	-	-	40,933	4,888,941
Judicial	438,288	-	-	-	-	438,288
Public safety	11,627,816	-	330,000	-	1,157,626	13,115,442
Public works	2,300,131	-	66,000	-	179,998	2,546,129
Parks and recreation	833,440	-	-	-	1,791	835,231
Planning and economic development	918,242	-	-	-	129,560	1,047,802
Capital outlay	-	2,549,975	-	2,653,028	355,746	5,558,749
Debt service:						
Principal	-	-	-	166,111	895,000	1,061,111
Interest	-	-	-	1,483	425,125	426,608
Total expenditures	20,965,925	2,549,975	396,000	2,820,622	3,185,779	29,918,301
Excess (deficiency) of revenues over (under) expenditures	8,963,274	1,529,165	-	(2,816,377)	(883,484)	6,792,578
Other financing sources (uses)						
Financed purchases	-	-	-	181,536	-	181,536
Transfers in	1,282,939	-	-	2,798,874	1,987,212	6,069,025
Transfers out	(5,122,711)	-	-	-	(1,005,442)	(6,128,153)
Total other financing sources (uses)	(3,839,772)	-	-	2,980,410	981,770	122,408
Net change in fund balances	5,123,502	1,529,165	-	164,033	98,286	6,914,986
Fund balances, beginning of fiscal year	23,698,078	10,238,696	-	2,083,751	2,664,534	38,685,059
Fund balances, end of fiscal year	$ 28,821,580	$ 11,767,861	$ -	$ 2,247,784	$ 2,762,820	$ 45,600,045

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

CITY OF UNION CITY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ 6,914,986
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.			
Capital outlay	$	4,751,780	
Depreciation expense		(1,607,370)	3,144,410
The net effect of various miscellaneous transactions involving capital assets (disposals) is to decrease net position.			
Disposal of capital assets			(17,112)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
Property taxes	$	1,221,960	
Intergovernmental revenue		243,107	1,465,067
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Payment on financed purchases	$	166,111	
Financed purchases		(181,536)	
Bond principal payments		895,000	879,575
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Accrued interest	$	(56,303)	
Compensated absences		112,223	
Pension expense		(229,644)	
Claims expense		531,915	
Amortization expense		40,772	398,963
Change in net position of governmental activities			$ 12,785,889

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 11,999,650	$ 11,999,650	$ 16,627,532	$ 4,627,882
Sales taxes	4,675,000	4,675,000	5,939,236	1,264,236
Other taxes	1,080,350	1,080,350	1,564,186	483,836
Charges for services	356,500	356,500	672,733	316,233
Licenses and permits	2,071,500	2,071,500	3,052,106	980,606
Franchise taxes	1,248,395	1,248,395	1,478,829	230,434
Fines and forfeitures	697,000	697,000	296,972	(400,028)
Interest	255,000	255,000	92,956	(162,044)
Rental income	45,050	45,050	45,390	340
Other revenues	61,710	61,710	159,259	97,549
Total revenues	22,490,155	22,490,155	29,929,199	7,439,044
Expenditures				
Current				
General government:				
City clerk	608,940	763,355	412,452	350,903
Finance	716,645	716,645	715,923	722
City administrator	718,110	718,110	651,074	67,036
Mayor and council	386,193	386,193	339,035	47,158
Human resources	659,021	659,021	536,930	122,091
Operations	2,476,833	2,322,418	2,192,594	129,824
Total general government	5,565,742	5,565,742	4,848,008	717,734
Judicial:				
Municipal court	553,625	553,625	438,288	115,337
Public safety:				
Police	7,207,011	7,207,011	6,655,073	551,938
Fire	4,872,465	4,872,465	4,972,743	(100,278)
Total public safety	12,079,476	12,079,476	11,627,816	451,660
Public works:				
Buildings and grounds	2,392,289	2,392,289	2,300,131	92,158
Planning and economic development	960,714	960,714	918,242	42,472
Parks and recreation	1,079,669	1,079,669	833,440	246,229
Total expenditures	22,631,515	22,631,515	20,965,925	1,665,590
Excess (deficiency) of revenues over(under) expenditures	(141,360)	(141,360)	8,963,274	9,104,634
Other financing sources (uses)				
Transfers in	651,296	651,296	1,282,939	631,643
Transfers out	(5,413,116)	(5,413,116)	(5,122,711)	290,405
Total other financing uses, net	(4,761,820)	(4,761,820)	(3,839,772)	922,048
Net change in fund balances	$ (4,903,180)	$ (4,903,180)	5,123,502	$ 10,026,682
Fund balance, beginning of fiscal year			23,698,078	
Fund balance, ending of fiscal year			$ 28,821,580	

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

CITY OF UNION CITY, GEORGIA
ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ -	$ 4,182,300	$ 396,000	$ (3,786,300)
Total revenues	-	4,182,300	396,000	(3,786,300)
EXPENDITURES				
Public safety	-	-	330,000	(330,000)
Public works	-	-	66,000	(66,000)
Total expenditures	-	-	396,000	(396,000)
Excess of revenues over expenditures	-	4,182,300	-	(4,182,300)
Net change in fund balance	-	4,182,300	-	(4,182,300)
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ 4,182,300	$ -	$ (4,182,300)

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 5,591,319	$ 1,094,430	$ 1,214,945	$ 7,900,694
Accounts receivable, net	1,939,573	372,629	357,115	2,669,317
Inventory	28,185	-	-	28,185
Restricted assets				
Cash and cash equivalents	3,206,111	-	-	3,206,111
Total current assets	10,765,188	1,467,059	1,572,060	13,804,307
NON-CURRENT ASSETS				
Capital assets				
Nondepreciable	493,194	625,372	-	1,118,566
Depreciable, net of accumulated depreciation	11,357,827	1,187,252	-	12,545,079
Total non-current assets	11,851,021	1,812,624	-	13,663,645
Total assets	22,616,209	3,279,683	1,572,060	27,467,952
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	162,673	-	-	162,673
Loss on refunding	410,692	-	-	410,692
Total deferred outflows of resources	573,365	-	-	573,365
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,841,373	204,455	360,419	2,406,247
Accrued liabilities	9,694	-	-	9,694
Compensated absences	16,496	-	-	16,496
Payables from restricted assets:				
Customer deposits payable	1,260,889	-	-	1,260,889
Revenue bonds payable - current portion	630,000	-	-	630,000
Accrued interest on bonds payable	29,231	-	-	29,231
Total current liabilities	3,787,683	204,455	360,419	4,352,557
NON-CURRENT LIABILITIES				
Revenue bonds payable - net of unamortized discounts and current portion	7,050,000	-	-	7,050,000
Net pension liability	445,050	-	-	445,050
Total non-current liabilities	7,495,050	-	-	7,495,050
Total liabilities	11,282,733	204,455	360,419	11,847,607
DEFERRED INFLOWS OF RESOURCES				
	17,082	-	-	17,082
Total deferred inflows of resources	17,082	-	-	17,082
NET POSITION				
Net investment in capital assets	5,735,469	1,812,624	-	7,548,093
Restricted				
Debt service	586,945	-	-	586,945
Unrestricted	5,567,345	1,262,604	1,211,641	8,041,590
Total net position	$ 11,889,759	$ 3,075,228	$ 1,211,641	$ 16,176,628

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
OPERATING REVENUES				
Charges for services	$ 8,251,293	$ 931,658	$ 1,924,206	$ 11,107,157
Tap fees	150,755	-	-	150,755
Other charges	630,847	-	94,331	725,178
Total operating revenues	9,032,895	931,658	2,018,537	11,983,090
OPERATING EXPENSES				
Water purchases	2,640,379	-	-	2,640,379
Personnel costs	560,237	-	-	560,237
Purchased or contracted services	2,166,745	156,656	1,696,069	4,019,470
Depreciation expense	818,072	93,638	-	911,710
Total operating expenses	6,185,433	250,294	1,696,069	8,131,796
Operating income	2,847,462	681,364	322,468	3,851,294
NON-OPERATING INCOME (EXPENSES)				
Interest income	6,545	-	-	6,545
Interest expense	(329,733)	-	-	(329,733)
Intergovernmental agreement	(1,619,196)	-	-	(1,619,196)
Total non-operating expenses, net	(1,942,384)	-	-	(1,942,384)
Income before transfers	905,078	681,364	322,468	1,908,910
TRANSFERS				
Transfers in	336,625	-	-	336,625
Transfers out	-	(140,348)	(137,149)	(277,497)
Total transfers	336,625	(140,348)	(137,149)	59,128
Change in net position	1,241,703	541,016	185,319	1,968,038
NET POSITION, beginning of fiscal year	10,648,056	2,534,212	1,026,322	14,208,590
NET POSITION, end of fiscal year	$ 11,889,759	$ 3,075,228	$ 1,211,641	$ 16,176,628

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 8,667,096	$ 858,631	$ 1,971,389	$ 11,497,116
Payments to suppliers	(4,102,074)	(144,714)	(1,469,601)	(5,716,389)
Payments to employees	(523,565)	-	-	(523,565)
Net cash provided by operating activities	4,041,457	713,917	501,788	5,257,162
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments on intergovernmental agreement	(1,619,196)	-	-	(1,619,196)
Transfers in	336,625	-	-	336,625
Transfers out	-	(140,348)	(137,149)	(277,497)
Net cash used in non-capital financing activities	(1,282,571)	(140,348)	(137,149)	(1,560,068)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(874,206)	(672,829)	-	(1,547,035)
Proceeds from issuance of bonds	7,680,000	-	-	7,680,000
Payment to refunding escrow agent	(7,918,495)	-	-	(7,918,495)
Interest and closing cost paid	(309,807)	-	-	(309,807)
Net cash used in capital and related financing activities	(1,422,508)	(672,829)	-	(2,095,337)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	6,545	-	-	6,545
Net cash provided by investing activities	6,545	-	-	6,545
Change in cash and cash equivalents	1,342,923	(99,260)	364,639	1,608,302
Cash and cash equivalents:				
Beginning of fiscal year	7,454,507	1,193,690	850,306	9,498,503
End of fiscal year	$ 8,797,430	$ 1,094,430	$ 1,214,945	$ 11,106,805
Classified as:				
Cash and cash equivalents	$ 5,591,319	1,094,430	$ 1,214,945	$ 7,900,694
Restricted assets, cash	3,206,111	-	-	3,206,111
	$ 8,797,430	$ 1,094,430	$ 1,214,945	$ 11,106,805

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

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 2,847,462	$ 681,364	$ 322,468	$ 3,851,294
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	818,072	93,638	-	911,710
Changes in assets, deferred outflows/inflows of resources, and liabilities:				
Increase in accounts receivable	(365,799)	(73,027)	(47,148)	(485,974)
Increase in inventory	(2,458)	-	-	(2,458)
Increase in deferred outflows from pension	(19,891)	-	-	(19,891)
Increase in accounts payable	705,159	11,942	226,468	943,569
Increase in accrued liabilities	2,349	-	-	2,349
Increase in customer deposits	27,280	-	-	27,280
Decrease in compensated absences	(2,543)	-	-	(2,543)
Increase in net pension liability	30,576	-	-	30,576
Increase in deferred inflows from pension	1,250	-	-	1,250
Net cash provided by operating activities	$ 4,041,457	$ 713,917	$ 501,788	$ 5,257,162

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

The City was incorporated on August 17, 1908 and operates under an elected Mayor and Council-City Manager form of government. The City Manager is appointed by and serves at the pleasure of the City Council. As such, the City Manager is responsible for the day-to-day operations of city government. The legislative branch of the City is vested in the Mayor and four Council members. The City provides the following services and operations as authorized by its charter: public safety (police and fire); planning and engineering; code enforcement; street maintenance; traffic control; solid waste collection and disposal; water and sewerage; parks and recreation; community development; and general administrative services. As required by GAAP these financial statements present the City and its component unit, a legally-separate entity for which the City is financially accountable.

Based upon criteria set forth by GASB Statement 14 and as amended by GASB Statement 39 and 61, the City was determined to have the following component units as of August 31, 2021:

South Fulton Municipal Regional Jail Authority (the "Authority"). The Authority is responsible for the operations of the South Fulton Municipal Regional Justice Center, which provides services to the City as well as other municipalities and governmental agencies in the geographical area. The Board of Directors of the Authority consists of five members, three of which are appointed by the City. The City has the ability to impose its will on the Authority and the Authority is therefore reported in a separate column as a discretely presented component unit in the City's government-wide financial statements to emphasize that it is legally separate from the City. Separate financial statements are not available.

Union City Development Authority (the "Development Authority"). The Development Authority was established for the purposes of attracting development, industry, and employment opportunities to the City and to promote the general welfare of the State of Georgia by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City. The Board is comprised of six (6) members who are appointed by the Mayor and City Council. While there is a financial benefit or burden relationship as the City has provided support to the Development Authority, the Development Authority intends to issue debt on behalf of 3rd parties and will be collecting a fee to do so. It will not be functioning as a financing entity exclusively for the benefit of the City but rather for the community as a whole. Therefore, the Development Authority is reported in the City's financial statements as a proprietary type discretely presented component unit. Separate financial statements for the Development Authority are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of* accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, however, grant revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The ***T-SPLOST Fund*** accounts for proceeds of the Transportation Special Purpose Local Option Sales Tax. Funds are used for various transportation projects within the City.

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

The ***Capital Projects Fund*** accounts for various capital projects of the City. Funding is provided by state and federal agencies and transfers from the General Fund.

The City reports the following major proprietary funds:

The ***Water and Sewerage Fund*** accounts for the operations of the City operated water distribution system, sewerage treatment plant, sewerage pumping stations and collection systems. All activities necessary to provide such services are accounted for in this fund.

The ***Stormwater Fund*** accounts for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

The ***Capital Projects Funds*** account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The ***Debt Service Funds*** account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are completed in April.

2. Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Council at the annual retreat.

3. Public hearings on the proposed budget are held in May and June.

4. The budget is legally adopted by the Mayor and City Council prior to August 31.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of $250,000 between departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any fund must be approved by the City Council.

6. Formal budgetary integration is employed as a management control device during the year for all the governmental funds and the enterprise funds. Budgets for the enterprise funds are prepared for planning and control purposes only.

7. Budgets for the governmental funds and the enterprise funds are adopted on a basis consistent with GAAP.

A budget was not adopted for the Capital Grants Fund, the General Obligation Bond Capital Projects Fund, and the 2010 General Obligation Bond Debt Service Fund due to the City's anticipation that there would not be any revenues or expenditures relating to these funds during the fiscal year.

The following funds had the following departments and transfers out with excess of actual expenditures or transfers out over appropriations as of August 31, 2021:

General Fund:		
Public safety - Fire	$	100,278
ARPA Fund:		
Public safety		330,000
Public works		66,000
Hotel/Motel Tax Fund:		
Economic development		30,360
Transfers out		45,539
Multiple Operating Grant Fund:		
Transfers out		586,103
Capital Projects Fund:		
Debt service principal		38,154
CDBG Fund:		
Capital outlay		30,717

These over expenditures and transfers out were funded by greater than anticipated revenues and by available fund balance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1").

The investment in the Georgia Fund 1, created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The pool also adjusts the value of its investments to fair value as of fiscal year-end and the City's investment in the Georgia Fund 1 is reported at fair value.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

G. Prepaid Items

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Short-Term Interfund Receivables/Payables

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

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

I. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, or land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has retroactively reported major general infrastructure assets. In this case, the City chose to include all items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

Depreciation is provided on the straight-line method over the following estimated useful lives:

	Years
Buildings, grounds, and improvements	15-40
Machinery and equipment	3-10
Infrastructure	15-50
Vehicles	5-10
Distribution system	50
Waterwaste treatment capacity	50

K. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as deferred charges, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to the pension items discussed on the following page, the City has one additional item that qualifies for reporting in this category. The item is the deferred charge on refunding and is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources and are amortized over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments are recognized as deferred inflows of resources and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan before fiscal year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

M. Inventories

Inventories consist of expendable supplies and items acquired for infrastructure repair and maintenance or for possible future expansion. Inventories are stated at average cost. The consumption method is used to account for inventories.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation pay benefits. Vacation accrues in hours based on years of service. Maximum accrual is 120 hours on a calendar year basis. The government-wide and proprietary fund financial statements reflect an accrual for the full earned, but unused vacation pay.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at the end of the year. Encumbrances are re-appropriated in the following year, except for encumbrances in the Capital Project Funds which are continuing. Encumbrances do not represent GAAP expenditures. At August 31, 2021, there were no encumbrances outstanding.

P. Fund Equity

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

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

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or Finance Director to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

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

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

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

Q. Use of Estimates

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

R. Tax Abatement Programs

Fulton County, Georgia enters into tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses.

During the fiscal year ended August 31, 2021, the City's ad valorem tax revenues were reduced by $940,277 under other government agreements for tax abatements entered into by Fulton County, Georgia.

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of August 31, 2021, are summarized as follows:

As reported in the Statement of Net Position	
Primary government	
Cash and cash equivalents	$ 62,311,197
Restricted Assets:	
Cash and cash equivalents	3,313,370
Component units - cash and cash equivalents	152,499
	$ 65,777,066
Cash deposited with financial institutions	$ 65,659,894
Cash deposited with Georgia Fund 1	117,172
	$ 65,777,066

Georgia Fund 1 is reported as restricted cash equivalent as of August 31, 2021.

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City's investment policy limits its investments to only such investments permitted by the State of Georgia including certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. As of August 31, 2021, the City's investment in Georgia Fund 1 was rated AAAf by Fitch and the weighted average maturity was 35 days.

Interest Rate Risk. The City's investment policy limits investment maturities to a maximum of one year, except for special circumstances where an interest rate differential and certainty of ability to hold the investment to maturity would justify a longer maturity, as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's Administrator is authorized to approve any such exceptions and is required to disclose the exception to City Council.

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

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of August 31, 2021, all of the City funds were insured and properly collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities.

NOTE 3. RECEIVABLES

Receivables as of fiscal year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	TSPLOST Fund	Nonmajor Governmental	Water and Sewerage	Stormwater	Nonmajor Sanitation
Receivables:						
Taxes	$ 2,368,933	$ -	$ 53,422	$ -	$ -	$ -
Accounts	158,421	-	-	2,961,904	529,912	460,645
Intergovernmental	742,770	355,423	708,193		-	-
Gross receivables	3,270,124	355,423	761,615	2,961,904	529,912	460,645
Less allowance	(742,283)	-	-	(1,022,331)	(157,283)	(103,530)
Net receivables	$ 2,527,841	$ 355,423	$ 761,615	$ 1,939,573	$ 372,629	$ 357,115

Property Taxes

Property taxes were levied on September 19, 2020 based upon property values assessed as of January 1. The billings were mailed on September 23, 2020, and were payable on or before November 25, 2020, after which the applicable property is subject to lien and penalties and interest are assessed. The City bills and collects its own property taxes. Property taxes levied for 2021 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended August 31, 2021 and collected by October 31, 2021, are recognized as revenues in the year ended August 31, 2021. Net receivables estimated to be collected subsequent to October 31, 2021, are deferred as of August 31, 2021, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually. The tax rate levied during fiscal year 2020 for the City's operations was 14.952 mills (mill equals $1 per thousand dollars of assessed value).

NOTE 3. RECEIVABLES (CONTINUED)

Component Units – Intergovernmental Receivable

In October 2018, in conjunction with the issuance of the Series 2018 Bond, the South Fulton Municipal Regional Jail Authority entered into an intergovernmental contract with Fulton County in which Fulton County unconditionally agreed to make debt payments on behalf of the Authority in an amount equal to the debt service requirements of the Series 2018 Bond. These payments and the intergovernmental contract are pledged to the payment of the principal and interest on the Series 2018 Bond.

The estimated annual payments to be paid by Fulton County on behalf of the Authority under this intergovernmental contract as of August 31, 2021 are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 745,000	$ 338,244	$ 1,083,244
2023	765,000	315,669	1,080,669
2024	790,000	292,422	1,082,422
2025	815,000	268,427	1,083,427
2026	845,000	128,122	973,122
2027-2031	4,600,000	819,410	5,419,410
2032-2034	3,125,000	142,299	3,267,299
	$ 11,685,000	$ 2,304,593	$ 13,989,593

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NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended August 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 1,008,556	$ 17,940	$ -	$ -	$ 1,026,496
Construction in progress	517,346	3,284,320	-	(456,746)	3,344,920
Total capital assets, not being depreciated	1,525,902	3,302,260	-	(456,746)	4,371,416
Capital assets, being depreciated:					
Buildings, grounds and improvements	17,870,063	327,901	-	-	18,197,964
Machinery and equipment	1,495,921	305,863	-	-	1,801,784
Infrastructure	20,327,602	17,335	-	456,746	20,801,683
Vehicles	6,045,168	798,421	(52,085)	-	6,791,504
Total capital assets, being depreciated	45,738,754	1,449,520	(52,085)	456,746	47,592,935
Less accumulated depreciation for:					
Buildings, grounds and improvements	(6,547,115)	(494,467)	-	-	(7,041,582)
Machinery and equipment	(1,076,904)	(106,858)	-	-	(1,183,762)
Infrastructure	(9,161,721)	(490,542)	-	-	(9,652,263)
Vehicles	(4,553,499)	(515,503)	34,973	-	(5,034,029)
Total accumulated depreciation	(21,339,239)	(1,607,370)	34,973	-	(22,911,636)
Total capital assets, being depreciated, net	24,399,515	(157,850)	(17,112)	456,746	24,681,299
Governmental activities capital assets, net	$ 25,925,417	$ 3,144,410	$ (17,112)	$ -	$ 29,052,715

NOTE 4. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 493,194	$ -	$ -	$ -	$ 493,194
Construction in progress	-	625,372	-	-	625,372
Total capital assets, not being depreciated	493,194	625,372	-	-	1,118,566
Capital assets, being depreciated:					
Distribution system	18,757,841	874,206	-	-	19,632,047
Machinery and equipment	491,523	-	-	-	491,523
Infrastructure	1,214,979	47,457	-	-	1,262,436
Wastewater treatement capacity	6,374,612	-	-	-	6,374,612
Vehicles	312,680	-	-	-	312,680
Total capital assets, being depreciated	27,151,635	921,663	-	-	28,073,298
Less accumulated depreciation for:					
Distribution system	(10,808,397)	(393,099)	-	-	(11,201,496)
Machinery and equipment	(213,722)	(47,601)	-	-	(261,323)
Infrastructure	(352,481)	(32,530)	-	-	(385,011)
Wastewater treatement capacity	(3,010,234)	(424,973)	-	-	(3,435,207)
Vehicles	(231,675)	(13,507)	-	-	(245,182)
Total accumulated depreciation	(14,616,509)	(911,710)	-	-	(15,528,219)
Total capital assets, being depreciated, net	12,535,126	9,953	-	-	12,545,079
Business-type activities capital assets, net	$ 13,028,320	$ 635,325	$ -	$ -	$ 13,663,645

NOTE 4. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:		
General government	$	103,411
Judicial		87,017
Public safety		547,256
Public w orks		520,201
Parks and recreation		349,485
Total depreciation expense - governmental activities	$	1,607,370
Business-type activities:		
Water and sew erage	$	818,072
Stormw ater		93,638
Total depreciation expense -business-type activities	$	911,710

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NOTE 5. GENERAL LONG-TERM DEBT

A. General Obligation Bonds

In 2014, the City issued $8,650,000 of General Obligation Bonds for the purpose of refunding the 2006 Series General Obligation Bonds. The bonds were called and paid in full in April 2016, and no balance is outstanding for the 2006 General Obligation Bonds as of August 31, 2021. The refunding resulted in a deferred loss of $522,497, which is being amortized over the life of the 2014 Series, with the current balance being $224,963 as of August 31, 2021. The 2014 Series Bonds were issued with interest rates of 2.0%-4.0% and are payable on April 1 and October 1 each year, maturing on April 1, 2026. As of August 31, 2021, the total principal outstanding is $4,755,000.

In 2017, the City issued $5,000,000 of General Obligation Bonds for the acquisition, construction, and equipping of a community center. The Bonds were issued with interest rates of 2.0%-5.0% and are payable on April 1 and October 1 each year, maturing on April 1, 2046. As of August 31, 2021, the total principal outstanding is $4,765,000.

General Obligation Bonds are direct obligations and pledged by the full faith and credit of the City. These Bonds generally are issued as 25-year serial bonds with equal amounts of principal maturing each year. Annual debt service requirements to maturity for General Obligation Bonds are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 950,000	$ 395,675	$ 1,345,675
2023	990,000	365,475	1,355,475
2024	1,045,000	339,600	1,384,600
2025	1,090,000	306,350	1,396,350
2026	1,165,000	261,700	1,426,700
2027-2031	655,000	914,000	1,569,000
2032-2036	875,000	844,375	1,719,375
2037-2041	915,000	604,250	1,519,250
2042-2046	1,835,000	336,000	2,171,000
	$ 9,520,000	$ 4,367,425	$ 13,887,425

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for business-like activities and are reported in the business-type column of the government-wide statements. Principal and interest are payable from enterprise fund revenue (the City's Water and Sewerage Fund).

The City's 2012 Water and Sewerage Revenue Bonds were issued in April 2012 for the purpose of: a) making certain additions, extensions and improvements to the City's water system; b) funding a debt service reserve for the bonds; and c) paying the cost of issuing the bonds. The Bonds are Special Limited Obligations of the City secured by and payable solely from a first lien on and pledge of revenues derived by the City from the ownership and operation of the City's water system. These bonds were refunded by the series 2021 B bonds discussed below.

On March 31, 2021, the City issued Series 2021A revenue bonds for $1,020,000 and Series 2021B revenue bonds for $6,660,000. The Series 2021A bonds were issued to fund additional water and sewer infrastructure and the Series 2021B bonds were issued to refund the remaining outstanding 2012 water and sewer bonds. The Series 2021A bonds carry an interest rate of 1.72% with annual principal payments and semiannual interest payments beginning on July 1, 2021 and maturing on July 1, 2031. The Series 2021B bonds carry an interest rate ranging from 3.00% to 4.00% with annual principal payments and semiannual interest payments beginning on July 1, 2021 and maturing on July 1, 2032. The net proceeds from the Series 2021B Bonds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of $1,678,046 and a present value savings, or economic gain, of $1,536,210. The refunded bonds are considered defeased and thus the assets in the trust fund along with the $7,015,000 in outstanding refunded bonds at August 31, 2021 are not reported in the City's financial statements.

Revenue bonds outstanding at August 31, 2021, are as follows:

	Original Amount	Interest Rates	Balance August 31, 2021
2021 Series A Revenue Bonds	$ 1,020,000	1.72%	$ 1,020,000
2021 Series B Revenue Bonds	6,660,000	3.00-4.00%	6,660,000
	$ 7,680,000		$ 7,680,000

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds (continued)

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

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 95,000	$ 17,544	$ 112,544
2023	95,000	15,910	110,910
2024	95,000	14,276	109,276
2025	100,000	12,642	112,642
2026	100,000	10,922	110,922
2027-2031	535,000	27,864	562,864
	$ 1,020,000	$ 99,158	$ 1,119,158

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 535,000	$ 157,842	$ 692,842
2023	550,000	145,163	695,163
2024	565,000	132,128	697,128
2025	575,000	118,737	693,737
2026	590,000	105,109	695,109
2027-2031	3,165,000	309,048	3,474,048
2032	680,000	16,116	696,116
	$ 6,660,000	$ 984,143	$ 7,644,143

C. Financed Purchases – Direct Placement

During 2021, the City entered into a financed purchase agreement with a local financial institution to finance the purchase of equipment and vehicles. Monthly payments are due in the amount of $3,782 with zero percent interest through April 2025. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). As of August 31, 2021, the principal amount outstanding is $143,412.

As of August 31, 2021, the City reflects a total cost of assets under the financed purchase agreement of $181,536 and accumulated depreciation of $23,773.

Annual debt service requirements to maturity for financed purchases are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 45,384	$ -	$ 45,384
2023	45,384	-	45,384
2024	45,384	-	45,384
2025	7,260	-	7,260
	$ 143,412	$ -	$ 143,412

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

D. Changes in Long-Term Liabilities – Primary Government

Long-term liability activity for the year ended August 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
General obligation bonds	$ 10,415,000	$ -	$ (895,000)	$ 9,520,000	$ 950,000
Plus: Premium	806,807	-	(84,314)	722,493	-
	11,221,807	-	(979,314)	10,242,493	950,000
Financed purchases	127,987	181,536	(166,111)	143,412	45,384
Net pension liability	7,997,523	3,647,222	(3,058,220)	8,586,525	-
Claims payable	690,369	306,203	(838,118)	158,454	158,454
Compensated absences	572,323	686,057	(798,280)	460,100	460,100
Governmental activity Long-term liabilities	$ 20,610,009	$ 4,821,018	$ (5,840,043)	$ 19,590,984	$ 1,613,938
Business-type activities:					
Revenue bonds	$ 7,540,000	$ 7,680,000	$ (7,540,000)	$ 7,680,000	$ 630,000
Less: Discount	(67,706)	-	67,706	-	-
Total bonds payable	7,472,294	7,680,000	(7,472,294)	7,680,000	630,000
Net pension liability	414,474	191,535	(160,959)	445,050	-
Compensated absences	19,040	21,793	(24,337)	16,496	16,496
Business-type activity Long-term liabilities	$ 7,905,808	$ 7,893,328	$ (7,657,590)	$ 8,141,546	$ 646,496

For governmental activities, compensated absences, claims payable, and the net pension liability are generally liquidated by the General Fund while financed purchases are liquidated by the Capital Projects Fund. For both governmental activities and business-type activities, compensated absences are all reported as current due to historical trends of City employee use of leave annually.

E. Component Units

In October 2018, the South Fulton Municipal Regional Jail Authority issued Taxable Refunding Revenue Bonds, Series 2018 for the purposes of: 1) refunding the Authority's previously issued Taxable Refunding Revenue Bonds, Series 2012, 2) paying the costs of issuing the 2018 Series Bonds, and 3) to assist in the sale of the jail to Fulton County, Georgia. The issue price of the 2018 Series Bond was less than the reacquisition price of the refunded Series 2012 Bond resulting in a deferred loss on refunding of $928,472. This deferred loss will be amortized over the remaining life of the refunded bonds using the effective interest method. The difference in the present value of the old debt requirements and the present value of the new debt requirements, discounted at the effective interest rate resulted in an economic loss of $250,000. The revenue bonds were issued with an interest rate of 3.65% and are payable on November 1 and May 1, maturing on November 1, 2023. As of August 31, 2021, the principal outstanding is $11,685,000.

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

E. Component Units (continued)

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

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	$ 745,000	$ 338,244	$ 1,083,244
2023	765,000	315,669	1,080,669
2024	790,000	292,422	1,082,422
2025	815,000	268,427	1,083,427
2026	845,000	128,122	973,122
2027-2031	4,600,000	819,410	5,419,410
2032-2035	3,125,000	142,299	3,267,299
	$ 11,685,000	$ 2,304,593	$ 13,989,593

Long-term liability activity for the Authority for the fiscal year ended August 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Component units:					
Revenue bonds	$ 12,405,000	$ -	$ (720,000)	$ 11,685,000	$ 745,000

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NOTE 6. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Union City, Georgia, has established a non-contributory defined benefit pension plan , the City of Union City Retirement Plan (the "Plan"), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 2% multiplied by the average of the three highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership. As of January 1, 2021, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	90
Vested terminated employees	127
Active members	186
	403

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Employees make no contributions to the Plan. The City is required to contribute at an actuarially determined rate. For the fiscal year ended August 31, 2021, the City's contribution rate was 14.15% of annual payroll. City contributions to the Plan were $1,253,831 for the fiscal year ended August 31, 2021.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

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

Inflation	2.25%
Projected salary increases	3.00% - 8.50%, net of inflation
Net Investment rate of return	7.375%

Mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019 conducted by Segal in November and December of 2019.

The cost of living adjustment is assumed to be 2.10%.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.40%
International Equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	0%	
Total	100%	

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

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

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended August 31, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2020	**$ 28,186,009**	**$ 19,774,012**	**$ 8,411,997**
Changes for the fiscal year:			
Service cost	434,509	-	434,509
Interest cost	2,061,758	-	2,061,758
Differences between expected and actual experiences	1,297,812	-	1,297,812
Contributions - employer	-	1,309,403	(1,309,403)
Net investment income	-	1,909,776	(1,909,776)
Benefit payments, including refunds of employee contributions	(1,328,951)	(1,328,951)	-
Administrative expense	-	(44,678)	44,678
Net changes	2,465,128	1,845,550	619,578
Balances at August 31, 2021	**$ 30,651,137**	**$ 21,619,562**	**$ 9,031,575**

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net pension liability	$ 13,185,396	$ 9,031,575	$ 5,591,370

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and employee.

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

For the fiscal year ended August 31, 2021, the City recognized pension expense of $1,599,355. At August 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Intflows of Resources
Differences between expected and actual experience	$ 1,774,497	$ 96,443
Changes in assumptions	272,875	-
Net difference between projected and actual earnings on pension plan investments	-	250,218
City contributions subsequent to the measurement date	1,253,831	-
	$ 3,301,203	$ 346,661

City contributions subsequent to the measurement date of $1,253,831 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending August 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a component of pension expense as follows:

Fiscal year ending August 31,	
2022	$ 534,949
2023	850,290
2024	406,234
2025	(90,762)
	$ 1,700,711

NOTE 7. DEFINED CONTRIBUTION PLAN

The City offers its employees a defined contribution plan administered by Citistreet Associates created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional and requires the City to contribute an amount equal to 100% up to the first 2% an employee defers, 75% of the next 2%, and 50% of the next 6% deferred. Employers' contributions are fully vested after the participant completes three full years of service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Pursuant to GASB Statement Number 32 of the *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not have a fiduciary relationship with the 457 plan. Accordingly, the balances and transactions of the City's 457 plan are not reported in the City's financial statements. Contributions are established and may be amended by the City Council. The City's contribution to the Plan approximated $212,050 and the employees' contributions approximated $333,870 for the fiscal year ended August 31, 2021.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of August 31, 2021, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	$ 417,849
General Fund	Nonmajor Governmental Funds	213,058
Nonmajor Governmental Funds	Capital Projects Fund	23,095
		$ 654,002

Interfund receivables and payables result from timing differences related to collection of taxes in Special Revenue Funds and payroll and other fiscal year-end transactions, which normally clear within one to two months.

NOTE 8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended August 31, 2021, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	$ 1,005,442
General Fund	Stormwater Fund	140,348
General Fund	Nonmajor Sanitation Fund	137,149
		$ 1,282,939
Capital Projects Fund	General Fund	$ 2,798,874
Nonmajor Governmental Funds	General Fund	1,987,212
Water and Sewer Fund	General Fund	336,625
		$ 5,122,711

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

NOTE 9. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. For the fiscal year ended August 31, 2021, $323,899 of hotel/motel tax was collected. Of the total collected in the current and prior fiscal years, $129,560 was used for the promotion of tourism within the City. The remainder of the funds collected in the current and prior fiscal years remains unspent at fiscal year-end.

NOTE 10. EXCISE TAX ON RENTAL MOTOR VEHICLES

The City has imposed and collected an excise tax on rental motor vehicles under the provisions of the O.C.G.A §48-13-93. The code section requires the City to spend the taxes collected for the purpose of promoting tourism, conventions, trade shows, etc. and promoting the City and businesses therein. For the fiscal year ended August 31, 2021, $267,113 of excise tax was collected and $225,000 was used to pay for tourism outlays within the City.

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county Metro Atlanta area, is a member of the Atlanta Regional Commission (“ARC”) and is required to pay dues thereto. During its fiscal year ending August 31, 2021, the City paid no annual dues to the ARC because currently all dues are paid on the City's behalf by Fulton County. Membership in an ARC is required by the O.C.G.A. §50-8-34, which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: Atlanta Regional Commission, 229 Peachtree St. NE, STE 100 Atlanta, Georgia 30303.

NOTE 12. RELATED ORGANIZATION

The City's governing body is responsible for appointing a majority of the board members of the City of Union City Housing Authority. However, the City has no further accountability for this organization.

NOTE 13. JOINTLY GOVERNED ORGANIZATION

On March 13, 2001, the City, the City of Fairburn, and the City of Palmetto created by joint resolutions pursuant to the authority of the General Assembly of the State of Georgia, the South Fulton Municipal Regional Water and Sewer Authority (the "Water and Sewer Authority"). The Water and Sewer Authority was created to provide alternative water and sewer resources for the Cities of Union, Fairburn and Palmetto. The Water and Sewer Authority is governed by a board of seven directors, three of whom are the chief elected official of each member city, three of whom are appointed one each by each of the member cities, and one director being appointed by members of the local delegation of the Georgia General Assembly who represent all, or any part of, a member city.

The City does not provide financial support to the Water and Sewer Authority, but has contractually obligated itself to use its full taxing powers to guarantee the repayment of approximately 55.75% of the principal and interest on the Water and Sewer Authority's Series 2007 Variable Rate Revenue Bonds. During the fiscal year ended August 31, 2021, the City agreed to pay the Water and Sewer Authority $1,619,196 for the City's proportionate share of the principal and interest on the Water and Sewer Authority's bonds from revenues of the City's Water and Sewerage Fund.

On July 1, 2014, the Authority entered into an agreement to refinance the Series 2007 Variable Rate Revenue Bonds Authority with the Series 2014 bonds. The net results of the refinancing resulted in an economic loss of $3,953,000 and a deferred outflow on the refunding of $4,087,845.

As of December 31, 2021, the Water and Sewer Authority's debt service requirements on the Series 2014 Variable Rate Revenue Bonds were as follows using a variable interest rate of 3-5%:

Fiscal Year Ending December 31,	Principal	Interest	Total
2022	$ 1,575,000	$ 1,205,525	$ 2,780,525
2023	1,675,000	1,144,226	2,819,226
2024	1,780,000	1,070,850	2,850,850
2025	1,900,000	984,475	2,884,475
2026	2,025,000	892,475	2,917,475
2027-2031	11,905,000	3,121,110	15,026,110
2032-2033	5,770,000	530,650	6,300,650
	$ 26,630,000	$ 8,949,311	$ 35,579,311

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

The City is involved in various claims and matters of litigation resulting from normal operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

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

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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

Settled claims in the past three (3) fiscal years have not exceeded the coverages.

NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the City is required to reevaluate the accounting treatment of fiduciary activities. The City's Municipal Court Fund, which was previously reported as an Agency Fund, is now reported in the City's General Fund as a result of the implementation of the new accounting standard.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF UNION CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	**$ 434,509**	$ 391,786	$ 380,915	$ 395,133	$ 376,569	$ 364,644	$ 445,614
Interest on total pension liability	**2,061,758**	1,941,144	1,760,138	1,736,122	1,622,957	1,472,322	1,380,840
Differences between expected and actual experience	**1,297,812**	461,000	1,426,594	(482,217)	381,421	968,158	333,822
Changes on assumptions	**-**	525,389	-	50,903	-	-	(237,288)
Benefit payments, including refunds of employee contributions	**(1,328,951)**	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Other changes	**-**	-	-	-	-	-	-
Net change in total pension liability	**2,465,128**	2,072,441	2,484,317	755,418	1,483,965	1,979,199	1,263,767
Total pension liability - beginning	**28,186,009**	26,113,568	23,629,251	22,873,833	21,389,868	19,410,669	18,146,902
Total pension liability - ending (a)	**$ 30,651,137**	$ 28,186,009	$ 26,113,568	$ 23,629,251	$ 22,873,833	$ 21,389,868	$ 19,410,669
Plan fiduciary net position							
Contributions - employer	**$ 1,309,403**	$ 1,034,872	$ 900,433	$ 987,884	$ 794,563	$ 1,006,474	$ 942,047
Net investment income	**1,909,776**	585,927	1,773,020	2,350,322	1,572,297	145,050	1,404,681
Benefit payments, including refunds of employee contributions	**(1,328,951)**	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Administrative expenses	**(44,678)**	(42,334)	(44,103)	(46,092)	(22,234)	(24,688)	(20,144)
Net change in plan fiduciary net position	**1,845,550**	331,587	1,546,020	2,347,591	1,447,644	300,911	1,667,363
Plan fiduciary net position - beginning	**19,774,012**	19,442,425	17,896,405	15,548,814	14,101,170	13,800,259	12,132,896
Plan fiduciary net position - ending (b)	**$ 21,619,562**	$ 19,774,012	$ 19,442,425	$ 17,896,405	$ 15,548,814	$ 14,101,170	$ 13,800,259
City's net pension liability - ending (a) - (b)	**$ 9,031,575**	$ 8,411,997	$ 6,671,143	$ 5,732,846	$ 7,325,019	$ 7,288,698	$ 5,610,410
Plan fiduciary net position as a percentage of the total pension liability	**70.53%**	70.16%	74.45%	75.74%	67.98%	65.92%	71.10%
Covered payroll	**$ 8,930,015**	$ 8,912,707	$ 7,075,950	$ 7,097,123	$ 6,801,085	$ 6,490,346	$ 6,121,491
City's net pension liability as a percentage of covered payroll	**101.14%**	94.38%	94.28%	80.78%	107.70%	112.30%	91.65%

Notes to the schedule:
The schedule will present 10 years of information once it is accumulated.

CITY OF UNION CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 1,650,349**	$ 1,504,209	$ 1,313,081	$ 1,309,670	$ 1,221,351	$ 1,169,509	$ 1,241,986
Contributions in relation to the actuarially determined contribution	**1,253,831**	1,205,458	1,034,872	976,424	911,893	865,396	935,461
Contribution deficiency (excess)	**$ 396,518**	$ 298,751	$ 278,209	$ 333,246	$ 309,458	$ 304,113	$ 306,525
Covered payroll	**$ 8,858,180**	$ 8,930,015	$ 8,912,707	$ 7,075,950	$ 7,097,123	$ 6,801,085	$ 6,490,346
Contributions as a percentage of covered payroll	**14.15%**	13.50%	11.61%	13.80%	12.85%	12.72%	14.41%

Notes to the Schedule:

Valuation date	January 1, 2021
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost-of-living adjustment	2.10%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years

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

COMBINING STATEMENTS AND SCHEDULES

CITY OF UNION CITY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

The **Federal Seized Funds Fund** accounts for the collection and use of funds confiscated from convicted offenders.

The **Vehicle Rental Excise Tax Fund** accounts for the collection of rental car fees that are required to be remitted to the Economic Development Department.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel tax receipts and distributions of funds used to promote tourism within the City.

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

The **Tax Allocation District Fund** accounts for the increased property tax generated by new development to finance capital and other costs related to redevelopment.

The **Multiple Operating Grant Fund** accounts for federal and state grant revenues to be used for City expenditures.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Capital Grants Fund** accounts for various capital projects of the City. Funding is provided by state and federal agencies and transfers from the General Fund.

The **CDBG Fund** accounts for various community capital projects of the City. Funding is provided by state and federal agencies and transfers from the General Fund.

The **General Obligation Bonds Fund** accounts for the issuance of general obligation bonds and its related acquisition and construction of capital facilities.

CITY OF UNION CITY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

The **2010 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2010 General Obligation Bond Issue.

The **2014 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2014 General Obligation Bond Issue.

The **2017 General Obligation Bond Debt Service Fund** accounts for accumulation of resources for the payment of debt principal and interest for the 2017 General Obligation Bond Issue.

CITY OF UNION CITY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

	Special Revenue Funds					
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Emergency 911 Fund	Tax Allocation District Fund	Multiple Operating Grant Fund
ASSETS						
Cash and cash equivalents	$ 31,289	$ 320,755	$ 505,181	$ 576,649	$ 577,118	$ 663,283
Taxes receivable	-	18,689	34,733	-	-	-
Intergovernmental	-	-	-	-	-	396,841
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	182,772	-	-
Total assets	$ 31,289	$ 339,444	$ 539,914	$ 759,421	$ 577,118	$ 1,060,124
LIABILITIES						
Accounts payable	$ 50	$ -	$ 153,314	$ 555,227	$ -	$ 90,839
Due to others	19,741	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	19,791	-	153,314	555,227	-	90,839
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental revenue	-	-	-	-	-	396,841
Total deferred inflows of resources	-	-	-	-	-	396,841
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	-	-	-	182,772	-	-
Restricted for:						
Law enforcement	11,498	-	-	-	-	572,444
Economic development	-	339,444	386,600	-	-	-
Public Safety	-	-	-	21,422	-	-
Capital projects	-	-	-	-	577,118	-
Debt service	-	-	-	-	-	-
Total fund balances	11,498	339,444	386,600	204,194	577,118	572,444
Total liabilities, deferred inflows of resources, and fund balances	$ 31,289	$ 339,444	$ 539,914	$ 759,421	$ 577,118	$ 1,060,124

Capital Projects Funds			Debt Service Funds			
Capital Grants Fund	CDBG Fund	General Obligation Bonds Fund	2010 General Obligation Bond	2014 General Obligation Bond	2017 General Obligation Bond	Totals
$ 545,206	$ 20,000	$ 67,705	$ 1,469	$ 29,172	$ 1,074	$ 3,338,901
-	-	-		-	-	53,422
-	311,352	-	-	-	-	708,193
-	-	23,095	-	-	-	23,095
-	-	-	-	-	-	182,772
$ 545,206	$ 331,352	$ 90,800	$ 1,469	$ 29,172	$ 1,074	$ 4,306,383
$ -	$ 3,140	$ -	$ -	$ -	$ -	$ 802,570
-	-	-	-	-	-	19,741
-	213,058	-	-	-	-	213,058
-	216,198	-	-	-	-	1,035,369
-	111,353	-	-	-	-	508,194
-	111,353	-	-	-	-	508,194
-	-	-	-	-	-	182,772
-	-	-	-	-	-	583,942
-	3,801	-	-	-	-	729,845
-	-	-	-	-	-	21,422
545,206	-	-	-	-	-	1,122,324
-	-	90,800	1,469	29,172	1,074	122,515
545,206	3,801	90,800	1,469	29,172	1,074	2,762,820
$ 545,206	$ 331,352	$ 90,800	$ 1,469	$ 29,172	$ 1,074	$ 4,306,383

CITY OF UNION CITY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Special Revenue Funds					
	Federal Seized Funds Fund	Vehicle Rental Excise Tax Fund	Hotel/ Motel Tax Fund	Emergency 911 Fund	Tax Allocation District Fund	Multiple Operating Grant Fund
Revenues						
Other taxes	$ -	$ 267,113	$ 323,899	$ -	$ -	$ -
Charges for services	-	-	-	13,371	-	-
Intergovernmental	-	-	-	-	-	1,403,903
Interest	451	-	-	-	-	682
Other revenues	-	-	-	-	-	40,974
Total revenues	451	267,113	323,899	13,371	-	1,445,559
Expenditures						
Current:						
General government	-	-	-	-	-	40,933
Public safety	3,301	-	-	574,668	-	579,657
Public works	-	-	-	-	-	179,998
Parks and recreation	-	-	-	-	-	1,791
Planning and economic development	-	-	129,560	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	3,301	-	129,560	574,668	-	802,379
Excess (deficiency) of revenues over (under) expenditures	(2,850)	267,113	194,339	(561,297)	-	643,180
Other financing sources (uses)						
Transfers in	-	-	-	563,900	-	-
Transfers out	-	(225,000)	(194,339)	-	-	(586,103)
Total other financing sources (uses)	-	(225,000)	(194,339)	563,900	-	(586,103)
Net change in fund balances	(2,850)	42,113	-	2,603	-	57,077
Fund balances, beginning of fiscal year	14,348	297,331	386,600	201,591	577,118	515,367
Fund balances, end of fiscal year	$ 11,498	$ 339,444	$ 386,600	$ 204,194	$ 577,118	$ 572,444

Capital Projects Funds			Debt Service Funds			
Capital Grants Fund	CDBG Fund	General Obligation Bond Capital Projects	2010 General Obligation Bond	2014 General Obligation Bond	2017 General Obligation Bond	Totals
$ -	$ -	$ -	$ -	$ -	$ -	$ 591,012
-	-	-	-	-	-	13,371
-	251,880	-	-	-	-	1,655,783
-	-	22	-	-	-	1,155
-	-	-	-	-	-	40,974
-	251,880	22	-	-	-	2,302,295
-	-	-	-	-	-	40,933
-	-	-	-	-	-	1,157,626
-	-	-	-	-	-	179,998
-	-	-	-	-	-	1,791
-	-	-	-	-	-	129,560
-	355,746	-	-	-	-	355,746
-	-	-	-	815,000	80,000	895,000
-	-	-	-	181,875	243,250	425,125
-	355,746	-	-	996,875	323,250	3,185,779
-	(103,866)	22	-	(996,875)	(323,250)	(883,484)
-	20,000	56,937	-	1,022,125	324,250	1,987,212
-	-	-	-	-	-	(1,005,442)
-	20,000	56,937	-	1,022,125	324,250	981,770
-	(83,866)	56,959	-	25,250	1,000	98,286
545,206	87,667	33,841	1,469	3,922	74	2,664,534
$ 545,206	$ 3,801	$ 90,800	$ 1,469	$ 29,172	$ 1,074	$ 2,762,820

CITY OF UNION CITY, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Sales tax	$ 2,800,000	$ 2,800,000	$ 4,056,979	$ 1,256,979
Interest	20,000	20,000	22,161	2,161
Total revenues	2,800,000	2,800,000	4,079,140	1,259,140
EXPENDITURES				
Capital outlay	5,666,447	5,666,447	2,549,975	3,116,472
Total expenditures	5,666,447	5,666,447	2,549,975	3,116,472
Excess (deficiency) of revenues over (under) expenditures	(2,866,447)	(2,866,447)	1,529,165	(1,857,332)
OTHER FINANCING SOURCES				
Transfers in	5,401,447	5,401,447	-	5,401,447
Total other financing sources	5,401,447	5,401,447	-	5,401,447
Net change in fund balance	(8,267,894)	(8,267,894)	1,529,165	9,797,059
FUND BALANCES, beginning of fiscal year	10,238,696	10,238,696	10,238,696	-
FUND BALANCES, end of fiscal year	$ 1,970,802	$ 1,970,802	$ 11,767,861	$ 9,797,059

CITY OF UNION CITY, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	$ 8,000	$ 8,000	$ 4,245	$ (3,755)
Total revenues	8,000	8,000	4,245	(3,755)
EXPENDITURES				
Capital outlay	7,792,951	7,792,951	2,653,028	5,139,923
Debt service:				
Principal	127,957	127,957	166,111	(38,154)
Interest	1,513	1,513	1,483	30
Total expenditures	7,922,421	7,922,421	2,820,622	5,101,799
Deficiency of revenues under expenditures	(7,914,421)	(7,914,421)	(2,816,377)	(5,105,554)
OTHER FINANCING SOURCES				
Financed purchases	415,547	415,547	181,536	(234,011)
Transfers in	2,798,874	2,798,874	2,798,874	-
Total other financing sources	3,214,421	3,214,421	2,980,410	(234,011)
Net change in fund balance	(4,700,000)	(4,700,000)	164,033	4,864,033
FUND BALANCES, beginning of fiscal year	2,083,751	2,083,751	2,083,751	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (2,616,249)	$ (2,616,249)	$ 2,247,784	$ 4,864,033

CITY OF UNION CITY, GEORGIA
FEDERAL SEIZED FUNDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	$ -	$ -	$ 451	$ 451
Total revenues	-	-	451	451
EXPENDITURES				
Public safety	16,320	16,320	3,301	13,019
Total expenditures	16,320	16,320	3,301	13,019
Net change in fund balance	(16,320)	(16,320)	(2,850)	13,470
FUND BALANCES, beginning of fiscal year	14,348	14,348	14,348	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (1,972)	$ (1,972)	$ 11,498	$ 13,470

CITY OF UNION CITY, GEORGIA
VEHICLE RENTAL EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Other taxes	$ 225,000	$ 225,000	$ 267,113	$ 42,113
Total revenues	225,000	225,000	267,113	42,113
OTHER FINANCING USES				
Transfers out	(225,000)	(225,000)	(225,000)	-
Total other financing uses	(225,000)	(225,000)	(225,000)	-
Net change in fund balance	-	-	42,113	42,113
FUND BALANCES, beginning of fiscal year	297,331	297,331	297,331	-
FUND BALANCES, end of fiscal year	$ 297,331	$ 297,331	$ 339,444	$ 42,113

CITY OF UNION CITY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Other taxes	$ 248,000	$ 248,000	$ 323,899	$ 75,899
Total revenues	248,000	248,000	323,899	75,899
EXPENDITURES				
Economic development	99,200	99,200	129,560	(30,360)
Total expenditures	99,200	99,200	129,560	(30,360)
Excess of revenues over expenditures	148,800	148,800	194,339	45,539
OTHER FINANCING USES				
Transfers out	(148,800)	(148,800)	(194,339)	(45,539)
Total other financing uses	(148,800)	(148,800)	(194,339)	(45,539)
Net change in fund balance	-	-	-	-
FUND BALANCES, beginning of fiscal year	386,600	386,600	386,600	-
FUND BALANCES, end of fiscal year	$ 386,600	$ 386,600	$ 386,600	$ -

CITY OF UNION CITY, GEORGIA
EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	$ 14,500	$ 14,500	$ 13,371	$ (1,129)
Total revenues	14,500	14,500	13,371	(1,129)
EXPENDITURES				
Public safety	578,400	578,400	574,668	3,732
Total expenditures	578,400	578,400	574,668	3,732
Deficiency of revenues under expenditures	(563,900)	(563,900)	(561,297)	2,603
OTHER FINANCING SOURCES				
Transfers in	563,900	563,900	563,900	-
Total other financing sources	563,900	563,900	563,900	-
Net change in fund balance	-	-	2,603	2,603
FUND BALANCES, beginning of fiscal year	201,591	201,591	201,591	-
FUND BALANCES, end of fiscal year	$ 201,591	$ 201,591	$ 204,194	$ 2,603

CITY OF UNION CITY, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 80,000	$ 80,000	$ -	$ (80,000)
Total revenues	80,000	80,000	-	(80,000)
EXPENDITURES				
Capital outlay	500,000	500,000	-	500,000
Total expenditures	500,000	500,000	-	500,000
Net change in fund balance	(420,000)	(420,000)	-	420,000
FUND BALANCES, beginning of fiscal year	577,118	577,118	577,118	-
FUND BALANCES, end of fiscal year	$ 157,118	$ 157,118	$ 577,118	$ 420,000

CITY OF UNION CITY, GEORGIA
MULTIPLE OPERATING GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ 1,000,026	$ 1,000,026	$ 1,403,903	$ 403,877
Other revenues	336,735	336,735	40,974	(295,761)
Interest	-	-	682	682
Total revenues	1,336,761	1,336,761	1,445,559	108,798
EXPENDITURES				
General government	41,188	41,188	40,933	255
Public safety	968,278	968,278	579,657	388,621
Public works	830,426	830,426	179,998	650,428
Parks and recreation	12,466	12,466	1,791	10,675
Total expenditures	1,852,358	1,852,358	802,379	1,049,979
Excess (deficiency) of revenues over (under) expenditures	(515,597)	(515,597)	643,180	1,158,777
OTHER FINANCING SOURCES (USES)				
Transfers in	337,203	337,203	-	(337,203)
Transfers out	-	-	(586,103)	(586,103)
Total other financing sources (uses)	337,203	337,203	(586,103)	(923,306)
Net change in fund balance	(178,394)	(178,394)	57,077	235,471
FUND BALANCES, beginning of fiscal year	515,367	515,367	515,367	-
FUND BALANCES, end of fiscal year	$ 336,973	$ 336,973	$ 572,444	$ 235,471

CITY OF UNION CITY, GEORGIA
CDBG FUND
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental revenues	$ 386,390	$ 386,390	$ 251,880	$ (134,510)
Total revenues	386,390	386,390	251,880	(134,510)
EXPENDITURES				
Capital outlay	325,029	325,029	355,746	(30,717)
Total expenditures	325,029	325,029	355,746	(30,717)
Excess (deficiency) of revenues over (under) expenditures	61,361	61,361	(103,866)	(165,227)
OTHER FINANCING SOURCES				
Transfers in	38,639	38,639	20,000	(18,639)
Total other financing sources	38,639	38,639	20,000	(18,639)
Net change in fund balance	100,000	100,000	(83,866)	(183,866)
FUND BALANCES, beginning of fiscal year	87,667	87,667	87,667	-
FUND BALANCES, end of fiscal year	$ 187,667	$ 187,667	$ 3,801	$ (183,866)

CITY OF UNION CITY, GEORGIA
2014 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Debt service				
Principal	$ 815,000	$ 815,000	$ 815,000	$ -
Interest	207,125	207,125	181,875	25,250
Total expenditures	1,022,125	1,022,125	996,875	25,250
OTHER FINANCING SOURCES				
Transfers in	1,022,125	1,022,125	1,022,125	-
Total other financing sources	1,022,125	1,022,125	1,022,125	-
Net change in fund balance	-	-	25,250	25,250
FUND BALANCES, beginning of fiscal year	3,922	3,922	3,922	-
FUND BALANCES, end of fiscal year	$ 3,922	$ 3,922	$ 29,172	$ 25,250

CITY OF UNION CITY, GEORGIA
2017 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Debt service				
Principal	$ 80,000	$ 80,000	$ 80,000	$ -
Interest	244,250	244,250	243,250	1,000
Total expenditures	324,250	324,250	323,250	1,000
OTHER FINANCING SOURCES				
Transfers in	324,250	324,250	324,250	-
Total other financing sources	324,250	324,250	324,250	-
Net change in fund balance	-	-	1,000	1,000
FUND BALANCES, beginning of fiscal year	74	74	74	-
FUND BALANCES, end of fiscal year	$ 74	$ 74	$ 1,074	$ 1,000

CITY OF UNION CITY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST) FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	COMPLETION
Resurfacing and Transportation Enhancement Projects Tier I	$ 16,167,006	$ 16,167,006	$ 2,103,091	$ 2,549,975	$ 4,653,066	29%
Resurfacing and Transportation Enhancement Projects Tier II	2,231,444	2,231,444	-	-	-	0%
Resurfacing and Transportation Enhancement Projects Tier II	3,299,719	3,299,719	-	-	-	0%
TOTAL TSPLOST	$ 21,698,169	$ 21,698,169	$ 2,103,091	$ 2,549,975	$ 4,653,066	

Note: TSPLOST projects in the City of Union City city limits will be completed with the TSPLOST revenue collected by Fulton County and distributed monthly to the City.

COMPONENT UNITS

CITY OF UNION CITY, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	South Fulton Municipal Regional Jail Authority	Union City Development Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from other governments	$ 825,886	$ -	$ 825,886
Payments from primary government	-	62,500	62,500
Net cash provided by operating activities	825,886	62,500	888,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds	(720,000)	-	(720,000)
Interest paid	(222,347)	(10,014)	(232,361)
Net cash used in capital and related financing activities	(942,347)	(10,014)	(952,361)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	116,461	8	116,469
Net cash provided by investing activities	116,461	8	116,469
Change in cash and cash equivalents	-	52,494	52,494
Cash and cash equivalents:			
Beginning of fiscal year	-	100,005	100,005
End of fiscal year	$ -	$ 152,499	$ 152,499
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ -	$ -	$ -
Adjustments to reconcile operating income to net cash provided by operating activities			
Changes in assets and liabilities:			
Decrease in intergovernmental receivable	720,000	-	720,000
Decrease in deferred outflows of resources - deferred charge of refunding	105,886	-	105,886
Increase in unearned revenue	-	62,500	62,500
Net cash provided by operating activities	$ 825,886	$ 62,500	$ 888,386

STATISTICAL SECTION

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

Contents **Page**

Financial Trends ..... **77 – 83**

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

Revenue Capacity ..... **84 – 87**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **88 – 92**

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

Demographic and Economic Information ..... **93 – 95**

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

Operating Information ..... **96 and 97**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant fiscal year.

CITY OF UNION CITY, GEORGIA

NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Governmental activities										
Net investment in capital assets	$ 2,363,313	$ 2,046,237	$ 3,597,239	$ 3,531,201	$ 5,049,949	$ 598,455	$ 9,461,603	$ 12,268,365	$ 14,990,907	**$ 18,189,287**
Restricted	1,478,182	1,734,932	1,879,206	2,088,414	2,040,997	8,394,962	6,624,974	13,516,860	12,701,639	**14,773,527**
Unrestricted	1,603,503	(102,458)	1,903,353	2,254,399	5,350,512	9,888,086	12,973,607	14,222,021	19,479,528	**26,995,149**
Total governmental activities net position	$ 5,444,998	$ 3,678,711	$ 7,379,798	$ 7,874,014	$ 12,441,458	$ 18,881,503	$ 29,060,184	$ 40,007,246	$ 47,172,074	**$ 59,957,963**
Business-type activities										
Net investment in capital assets	$ 9,993,975	$ 10,385,111	$ 8,901,118	$ 7,991,837	$ 7,209,006	$ 6,757,926	$ 6,296,865	$ 5,797,207	$ 5,705,750	**$ 7,548,093**
Restricted	-	925,910	2,059,130	1,970,454	1,834,024	1,535,293	1,449,250	1,374,641	1,360,464	**586,945**
Unrestricted	824,012	964,801	1,038,859	862,585	1,921,057	3,327,110	5,525,641	5,983,583	7,142,378	**8,041,590**
Total business-type activities net position	$ 10,817,987	$ 12,275,822	$ 11,999,107	$ 10,824,876	$ 10,964,087	$ 11,620,329	$ 13,271,756	$ 13,155,431	$ 14,208,592	**$ 16,176,628**
Primary government										
Net investment in capital assets	$ 12,357,288	$ 12,431,348	$ 12,498,357	$ 11,523,038	$ 12,258,955	$ 7,356,381	$ 15,758,468	$ 18,065,572	$ 20,696,657	**$ 25,737,380**
Restricted	1,478,182	2,660,842	3,938,336	4,058,868	3,875,021	9,930,255	8,074,224	14,891,501	14,062,103	**15,360,472**
Unrestricted	2,427,515	862,343	2,942,212	3,116,984	7,271,569	13,215,196	18,499,248	20,205,604	26,621,906	**35,036,739**
Total primary government net position	$ 16,262,985	$ 15,954,533	$ 19,378,905	$ 18,698,890	$ 23,405,545	$ 30,501,832	$ 42,331,940	$ 53,162,677	$ 61,380,666	**$ 76,134,591**

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Expenses										
Primary government:										
Governmental activities:										
General government	$ 2,211,266	$ 2,470,084	$ 2,054,613	$ 2,468,658	$ 2,424,138	$ 2,444,499	$ 3,781,555	$ 5,300,953	$ 4,888,582	**$ 5,271,243**
Judicial	468,800	452,295	436,347	383,138	444,132	454,518	426,489	490,390	548,549	**527,323**
Public safety	10,193,857	9,865,376	9,590,617	8,941,842	9,852,273	10,242,974	10,396,662	11,417,818	13,080,397	**13,742,563**
Public works	2,818,491	1,766,343	1,611,785	2,005,906	2,329,099	2,168,984	2,207,629	3,212,888	3,392,895	**3,094,858**
Parks and recreation	447,059	495,841	523,992	473,370	522,901	551,401	554,589	938,851	1,359,836	**1,199,207**
Economic development	815,159	832,622	751,348	710,296	684,237	646,318	852,933	934,250	1,049,391	**1,053,596**
Interest on long-term debt	666,233	591,502	531,627	329,512	221,368	422,825	436,104	437,610	438,781	**442,139**
Issuance cost on long-term debt	-	-	-	183,416	-	198,818	-	-	-	**-**
Total governmental activities expenses	17,620,865	16,474,063	15,500,329	15,496,138	16,478,148	17,130,337	18,655,961	22,732,760	24,758,431	**25,330,929**
Business-type activities:										
Water and sewerage	6,651,946	6,690,719	7,279,343	7,137,318	-	7,178,488	7,261,987	7,797,294	7,690,586	**8,134,362**
Sanitation	763,164	736,123	611,799	1,063,063	1,493,200	1,642,981	1,611,225	1,538,470	1,497,294	**1,696,069**
Stormwater	-	55,470	223,238	1,685,368	734,022	271,592	231,166	499,988	644,311	**250,294**
Criminal justice management	3,387,775	2,372,405	365,455	-	-	-	-	-	-	**-**
Total business-type activities expenses	10,802,885	9,854,717	8,479,835	9,885,749	2,227,222	9,093,061	9,104,378	9,835,752	9,832,191	**10,080,725**
Total primary government expenses	28,423,750	26,328,780	23,980,164	25,381,887	18,705,370	26,223,398	27,760,339	32,568,512	34,590,622	**35,411,654**
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	1,479,642	1,745,430	1,894,426	2,125,471	2,378,255	2,352,516	2,774,272	2,855,996	2,227,594	**2,251,846**
Judicial	137,908	130,030	77,926	43,564	61,063	46,479	48,654	59,523	731,458	**305,715**
Public safety	1,757,157	1,413,518	1,224,270	938,139	1,036,884	935,486	759,439	819,721	93,417	**67,997**
Public works	-	-	-	19,355	19,066	13,977	17,150	15,721	861,443	**865,389**
Parks and recreation	69,132	66,116	59,616	52,069	58,800	69,765	71,553	58,396	20,754	**24,544**
Economic development	6,425	8,790	29,430	47,051	29,773	89,294	222,512	594,332	622,810	**565,080**
Operating grants and contributions	778,084	501,184	237,834	113,940	29,930	40,612	55,636	-	291,203	**1,775,969**
Capital grants and contributions	461,879	270,551	213,471	386,851	545,682	616,252	918,282	1,673,477	619,893	**541,082**
Total governmental activities program revenues	$ 4,690,227	$ 4,135,619	$ 3,736,973	$ 3,726,440	$ 4,159,453	$ 4,164,381	$ 4,867,498	$ 6,077,166	$ 5,468,572	**$ 6,397,622**

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Program revenues (Continued)										
Primary government (Continued):										
Business-type activities:										
Charges for services	$ 10,664,099	$ 9,733,232	$ 8,919,049	$ 9,202,096	$ 10,100,193	$ 9,742,564	$ 10,998,827	$ 10,878,717	$ 10,822,642	**$ 11,983,090**
Total business-type activities program revenues	10,664,099	9,733,232	8,919,049	20,080,813	10,100,193	20,621,281	10,998,827	10,878,717	10,822,642	**11,983,090**
Total primary government program revenues	15,354,326	13,868,851	12,656,022	23,807,253	14,259,646	24,785,662	15,866,325	16,955,883	16,291,214	**18,380,712**
Net (expense)/ revenue										
Governmental activities	(12,930,638)	(12,338,444)	(11,763,356)	(11,769,698)	(12,318,695)	(12,965,956)	(13,788,463)	(16,655,594)	(19,289,859)	**(18,933,307)**
Business-type activities	(138,786)	(121,485)	439,214	10,195,064	7,872,971	11,528,220	1,894,449	1,042,965	990,451	**1,902,365**
Total primary government net expense	(13,069,424)	(12,459,929)	(11,324,142)	(1,574,634)	(4,445,724)	(1,437,736)	(11,894,014)	(15,612,629)	(18,299,408)	**(17,030,942)**
General revenues and other changes in net position										
Primary government:										
Governmental activities										
Property taxes	5,608,053	5,619,122	7,582,758	7,656,577	8,747,818	9,791,509	11,459,372	12,773,085	13,450,992	**17,849,492**
Sales taxes	3,010,345	3,015,388	4,506,448	5,051,758	5,079,836	6,524,359	8,943,451	9,411,819	8,893,566	**9,996,215**
Insurance premium tax	912,568	969,300	1,003,618	1,049,733	1,121,467	1,214,767	1,291,936	1,394,090	1,471,609	**1,551,377**
Other taxes	329,076	360,972	437,363	483,203	474,958	474,872	518,114	668,225	579,425	**603,822**
Franchise taxes	1,206,596	1,158,518	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275	1,506,941	1,569,209	**1,478,829**
Unrestricted investment earnings	15,999	5,954	13,551	13,001	33,119	39,768	94,706	658,402	534,631	**98,356**
Miscellaneous	-	-	-	-	-	-	-	-	106,008	**200,233**
Transfers	439,000	(157,492)	734,627	59,591	64,044	-	261,290	1,190,094	(150,753)	**(59,128)**
Total governmental activities general revenues and other changes in net position	11,521,637	10,971,762	15,464,443	15,514,795	16,886,139	19,406,001	23,967,144	27,602,656	26,454,687	**31,719,196**
Business-type activities										
Unrestricted investment earnings	22,330	5,320	18,698	-	22,317	6,739	18,268	30,804	11,957	**6,545**
Transfers	(439,000)	157,492	(734,627)	(59,591)	(64,044)	-	(261,290)	(1,190,094)	50,753	**59,128**
Total business-type activities general revenues and other changes in net position	$ (416,670)	$ 162,812	$ (715,929)	$ (59,591)	$ (41,727)	$ 6,739	$ (243,022)	$ (1,159,290)	$ 62,710	**$ 65,673**

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Change in Net Position										
Governmental activities	$ (1,409,001)	$ (1,366,682)	$ 3,701,087	$ 3,745,097	$ 4,567,444	$ 6,440,045	$ 10,178,681	$ 10,947,062	$ 7,164,828	**$ 12,785,889**
Business-type activities	(555,456)	41,327	(276,715)	10,135,473	7,831,244	11,534,959	1,651,427	(116,325)	1,053,161	**1,968,038**
Total primary government change in net position	$ (1,964,457)	$ (1,325,355)	$ 3,424,372	$ 13,880,570	$ 12,398,688	$ 17,975,004	$ 11,830,108	$ 10,830,737	$ 8,217,989	**$ 14,753,927**

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
General Fund										
Nonspendable	$ 1,069,319	$ 294,883	$ 299,762	$ 374,667	$ 371,200	$ 452,918	$ 275,945	$ 278,451	$ 276,380	$ **546,762**
Unassigned	779,072	659,313	2,913,410	6,451,766	10,052,404	14,123,277	18,895,537	19,842,330	23,571,698	**28,274,818**
Total general fund	$ 1,848,391	$ 954,196	$ 3,213,172	$ 6,826,433	$ 10,423,604	$ 14,576,195	$ 19,171,482	$ 20,120,781	$ 23,848,078	**$ 28,821,580**
All Other Governmental Funds										
Nonspendable, reported in:										
Special revenue funds	$ 12,604	$ -	$ -	$ 198,204	$ 165,170	$ 165,170	$ 155,000	$ 155,000	$ 155,000	$ **182,772**
Capital projects funds	6,250	-	-	-	-	94,567	-	95,000	-	**-**
Restricted, reported in:										
Special revenue funds	326,324	266,446	600,367	681,707	665,886	629,865	1,402,899	1,648,982	1,837,355	**1,908,526**
Capital projects funds	1,974,957	1,148,622	957,267	1,102,894	1,047,549	5,929,135	9,183,187	11,858,586	12,989,161	**12,407,668**
Debt service funds	341,615	319,864	321,572	323,813	327,562	1,835,962	7,857	9,292	5,465	**31,715**
Assigned, reported in:										
Special revenue funds	219,307	195,904	195,904	195,858	195,745	195,651	69,222	-	-	**-**
Capital projects funds	-	-	-	-	-	-	-	-	-	**2,247,784**
Unassigned, reported in:										
Special revenue funds	-	-	(144,836)		(144,836)	(175,184)	(158,617)	(417,566)	-	**-**
Capital projects funds	-	(37,592)	(15,036)	(177,870)	(15,036)	-	(494,422)	-	-	**-**
Debt service fund	-	-	-	(38)	-	-	-	-	-	**-**
Total all other governmental funds	$ 2,881,057	$ 1,893,244	$ 1,915,238	$ 2,324,568	$ 2,242,040	$ 8,675,166	$ 10,165,126	$ 13,349,294	$ 14,986,981	**$ 16,778,465**

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Revenues										
Property taxes	$ 5,571,360	$ 5,650,963	$ 7,315,208	$ 8,069,214	$ 8,751,035	$ 9,727,696	$ 11,438,225	$ 12,714,288	$ 13,218,821	**$ 16,627,532**
Sales taxes	-	-	-	-	-	6,524,359	8,943,451	9,411,819	8,893,566	**9,996,215**
Other taxes	4,251,989	4,345,660	5,947,429	6,584,694	6,676,261	1,689,639	1,810,049	2,062,315	2,051,034	**2,155,198**
Charges for services	479,612	471,330	506,748	464,498	481,364	643,280	558,076	867,050	882,277	**686,104**
Licenses and permits	1,439,821	1,632,620	1,778,056	2,038,210	2,252,917	2,217,042	2,630,270	2,649,636	2,966,018	**3,052,106**
Intergovernmental	873,332	759,641	436,801	500,791	575,612	656,864	973,918	771,987	1,547,499	**2,051,783**
Franchise taxes	1,206,596	1,158,518	1,186,078	1,200,932	1,364,897	1,360,726	1,398,275	1,506,941	1,569,209	**1,478,829**
Fines and forfeitures	1,404,660	1,134,879	890,810	642,156	730,864	550,815	589,873	729,045	684,401	**296,972**
Interest revenue	15,999	5,954	13,551	13,001	33,119	39,768	94,707	658,402	534,631	**120,517**
Rental income	13,785	20,425	18,870	20,311	18,346	19,461	30,822	22,436	24,780	**45,390**
Other revenues	479,017	116,724	105,688	60,474	100,350	76,919	84,539	135,522	106,008	**200,233**
Total revenues	$ 15,736,171	$ 15,296,714	$ 18,199,239	$ 19,594,281	$ 20,984,765	$ 23,506,569	$ 28,552,205	$ 31,529,441	$ 32,478,244	**$ 36,710,879**
Expenditures										
Current:										
General government	$ 2,137,715	$ 2,050,824	$ 1,927,849	$ 2,152,585	$ 2,582,460	$ 2,858,582	$ 3,236,922	$ 3,926,810	$ 4,337,858	**$ 4,888,941**
Judicial	377,543	360,126	341,796	298,711	357,346	361,155	340,609	397,435	446,479	**438,288**
Public safety	9,673,917	9,224,427	8,825,056	8,711,449	9,155,803	9,370,391	10,107,383	10,915,831	12,210,190	**13,115,442**
Public works	1,574,058	1,390,823	1,423,334	1,584,853	1,799,620	1,708,825	1,783,430	2,750,999	2,892,626	**2,546,129**
Parks and recreation	338,913	368,894	374,883	359,452	384,182	453,919	477,397	766,940	1,014,209	**835,231**
Economic development	796,900	817,605	751,348	710,296	684,237	646,318	852,933	934,250	1,038,403	**1,047,802**
Capital outlay	1,576,565	1,393,579	507,667	403,015	735,032	1,811,510	3,870,185	7,799,011	3,320,679	**5,558,749**
Debt service:										
Principal	1,623,662	1,728,241	1,772,797	1,310,580	1,458,601	1,315,988	1,966,332	1,413,753	1,385,954	**1,061,081**
Interest	660,550	617,203	568,294	280,212	356,885	313,757	518,758	503,440	466,109	**426,638**
Bond issuance costs	-	-	-	183,416	-	198,818	664	-	-	**-**
Total expenditures	18,759,823	17,951,722	16,493,024	15,994,569	17,514,166	19,039,263	23,154,613	29,408,469	27,112,507	**29,918,301**
Excess (deficiency) of revenues over (under) expenditures	(3,023,652)	(2,655,008)	1,706,215	3,599,712	3,470,599	4,467,306	5,397,592	2,120,972	5,365,737	**6,792,578**

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Other Financing Sources (Uses)										
Bond issuance	$ -	$ -	$ -	$ 8,560,000	$ -	$ 5,000,000	$ -	$ -	$ -	**$ -**
Premium on bonds	-	-	-	525,671	-	767,177	-	-	-	**-**
Payment to escrow agent	-	-	-	(8,902,255)	-	-	-	-	-	**-**
Capital lease	160,043	-	-	-	-	351,234	426,365	822,401	-	**181,536**
Transfers in	2,954,516	3,174,200	3,296,255	2,741,365	3,260,132	2,877,080	4,088,570	9,973,312	3,985,911	**6,069,025**
Transfers out	(2,515,516)	(2,401,200)	(2,561,628)	(2,681,774)	(3,196,088)	(2,877,080)	(3,827,280)	(8,783,218)	(4,136,664)	**(6,128,153)**
Total other financing sources (uses)	599,043	773,000	734,627	243,007	64,044	6,118,411	687,655	2,012,495	(150,753)	**122,408**
Net change in fund balances	$ (2,424,609)	$ (1,882,008)	$ 2,440,842	$ 3,842,719	$ 3,534,643	$ 10,585,717	$ 6,085,247	$ 4,133,467	$ 5,214,984	**$ 6,914,986**
Debt service as a percentage of noncapital expenditures	15.3%	16.5%	17.2%	11.5%	12.1%	10.6%	14.8%	9.7%	8.4%	6.5%

Source: Annual Comprehensive Financial Report for the respective fiscal year from the City's finance department.

CITY OF UNION CITY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Tax Year	Real Property	Personal Property		Privately Owned Public Utilities	Total Property		Total Direct Tax Rate	Assessed Value as a % of Actual Value
		Property (2)	Motor Vehicles (3)	Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value		
2012	$ 451,574,153	$ 50,036,827	$ 26,687,160	$ 6,754,886	$ 535,053,026	$ 1,337,632,565	10.599	40%
2013	433,339,950	38,398,892	27,653,800	6,905,395	506,298,037	1,265,745,093	15.598	40%
2014	428,501,870	29,682,537	21,982,160	7,116,549	487,283,116	1,218,207,790	15.692	40%
2015	483,920,600	43,726,218	14,538,020	7,250,890	549,435,728	1,373,589,320	15.692	40%
2016	513,015,770	93,676,001 (a)	10,305,160	6,870,151	623,867,082	1,559,667,705	15.692	40%
2017	590,981,340	76,462,970	7,448,103	8,163,077	683,055,490	1,707,638,725	16.425	40%
2018	632,007,980	145,918,360	5,617,774	7,572,362	791,116,476	1,977,791,190	14.952	40%
2019	716,739,300	144,409,005	4,512,549	12,370,634	878,031,488	2,195,078,720	14.326	40%
2020	799,824,540	319,079,410 (b)	3,900,423	11,621,051	1,134,425,424	2,836,063,560	14.043	40%
2021	923,085,660	334,638,214	3,397,023	10,074,387	1,271,195,284	3,177,988,210	13.197	40%

Source: Fulton County Tax Assessor

(a) Increase is due to the relocation of Google, Inc. to Union City. This added $37,677,981 of additional assessed value for personal property.
(b) Increase is due to increase in values mainly for Development Authority and Google Inc.

CITY OF UNION CITY, GEORGIA

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

Tax Digest Year	Direct Rates			Overlapping Rates			Total Direct and Overlapping Millage Rates
	City of Union City						
	Operating Millage	Debt Service	Total	State of Georgia	Fulton County	County School System	
2012	8.331	2.268	10.599	0.20	10.550	18.50	39.85
2013	13.178	2.420	15.598	0.15	10.480	18.50	44.73
2014	13.122	2.570	15.692	0.15	12.050	18.50	46.39
2015	13.412	2.280	15.692	0.05	10.750	18.50	44.99
2016	14.572	1.120	15.692	0.00	10.700	18.48	34.18
2017	14.665	1.760	16.425	0.00	10.630	18.55	45.60
2018	13.322	1.630	14.952	0.00	10.430	17.80	43.18
2019	12.952	1.374	14.326	0.00	10.119	17.80	42.24
2020	12.893	1.150	14.043	0.00	9.776	17.80	41.62
2021	12.138	1.059	13.197	0.00	9.540	17.59	40.33

Source: GA Dept of Revenue

CITY OF UNION CITY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31,	Total Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2012	$ 5,102,178	$ 4,797,313	94.02%	$ 256,927	$ 5,052,408	99.02%	$ 47,938
2013	5,351,680	5,235,029	97.82%	85,715	5,317,851	99.37%	30,936
2014	6,989,117	6,503,551	93.05%	451,599	6,951,904	99.47%	33,967
2015	7,011,056	6,811,199	97.15%	153,751	6,963,419	99.32%	46,106
2016	8,176,456	7,983,582	97.64%	124,503	8,105,723	99.13%	68,371
2017	9,219,975	9,090,025	98.59%	61,592	9,146,984	99.21%	68,358
2018	10,768,051	10,521,699	97.71%	174,962	10,656,729	98.97%	71,391
2019	11,855,967	11,657,143	98.32%	92,569	11,749,712	99.10%	106,255
2020	12,547,951	12,168,746	96.98%	144,984	12,313,730	98.13%	234,221
2021	16,258,100	14,800,737	91.04%	-	14,800,737	91.04%	1,457,363

Source: Union City Tax Receivables

CITY OF UNION CITY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021 Taxable Assessed Value	2021 Rank	2021 Percentage of Total Taxable Assessed Value	2012 Taxable Assessed Value	2012 Rank	2012 Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	**$ 202,939,930**	**1**	**15.96%**	$ 44,655,882	1	7.85%
Google Inc	**138,283,000**	**2**	**10.88%**			
B9 Malbec South Fulton Pkwy	**56,289,840**	**3**	**4.43%**			
Coca Cola Bottling Company	**21,591,480**	**4**	**1.70%**			
Kellog Sales Company	**17,874,120**	**5**	**1.41%**			
Jeld-Wen Inc	**16,825,400**	**6**	**1.32%**			
PPF Industrial 5390 Hunter ROA	**16,330,120**	**7**	**1.28%**			
Intercapital LRE Legacy LLC	**15,838,080**	**8**	**1.25%**			
USEF I85 Distribution Center	**15,726,720**	**9**	**1.24%**			
Intergerman Evergreen Commons	**11,511,920**	**10**	**0.91%**			
Walmart Stores				9,441,418	2	1.66%
Northwestern Mutual Life Insurance				9,209,500	3	1.62%
Costco Wholesale Corporation				7,801,045	4	1.37%
AEW LT Hunter Road LLC				7,544,277	5	1.33%
South Fulton Parkway LLC				7,009,393	6	1.23%
Pancal Goodon 5 LLC				6,635,635	7	1.17%
Wyndsor Forest Apartments LLC				6,575,594	8	1.16%
General Electric Credit Equities				6,441,771	9	1.13%
Kraft Foods Global, Inc.				6,228,769	10	1.10%
	$ 513,210,610		**40.37%**	$ 111,543,284		19.62%

Source: Union City Tax Digest

CITY OF UNION CITY, GEORGIA

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Percentage of Estimated Actual Value of Taxable Property	Per Capita	Business-Type Activities	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Notes Payable			Water Revenue Bonds				
2012	$ 11,470,000	$ 2,730,000	$ 1,628,305	$ 111,897	1.19%	$ 793.87	$ 11,275,000	$ 27,215,202	2.03%	7.35%	$ 1,355.41
2013	10,715,000	2,410,000	1,049,170	38,464	1.12%	693.27	10,840,000	25,052,634	1.98%	6.64%	1,222.02
2014	10,025,521	2,060,000	459,164	-	1.03%	613.19	10,400,000	22,944,685	1.88%	6.50%	1,121.55
2015	9,963,689	1,675,000	373,584	-	0.87%	592.91	9,827,833	21,840,106	1.59%	6.25%	1,077.99
2016	8,924,160	1,255,000	284,983	-	0.67%	502.96	9,379,531	19,843,674	1.27%	5.75%	953.79
2017	13,913,899	805,000	1,203,995	-	0.93%	774.46	8,920,888	24,843,782	1.45%	6.99%	1,208.36
2018	13,085,258	-	425,293	-	0.68%	632.22	8,451,827	21,962,378	1.11%	5.84%	1,027.72
2019	12,162,860	-	658,941	-	0.00%	586.19	7,967,324	20,789,125	0.95%	5.19%	950.45
2020	11,221,807	-	127,987	-	0.00%	506.71	7,472,294	18,822,088	0.66%	4.36%	840.31
2021	10,242,493	-	143,412	-	0.00%	432.89	7,680,000	18,065,905	0.57%	3.29%	753.00

Source: Union City Finance Department

CITY OF UNION CITY, GEORGIA

RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Population	Property Assessed Value	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross Bonded Debt	Restricted Debt Service Funds	Net Bonded Debt		
2012	20,079	$ 535,053,026	$ 11,470,000	$ 786,676	$ 10,683,324	2.00%	$ 532.06
2013	20,501	506,298,037	10,715,000	350,864	10,364,136	2.05%	505.54
2014	20,458	487,283,116	10,025,521	351,615	9,673,906	1.99%	472.87
2015	20,260	549,435,728	9,963,689	323,813	9,639,876	1.75%	475.81
2016	20,805	623,867,082	8,924,160	327,720	8,596,440	1.38%	413.19
2017	20,560	683,055,490	13,913,899	435,044	13,478,855	1.97%	655.59
2018	21,370	791,116,476	13,085,258	7,857	13,077,401	1.65%	611.95
2019	21,873	878,031,488	12,162,860	9,292	12,153,568	1.38%	555.64
2020	22,399	1,134,425,424	11,221,807	5,465	11,216,342	0.99%	500.75
2021	23,992	1,271,195,284	10,242,493	31,715	10,210,778	0.80%	425.59

Source: Union City Finance Department

CITY OF UNION CITY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Debt Limit	$ 56,858,181	$ 49,493,881	$ 48,728,312	$ 54,943,573	$ 62,386,708	$ 68,883,979	$ 79,111,648	$ 87,803,149	$ 113,442,542	**$ 127,119,528**
Total net debt applicable to limit	13,413,324	12,774,136	12,223,113	11,314,876	9,581,440	14,283,855	13,077,401	12,153,568	11,216,342	**10,210,778**
Legal Debt Margin	$ 43,444,857	$ 36,719,745	$ 36,505,199	$ 43,628,697	$ 52,805,268	$ 54,600,124	66,034,247	$ 75,649,581	$ 102,226,200	**$ 116,908,750**
Total net debt applicable to the limit as a percentage of debt limit	23.59%	25.81%	25.08%	20.59%	15.36%	20.74%	16.53%	13.84%	13.84%	**13.84%**

Assessed Value	$ 878,031,488	$ 1,134,425,424	**$ 1,271,195,284**
Debt limit (10% of assessed value)	87,803,149	113,442,542	**127,119,528**
Debt applicable to limit:			
General obligation bonds and certificates of participation	12,162,860	11,221,807	**10,242,493**
Less: Amount set aside for repayment of general obligation debt	(9,292)	(5,465)	**(31,715)**
Total net debt applicable to limit	12,153,568	11,216,342	**10,210,778**
Legal debt margin	$ 75,649,581	$ 102,226,200	**$ 116,908,750**

Notes: Under state finance law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value.
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

Source: Union City Finance Department

CITY OF UNION CITY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2021

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable [(a)]	Amount Applicable to the City of Union City
Fulton County, Georgia - Overlapping Debt			
Certificates of Participation	$ -	1.56%	$ -
Library General Obligation Bonds	234,407,917	1.56%	3,666,645
Economic Recovery Zone Bonds	91,984,025	1.56%	1,438,828
			5,105,473
Fulton County School District - Overlapping Debt			
Subtotal, overlapping debt	11,495,000	1.56%	179,807
City of Union City, Georgia - Direct Debt			10,242,493
City of Union City, Georgia - Capital Leases			143,412
Total Direct and Overlapping Debt			$ 15,671,185

Source: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of December 31, 2020) and City Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Union City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

Note: The percentage of overlapping debt applicable is estimated using the assessed gross digest. Applicable percentages were estimated by determining the portion of the City's assessed taxable value that is within the County's boundaries and dividing it by the County's total gross digest.

CITY OF UNION CITY, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST TEN YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2012	$ 6,708,111	$ 4,532,630	$ 2,175,481	$ - (1)	$ 77,637	28.02
2013	6,511,408	4,885,824 (2)	1,625,584	435,000	358,325	2.05
2014	6,509,855	5,375,472	1,134,383	440,000	349,626	1.44
2015	6,919,542	5,218,226	1,701,316	450,000	342,466	2.15
2016	7,445,937	5,794,179	1,651,758	460,000	341,989	2.06
2017	7,057,558	5,387,243	1,670,315	470,000	332,024	2.08
2018	8,077,227	5,335,102	2,742,125	480,000	319,814	3.43
2019	7,807,636	5,973,859	1,833,777	495,000	306,884	2.29
2020	8,211,366	5,089,992	3,121,374	505,000	284,025	3.96
2021	9,032,895	5,367,361	3,665,534	- (3)	230,896	15.88

(1) 2012 Series Bond issued during FY 2012.
(2) Operating expenses include one time fee of $6,374,613 paid to Fulton County for additional capacity at Camp Creek Water Reclamation Facility.
(3) 2021 Series Bond issued during FY 2021.

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Utility service charges include tap fees, but exclude interest.
Operating expenses do not include interest, depreciation, or amortization expense.

CITY OF UNION CITY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income [1]	Per Capita Personal Income [1]	Median Age [1]	Unemployment Rate [2]	School Enrollment [3]
2012	20,079	$ 370,457,550	$ 18,450	30.5	8.40%	1,252
2013	20,501	377,525,915	18,415	30.5	8.10%	1,288
2014	20,458	352,941,416	17,252	30.5	8.10%	1,288
2015	20,260	349,525,520	17,252	30.0	6.24%	3,547
2016	20,805	345,175,755	16,591	30.4	5.00%	3,547
2017	20,560	355,605,760	17,296	31.2	7.90%	3,627
2018	21,370	376,112,000	17,600	31.2	5.50%	3,627
2019	21,873	400,275,900	18,300	31.8	3.90%	3,683
2020	22,399	431,539,134	19,266	31.8	8.90%	3,683
2021	23,992	549,320,832	22,896	32.8	4.09%	3,201

Sources:
(1) U.S. Census Bureau
(2) Georgia Department of Labor
(3) Clayton County Board of Education

CITY OF UNION CITY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
Business	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
CJ Logistics America, LLC	4200	1	33.00%			
Walmart	3479	2	27.34%			
Amazon.com Services Inc	1537	3	12.08%			
DHL Supply Chain	1200	4	9.43%			
Excel Inc.	753	5	5.92%			
Coca-Cola Bottling Company	732	6	5.75%			
Pruitt Health -Christian City	341	7	2.68%			
Ryder Integrated Logistics LLC	209	8	1.64%			
Mostensen Woodwork Inc.	140	9	1.10%			
Kroger	136	10	1.07%			
Kraft Food/Excel Logistics				412	1	5.80%
Christian City/UHS Pruitt				380	2	5.35%
Walmart				348	3	4.90%
Dendreon				214	4	3.01%
Toyota of Union City				207	5	2.92%
Nissan of Union City				192	6	2.70%
Kroger				182	7	2.56%
DSC Logistics				159	8	2.24%
Gene Evans Ford				132	9	1.86%
UFP Eastern Division Inc				125	10	1.76%

Source: Union City Business Permit Renewals

CITY OF UNION CITY, GEORGIA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Function/Program										
General Government										
Administration	3	3	3	2	2	2	4	4	5	5
City Clerk	2	2	2	1	2	1	1	1	2	2
Finance	4	4	4	5	6	6	4	4	4	6
Finance- water and sewer	6	6	5	4	4	4	5	4	5	7
Human Resources	1	2	2	1	2	2	2	3	4	4
Information Technology	2	2	2	1	1	1	1	1	1	1
Judicial										
Municipal Court	4	4	4	4	4	4	5	4	4	4
Housing and Development										
Planning Department	2	1	2	3	3	3	4	5	5	5
Public Safety										
Police	61	57	54	58	65	63	64	68	75	78
Code Enforcement	4	4	3	2	3	3	3	3	4	6
Fire	51	46	46	47	50	48	50	57	62	62
Jail	42	40	1	1	1	1	1	1	0	0
E-911 Communications	9	10	8	0	-	-	-	-	0	0
Public Works										
Building and Grounds	4	3	3	1	4	3	3	1	4	4
Streets	16	12	13	13	14	14	15	22	23	23
Water and Sewer	9	10	10	9	9	9	9	9	9	9
Parks and Recreation	6	6	5	4	5	4	9	10	10	10
Operations	-	0	1	1	1	2	2	3	5	5
Total	226	212	168	157	176	170	182	200	222	**231**

Source: Human Resources

Notes: All full-time employees, except fire employees, are scheduled to work 2,080 hours per year (including vacation and sick).
Fire Department employees are scheduled to work 2,750 hours per year (including sick and vacation).

CITY OF UNION CITY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	Calendar Year 2012	2013	2014	2015	2016	2017		2018	2019	2020	**2021**
Fire											
Inspections Conducted	948	998	879	756	3	1,171		890	937	755	**633**
Police											
Number of Law Violations											
Physical Arrests	2,437	1,816	1,028	1,263	907	812		836	932	789	**1,246**
Traffic and Parking Violations	15,006	8,673	6,257	6,067	5,078	3,391		4,650	9,000	5,945	**7,769**
Public Service - Sewerage System											
Daily Average Treatment in Gallons	1,553,414	1,922,000	1,922,000	1,922,000	1,922,000	1,715,000	#	2,878,000	2,878,000	1,849,290	**1,901,430**
Max. Daily Capacity of Plant in Gallons	2,400,000	3,713,000	3,713,000	3,713,00	3,713,000	3,982,200	#	3,982,200	3,982,200	3,682,200	**3,682,200**
Service Connections	4,206	4,100	4,100	4,100	4,100	4,100		4,100	5,211	5,211	**6,313**
Public Service - Streets											
Highway and Streets Resurfacing	17	6	5	3	2	0	#	22	22	3	
Public Service - Water System											
Daily Average Consumption in Gallons	1,200,000	1,110,000	1,110,000	1,110,000	1,200,000	1,357,672		1,400,000	1,400,000	1,520,465	**1,694,097**
Max. Daily Capacity of Plant in Gallons	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased		Purchased	Purchased	Purchased	**Purchased**
Service Connections	4,523	4,500	4,506	4,506	4,506	4,506		4,506	5,530	5,530	**6,630**

Source: Various City Departments

Notes: Indicators are not available for the general government or culture and recreation functions.
Departments maintain statistical information on a calendar-year basis.

CITY OF UNION CITY, GEORGIA

CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Culture and Recreation										
Park Acreage	34	34	34	34	34	34	55	55	55	**55**
Parks	2	2	2	2	2	2	2	2	2	**2**
Tennis Courts	0	0	0	0	0	0	1	1	1	**1**
Baseball Fields	2	5	5	5	5	5	5	5	5	**5**
Community Centers & Depot	2	2	2	2	2	2	2	3	3	**3**
Fire										
Fire Stations	3	3	3	3	3	3	3	3	3	**3**
Police										
Stations	1	1	1	1	1	1	1	1	1	**1**
Patrol Units	48	48	56	56	64	68	44	61	66	**105**
Patrol Zones	5	5	5	5	5	5	5	5	5	**5**
Public Service - Sewerage System										
Sanitary Sewer (Miles)	79.9	79.9	90.0	90	90	90	90	90	90	**91**
Treatment Plants	0	0	0	0	0	0	0	0	0	**0**
Public Service - Streets										
Streets (Miles)	115.1	115.1	115.7	115.7	115.7	115.7	115.7	115.7	115.7	**115.7**
Streets (Lights)	1,068	1,188	1,188	1188	1223	1205	1236	1242	1242	**1255**
Public Service - Water System										
Water Mains (Miles)	69	68	80	80	80	80	80	80	80	**112**
Number of Fire Hydrants	540	565	591	591	591	591	591	591	591	**886**

Source: Various City Departments

COMPLIANCE SECTION

MAULDIN & JENKINS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Union City, Georgia** (the "City"), as of and for the fiscal year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 12, 2022. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities.*

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

The City's Response to Finding

The City of Union City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City'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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 12, 2022

MAULDIN & JENKINS

CPAs & ADVISORS

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

To the Honorable Mayor and Members
Of the City Council
Union City, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Union City, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended August 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City 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 fiscal year ended August 31, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on 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 the City's internal control over compliance.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 12, 2022

CITY OF UNION CITY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Community Planning and Development			
Passed through Fulton County, Georgia:			
Community Development Block Grant	14.218	B-19-UC-13-0063	$ 200,000
Community Development Block Grant	14.218	B-20-UC-13-0003	89,630
Community Development Block Grant	14.218	B-20-UW-13-0003	73,603
Total CDBG Entitlement Grants Cluster			**363,233**
Total U.S. Department of Housing and Urban Development			**363,233**
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Office of Highway Safety:			
Highway Visibility Enforcement	20.600	GA-2021-F.A.S.T. 402 PT-155	48,406
Total Highway Visibility Enforcement			**48,406**
Total U.S. Department of Transportation			**48,406**
U.S. DEPARTMENT OF TREASURY			
Passed through Fulton County, Georgia:			
COVID-19 - Coronavirus Relief Fund (1)	21.019	N/A	949,431
Direct Awards:			
American Rescue Plan Act - EMS	21.027	N/A	396,000
Total U.S. Department of Treasury			**1,345,431**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Awards:			
Assistance to Firefighters Grant Program	97.044	EMW-2019-FG-08775	85,471
Staffing for Adequate Fire and Emergency Response Grants Program (SAFER)	97.083	EMW-2017-FH-00494	422,019
Total U.S. Department of Homeland Security			**507,490**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 2,264,560**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(1) There is no grant identification number available for the COVID-19 - Coronavirus Relief Fund. Amounts were received directly from Fulton County, Georgia.

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Union City, Georgia, and is presented on the modified accrual basis of accounting.

The City did not utilize the 10% de minimis indirect cost rate.

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

CITY OF UNION CITY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___Yes _X_No
Significant deficiencies identified not considered to be material weaknesses?	___Yes _X_None reported
Noncompliance material to financial statements noted?	_X_Yes ___No

Federal Awards

Internal Control over major federal programs: Material weaknesses identified?	___Yes _X_No
Significant deficiencies identified not considered to be material weaknesses?	___Yes _X_None reported
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 Section 516(a)?	___Yes _X_No

Identification of major federal programs:

Name of Federal Program or Cluster	Assistance Listing Number
COVID-19 Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___Yes _X_No

CITY OF UNION CITY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS

2021 – 001 State Compliance – Governmental Budgets

Criteria: As detailed in the Official Code of Georgia Annotated (OCGA) section 36-81-3, the City is required to adopt and operate under an annual balanced budget for the General Fund, each special revenue fund, and to adopt and operate under a project-length balanced budget for each capital projects fund in use by the City. If an annual budget is adopted for a capital projects fund, that budget is required to be balanced.

Condition: The City's internal controls did not detect that the original and final budgets adopted in its Federal Seized Funds Fund and Capital Projects Fund did not balance.

Context/Cause*:* During our review of the budget-to-actual revenues and expenditures, we noted that the original budgets adopted by the City for its Federal Seized Funds Fund and its Capital Projects Fund were not in balance for the fiscal year ended August 31, 2021.

Effect: The City's original and final budgeted expenditures in the City's Federal Seized Funds Fund exceeded its revenues and available fund balance by $1,972 as of August 31, 2021. Additionally, the City's original and final budgeted expenditures for its Capital Projects Fund exceeded its revenues and available fund balance by $2,616,249 for the fiscal year ended August 31, 2021.

Recommendation: We recommend the City carefully review its annual budgets to ensure that they balance and that they do not budget expenditures in excess of revenues and available fund balance.

Auditee's Response: We will improve upon our budgetary mechanisms to ensure that each annual budget is in balance and that we do not budget expenditures in excess of revenues and available fund balance**.**

CITY OF UNION CITY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF UNION CITY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

2020 – 001 Balanced Budget

Condition: The City's internal controls did not detect that the original budgets adopted in its Tax Allocation District Fund and Capital Projects Fund were out of balance

Status: This issue was not corrected during the fiscal year ended August 31, 2021. See finding 2021-001.

THE CITY OF
UNION CITY
GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

2021-001 State Compliance – Governmental Budgets

Name of the Contact Person Responsible for the Corrective Action Plan: Tarsha Calloway, Finance Director.

Corrective Action Plan: The City will implement budgets for each special revenue fund and capital projects fund on an annual basis beginning in the fiscal year ended August 31, 2022 to bring the City into compliance with State law.

Anticipated Completion Date: August 31, 2022