2022

UNION CITY
Georgia









Annual Comprehensive Finacial Report

For Fiscal Ended August 31, 2022

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2022

Prepared by:
Union City Finance Department

CITY OF UNION CITY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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INTRODUCTORY SECTION

THE CITY OF
UNION CITY
GEORGIA

Date: May 24, 2023

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

The Annual Comprehensive Financial Report (ACFR) of Union City, Georgia for the fiscal year ending August 31, 2022 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 ensuring 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, 2022, 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.

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 fund 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, 2022, 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 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: Christian City Multi Use Trail, Survey and Assessment of Roadways, Street Resurfacing of Dodson Road and Lower Dixie Lake Road, Resurfacing of Rock Rd., Liberty Court, Bena Court, King Court, and Mills Road.

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. We are excited to announce innovative developments such as the new Mercedes Benz experience, Derrick Road cold storage facility, and our very own Union City Starbucks. We are truly making strides in becoming a destination. Our Community Development Department has been busy ensuring that we receive quality development through engagement and collaboration with developers, citizens, and other stakeholders so that we may continue to promote the city as a prime location for numerous commercial establishments.

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. We have seen a rise in development and construction of residential developments ranging from multifamily to single family subdivisions, townhomes, as well as, plans for mixed use developments.

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 impacts 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. The City's budget is 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 2022. The City, for example, was able to secure important state and government grants for a pedestrian bridge and park improvements. Union City also continued its Arts and Community engagement through creative placemaking and art shows. Customized "I Love UC" statues have been strategically placed at City Hall and the Hwy 29 ballfields. The City recently installed a collection of movie and television posters at the Gathering Place Community Center for the "Made in Union City, Georgia" initiative. Additionally, the city hosted "The Creative Exchange," a rotating art show featuring the work of local artists. Additionally, the City was able to start and complete a number of street and landscape improvements including Roosevelt Highway. 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 intends to submit the Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022 for Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized financial report that satisfies 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.

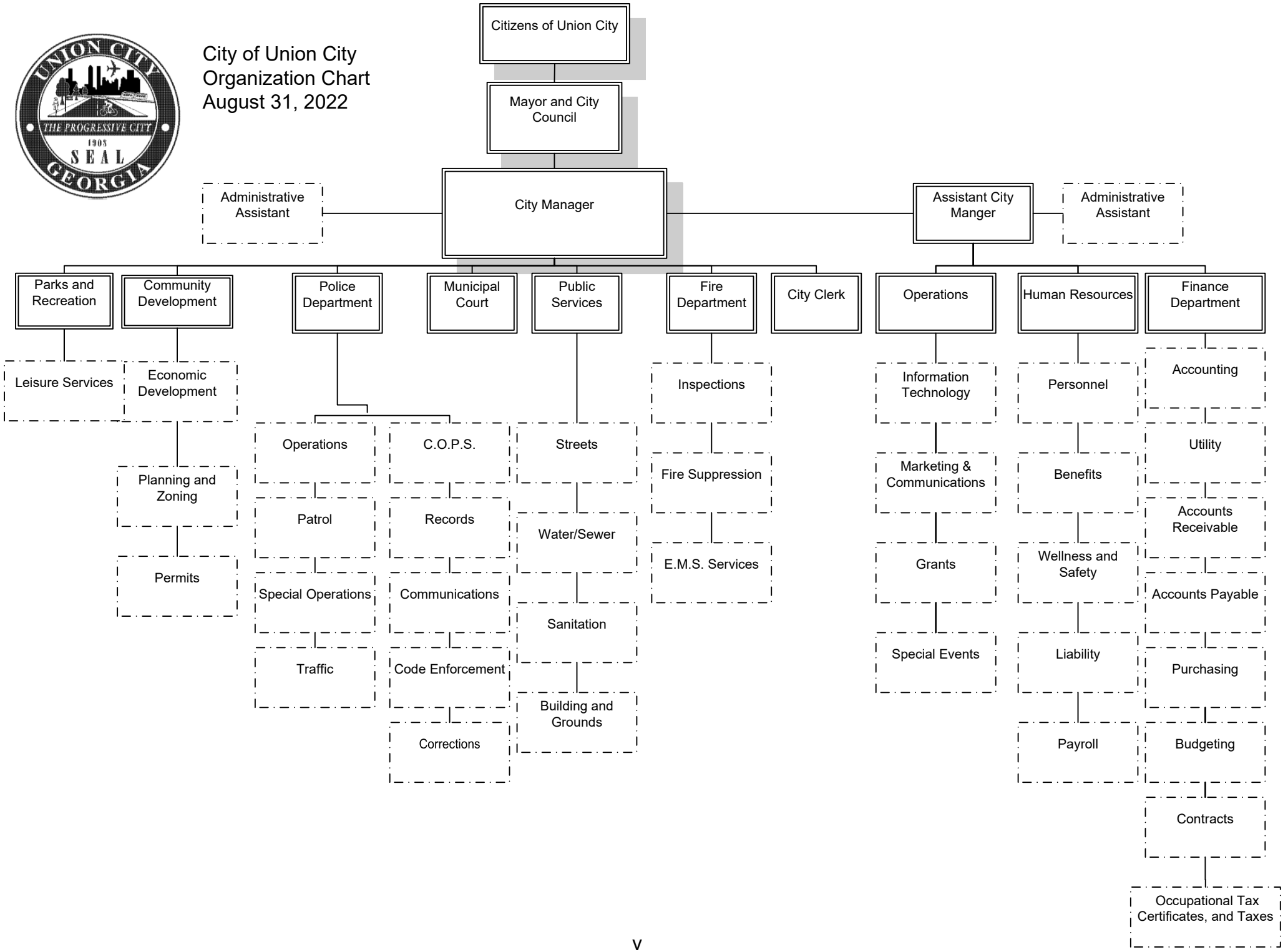
ACKNOWLEDGMENTS

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

City of Union City
Organization Chart
August 31, 2022



CITY OF UNION CITY, GEORGIA

LIST OF PRINCIPAL OFFICIALS
AUGUST 31, 2022

Elected Officials

Vince Williams, Mayor

City Council
Christina Hobbs
Brian K. Jones
Angelette Mealing
Lawanna Owens-Twaites

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

Assistant City Manager/CFO
Tarsha Calloway

Director of Community Development
Anthony Alston

Director of Human Resources
Brittany Sainnatus

Comptroller
Francis Harley

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 through 15), and the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions on pages 59 and 60 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds (as required by the Official Code of Georgia Annotated 48-8-249), and the Schedule of Expenditures of Federal Awards, as required by Title 2, *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information"), as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2023, 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
May 24, 2023

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, 2022. 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 2022 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 $90,769,808 (net position).
- The City's total net position increased by $14,635,217 or 19.22%.
- As of the close of the current fiscal year, the City's governmental activities reported ending net position of $73,583,438 an increase of $13,625,475 or 22.73% from the prior fiscal year.
- The City's General Fund reported a positive fund balance of $26,327,636 which represents 112% of the current year expenditures.
- In Fiscal year 2019, the South Fulton Municipal Regional Jail Authority, a component unit of the City, sold the jail facility to Fulton County, Georgia, thereby relieving the City of any obligation on outstanding bonds issued by the Authority.
- General Fund results (net change in fund balance) were $8,562,467 better than budgeted.
- The City has received a total $8,364,602 in grants from the American Rescue Plan Act. At August 31, 2022, the City has $7,968,727 of available funds under this program remaining to be spent.

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 sewer, sanitation, and stormwater.

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 its operational or financial relationship with the City. Financial information for the 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 16 and 17.

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, total deferred outflows of resources, total liabilities, and total deferred inflows of resources 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 fiscal period or very shortly after the end of the fiscal 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 18 – 21.

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 and Internal Service 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 24 – 27.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for the past two fiscal years are summarized as follows based on the information included in the government-wide financial statements (see pages 16 and 17):

	Governmental		Business Type		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 71,613,026	$ 58,892,175	$ 13,187,745	$ 13,804,307	$ 84,800,771	$ 72,696,482
Capital assets, net	32,499,959	29,052,715	13,701,479	13,663,645	46,201,438	42,716,360
Total assets	104,112,985	87,944,890	26,889,224	27,467,952	131,002,209	115,412,842
Deferred outflows of resources	3,063,500	3,363,493	510,817	573,365	3,574,317	3,936,858
Other liabilities	16,852,115	13,043,795	3,373,911	4,352,557	20,226,026	17,396,352
Long-term liabilities outstanding	13,678,887	17,977,046	6,663,401	7,495,050	20,342,288	25,472,096
Total liabilities	30,531,002	31,020,841	10,037,312	11,847,607	40,568,314	42,868,448
Deferred inflows of resources	3,062,045	329,579	176,359	17,082	3,238,404	346,661
Net position:						
Net investment in capital assets	20,997,799	18,189,287	8,157,253	7,548,093	29,155,052	25,737,380
Restricted	19,754,410	14,773,527	587,325	586,945	20,341,735	15,360,472
Unrestricted	32,831,229	26,995,149	8,441,792	8,041,590	41,273,021	35,036,739
Total net position	$ 73,583,438	$ 59,957,963	$ 17,186,370	$ 16,176,628	$ 90,769,808	$ 76,134,591

Financial Position

The total net position of the City increased $14,635,217 or 19.22%, from $76,134,591 to $90,769,808 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:	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	$ 5,754,476	$ 4,080,571	$ 12,271,843	$ 11,983,090	$ 18,026,319	$ 16,063,661
Operating grants and contributions	163,611	1,775,969	-	-	163,611	1,775,969
Capital grants and contributions	6,009,130	541,082	-	-	6,009,130	541,082
General revenues:						
Property taxes	17,214,434	17,849,492	-	-	17,214,434	17,849,492
Sales taxes	7,083,216	9,996,215	-	-	7,083,216	9,996,215
Insurance premium taxes	1,603,664	1,551,377			1,603,664	1,551,377
Franchise taxes	1,577,308	1,478,829	-	-	1,577,308	1,478,829
Other taxes	789,852	603,822	-	-	789,852	603,822
Miscellaneous	203,951	200,233	-	-	203,951	200,233
Unrestricted investment earnings	55,841	98,356	5,198	6,545	61,039	104,901
Total revenues	40,455,483	38,175,946	12,277,041	11,989,635	52,732,524	50,165,581
Expenses:						
General government	6,398,118	5,271,243	-	-	6,398,118	5,271,243
Judicial	589,532	527,323	-	-	589,532	527,323
Public safety	13,808,495	13,742,563	-	-	13,808,495	13,742,563
Public works	3,303,313	3,094,858	-	-	3,303,313	3,094,858
Parks and recreation	1,286,491	1,199,207	-	-	1,286,491	1,199,207
Economic development	1,430,356	1,053,596	-	-	1,430,356	1,053,596
Interest on long-term debt	256,407	442,139	-	-	256,407	442,139
Water and Sewer	-	-	8,722,775	8,134,362	8,722,775	8,134,362
Sanitation	-	-	1,879,667	1,696,069	1,879,667	1,696,069
Stormwater	-	-	422,153	250,294	422,153	250,294
Total expenses	27,072,712	25,330,929	11,024,595	10,080,725	38,097,307	35,411,654
Increase in net position before transfers	13,382,771	12,845,017	1,252,446	1,908,910	14,635,217	14,753,927
Transfers	242,704	(59,128)	(242,704)	59,128	-	-
Change in net position	13,625,475	12,785,889	1,009,742	1,968,038	14,635,217	14,753,927
Net position, beginning of year	59,957,963	47,172,074	16,176,628	14,208,590	76,134,591	61,380,664
Net position, end of year	$ 73,583,438	$ 59,957,963	$ 17,186,370	$ 16,176,628	$ 90,769,808	$ 76,134,591

Governmental Activities

As noted in the table on the preceding page, governmental revenues increased $2,279,537 or 5.97%. The more significant changes were sales taxes and charges for services which increased $1,143,980 or 19.26% and $1,673,905 or 41.02% respectively as the economy is recovering from the pandemic. Operating grants and contributions decreased $1,612,358 or 90.79% as the prior fiscal year benefitted from the CARES grant to cover pandemic expenses and a SAFER grant which funded fire salaries. Capital grants and contributions increased $1,411,069 or 30.69% as SPLOST revenues increased $592,966 as the economy continues to improve and the City received $1,099,653 in Community Development Block Grant (CDBG) Funding from Fulton County.

In total, governmental expenses increased $1,741,783 or 6.88% over the prior fiscal year. General government and economic development expenses increased $1,126,875 (21.38%) and $376,760 (35.76%), respectively, primarily from increases in outsourced professional and contractual services. Interest expense decreased $185,732 or 42% from prior fiscal year as the City pays down its loan obligations. Public works expenses increased $208,455 or 6.74% along with increased funding from CDBG funds. Parks and recreation expenses increased $87,284 or 7.28% as service levels increase after the pandemic.

Business-Type Activities

Net position for business-type activities increased $1,009,742 or 6.24%. The Water and Sewer Fund reported an increase in net position of $576,601; the Stormwater Fund had an increase in net position of $365,938; and the Sanitation Fund had an increase in net position of $67,203.

The Water and Sewer Fund had net operating income of $2,386,401; $2,847,461; and $2,308,887; for 2022, 2021 and 2020, respectively. Operating income decreased $461,060 in 2022 compared to 2021. Water and sewer sales increased $226,490 or 3%, primarily from new development. Operating expenses increased by $687,551 or 11% from prior fiscal year, primarily from increases in water and sewer purchases, personnel, and contractual services. 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 $1,595,478; $1,619,196; and $1,496,640; for 2022, 2021 and 2020, respectively. (See Note 13, pages 56 and 57).

The Stormwater Fund had net operating income of $506,285; $681,364; and $205,354; for 2022, 2021 and 2020 respectively. The contributing factor to the decrease in operating income for 2022 compared to 2021 were the increases in purchases and contracted services of $140,435 primarily for repair and maintenance costs.

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 aids 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 $204,353; $322,468; and $264,317; for 2022, 2021 and 2020, respectively. Charges for services increased $147,892 or 7.69% primarily from

increases in new customers. Other revenues decreased $82,409 or 87.4% because revenue recognition of certain franchise fees was moved to the General Fund. Purchased services increased $183,598 as the number of customers increase.

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 Funds Balance and Proprietary Funds – Major Funds

The City's combined fund balances as of the end of the current year for governmental funds, presented on pages 20 and 21, are $56,034,757. This balance represents an increase of $10,434,712 or 22.88% from last fiscal year's ending balance.

The General Fund's fund balance has decreased by $2,493,944 or 8.65% as the result of transferring $10,813,870 to fund capital projects. The ARPA Fund's cash balance increased by $3,786,301 or 100% due to the City receiving ARPA grant funds during fiscal year 2022 which has not been spent by the City as of August 31, 2022 which has resulted in a related increase of unearned revenue by $3,786,301. The City anticipates spending the related grant funds in fiscal year 2023. The T-SPLOST Fund's fund balance has increased by $2,831,834 or 24.06% as the City collects T-SPLOST proceeds for transportation projects projected to completed in future fiscal years. The Capital Projects Fund increased $8,699,725 or 387% as planned capital projects are in progress.

As noted in the table on the following page, excess (deficiency) of revenues over (under) expenditures prior to other financing sources in the Governmental Funds was $9,024,835 as compared to $6,792,578 in the prior fiscal year. Governmental revenues increased $4,925,374 or 13.42%. Property taxes increased $1,259,478 or 7.57% due to increases in assessed values of real property as well as additional development within the city. Sales taxes, licenses and permits, and charges for services increased by $1,143,980 (19.26%), $370,542 (12.14%) and $697,688 (101.69%), respectively, as the economy improves. Fines and forfeitures increased $497,479 or 168% because of increased patrol staffing. Interest revenues decreased by $41,332 or 34.30% as a result of decreases in interest rates.

Overall governmental expenditures increased $2,693,117 or 9%. General government expenditures increased $509,540 or 10.42% because of overall increases in general operating costs primarily outsourced of contractual and professional services. Public safety expenditures increased $691,429 or 5.27% as a result of general increases in wages and expenditures. Planning and economic development expenditures increased $408,396 or 39.98% primary due to outsourcing of professional services. Parks and recreation expenditures also increased $152,525 or 18.26% due to site improvement and contractual services to increase services as we recover from the pandemic. Capital outlay increased $562,042 or 10.11% from increases in Community Development Block Grant (CDBG) funding.

City of Union City's Changes in Governmental Fund Balance
August 31, 2022 and 2021

	2022	2021	$ Change
Revenues			
Property taxes	**$ 17,887,010**	$ 16,627,532	$ 1,259,478
Sales taxes	**7,083,216**	5,939,236	1,143,980
Other taxes	**2,393,516**	2,155,198	238,318
Charges for services	**1,383,792**	686,104	697,688
Licenses and permits	**3,422,648**	3,052,106	370,542
Intergovernmental	**6,657,591**	6,108,762	548,829
Franchise fees	**1,577,308**	1,478,829	98,479
Fines and forfeitures	**794,451**	296,972	497,479
Interest revenue	**79,185**	120,517	(41,332)
Rental income	**153,585**	45,390	108,195
Other revenue	**203,951**	200,233	3,718
Total revenues	**41,636,253**	36,710,879	4,925,374
Expenditures			
Current:			
General government	**5,398,481**	4,888,941	509,540
Judicial	**524,992**	438,288	86,704
Public safety	**13,806,871**	13,115,442	691,429
Public works	**2,839,961**	2,546,129	293,832
Parks and recreation	**987,756**	835,231	152,525
Planning and economic development	**1,456,198**	1,047,802	408,396
Capital outlay	**6,120,791**	5,558,749	562,042
Debt service			
Principal	**1,061,153**	1,061,111	42
Interest	**415,215**	426,608	(11,393)
Total expenditures	**32,611,418**	29,918,301	2,693,117
Excess of revenues over expenditures	**9,024,835**	6,792,578	2,232,257
Other financing sources			
Financed purchases	**1,167,173**	181,536	985,637
Net transfers	**242,704**	(59,128)	301,832
Total other financing sources	**1,409,877**	122,408	1,287,469
Net change in fund balance	**$ 10,434,712**	$ 6,914,986	$ 3,519,726

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 $27,771,500 of revenues and prior fiscal year surpluses of $11,056,411 to cover expenditures of $25,750,686 and net transfers out of $13,077,225. Actual results were $8,562,467 better than projected.

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 22.

- For the General Fund, the actual revenues were $6,340,693 better than the final budget. Revenues were budgeted at $27,771,500 and actual revenues were $34,112,193. Property taxes were $3,279,010 better than budgeted due to increases in property values and additional development. Sales taxes were $1,333,216 better than budgeted as the budget did not anticipate the extent of the economic recovery from the pandemic. Charges for services and licenses and permits were $744,024 and $685,998 better than budgeted, respectively, as the City used a very conservative estimate for these revenue sources in spite of a robust economic recovery. Rental income were $133,585 better than budgeted due to increase in social activities in the City.
- Actual expenditures of $23,566,763 were $2,183,923 less than the budgeted amount of $25,750,686 as management continues to be very conservative in their budgeting. General government expenditures were $872,380 better than budgeted as the City continues to use very conservative budgeting practices, there were unfilled position in the finance department and the operation department. Public safety expenditures were $1,172,495 better than budgeted because of vacancies in the police and fire departments. Parks and recreation expenditures were $242,082 better than budgeted as service levels have not recovered to pre-pandemic levels.

Capital Asset and Debt Administration

Capital Assets

The City has invested $46,201,418 in capital assets (net of depreciation). Capital assets held by the City at the end of the current and previous fiscal years are summarized below:

City of Union City's Capital Assets, net of Accumulated Depreciation
August 31, 2022 and 2021

	Government Type		Business Type		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Land	**$ 2,523,671**	**$ 1,026,496**	**$ 493,194**	**$ 493,194**	**$ 3,016,865**	**$ 1,519,690**
Construction in progress	**3,608,796**	**3,344,920**	**-**	**625,372**	**3,608,796**	**3,970,292**
Buildings, grounds and improvements	**12,206,248**	**11,156,382**	**8,335,619**	**8,430,551**	**20,541,867**	**19,586,933**
Machinery and equipment	**710,273**	**618,022**	**431,496**	**230,200**	**1,141,769**	**848,222**
Infrastructure	**11,088,144**	**11,149,420**	**1,872,728**	**877,425**	**12,960,872**	**12,026,845**
Wastew ater treatment capacity	**-**	**-**	**2,514,431**	**2,939,405**	**2,514,431**	**2,939,405**
Vehicles	**2,362,827**	**1,757,475**	**53,991**	**67,498**	**2,416,818**	**1,824,973**
Total	**$ 32,499,959**	**$ 29,052,715**	**$ 13,701,459**	**$ 13,663,645**	**$ 46,201,418**	**$ 42,716,360**

The detailed schedule capital assets are reported in Note 4 of the financial statements. Total capital asset additions for 2022 were $6,146,525 compared to $6,298,815 in 2021. Significant additions included the purchase of land for $1,497,175 for additional recreational space, increases in construction in progress of $2,125,637, primarily for infrastructure improvements; as well as $1,167,173 for vehicle additions, primarily to replace police vehicles.

Long-Term Debt

At the end of the current fiscal year, the City had long-term debt related to governmental activities of $9,769,432 and $7,045,000 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 5 of the financial statements.

City of Union City's Outstanding Long-Term Liabilities

August 31, 2022 and 2021

	Government Type		Business Type		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
General obligation bonds backed by property taxes	**$ 8,570,000**	**$ 9,520,000**	**$ -**	**$ -**	**$ 8,570,000**	**$ 9,520,000**
Revenue bonds	**-**	**-**	**7,040,500**	**7,680,000**	**7,040,500**	**7,680,000**
Financed purchases	**1,199,432**	**143,412**	**-**	**-**	**1,199,432**	**143,412**
	$ 9,769,432	**$ 9,663,412**	**$ 7,040,500**	**$ 7,680,000**	**$16,809,932**	**$17,343,412**

Economic Factors and Next 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 12.284 mills for the fiscal year 2023.

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, 2022

	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	$ 68,249,026	$ 6,703,281	$ 74,952,307	$ -	$ 228,021	$ 228,021
Taxes receivable	1,028,847	-	1,028,847	-	-	-
Accounts receivable, net of allowances	129,781	3,287,863	3,417,644	-	-	-
Interest receivable	-	-	-	109,035	-	109,035
Due from other governments	1,373,194	-	1,373,194	-	-	-
Intergovernmental receivable from Fulton County	-	-	-	10,940,000	-	10,940,000
Inventory	10,563	24,552	35,115	-	-	-
Prepaid items	714,466	47,203	761,669	-	-	-
Restricted assets:						
Cash and cash equivalents	107,149	3,124,866	3,232,015	-	-	-
Capital assets:						
Nondepreciable	6,132,467	493,194	6,625,661	-	-	-
Depreciable, net of accumulated depreciation	26,367,492	13,208,265	39,575,757	-	-	-
Total assets	104,112,985	26,889,224	131,002,209	11,049,035	228,021	11,277,056
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	2,882,079	165,994	3,048,073	-	-	-
Deferred charges on refunding	181,421	344,823	526,244	612,083	-	612,083
Total deferred outflows of resources	3,063,500	510,817	3,574,317	612,083	-	612,083
LIABILITIES						
Accounts payable	5,227,473	1,337,510	6,564,983	-	-	-
Accrued liabilities	735,561	46,128	781,689	-	-	-
Interest payable	143,650	-	143,650	109,035	-	109,035
Unearned revenues	8,000,012	-	8,000,012	-	144,250	144,250
Due to other governments	665,037	-	665,037	-	-	-
Customer deposits payable	-	1,320,419	1,320,419	-	-	-
Financed purchases due within one fiscal year	319,025	-	319,025	-	-	-
Financed purchases due in more than one year	880,407	-	880,407	-	-	-
Bonds payable due within one fiscal year	990,000	645,000	1,635,000	765,000	-	765,000
Bonds payable due in more than one fiscal year	8,225,176	6,400,000	14,625,176	10,175,000	-	10,175,000
Claims payable due within one fiscal year	216,960	-	216,960	-	-	-
Compensated absences due within one fiscal year	554,397	24,854	579,251	-	-	-
Net pension liability due in more than one fiscal year	4,573,304	263,401	4,836,705	-	-	-
Total liabilities	30,531,002	10,037,312	40,568,314	11,049,035	144,250	11,193,285
DEFERRED INFLOWS OF RESOURCES						
Pension related items	3,062,045	176,359	3,238,404	-	-	-
Total deferred inflows of resources	3,062,045	176,359	3,238,404	-	-	-
NET POSITION						
Net investment in capital assets	20,997,799	8,157,253	29,155,052	-	-	-
Restricted						
Federal programs	126	-	126	-	-	-
Law enforcement	1,616,872	-	1,616,872	-	-	-
Economic development	851,248	-	851,248	-	-	-
Debt service	202,909	587,325	790,234	612,083	-	612,083
Capital projects	17,083,255	-	17,083,255	-	-	-
Unrestricted	32,831,229	8,441,792	41,273,021	-	83,771	83,771
Total net position	$ 73,583,438	$ 17,186,370	$ 90,769,808	$ 612,083	$ 83,771	$ 695,854

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, 2022

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	$ 6,398,118	$ 2,602,313	$ -	$ -	$ (3,795,805)	$ -	$ (3,795,805)	$ -	$ -	$ -
Judicial	589,532	592,967	-	-	3,435	-	3,435	-	-	-
Public safety	13,808,495	666,556	163,611	-	(12,978,328)	-	(12,978,328)	-	-	-
Public works	3,303,313	1,087,432	-	6,009,130	3,793,249	-	3,793,249	-	-	-
Parks and recreation	1,286,491	66,651	-	-	(1,219,840)	-	(1,219,840)	-	-	-
Planning and economic development	1,430,356	738,557	-	-	(691,799)	-	(691,799)	-	-	-
Interest on long-term debt	256,407	-	-	-	(256,407)	-	(256,407)	-	-	-
Total governmental activities	27,072,712	5,754,476	163,611	6,009,130	(15,145,495)	-	(15,145,495)	-	-	-
Business-type activities:										
Water and Sewerage	8,722,775	9,259,385	-	-	-	536,610	536,610	-	-	-
Stormwater	422,153	928,438	-	-	-	506,285	506,285	-	-	-
Sanitation	1,879,667	2,084,020	-	-	-	204,353	204,353	-	-	-
Total business-type activities	11,024,595	12,271,843	-	-	-	1,247,248	1,247,248	-	-	-
Total primary government	$ 38,097,307	$ 18,026,319	$ 163,611	$ 6,009,130	(15,145,495)	1,247,248	(13,898,247)	-	-	-
Component unit:										
South Fulton Municipal Regional Jail Authority	$ 208,483	$ -	$ -	$ -	-	-	-	(208,483)	-	(208,483)
Union City Development Authority	6,228	-	-	-	-	-	-	-	(6,228)	(6,228)
Total component unit	$ 208,483	$ -	$ -	$ -	-	-	-	(208,483)	(6,228)	(208,483)
	General revenues:									
	Property taxes				17,214,434	-	17,214,434	-	-	-
	Sales taxes				7,083,216	-	7,083,216	-	-	-
	Insurance premium tax				1,603,664	-	1,603,664	-	-	-
	Other taxes				789,852	-	789,852	-	-	-
	Franchise taxes				1,577,308	-	1,577,308	-	-	-
	Unrestricted investment earnings				55,841	5,198	61,039	109,035	-	109,035
	Miscellaneous				203,951	-	203,951	-	-	-
	Transfers				242,704	(242,704)	-	-	-	-
	Total general revenues and transfers				28,770,970	(237,506)	28,533,464	109,035	-	109,035
	Change in net position				13,625,475	1,009,742	14,635,217	(99,448)	(6,228)	(105,676)
	Net position, beginning of fiscal year				59,957,963	16,176,628	76,134,591	711,531	89,999	801,530
	Net position, end of fiscal year				$ 73,583,438	$ 17,186,370	$ 90,769,808	$ 612,083	$ 83,771	$ 695,854

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

CITY OF UNION CITY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 29,883,763	$ 15,380,685	$ 7,968,727	$ 11,048,957	$ 3,966,894	$ 68,249,026
Taxes receivable, net	980,362	-	-	-	48,485	1,028,847
Intergovernmental receivable	670,006	386,535	-	-	316,653	1,373,194
Accounts receivable	129,781	-	-	-	-	129,781
Inventory	10,563	-	-	-	-	10,563
Due from other funds	121,173	-	-	-	-	121,173
Prepaid items	525,930	-	-	-	188,536	714,466
Restricted cash	107,149	-	-	-	-	107,149
Total assets	$ 32,428,727	$ 15,767,220	$ 7,968,727	$ 11,048,957	$ 4,520,568	$ 71,734,199
LIABILITIES						
Accounts payable	$ 4,168,267	$ 737,895	$ -	$ 101,448	$ 219,863	$ 5,227,473
Accrued liabilities	305,931	429,630	-	-	-	735,561
Unearned revenue	31,411	-	7,968,601	-	-	8,000,012
Due to others	645,296	-	-	-	19,741	665,037
Due to other funds	-	-	-	-	121,173	121,173
Total liabilities	5,150,905	1,167,525	7,968,601	101,448	360,777	14,749,256
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	950,186	-	-	-	-	950,186
Total deferred inflows of resources	950,186	-	-	-	-	950,186
FUND BALANCES						
Nonspendable:						
Inventory	10,563	-	-	-	-	10,563
Prepaid items	525,930	-	-	-	188,536	714,466
Restricted for:						
Federal programs	-	-	126	-	-	126
Law enforcement	-	-	-	-	1,616,872	1,616,872
Economic development	-	-	-	-	851,248	851,248
Debt service	-	-	-	-	202,909	202,909
Capital projects	-	14,599,695	-	-	1,316,035	15,915,730
Assigned:						
Capital projects	-	-	-	10,947,509	-	10,947,509
Unassigned	25,791,143	-	-	-	(15,809)	25,775,334
Total fund balances	26,327,636	14,599,695	126	10,947,509	4,159,791	56,034,757
Total liabilities, deferred inflows of resources and fund balances	$ 32,428,727	$ 15,767,220	$ 7,968,727	$ 11,048,957	$ 4,520,568	$ 71,734,199

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, 2022

TOTAL GOVERNMENTAL FUND BALANCES		$ 56,034,757
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Cost	$ 57,108,070	
Less accumulated depreciation	(24,608,111)	32,499,959
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		950,186
Deferred refunding charges are not financial resources and, therefore, are not reported in the governmental funds.		181,421
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	$ (4,573,304)	
Deferred outflows of resources - pension related items	2,882,079	
Deferred inflows of resources - pension related items	(3,062,045)	(4,753,270)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest	$ (143,650)	
Financed purchases	(1,199,432)	
Bonds payable	(8,570,000)	
Premium	(645,176)	
Claims payable	(216,960)	
Compensated absences	(554,397)	(11,329,615)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 73,583,438

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, 2022

	General Fund	TSPLOST Fund	ARPA Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 17,887,010	$ -	$ -	$ -	$ -	$ 17,887,010
Sales taxes	7,083,216	-	-	-	-	7,083,216
Other taxes	1,621,956	-	-	-	771,560	2,393,516
Charges for services	1,369,024	-	-	-	14,768	1,383,792
Licenses and permits	3,422,648	-	-	-	-	3,422,648
Intergovernmental	-	4,649,945	109,803	-	1,897,843	6,657,591
Franchise taxes	1,577,308	-	-	-	-	1,577,308
Fines and forfeitures	794,451	-	-	-	-	794,451
Interest	51,275	23,344	126	4,368	72	79,185
Rental income	153,585	-	-	-	-	153,585
Other revenues	151,720	-	-	-	52,231	203,951
Total revenues	34,112,193	4,673,289	109,929	4,368	2,736,474	41,636,253
Expenditures						
Current:						
General government	5,371,497	-	-	-	26,984	5,398,481
Judicial	524,992	-	-	-	-	524,992
Public safety	12,982,399	-	109,803	-	714,669	13,806,871
Public works	2,380,778	-	-	-	459,183	2,839,961
Parks and recreation	987,256	-	-	-	500	987,756
Planning and economic development	1,319,841	-	-	-	136,357	1,456,198
Capital outlay	-	1,841,455	-	3,156,303	1,123,033	6,120,791
Debt service:						
Principal	-	-	-	111,153	950,000	1,061,153
Interest	-	-	-	18,230	396,985	415,215
Total expenditures	23,566,763	1,841,455	109,803	3,285,686	3,807,711	32,611,418
Excess (deficiency) of revenues over (under) expenditures	10,545,430	2,831,834	126	(3,281,318)	(1,071,237)	9,024,835
Other financing sources (uses)						
Financed purchases	-	-	-	1,167,173	-	1,167,173
Transfers in	712,098	-	-	10,813,870	2,902,809	14,428,777
Transfers out	(13,751,472)	-	-	-	(434,601)	(14,186,073)
Total other financing sources (uses)	(13,039,374)	-	-	11,981,043	2,468,208	1,409,877
Net change in fund balances	(2,493,944)	2,831,834	126	8,699,725	1,396,971	10,434,712
Fund balances, beginning of fiscal year	28,821,580	11,767,861	-	2,247,784	2,762,820	45,600,045
Fund balances, end of fiscal year	$ 26,327,636	$ 14,599,695	$ 126	$ 10,947,509	$ 4,159,791	$ 56,034,757

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ 10,434,712
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	$	5,155,719	
Depreciation expense		(1,708,475)	3,447,244
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
Property taxes	$	(672,576)	
Intergovernmental revenue		(508,194)	(1,180,770)
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	$	111,153	
Financed purchases		(1,167,173)	
Bond principal payments		950,000	(106,020)
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	$	125,033	
Compensated absences		(94,297)	
Pension expense		1,024,304	
Claims expense		(58,506)	
Amortization expense		33,775	1,030,309
Change in net position of governmental activities			$ 13,625,475

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, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 14,608,000	$ 14,608,000	$ 17,887,010	$ 3,279,010
Sales taxes	5,750,000	5,750,000	7,083,216	1,333,216
Other taxes	1,568,000	1,568,000	1,621,956	53,956
Charges for services	625,000	625,000	1,369,024	744,024
Licenses and permits	2,736,650	2,736,650	3,422,648	685,998
Franchise taxes	1,528,350	1,528,350	1,577,308	48,958
Fines and forfeitures	815,000	815,000	794,451	(20,549)
Interest	50,000	50,000	51,275	1,275
Rental income	20,000	20,000	153,585	133,585
Other revenues	70,500	70,500	151,720	81,220
Total revenues	27,771,500	27,771,500	34,112,193	6,340,693
Expenditures				
Current				
General government:				
City clerk	579,670	579,694	809,228	(229,534)
Finance	851,435	856,498	636,474	220,024
City administrator	857,583	857,832	794,857	62,975
Mayor and council	485,009	490,613	414,983	75,630
Human resources	775,092	775,133	707,457	67,676
Operations	2,799,777	2,684,107	2,008,498	675,609
Total general government	6,348,566	6,243,877	5,371,497	872,380
Judicial:				
Municipal court	563,970	571,816	524,992	46,824
Public safety:				
Police	8,247,248	8,261,487	7,647,765	613,722
Fire	5,788,350	5,893,407	5,334,634	558,773
Total public safety	14,035,598	14,154,894	12,982,399	1,172,495
Public works:				
Buildings and grounds	2,588,704	2,594,235	2,380,778	213,457
Planning and economic development	956,362	956,526	1,319,841	(363,315)
Parks and recreation	1,235,900	1,229,338	987,256	242,082
Total expenditures	25,729,100	25,750,686	23,566,763	2,183,923
Excess of revenues over expenditures	2,042,400	2,020,814	10,545,430	8,524,616
Other financing sources (uses)				
Transfers in	672,497	672,497	712,098	39,601
Transfers out	(13,749,722)	(13,749,722)	(13,751,472)	(1,750)
Total other financing uses, net	(13,077,225)	(13,077,225)	(13,039,374)	37,851
Net change in fund balances	$ (11,034,825)	$ (11,056,411)	(2,493,944)	$ 8,562,467
Fund balance, beginning of fiscal year			28,821,580	
Fund balance, ending of fiscal year			$ 26,327,636	

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
ARPA FUND
FUND BALANCE - BUDGET AND ACTUAL

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ 4,182,300	$ 4,182,300	$ 109,803	$ (4,072,497)
Interest	-	-	126	126
Total revenues	4,182,300	4,182,300	109,929	(4,072,371)
EXPENDITURES				
Public safety	-	4,182,300	109,803	4,072,497
	-	4,182,300	109,803	4,072,497
Net change in fund balance	4,182,300	-	126	126
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ 4,182,300	$ -	$ 126	$ 126

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

CITY OF UNION CITY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 4,802,920	$ 769,415	$ 1,130,946	$ 6,703,281
Accounts receivable, net	2,506,201	408,674	372,988	3,287,863
Inventory	24,552	-	-	24,552
Prepaids	47,203	-	-	47,203
Restricted assets				
Cash and cash equivalents	3,124,866	-	-	3,124,866
Total current assets	10,505,742	1,178,089	1,503,934	13,187,765
NON-CURRENT ASSETS				
Capital assets				
Nondepreciable	493,194	-	-	493,194
Depreciable, net of accumulated depreciation	10,807,689	2,400,576	-	13,208,265
Total non-current assets	11,300,883	2,400,576	-	13,701,459
Total assets	21,806,625	3,578,665	1,503,934	26,889,224
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	165,994	-	-	165,994
Loss on refunding	344,823	-	-	344,823
Total deferred outflows of resources	510,817	-	-	510,817
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	974,921	137,499	225,090	1,337,510
Accrued liabilities	19,283	-	-	19,283
Compensated absences	24,854	-	-	24,854
Payables from restricted assets:				
Customer deposits payable	1,320,419	-	-	1,320,419
Revenue bonds payable - current portion	645,000	-	-	645,000
Accrued interest on bonds payable	26,845	-	-	26,845
Total current liabilities	3,011,322	137,499	225,090	3,373,911
NON-CURRENT LIABILITIES				
Revenue bonds payable - net of unamortized discounts and current portion	6,400,000	-	-	6,400,000
Net pension liability	263,401	-	-	263,401
Total non-current liabilities	6,663,401	-	-	6,663,401
Total liabilities	9,674,723	137,499	225,090	10,037,312
DEFERRED INFLOWS OF RESOURCES				
Pension related items	176,359	-	-	176,359
Total deferred inflows of resources	176,359	-	-	176,359
NET POSITION				
Net investment in capital assets	5,756,677	2,400,576	-	8,157,253
Restricted				
Debt service	587,325	-	-	587,325
Unrestricted	6,122,358	1,040,590	1,278,844	8,441,792
Total net position	$ 12,466,360	$ 3,441,166	$ 1,278,844	$ 17,186,370

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, 2022

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
OPERATING REVENUES				
Charges for services	$ 8,879,186	$ 928,438	$ 2,072,098	$ 11,879,722
Tap fees	4,400	-	-	4,400
Other charges	375,799	-	11,922	387,721
Total operating revenues	9,259,385	928,438	2,084,020	12,271,843
OPERATING EXPENSES				
Water purchases	2,896,678	-	-	2,896,678
Personnel costs	741,645	-	-	741,645
Purchased or contracted services	2,406,731	297,091	1,879,667	4,583,489
Depreciation expense	827,930	125,062	-	952,992
Total operating expenses	6,872,984	422,153	1,879,667	9,174,804
Operating income	2,386,401	506,285	204,353	3,097,039
NON-OPERATING INCOME (EXPENSES)				
Interest income	5,198	-	-	5,198
Interest expense	(254,313)	-	-	(254,313)
Intergovernmental agreement	(1,595,478)	-	-	(1,595,478)
Total non-operating expenses, net	(1,844,593)	-	-	(1,844,593)
Income before transfers	541,808	506,285	204,353	1,252,446
TRANSFERS				
Transfers in	34,793	-	-	34,793
Transfers out	-	(140,347)	(137,150)	(277,497)
Total transfers	34,793	(140,347)	(137,150)	(242,704)
Change in net position	576,601	365,938	67,203	1,009,742
NET POSITION, beginning of fiscal year	11,889,759	3,075,228	1,211,641	16,176,628
NET POSITION, end of fiscal year	$ 12,466,360	$ 3,441,166	$ 1,278,844	$ 17,186,370

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, 2022

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 8,692,757	$ 892,393	$ 2,068,147	$ 11,653,297
Payments to suppliers	(6,203,842)	(364,048)	(2,014,996)	(8,582,886)
Payments to employees	(699,449)	-	-	(699,449)
Net cash provided by operating activities	1,789,466	528,345	53,151	2,370,962
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments on intergovernmental agreement	(1,595,478)	-	-	(1,595,478)
Transfers in	34,793	-	-	34,793
Transfers out	-	(140,347)	(137,150)	(277,497)
Net cash used in non-capital financing activities	(1,560,685)	(140,347)	(137,150)	(1,838,182)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(277,793)	(713,013)	-	(990,806)
Principal payment on note payable	(635,000)	-	-	(635,000)
Interest paid	(190,830)	-	-	(190,830)
Net cash used in capital and related financing activities	(1,103,623)	(713,013)	-	(1,816,636)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	5,198	-	-	5,198
Net cash provided by investing activities	5,198	-	-	5,198
Change in cash and cash equivalents	(869,644)	(325,015)	(83,999)	(1,278,658)
Cash and cash equivalents:				
Beginning of fiscal year	8,797,430	1,094,430	1,214,945	11,106,805
End of fiscal year	$ 7,927,786	$ 769,415	$ 1,130,946	$ 9,828,147
Classified as:				
Cash and cash equivalents	$ 4,802,920	$ 769,415	$ 1,130,946	$ 6,703,281
Restricted assets, cash	3,124,866	-	-	3,124,866
	$ 7,927,786	$ 769,415	$ 1,130,946	$ 9,828,147

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, 2022

	Water and Sewerage Fund	Stormwater Fund	Nonmajor Sanitation Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 2,386,401	$ 506,285	$ 204,353	$ 3,097,039
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	827,930	125,062	-	952,992
Changes in assets, deferred outflows/inflows of resources, and liabilities:				
Increase in accounts receivable	(566,628)	(36,045)	(15,873)	(618,546)
Increase in prepaids	(47,203)	-	-	(47,203)
Decrease in inventory	3,633	-	-	3,633
Increase in deferred outflows from pension	(3,321)	-	-	(3,321)
Decrease in accounts payable	(866,452)	(66,957)	(135,329)	(1,068,738)
Increase in accrued liabilities	9,589	-	-	9,589
Increase in customer deposits	59,530	-	-	59,530
Increase in compensated absences	8,359	-	-	8,359
Decrease in net pension liability	(181,649)	-	-	(181,649)
Increase in deferred inflows from pension	159,277	-	-	159,277
Net cash provided by operating activities	$ 1,789,466	$ 528,345	$ 53,151	$ 2,370,962

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

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

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, 2022:

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 **C*apital 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.

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)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Other taxes are recognized predominately when the underlying transaction occurs. 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 government considers revenues to be available if they are collected within sixty days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and pension liabilities are recorded only when payment is due.

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.

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

A budget was not adopted for the Capital Grants Fund and the General Obligation Bond Capital Projects 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, 2022:

General Fund:		
City clerk	$	229,534
Planning and economic development		363,315
Transfers out		1,750
Hotel/Motel Tax Fund:		
Economic development		26,357
Transfers out		39,536
Capital Projects Fund:		
Debt service principal		111,153
Debt service Interest		18,230
E911 Fund:		
Public safety		31,735
2017 General Obligation Bond Debt Service Fund:		
Transfers Out		65

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Short-Term Interfund Receivables/Payables (Continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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 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, 2022, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

- ***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.

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, 2022, 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, 2022, are summarized as follows:

As reported in the Statement of Net Position		
Primary government		
Cash and cash equivalents	$	74,952,307
Restricted Assets:		
Cash and cash equivalents		3,232,015
Component units - cash and cash equivalents		228,021
	$	78,412,343
Cash deposited with financial institutions	$	78,294,479
Cash deposited with Georgia Fund 1		117,864
	$	78,412,343

Georgia Fund 1 is reported as restricted cash equivalent as of August 31, 2022.

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, 2022, the City's investment in Georgia Fund 1 was rated AAAf by Fitch and the weighted average maturity was 41 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, 2022, 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	$ 1,911,703	$ -	$ 48,485	$ -	$ -	$ -
Accounts	129,781	-	-	3,399,943	569,523	470,862
Intergovernmental	670,006	386,535	316,653	-	-	-
Gross receivables	2,711,490	386,535	365,138	3,399,943	569,523	470,862
Less allowance	(931,341)	-	-	(893,742)	(160,849)	(97,874)
Net receivables	$ 1,780,149	$ 386,535	$ 365,138	$ 2,506,201	$ 408,674	$ 372,988

Property Taxes

Property taxes were levied on November 15, 2021 based upon property values assessed as of January 1. The billings were mailed on November 15, 2021, and were payable on or before December 31, 2021, 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 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended August 31, 2022 and collected by October 31, 2022, are recognized as revenues in the year ended August 31, 2022. Net receivables estimated to be collected subsequent to October 31, 2022, are deferred as of August 31, 2022, 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 2021 for the City's operations was 13.197 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, 2022 are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
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	865,000	218,046	1,083,046
2028-2032	3,735,000	601,364	4,336,364
2033-2034	3,125,000	142,299	3,267,299
	$ 10,940,000	$ 1,966,349	$ 12,906,349

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NOTE 4. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended August 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 1,026,496	$ 1,497,175	$ -	$ -	$ 2,523,671
Construction in progress	3,344,920	2,125,637	-	(1,861,761)	3,608,796
Total capital assets, not being depreciated	4,371,416	3,622,812	-	(1,861,761)	6,132,467
Capital assets, being depreciated:					
Buildings, grounds and improvements	18,197,964	143,628	-	1,413,178	19,754,770
Machinery and equipment	1,801,784	222,106	-	-	2,023,890
Infrastructure	20,801,683	-	-	448,583	21,250,266
Vehicles	6,791,504	1,167,173	(12,000)	-	7,946,677
Total capital assets, being depreciated	47,592,935	1,532,907	(12,000)	1,861,761	50,975,603
Less accumulated depreciation for:					
Buildings, grounds and improvements	(7,041,582)	(506,940)	-	-	(7,548,522)
Machinery and equipment	(1,183,762)	(129,855)	-	-	(1,313,617)
Infrastructure	(9,652,263)	(509,859)	-	-	(10,162,122)
Vehicles	(5,034,029)	(561,821)	12,000	-	(5,583,850)
Total accumulated depreciation	(22,911,636)	(1,708,475)	12,000	-	(24,608,111)
Total capital assets, being depreciated, net	24,681,299	(175,568)	-	1,861,761	26,367,492
Governmental activities capital assets, net	$ 29,052,715	$ 3,447,244	$ -	$ -	$ 32,499,959

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	300,089	-	(925,461)	-
Total capital assets, not being depreciated	1,118,566	300,089	-	(925,461)	493,194
Capital assets, being depreciated:					
Distribution system	19,632,047	277,791	-	-	19,909,838
Machinery and equipment	491,523	290,380	-	-	781,903
Infrastructure	1,262,436	122,546	-	925,461	2,310,443
Wastewater treatement capacity	6,374,612	-	-	-	6,374,612
Vehicles	312,680	-	-	-	312,680
Total capital assets, being depreciated	28,073,298	690,717	-	925,461	29,689,476
Less accumulated depreciation for:					
Distribution system	(11,201,496)	(372,723)	-	-	(11,574,219)
Machinery and equipment	(261,323)	(89,084)	-	-	(350,407)
Infrastructure	(385,011)	(52,704)	-	-	(437,715)
Wastewater treatement capacity	(3,435,207)	(424,974)	-	-	(3,860,181)
Vehicles	(245,182)	(13,507)	-	-	(258,689)
Total accumulated depreciation	(15,528,219)	(952,992)	-	-	(16,481,211)
Total capital assets, being depreciated, net	12,545,079	(262,275)	-	925,461	13,208,265
Business-type activities capital assets, net	$ 13,663,645	$ 37,814	$ -	$ -	$ 13,701,459

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	$	108,768
Judicial		87,017
Public safety		605,320
Public w orks		551,067
Parks and recreation		356,303
Total depreciation expense - governmental activities	$	1,708,475
Business-type activities:		
Water and sew erage	$	827,930
Stormw ater		125,062
Total depreciation expense -business-type activities	$	952,992

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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, 2022. 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 $181,423 as of August 31, 2022. 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, 2022, the total principal outstanding is $3,890,000.

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, 2022, the total principal outstanding is $4,680,000.

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
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	115,000	214,000	329,000
2028-2032	695,000	975,500	1,670,500
2033-2037	930,000	780,000	1,710,000
2038-2042	1,250,000	517,500	1,767,500
2043-2046	1,290,000	165,750	1,455,750
	$ 8,570,000	$ 3,925,875	$ 12,495,875

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 2021B 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 $6,475,000 in outstanding refunded bonds at August 31, 2022 are not reported in the City’s financial statements.

Revenue bonds outstanding at August 31, 2022, are as follows:

	Original Amount	Interest Rates	Balance August 31, 2022
2021 Series A Revenue Bonds	$ 1,020,000	1.72%	$ 925,000
2021 Series B Revenue Bonds	6,660,000	3.00-4.00%	6,120,000
	$ 7,680,000		$ 7,045,000

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
2023	$ 645,000	$ 161,073	$ 806,073
2024	660,000	146,404	806,404
2025	675,000	131,379	806,379
2026	690,000	116,032	806,032
2027	710,000	100,329	810,329
2028-2032	3,665,000	252,700	3,917,700
	$ 7,045,000	$ 907,917	$ 7,952,917

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, 2022, the principal amount outstanding is $98,028.

During 2022, 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 $29,012 with interest rates ranging from 0.28% - 0.73% through August 2026. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). As of August 31, 2022, the principal amount outstanding is $1,101,404.

As of August 31, 2022, the City reflects a total cost of assets under the financed purchase agreements of $1,348,709 and accumulated depreciation of $103,012.

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

Fiscal Year Ending August 31,	Principal	Interest	Total
2023	$ 319,025	$ 74,507	$ 393,532
2024	340,239	53,292	393,531
2025	325,036	30,372	355,408
2026	215,132	7,977	223,109
	$ 1,199,432	$ 166,148	$ 1,365,580

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

D. Changes in Long-Term Liabilities – Primary Government

Long-term liability activity for the fiscal year ended August 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
General obligation bonds	$ 9,520,000	$ -	$ (950,000)	$ 8,570,000	$ 990,000
Plus: Premium	722,493	-	(77,317)	645,176	-
	10,242,493	-	(1,027,317)	9,215,176	990,000
Financed purchases	143,412	1,167,173	(111,153)	1,199,432	319,025
Net pension liability	8,586,525	2,945,194	(6,958,415)	4,573,304	-
Claims payable	158,454	395,606	(337,100)	216,960	216,960
Compensated absences	460,100	757,258	(662,961)	554,397	554,397
Governmental activity Long-term liabilities	$ 19,590,984	$ 5,265,231	$ (9,096,946)	$ 15,759,269	$ 2,080,382
Business-type activities:					
Revenue bonds	$ 7,680,000	$ -	$ (635,000)	$ 7,045,000	$ 645,000
Net pension liability	445,050	169,629	(351,278)	263,401	-
Compensated absences	16,496	28,816	(20,458)	24,854	24,854
Business-type activity Long-term liabilities	$ 8,141,546	$ 198,445	$ (1,006,736)	$ 7,333,255	$ 669,854

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.

NOTE 5. GENERAL LONG-TERM DEBT (CONTINUED)

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, 2022, the principal outstanding is $10,940,000.

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
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	865,000	218,046	1,083,046
2028-2032	3,735,000	601,364	4,336,364
2033-2034	3,125,000	142,299	3,267,299
	$ 10,940,000	$ 1,966,349	$ 12,906,349

Long-term liability activity for the Authority for the fiscal year ended August 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Component units:					
Revenue bonds	$ 11,685,000	$ -	$ (745,000)	$ 10,940,000	$ 765,000

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, 2022, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	93
Vested terminated employees	152
Active members	199
	444

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, 2022, the City's contribution rate was 14.15% of annual payroll. City contributions to the Plan were $1,867,251 for the fiscal year ended August 31, 2022.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service based merit increases
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, 2022 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% for retirement benefits attributable to service with the City before September 1, 2016 for terminations after September 1, 2004; N/A otherwise.

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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.55%
International Equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	100%	

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

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.375%.The projection of cash flows used to determine the discount rate assumed that 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.

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, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at August 31, 2021	**$ 30,651,137**	**$ 21,619,562**	**$ 9,031,575**
Changes for the fiscal year:			
Service cost	506,300	-	506,300
Interest cost	2,247,170	-	2,247,170
Differences between expected and actual experiences	(436,737)	-	(436,737)
Contributions - employer	-	1,650,379	(1,650,379)
Net investment income	-	5,222,577	(5,222,577)
Benefit payments, including refunds of employee contributions	(1,374,668)	(1,374,668)	-
Administrative expense	-	(48,059)	48,059
Other	313,294	-	313,294
Net changes	1,255,359	5,450,229	(4,194,870)
Balances at August 31, 2022	**$ 31,906,496**	**$ 27,069,791**	**$ 4,836,705**

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	$ 9,099,071	$ 4,836,705	$ 1,305,441

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, 2021, 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, 2022, the City recognized pension expense of $817,254. At August 31, 2022, 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	$ 1,049,475	$ 327,552
Changes in assumptions	131,347	-
Net difference between projected and actual earnings on pension plan investments	-	2,910,852
City contributions subsequent to the measurement date	1,867,251	-
	$ 3,048,073	$ 3,238,404

City contributions subsequent to the measurement date of $1,867,251 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, 2023. 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,	
2023	$ 17,158
2024	(426,898)
2025	(923,894)
2026	(723,948)
	$ (2,057,582)

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 No. 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 $212,065 and the employees' contributions approximated $339,420 for the fiscal year ended August 31, 2022.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of August 31, 2022, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 121,173

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.

Interfund transfers for the fiscal year ended August 31, 2022, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	$ 434,601
General Fund	Stormwater Fund	140,347
General Fund	Nonmajor Sanitation Fund	137,150
		$ 712,098
Capital Projects Fund	General Fund	$ 10,813,870
Nonmajor Governmental Funds	General Fund	2,902,809
Water and Sewer Fund	General Fund	34,793
		$ 13,751,472

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, 2022, $340,893 of hotel/motel tax was collected. Of the total collected in the current and prior fiscal years, $136,357 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, 2022, $236,956 of excise tax was collected and $230,000 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, 2022, 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 Middle Chattahoochee 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.

NOTE 13. JOINTLY GOVERNED ORGANIZATION (CONTINUED)

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, 2022, the City agreed to pay the Water and Sewer Authority $1,595,478 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, 2022, the Water and Sewer Authority's debt service requirements on the Series 2014 Revenue Bonds were as follows using an interest rate of 3-5%:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	$ 1,675,000	$ 1,070,850	$ 2,745,850
2024	1,780,000	984,475	2,764,475
2025	1,900,000	892,475	2,792,475
2026	2,025,000	814,600	2,839,600
2027	2,115,000	731,348	2,846,348
2028-2032	12,605,000	2,046,712	14,651,712
2033	2,955,000	59,100	3,014,100
	$ 25,055,000	$ 6,599,560	$ 31,654,560

Separate financial statements for the Water and Sewer Authority can be obtained at the following address: Middle Chattahoochee 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. SUBSEQUENT EVENT

The City approved the issuance of Series 2022 Public Facilities Authority Revenue Bonds were issued in October 2022 in the amount of $18,615,000 with a premium of $1,861,326. The Series 2022 bonds carry an interest rate of 5% with annual quarterly interest payment beginning on April 1, 2023 and annual principal payments beginning on April 1, 2027.

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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	**$ 506,300**	$ 434,509	$ 391,786	$ 380,915	$ 395,133	$ 376,569	$ 364,644	$ 445,614
Interest on total pension liability	**2,247,170**	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	**(436,737)**	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	**(1,374,668)**	(1,328,951)	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Other changes	**313,294**	-	-	-	-	-	-	-
Net change in total pension liability	**1,255,359**	2,465,128	2,072,441	2,484,317	755,418	1,483,965	1,979,199	1,263,767
Total pension liability - beginning	**30,651,137**	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)	**$ 31,906,496**	$ 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	**$ 1,650,379**	$ 1,309,403	$ 1,034,872	$ 900,433	$ 987,884	$ 794,563	$ 1,006,474	$ 942,047
Net investment income	**5,222,577**	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	**(1,374,668)**	(1,328,951)	(1,246,878)	(1,083,330)	(944,523)	(896,982)	(825,925)	(659,221)
Administrative expenses	**(48,059)**	(44,678)	(42,334)	(44,103)	(46,092)	(22,234)	(24,688)	(20,144)
Net change in plan fiduciary net position	**5,450,229**	1,845,550	331,587	1,546,020	2,347,591	1,447,644	300,911	1,667,363
Plan fiduciary net position - beginning	**21,619,562**	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)	**$ 27,069,791**	$ 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)	**$ 4,836,705**	$ 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	**84.84%**	70.53%	70.16%	74.45%	75.74%	67.98%	65.92%	71.10%
Covered payroll	**$ 8,858,180**	$ 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	**54.60%**	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 1,867,251**	$ 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	**1,867,251**	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	**$ 8,492,576**	$ 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	**21.99%**	14.15%	13.50%	11.61%	13.80%	12.85%	12.72%	14.41%

Notes to the Schedule:

Valuation date	January 1, 2022
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% for retirement benefits attributable to service with the City before September 1, 2016 for terminations after September 1, 2004; N/A otherwise.
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, 2022

	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	$ 52,127	$ 324,945	$ 452,126	$ -	$ 770,829	$ 1,618,752
Taxes receivable	-	21,455	27,030	-	-	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	188,536	-	-
Total assets	$ 52,127	$ 346,400	$ 479,156	$ 188,536	$ 770,829	$ 1,618,752
LIABILITIES						
Accounts payable	$ 697	$ -	$ 92,556	$ 9,423	$ -	$ 33,569
Due to others	19,741	-	-	-	-	-
Due to other funds	-	-	-	6,386	-	-
Total liabilities	20,438	-	92,556	15,809	-	33,569
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid items	-	-	-	188,536	-	-
Restricted for:						
Law enforcement	31,689	-	-	-	-	1,585,183
Economic development	-	346,400	386,600	-	-	-
Capital projects	-	-	-	-	770,829	-
Debt service	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(15,809)	-	-
Total fund balances	31,689	346,400	386,600	172,727	770,829	1,585,183
Total liabilities, deferred inflows of resources, and fund balances	$ 52,127	$ 346,400	$ 479,156	$ 188,536	$ 770,829	$ 1,618,752

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	$ -	$ 90,819	$ 1,469	$ 107,422	$ 3,199	$ 3,966,894
-	-	-	-	-	-	48,485
-	316,653	-	-	-	-	316,653
-	-	-	-	-	-	-
-	-	-	-	-	-	188,536
$ 545,206	$ 316,653	$ 90,819	$ 1,469	$ 107,422	$ 3,199	$ 4,520,568
$ -	$ 83,618	$ -	$ -	$ -	$ -	$ 219,863
-	-	-	-	-	-	19,741
-	114,787	-	-	-	-	121,173
-	198,405	-	-	-	-	360,777
-	-	-	-	-	-	188,536
-	-	-	-	-	-	1,616,872
-	118,248	-	-	-	-	851,248
545,206	-	-	-	-	-	1,316,035
-	-	90,819	1,469	107,422	3,199	202,909
-	-	-	-	-	-	(15,809)
545,206	118,248	90,819	1,469	107,422	3,199	4,159,791
$ 545,206	$ 316,653	$ 90,819	$ 1,469	$ 107,422	$ 3,199	$ 4,520,568

CITY OF UNION CITY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

	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	$ -	$ 236,956	$ 340,893	$ -	$ 193,711	$ -
Charges for services	-	-	-	14,768	-	-
Intergovernmental	20,167	-	-	-	-	678,835
Interest	53	-	-	-	-	-
Other revenues	-	-	-	-	-	52,231
Total revenues	20,220	236,956	340,893	14,768	193,711	731,066
Expenditures						
Current:						
General government	-	-	-	-	-	26,984
Public safety	29	-	-	610,135	-	104,505
Public works	-	-	-	-	-	459,183
Parks and recreation	-	-	-	-	-	500
Planning and economic development	-	-	136,357	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	29	-	136,357	610,135	-	591,172
Excess (deficiency) of revenues over (under) expenditures	20,191	236,956	204,536	(595,367)	193,711	139,894
Other financing sources (uses)						
Transfers in	-	-	-	563,900	-	872,845
Transfers out	-	(230,000)	(204,536)	-	-	-
Total other financing sources (uses)	-	(230,000)	(204,536)	563,900	-	872,845
Net change in fund balances	20,191	6,956	-	(31,467)	193,711	1,012,739
Fund balances, beginning of fiscal year	11,498	339,444	386,600	204,194	577,118	572,444
Fund balances, end of fiscal year	$ 31,689	$ 346,400	$ 386,600	$ 172,727	$ 770,829	$ 1,585,183

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
$ -	$ -	$ -	$ -	$ -	$ -	$ 771,560
-	-	-	-	-	-	14,768
-	1,198,841	-	-	-	-	1,897,843
-	-	19	-	-	-	72
-	-	-	-	-	-	52,231
-	1,198,841	19	-	-	-	2,736,474
-	-	-	-	-	-	26,984
-	-	-	-	-	-	714,669
-	-	-	-	-	-	459,183
-	-	-	-	-	-	500
-	-	-	-	-	-	136,357
-	1,123,033	-	-	-	-	1,123,033
-	-	-	-	865,000	85,000	950,000
-	-	-	-	158,175	238,810	396,985
-	1,123,033	-	-	1,023,175	323,810	3,807,711
-	75,808	19	-	(1,023,175)	(323,810)	(1,071,237)
-	38,639	-	-	1,101,425	326,000	2,902,809
-	-	-	-	-	(65)	(434,601)
-	38,639	-	-	1,101,425	325,935	2,468,208
-	114,447	19	-	78,250	2,125	1,396,971
545,206	3,801	90,800	1,469	29,172	1,074	2,762,820
$ 545,206	$ 118,248	$ 90,819	$ 1,469	$ 107,422	$ 3,199	$ 4,159,791

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Sales tax	$ 2,485,500	$ 2,485,500	$ 4,649,945	$ 2,164,445
Interest	8,000	8,000	23,344	15,344
Total revenues	2,493,500	2,493,500	4,673,289	2,179,789
EXPENDITURES				
Capital outlay	8,407,801	8,407,801	1,841,455	6,566,346
Total expenditures	8,407,801	8,407,801	1,841,455	6,566,346
Net change in fund balance	(5,914,301)	(5,914,301)	2,831,834	8,746,135
FUND BALANCES, beginning of fiscal year	11,767,861	11,767,861	11,767,861	-
FUND BALANCES, end of fiscal year	$ 5,853,560	$ 5,853,560	$ 14,599,695	$ 8,746,135

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest	$ 5,000	$ 5,000	$ 4,368	$ (632)
Total revenues	5,000	5,000	4,368	(632)
EXPENDITURES				
Capital outlay	14,357,705	14,357,705	3,156,303	11,201,402
Debt service:				
Principal	-	-	111,153	(111,153)
Interest	-	-	18,230	(18,230)
Total expenditures	14,357,705	14,357,705	3,285,686	11,072,019
Deficiency of revenues under expenditures	(14,352,705)	(14,352,705)	(3,281,318)	(11,072,651)
OTHER FINANCING SOURCES				
Financed purchases	-	-	1,167,173	1,167,173
Transfers in	10,813,870	10,813,870	10,813,870	-
Total other financing sources	10,813,870	10,813,870	11,981,043	1,167,173
Net change in fund balance	(3,538,835)	(3,538,835)	8,699,725	12,238,560
FUND BALANCES, beginning of fiscal year	2,247,784	2,247,784	2,247,784	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (1,291,051)	$ (1,291,051)	$ 10,947,509	$ 12,238,560

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ -	$ -	$ 20,167	$ 20,167
Interest	-	-	53	53
Total revenues	-	-	20,220	20,220
EXPENDITURES				
Public safety	16,320	16,320	29	16,291
Total expenditures	16,320	16,320	29	16,291
Net change in fund balance	(16,320)	(16,320)	20,191	36,511
FUND BALANCES, beginning of fiscal year	11,498	11,498	11,498	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (4,822)	$ (4,822)	$ 31,689	$ 36,511

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Other taxes	$ 230,000	$ 230,000	$ 236,956	$ 6,956
Total revenues	230,000	230,000	236,956	6,956
OTHER FINANCING USES				
Transfers out	(230,000)	(230,000)	(230,000)	-
Total other financing uses	(230,000)	(230,000)	(230,000)	-
Net change in fund balance	-	-	6,956	6,956
FUND BALANCES, beginning of fiscal year	339,444	339,444	339,444	-
FUND BALANCES, end of fiscal year	$ 339,444	$ 339,444	$ 346,400	$ 6,956

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Other taxes	$ 275,000	$ 275,000	$ 340,893	$ 65,893
Total revenues	275,000	275,000	340,893	65,893
EXPENDITURES				
Economic development	110,000	110,000	136,357	(26,357)
Total expenditures	110,000	110,000	136,357	(26,357)
Excess of revenues over expenditures	165,000	165,000	204,536	39,536
OTHER FINANCING USES				
Transfers out	(165,000)	(165,000)	(204,536)	(39,536)
Total other financing uses	(165,000)	(165,000)	(204,536)	(39,536)
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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	$ 14,500	$ 14,500	$ 14,768	$ 268
Total revenues	14,500	14,500	14,768	268
EXPENDITURES				
Public safety	578,400	578,400	610,135	(31,735)
Total expenditures	578,400	578,400	610,135	(31,735)
Deficiency of revenues under expenditures	(563,900)	(563,900)	(595,367)	(31,467)
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	-	-	(31,467)	(31,467)
FUND BALANCES, beginning of fiscal year	204,194	204,194	204,194	-
FUND BALANCES, end of fiscal year	$ 204,194	$ 204,194	$ 172,727	$ (31,467)

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 80,000	$ 80,000	$ 193,711	$ 113,711
Total revenues	80,000	80,000	193,711	113,711
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)	193,711	613,711
FUND BALANCES, beginning of fiscal year	577,118	577,118	577,118	-
FUND BALANCES, end of fiscal year	$ 157,118	$ 157,118	$ 770,829	$ 613,711

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, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ 6,797,723	$ 2,615,423	$ 678,835	$ (1,936,588)
Other revenues	248,500	248,500	52,231	(196,269)
Total revenues	7,046,223	2,863,923	731,066	(2,132,857)
EXPENDITURES				
General government	4,237,800	55,500	26,984	28,516
Public safety	1,267,631	1,267,631	104,505	1,163,126
Public works	2,658,678	2,658,678	459,183	2,199,495
Parks and recreation	15,500	15,500	500	15,000
Total expenditures	8,179,609	3,997,309	591,172	3,406,137
Excess (deficiency) of revenues over (under) expenditures	(1,133,386)	(1,133,386)	139,894	1,273,280
OTHER FINANCING SOURCES				
Transfers in	872,845	872,845	872,845	-
Total other financing sources	872,845	872,845	872,845	-
Net change in fund balance	(260,541)	(260,541)	1,012,739	1,273,280
FUND BALANCES, beginning of fiscal year	572,444	572,444	572,444	-
FUND BALANCES, end of fiscal year	$ 311,903	$ 311,903	$ 1,585,183	$ 1,273,280

CITY OF UNION CITY, GEORGIA
CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental revenues	$ 533,659	$ 956,159	$ 1,198,841	$ 242,682
Total revenues	533,659	956,159	1,198,841	242,682
EXPENDITURES				
Capital outlay	572,298	1,379,798	1,123,033	256,765
Total expenditures	572,298	1,379,798	1,123,033	256,765
Excess (deficiency) of revenues over (under) expenditures	(38,639)	(423,639)	75,808	499,447
OTHER FINANCING SOURCES				
Transfers in	38,639	38,639	38,639	-
Total other financing sources	38,639	38,639	38,639	-
Net change in fund balance	-	(385,000)	114,447	499,447
FUND BALANCES, beginning of fiscal year	3,801	3,801	3,801	-
FUND BALANCES (DEFICIT), end of fiscal year	$ 3,801	$ (381,199)	$ 118,248	$ 499,447

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, 2022

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Debt service				
Principal	$ 865,000	$ 865,000	$ 865,000	$ -
Interest	236,425	236,425	158,175	78,250
Total expenditures	1,101,425	1,101,425	1,023,175	78,250
OTHER FINANCING SOURCES				
Transfers in	1,101,425	1,101,425	1,101,425	-
Total other financing sources	1,101,425	1,101,425	1,101,425	-
Net change in fund balance	-	-	78,250	78,250
FUND BALANCES, beginning of fiscal year	29,172	29,172	29,172	-
FUND BALANCES, end of fiscal year	$ 29,172	$ 29,172	$ 107,422	$ 78,250

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, 2022

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Debt service				
Principal	$ 85,000	$ 85,000	$ 85,000	$ -
Interest	240,250	240,250	238,810	1,440
Total expenditures	325,250	325,250	323,810	1,440
OTHER FINANCING SOURCES				
Transfers in	325,250	325,250	326,000	750
Transfers out	-	-	(65)	(65)
Total other financing sources	325,250	325,250	325,935	685
Net change in fund balance	-	-	2,125	2,125
FUND BALANCES, beginning of fiscal year	1,074	1,074	1,074	-
FUND BALANCES, end of fiscal year	$ 1,074	$ 1,074	$ 3,199	$ 2,125

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, 2022

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
Resurfacing and Transportation Enhancement Projects Tier I	$ 16,167,006	$ 16,167,006	$ 4,653,066	$ 1,841,455	$ 6,494,521	40%
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	$ 4,653,066	$ 1,841,455	$ 6,494,521	

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, 2022

	South Fulton Municipal Regional Jail Authority	Union City Development Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments from other governments	$ 844,448	$ -	$ 844,448
Payments from primary government	-	81,750	81,750
Net cash provided by operating activities	844,448	81,750	926,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds	(745,000)	-	(745,000)
Interest paid	(208,483)	(6,228)	(214,711)
Net cash used in capital and related financing activities	(953,483)	(6,228)	(959,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment interest	109,035	-	109,035
Net cash provided by investing activities	109,035	-	109,035
Change in cash and cash equivalents	-	75,522	75,522
Cash and cash equivalents:			
Beginning of fiscal year	-	152,499	152,499
End of fiscal year	$ -	$ 228,021	$ 228,021
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, deferred outflows of resources, and liabilities:			
Decrease in intergovernmental receivable	745,000	-	745,000
Decrease in deferred outflows of resources - deferred charge of refunding	99,448	-	99,448
Increase in unearned revenue	-	19,250	19,250
Net cash provided by operating activities	$ 844,448	$ 19,250	$ 863,698

STATISTICAL SECTION

This part of the City of Union City's annual comprehensive 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.

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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 ..... **85 – 88**

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

Debt Capacity ..... **89 – 93**

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 ..... **94 – 96**

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 ..... **97 and 98**

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Governmental activities										
Net investment in capital assets	$ 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	**$ 20,997,799**
Restricted	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	**19,754,410**
Unrestricted	(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	**32,831,229**
Total governmental activities net position	$ 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	**$ 73,583,438**
Business-type activities										
Net investment in capital assets	$ 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	**$ 8,157,253**
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	**587,325**
Unrestricted	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	**8,441,792**
Total business-type activities net position	$ 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	**$ 17,186,370**
Primary government										
Net investment in capital assets	$ 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	**$ 29,155,052**
Restricted	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	**20,341,735**
Unrestricted	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	**41,273,021**
Total primary government net position	$ 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	**$ 90,769,808**

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Expenses										
Primary government:										
Governmental activities:										
General government	$ 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	**$ 6,398,118**
Judicial	452,295	436,347	383,138	444,132	454,518	426,489	490,390	548,549	527,323	**589,532**
Public safety	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	**13,808,495**
Public works	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	**3,303,313**
Parks and recreation	495,841	523,992	473,370	522,901	551,401	554,589	938,851	1,359,836	1,199,207	**1,286,491**
Economic development	832,622	751,348	710,296	684,237	646,318	852,933	934,250	1,049,391	1,053,596	**1,430,356**
Interest on long-term debt	591,502	531,627	329,512	221,368	422,825	436,104	437,610	438,781	442,139	**256,407**
Issuance cost on long-term debt	-	-	183,416	-	198,818	-	-	-	-	**-**
Total governmental activities expenses	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	**27,072,712**
Business-type activities:										
Water and sewerage	6,690,719	7,279,343	7,137,318	-	7,178,488	7,261,987	7,797,294	7,690,586	8,134,362	**8,722,775**
Sanitation	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	**1,879,667**
Stormwater	55,470	223,238	1,685,368	734,022	271,592	231,166	499,988	644,311	250,294	**422,153**
Criminal justice management	2,372,405	365,455	-	-	-	-	-	-	-	**-**
Total business-type activities expenses	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	**11,024,595**
Total primary government expenses	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	**38,097,307**
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	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	**2,602,313**
Judicial	130,030	77,926	43,564	61,063	46,479	48,654	59,523	731,458	305,715	**592,967**
Public safety	1,413,518	1,224,270	938,139	1,036,884	935,486	759,439	819,721	93,417	67,997	**666,556**
Public works	-	-	19,355	19,066	13,977	17,150	15,721	861,443	865,389	**1,087,432**
Parks and recreation	66,116	59,616	52,069	58,800	69,765	71,553	58,396	20,754	24,544	**66,651**
Economic development	8,790	29,430	47,051	29,773	89,294	222,512	594,332	622,810	565,080	**738,557**
Operating grants and contributions	501,184	237,834	113,940	29,930	40,612	55,636	-	291,203	1,775,969	**163,611**
Capital grants and contributions	270,551	213,471	386,851	545,682	616,252	918,282	1,673,477	619,893	541,082	**6,009,130**
Total governmental activities program revenues	$ 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	**$ 11,927,217**

(Continued)

CITY OF UNION CITY, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Program revenues (Continued)										
Primary government (Continued):										
Business-type activities:										
Charges for services	$ 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	**$ 12,271,843**
Total business-type activities program revenues	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	**12,271,843**
Total primary government program revenues	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	**24,199,060**
Net (expense)/revenue										
Governmental activities	(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)	**(15,145,495)**
Business-type activities	(121,485)	439,214	10,195,064	7,872,971	11,528,220	1,894,449	1,042,965	990,451	1,902,365	**1,247,248**
Total primary government net expense	(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)	**(13,898,247)**
General revenues and other changes in net position										
Primary government:										
Governmental activities										
Property taxes	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	**17,214,434**
Sales taxes	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	**7,083,216**
Insurance premium tax	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	**1,603,664**
Other taxes	360,972	437,363	483,203	474,958	474,872	518,114	668,225	579,425	603,822	**789,852**
Franchise taxes	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	**1,577,308**
Unrestricted investment earnings	5,954	13,551	13,001	33,119	39,768	94,706	658,402	534,631	98,356	**55,841**
Miscellaneous	-	-	-	-	-	-	-	106,008	200,233	**203,951**
Transfers	(157,492)	734,627	59,591	64,044	-	261,290	1,190,094	(150,753)	(59,128)	**242,704**
Total governmental activities general revenues and other changes in net position	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	**28,770,970**
Business-type activities										
Unrestricted investment earnings	5,320	18,698	-	22,317	6,739	18,268	30,804	11,957	6,545	**5,198**
Transfers	157,492	(734,627)	(59,591)	(64,044)	-	(261,290)	(1,190,094)	50,753	59,128	**(242,704)**
Total business-type activities general revenues and other changes in net position	$ 162,812	$ (715,929)	$ (59,591)	$ (41,727)	$ 6,739	$ (243,022)	$ (1,159,290)	$ 62,710	$ 65,673	**$ (237,506)**

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Change in Net Position										
Governmental activities	$ (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	**$ 13,625,475**
Business-type activities	41,327	(276,715)	10,135,473	7,831,244	11,534,959	1,651,427	(116,325)	1,053,161	1,968,038	**1,009,742**
Total primary government change in net position	$ (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	**$ 14,635,217**

CITY OF UNION CITY, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
General Fund										
Nonspendable	$ 294,883	$ 299,762	$ 374,667	$ 371,200	$ 452,918	$ 275,945	$ 278,451	$ 276,380	$ 546,762	**$ 536,493**
Restricted	-	-	-	-	-	-	-	-	-	**-**
Assigned	-	-	-	-	-	-	-	-	-	**-**
Unassigned	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	**25,791,143**
Total general fund	$ 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	**$ 26,327,636**
All Other Governmental Funds										
Nonspendable, reported in:										
Special revenue funds	$ -	$ -	$ 198,204	$ 165,170	$ 165,170	$ 155,000	$ 155,000	$ 155,000	$ 182,772	**$ 188,536**
Capital projects funds	-	-	-	-	94,567	-	95,000	-	-	**-**
Restricted, reported in:										**-**
Special revenue funds	266,446	600,367	681,707	665,886	629,865	1,402,899	1,648,982	1,790,764	1,908,526	**2,349,872**
Capital projects funds	1,148,622	957,267	1,102,894	1,047,549	5,929,135	9,183,187	11,858,586	10,905,410	12,407,668	**16,124,797**
Debt service funds	319,864	321,572	323,813	327,562	1,835,962	7,857	9,292	5,465	31,715	**112,090**
Assigned, reported in:										
Special revenue funds	195,904	195,904	195,858	195,745	195,651	69,222	-	-	-	**-**
Capital projects funds	-	-	-	-			-	-	2,247,784	**10,947,635**
Unassigned, reported in:										
Special revenue funds	-	(144,836)		(144,836)	(175,184)	(158,617)	(417,566)	(103,409)	-	**(15,809)**
Capital projects funds	(37,592)	(15,036)	(177,870)	(15,036)	-	(494,422)	-	2,083,751	-	**-**
Debt service fund	-	-	(38)	-	-	-	-	-	-	**-**
Total all other governmental funds	$ 1,893,244	$ 1,915,238	$ 2,324,568	$ 2,242,040	$ 8,675,166	$ 10,165,126	$ 13,349,294	$ 14,836,981	$ 16,778,465	**$ 29,707,121**

CITY OF UNION CITY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Revenues										
Property taxes	$ 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	**$ 17,887,010**
Sales taxes	-	-	-	-	6,524,359	8,943,451	9,411,819	8,893,566	9,996,215	**7,083,216**
Other taxes	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	**2,393,516**
Charges for services	471,330	506,748	464,498	481,364	643,280	558,076	867,050	882,277	686,104	**1,383,792**
Licenses and permits	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	**3,422,648**
Intergovernmental	759,641	436,801	500,791	575,612	656,864	973,918	771,987	1,547,499	2,051,783	**6,657,591**
Franchise taxes	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	**1,577,308**
Fines and forfeitures	1,134,879	890,810	642,156	730,864	550,815	589,873	729,045	684,401	296,972	**794,451**
Interest revenue	5,954	13,551	13,001	33,119	39,768	94,707	658,402	534,631	120,517	**79,185**
Rental income	20,425	18,870	20,311	18,346	19,461	30,822	22,436	24,780	45,390	**153,585**
Other revenues	116,724	105,688	60,474	100,350	76,919	84,539	135,522	106,008	200,233	**203,951**
Total revenues	$ 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	**$ 41,636,253**
Expenditures										
Current:										
General government	$ 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	**$ 5,398,481**
Judicial	360,126	341,796	298,711	357,346	361,155	340,609	397,435	446,479	438,288	**524,992**
Public safety	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	**13,806,871**
Public works	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	**2,839,961**
Parks and recreation	368,894	374,883	359,452	384,182	453,919	477,397	766,940	1,014,209	835,231	**987,756**
Economic development	817,605	751,348	710,296	684,237	646,318	852,933	934,250	1,038,403	1,047,802	**1,456,198**
Capital outlay	1,393,579	507,667	403,015	735,032	1,811,510	3,870,185	7,799,011	3,320,679	5,558,749	**6,120,791**
Debt service:										
Principal	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	**1,061,153**
Interest	617,203	568,294	280,212	356,885	313,757	518,758	503,440	466,109	426,638	**415,215**
Bond issuance costs	-	-	183,416	-	198,818	664	-	-	-	**-**
Total expenditures	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	**32,611,418**
Excess (deficiency) of revenues over (under) expenditures	(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	**9,024,835**

(Continued)

CITY OF UNION CITY, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
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)	-	-	-	-	-	-	**-**
Financed purchases	-	-	-	-	351,234	426,365	822,401	-	181,536	**1,167,173**
Transfers in	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	**14,428,777**
Transfers out	(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)	**(14,186,073)**
Total other financing sources (uses)	773,000	734,627	243,007	64,044	6,118,411	687,655	2,012,495	(150,753)	122,408	**1,409,877**
Net change in fund balances	$ (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	**$** **10,434,712**
Debt service as a percentage of noncapital expenditures	16.5%	17.2%	11.5%	12.1%	10.6%	14.8%	9.7%	8.4%	5.9%	**5.4%**

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		
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	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	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%
2022	1,060,445,150	341,518,764	2,994,098	12,967,956	1,417,925,968	3,544,814,920	12.284	40%

Source: Fulton County Tax Assessor

CITY OF UNION CITY, GEORGIA

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

	Direct Rates			Overlapping Rates			
	City of Union City						Total Direct and
Tax Digest Year	Operating Millage	Debt Service	Total	State of Georgia	Fulton County	County School System	Overlapping Millage Rates
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
2022	11.380	0.904	12.284	0.00	9.070	17.24	38.59

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	
2013	$ 5,351,680	$ 5,235,029	97.82%	$ 85,865	$ 5,317,851	99.37%	30,786
2014	6,989,117	6,503,551	93.05%	451,961	6,951,904	99.47%	33,605
2015	7,011,056	6,811,199	97.15%	155,316	6,963,419	99.32%	44,541
2016	8,176,456	7,983,582	97.64%	125,119	8,105,723	99.13%	67,755
2017	9,219,975	9,090,025	98.59%	62,332	9,146,984	99.21%	67,618
2018	10,768,051	10,521,699	97.71%	176,703	10,656,729	98.97%	69,649
2019	11,855,967	11,657,143	98.32%	95,149	11,752,292	99.13%	103,675
2020	12,547,951	12,168,746	96.98%	201,250	12,369,996	98.58%	177,955
2021	16,258,100	14,800,737	91.04%	1,021,679	15,822,416	97.32%	435,684
2022	16,161,861	15,532,601	96.11%	-	15,532,601	96.11%	629,260

Source: Union City Tax Receivables

CITY OF UNION CITY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022 Taxable Assessed Value	2022 Rank	2022 Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Value	2013 Rank	2013 Percentage of Total Taxable Assessed Value
Development Authority of Fulton County	**$ 202,649,170**	**1**	**14.29%**	$ 48,901,060	1	9.66%
Google Inc	**138,283,000**	**2**	**9.75%**			
B9 Malbec South Fulton Pkwy	**75,727,400**	**3**	**5.34%**			
Coca Cola Bottling Company	**21,651,040**	**4**	**1.53%**			
PPF Industrial 5390 Hunter ROA	**21,199,280**	**5**	**1.50%**			
Intercapital LRE Legacy LLC	**15,838,080**	**6**	**1.12%**			
Costco Wholesale Corporation	**11,686,600**	**7**	**0.82%**			
Intergerman Evergreen Commons	**11,486,720**	**8**	**0.81%**			
Majestic South Fulton Bldg	**9,681,480**	**9**	**0.68%**			
6400 Oakley Road LLC	**8,528,000**	**10**	**0.60%**			
Development Authority of Fulton County						
Wal Mart Stores				8,671,790	2	1.71%
Pancal Goodson 5 LLC				7,800,000	3	1.54%
Costco Wholesale Corporation				7,619,950	4	1.51%
AEW LT Hunter Road LLC				7,367,260	5	1.46%
South Fulton Parkway LLC				7,078,320	6	1.40%
North West Mutual Life Insurance				6,753,520	7	1.33%
General Electric Credit Equities				6,436,300	8	1.27%
GE Energy Parts, Inc				6,140,240	9	1.21%
Wyndsor Forest Apartments LLC				5,566,450	10	1.10%
	$ 516,730,770		**36.44%**	$ 112,334,890		22.19%

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				
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	-	0.58%	586.19	7,967,324	20,789,125	0.95%	5.19%	950.45
2020	11,221,807	-	127,987	-	0.40%	506.71	7,472,294	18,822,088	0.66%	4.36%	840.31
2021	10,242,493	-	143,412	-	0.33%	432.89	7,680,000	18,065,905	0.57%	3.29%	753.00
2022	9,215,176	-	1,199,432	-	0.29%	380.66	7,045,000	17,459,608	0.49%	2.67%	638.17

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		
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
2022	27,359	1,417,925,968	9,215,176	112,090	9,103,086	0.64%	332.73

CITY OF UNION CITY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Debt Limit	$ 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	**$ 141,792,597**
Total net debt applicable to limit	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	**9,103,086**
Legal Debt Margin	$ 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	**$ 132,689,511**
Total net debt applicable to the limit as a percentage of debt limit	25.81%	25.08%	20.59%	15.36%	20.74%	16.53%	13.84%	9.89%	8.03%	**6.42%**

Assessed Value	$ 878,031,488	$ 1,134,425,424	$ 1,271,195,284	**$ 1,417,925,967**
Debt limit (10% of assessed value)	87,803,149	113,442,542	127,119,528	**141,792,597**
Debt applicable to limit:				
General obligation bonds and certificates of participation	12,162,860	11,221,807	10,242,493	**9,215,176**
Less: Amount set aside for repayment of general obligation debt	(9,292)	(5,465)	(31,715)	**(112,090)**
Total net debt applicable to limit	12,153,568	11,216,342	10,210,778	**9,103,086**
Legal debt margin	$ 75,649,581	$ 102,226,200	$ 116,908,750	**$ 132,689,511**

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.

CITY OF UNION CITY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2022

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable [(a)]	Amount Applicable to the City of Union City
Fulton County, Georgia - Overlapping Debt			
Certificates of Participation	$ -	1.63%	$ -
Library General Obligation Bonds	228,618,000	1.63%	3,717,209
Economic Recovery Zone Bonds	138,793,000	1.63%	2,256,702
			5,973,911
Fulton County School District - Overlapping Debt			
Subtotal, overlapping debt	-	1.63%	-
City of Union City, Georgia - Direct Debt	$9,215,176	100.00%	9,215,176
City of Union City, Georgia - Financed Purchases	$1,199,432	100.00%	1,199,432
Total Direct and Overlapping Debt			$ 16,388,519

Source: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of December 31, 2021) 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
2013	$ 6,511,408	$ 4,885,824 (1)	$ 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	- (2)	230,896	15.88
2022	9,259,385	6,872,984	2,386,401	635,000	254,313	2.68

(1) Operating expenses include one time fee of $6,374,613 paid to Fulton County for additional capacity at Camp Creek Water Reclamation Facility.
(2) 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]
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
2022	27,359	654,313,000	24,904	32.8	5.50%	2,097

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

	2022			2013		
Business	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
CJ Logisitics America, LLC	6936	1	25.55%			
Walmart	2500	2	9.21%			
Amazon.com Services Inc	1600	3	5.89%			
DHL Supply Chain	745	4	2.74%			
Excel Inc.	732	5	2.70%			
Coca-Cola Bottling Company	725	6	2.67%			
Pruitt Health-Christian City	401	7	1.48%			
Ryder Integrated Logictics LLC	248	8	0.91%			
Mostensen Woodwork Inc.	257	9	0.95%			
Kroger	213	10	0.78%			
Kraft Food/Excel Logistics				388	1	5.46%
Christian City/UHS Pruitt				329	2	4.63%
Walmart				318	3	4.48%
Dendreon				250	4	3.52%
Toyota of Union City				220	5	3.10%
Nissan of Union City				200	6	2.82%
Kroger				182	7	2.56%
DSC Logistics				137	8	1.93%
Gene Evans Ford				130	9	1.83%
UFP Eastern Division Inc				116	10	1.63%

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Function/Program										
General Government										
Administration	3	3	2	2	2	4	4	5	5	**7**
City Clerk	2	2	1	2	1	1	1	2	2	**2**
Finance	4	4	5	6	6	4	4	4	6	**5**
Finance- water and sewer	6	5	4	4	4	5	4	5	7	**6**
Human Resources	2	2	1	2	2	2	3	4	4	**3**
Information Technology	2	2	1	1	1	1	1	1	1	**-**
Judicial										
Municipal Court	4	4	4	4	4	5	4	4	4	**6**
Housing and Development										
Planning Department	1	2	3	3	3	4	5	5	5	**5**
Public Safety										
Police	57	54	58	65	63	64	68	75	78	**69**
Code Enforcement	4	3	2	3	3	3	3	4	6	**4**
Fire	46	46	47	50	48	50	57	62	62	**58**
Jail	40	1	1	1	1	1	1	-	-	**-**
E-911 Communications	10	8	-	-	-	-	-	-	-	**-**
Public Works										
Building and Grounds	3	3	1	4	3	3	1	4	4	**4**
Streets	12	13	13	14	14	15	22	23	23	**18**
Water and Sewer	10	10	9	9	9	9	9	9	9	**7**
Parks and Recreation	6	5	4	5	4	9	10	10	10	**12**
Operations	-	1	1	1	2	2	3	5	5	**5**
Total	212	168	157	176	170	182	200	222	231	**211**

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 2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Fire										
Inspections Conducted	998	879	756	3	1,171	890	937	755	633	**791**
Police										
Number of Law Violations										
Physical Arrests	1,816	1,028	1,263	907	812	836	932	789	1,246	**835**
Traffic and Parking Violations	8,673	6,257	6,067	5,078	3,391	4,650	9,000	5,945	7,769	**4,990**
Public Service - Sewerage System										
Daily Average Treatment in Gallons	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	**1,992,427**
Max. Daily Capacity of Plant in Gallons	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	**3,982,200**
Service Connections	4,100	4,100	4,100	4,100	4,100	4,100	5,211	5,211	6,313	**6,400**
Public Service - Streets										
Highway and Streets Resurfacing	6	5	3	2	0	22	22	3	0	**2**
Public Service - Water System										
Daily Average Consumption in Gallons	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	**1,545,163**
Max. Daily Capacity of Plant in Gallons	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	Purchased	**Purchased**
Service Connections	4,500	4,506	4,506	4,506	4,506	4,506	5,530	5,530	6,630	**6,700**

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Function/Program										
Culture and Recreation										
Park Acreage	34	34	34	34	34	55	55	55	55	**60**
Parks	2	2	2	2	2	2	2	2	2	**3**
Tennis Courts	0	0	0	0	0	1	1	1	1	**1**
Baseball Fields	5	5	5	5	5	5	5	5	5	**5**
Community Centers & Depot	2	2	2	2	2	2	3	3	3	**4**
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	56	56	64	68	44	61	66	105	**84**
Patrol Zones	5	5	5	5	5	5	5	5	5	**5**
Public Service - Sewerage System										
Sanitary Sewer (Miles)	79.9	90.0	90	90	90	90	90	90	91	**91**
Treatment Plants	0	0	0	0	0	0	0	0	0	**0**
Public Service - Streets										
Streets (Miles)	115.1	115.7	115.7	115.7	115.7	115.7	115.7	115.7	115.7	**115.7**
Streets (Lights)	1,188	1,188	1188	1223	1205	1236	1242	1242	1255	**1255**
Public Service - Water System										
Water Mains (Miles)	68	80	80	80	80	80	80	80	112	**112**
Number of Fire Hydrants	565	591	591	591	591	591	591	591	886	**901**

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 24, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 matter that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

The City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and 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
May 24, 2023

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

Opinion on 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, 2022. 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.

In our opinion, the City complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
May 24, 2023

CITY OF UNION CITY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2022

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-20-UW-13-0003	$ 385,000
Community Development Block Grant	14.218	B-20-UC-13-0003	232,370
Community Development Block Grant	14.218	B-16-UC-13-0003	228,582
Community Development Block Grant	14.218	B-15-UC-13-0003	193,918
Community Development Block Grant	14.218	B-21-UC-13-0003	59,783
Total CDBG Entitlement Grants Cluster			1,099,653
Total U.S. Department of Housing and Urban Development			**1,099,653**
U.S. DEPARTMENT OF TREASURY			
Direct Awards:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	109,803
Total U.S. Department of Treasury			**109,803**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Awards:			
Staffing for Adequate Fire and Emergency Response Grants Program (SAFER)	97.083	EMW-2017-FH-00494	34,736
Total U.S. Department of Homeland Security			**34,736**
U.S. DEPARTMENT OF JUSTICE			
Direct Awards:			
Justice Assistance Grant	16.738	15PBJA-21-GG-01419-JAGX	19,233
Passed through Bureau of Justice Assistance:			
Bulletproof Vest Partnership Program	16.607	2021BUBX21028561	22,492
Total U.S. Department of Justice			**41,725**
U.S. DEPARTMENT OF THE INTERIOR			
Passed through National Parks Service:			
Skatepark	16.738	13-01025 (P20 AP 00168)	77,625
Total U.S. Department of Justice			**77,625**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 1,363,542**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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, 2022

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
Community Development Block Grant	14.218

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, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS

2022 – 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, Capital Projects Fund, and CDBG 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, Capital Projects Fund, and its CDBG Fund were not in balance for the fiscal year ended August 31, 2022.

Effect: The City's final budgeted expenditures in the City's Federal Seized Funds Fund exceeded its revenues and available fund balance by $4,822 as of August 31, 2022. Additionally, the City's final budgeted expenditures for its Capital Projects Fund exceeded its revenues and available fund balance by $1,291,051 for the fiscal year ended August 31, 2022. Additionally, the City's final budgeted expenditures for its CDBG Fund exceeded its revenues and available fund balance by $381,199 for the fiscal year ended August 31, 2022.

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, 2022

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, 2022

2021 – 001 Balanced Budgets

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.

Status: The issue was not corrected during the fiscal year ended August 31, 2022. See finding 2022-001.

THE CITY OF
UNION CITY
GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

2022-001 State Compliance – Governmental Budgets

Name of the Contact Person Responsible for the Corrective Action Plan: Tarsha Calloway, Assistant City Manager.

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, 2023 to bring the City into compliance with State law.

Anticipated Completion Date: August 31, 2023