

**CITY OF STOCKBRIDGE, GEORGIA**

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2014**

**CITY OF STOCKBRIDGE, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

---

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report.....	1 – 3
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	4
Statement of Activities.....	5 and 6
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds.....	7
Statement of Revenues, Expenditures and Changes in Fund	
Balances – Governmental Funds.....	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities.....	9
General Fund – Statement of Revenues, Expenditures and Changes in	
Fund Balances – Budget and Actual.....	10
Statement of Net Position – Proprietary Funds.....	11
Statement of Revenues, Expenses and Changes in Fund Net	
Assets – Proprietary Funds.....	12
Statement of Cash Flows – Proprietary Funds.....	13 and 14
Notes to Financial Statements.....	15 – 40
Required Supplementary Information.....	41
<b>Combining and Individual Fund and Statements and Schedules:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	42
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds.....	43
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	44
Combining Statement of Revenues, Expenses and Changes in Fund	
Net Position – Nonmajor Enterprise Funds.....	45
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	46
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – SPLOST II.....	47
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – SPLOST III.....	48
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – SPLOST IV.....	49

## **FINANCIAL SECTION**

---



## INDEPENDENT AUDITOR'S REPORT

---

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Stockbridge, Georgia ("the City")** as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Stockbridge, Georgia Downtown Development Authority (the "DDA") which represents 16% of the assets, 23% of net position, and 1% of the revenues of the governmental activities, and 100% of the assets, fund balance, and revenues of the DDA (a nonmajor governmental fund). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the DDA is based solely on the reports of the other auditors. However, the DDA recognized certain activities and events as third party arms' length transactions with the City which were reported as such in their audited financial report, and we did evaluate the appropriateness of the adjustments to convert the DDA's financial statements to the financial reporting framework used by the City. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

---

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stockbridge, Georgia as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Schedule of Funding Progress – Retirement Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

---

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stockbridge, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and are also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 9, 2015

## **BASIC FINANCIAL STATEMENTS**

---

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF NET POSITION DECEMBER 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,272,685	\$ 7,427,110	\$ 18,699,795
Investments	12,191	58,000	70,191
Taxes receivable	1,601,494	-	1,601,494
Accounts receivable, net of allowances	928,638	570,052	1,498,690
Due from other governments	352,841	6,930	359,771
Internal balances	1,018,195	(1,018,195)	-
Inventories	-	120,719	120,719
Prepaid expenses	179,622	6,228	185,850
Restricted assets, cash and cash equivalents	2,286	-	2,286
Capital assets, nondepreciable	13,310,608	427,218	13,737,826
Capital assets, depreciable, net of accumulated depreciation	31,763,844	17,116,018	48,879,862
Total assets	60,442,404	24,714,080	85,156,484
<b>LIABILITIES</b>			
Accounts payable	277,237	97,408	374,645
Accrued interest expense	272,461	4,184	276,645
Other accrued expenses	134,626	19,073	153,699
Customer deposits	-	146,517	146,517
Unearned revenue	552,766	1,012,352	1,565,118
Bonds payable due within one year	570,000	-	570,000
Bonds payable due in more than one year	13,620,000	-	13,620,000
Notes payable due within one year	-	78,099	78,099
Notes payable due in more than one year	-	1,595,552	1,595,552
Total liabilities	15,427,090	2,953,185	18,380,275
<b>NET POSITION</b>			
Net investment in capital assets	30,884,452	15,869,585	46,754,037
Restricted for capital projects	6,627,115	-	6,627,115
Restricted for tourism	68,238	-	68,238
Restricted for cemetery maintenance	12,191	-	12,191
Unrestricted	7,423,318	5,891,310	13,314,628
Total net position	\$ 45,015,314	\$ 21,760,895	\$ 66,776,209

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



# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,561,543	\$ 450,308	\$ -	\$ 4,420
Judicial	787,946	1,179,667	-	-
Public safety	744,104	-	-	-
Public works	2,844,049	-	-	3,882,257
Housing and development	203,265	-	-	-
Interest on long-term debt	656,137	-	-	-
Total governmental activities	8,797,044	1,629,975	-	3,886,677
Business-type activities:				
Water and sewer	2,884,646	2,938,884	-	-
Stormwater	349,691	493,402	-	-
Solid waste	728,744	1,167,463	-	-
Conference center	331,099	194,518	-	-
Community center	28,849	34,661	-	-
Total business-type activities	4,323,029	4,828,928	-	-
Total primary government	\$ 13,120,073	\$ 6,458,903	\$ -	\$ 3,886,677

General revenues:

- Property taxes
- Sales taxes
- Franchise taxes
- Alcoholic beverage excise taxes
- Business and occupation taxes
- Insurance premium taxes
- Hotel/motel taxes
- Other taxes
- Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net position, beginning of year

Net position, end of year

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

**Net (Expenses) Revenues and  
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,106,815)	\$ -	\$ (3,106,815)
391,721	-	391,721
(744,104)	-	(744,104)
1,038,208	-	1,038,208
(203,265)	-	(203,265)
<u>(656,137)</u>	<u>-</u>	<u>(656,137)</u>
<u>(3,280,392)</u>	<u>-</u>	<u>(3,280,392)</u>
-	54,238	54,238
-	143,711	143,711
-	438,719	438,719
-	(136,581)	(136,581)
<u>-</u>	<u>5,812</u>	<u>5,812</u>
<u>-</u>	<u>505,899</u>	<u>505,899</u>
<u>(3,280,392)</u>	<u>505,899</u>	<u>(2,774,493)</u>
271,113	-	271,113
3,403,706	-	3,403,706
1,452,601	-	1,452,601
663,251	-	663,251
472,466	-	472,466
1,419,779	-	1,419,779
92,580	-	92,580
84,437	-	84,437
17,715	1,718	19,433
<u>(2,362,748)</u>	<u>2,362,748</u>	<u>-</u>
<u>5,514,900</u>	<u>2,364,466</u>	<u>7,879,366</u>
<u>2,234,508</u>	<u>2,870,365</u>	<u>5,104,873</u>
<u>42,780,806</u>	<u>18,890,530</u>	<u>61,671,336</u>
<u>\$ 45,015,314</u>	<u>\$ 21,760,895</u>	<u>\$ 66,776,209</u>

# CITY OF STOCKBRIDGE, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2014

	General Fund	SPLOST III Fund	Urban Redevelopment Fund	SPLOST IV Fund	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,513,743	\$ 3,769,902	\$ -	\$ 2,144,129	\$ 844,911	\$ 11,272,685
Investments	-	-	-	-	12,191	12,191
Taxes receivable	1,592,631	-	-	-	8,863	1,601,494
Accounts receivable	282,453	-	-	-	646,185	928,638
Due from other governments	30,646	-	-	292,873	29,322	352,841
Due from other funds	1,011,662	91,674	-	-	-	1,103,336
Advance to other funds	6,000,000	-	-	-	-	6,000,000
Prepaid expenditures	116,722	-	-	-	62,900	179,622
Restricted assets, cash	-	-	2,286	-	-	2,286
<b>Total assets</b>	<b>\$ 13,547,857</b>	<b>\$ 3,861,576</b>	<b>\$ 2,286</b>	<b>\$ 2,437,002</b>	<b>\$ 1,604,372</b>	<b>\$ 21,453,093</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 259,122	\$ 630	\$ -	\$ 11,950	\$ 5,535	\$ 277,237
Accrued liabilities	134,626	-	-	-	-	134,626
Unearned revenue - occupational taxes	457,295	-	-	-	-	457,295
Due to other funds	75,178	-	-	8,024	1,939	85,141
Advance from other funds	-	-	-	-	6,000,000	6,000,000
<b>Total liabilities</b>	<b>926,221</b>	<b>630</b>	<b>-</b>	<b>19,974</b>	<b>6,007,474</b>	<b>6,954,299</b>
<b>DEFERRED INFLOWS OF RESOURCE</b>						
Unavailable revenue - court fines	212,503	-	-	-	-	212,503
Unavailable revenue - rental income	-	-	-	-	95,471	95,471
Unavailable revenue - franchise taxes	12,603	-	-	-	-	12,603
<b>Total deferred inflows of resources</b>	<b>225,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,471</b>	<b>320,577</b>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable:						
Prepays	116,722	-	-	-	62,900	179,622
Permanent fund corpus	-	-	-	-	5,000	5,000
Long term advance	6,000,000	-	-	-	-	6,000,000
Notes receivable	-	-	-	-	525,000	525,000
Restricted for:						
Capital projects	-	3,860,946	2,286	2,417,028	346,855	6,627,115
Tourism	-	-	-	-	68,238	68,238
Cemetery maintenance	-	-	-	-	7,191	7,191
Assigned for purchases on order	113,588	-	-	-	-	113,588
Unassigned (deficit)	6,166,220	-	-	-	(5,513,757)	652,463
<b>Total fund balances</b>	<b>12,396,530</b>	<b>3,860,946</b>	<b>2,286</b>	<b>2,417,028</b>	<b>(4,498,573)</b>	<b>14,178,217</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,547,857</b>	<b>\$ 3,861,576</b>	<b>\$ 2,286</b>	<b>\$ 2,437,002</b>	<b>\$ 1,604,372</b>	<b>\$ 21,453,093</b>

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	\$ 45,074,452
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	225,106
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(14,462,461)

Net position of governmental activities	<u>\$ 45,015,314</u>
---	----------------------

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

**CITY OF STOCKBRIDGE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>SPLOST III</u>	<u>Urban Redevelopment</u>	<u>SPLOST IV</u>	<u>Other Governmental</u>	<u>Totals Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues</b>						
Taxes	\$ 7,768,263	\$ -	\$ -	\$ -	\$ 92,580	\$ 7,860,843
Licenses and permits	174,297	-	-	-	-	174,297
Intergovernmental	-	937,131	-	2,605,989	317,911	3,861,031
Fines and forfeitures	1,210,910	-	-	-	-	1,210,910
Charges for services	1,187	-	-	-	-	1,187
Rental income	-	-	-	-	21,226	21,226
Interest income	9,675	3,453	2	843	8,162	22,135
Other revenues	274,824	-	-	-	-	274,824
Total revenues	<u>9,439,156</u>	<u>940,584</u>	<u>2</u>	<u>2,606,832</u>	<u>439,879</u>	<u>13,426,453</u>
<b>Expenditures</b>						
Current:						
General government	2,929,787	-	-	-	-	2,929,787
Judicial	767,735	-	-	-	-	767,735
Public safety	671,715	-	-	-	-	671,715
Public works and parks	2,051,248	-	-	-	-	2,051,248
Housing and development	97,230	-	-	-	415,368	512,598
Capital outlay:						
General government	-	20,912	3,916	-	92	24,920
Public safety	-	-	-	9,943	-	9,943
Public works	-	519,098	-	11,950	279,500	810,548
Culture and recreation	-	-	-	167,911	201,568	369,479
Debt service:						
Principal	-	-	545,000	-	-	545,000
Interest	-	-	666,595	-	-	666,595
Total expenditures	<u>6,517,715</u>	<u>540,010</u>	<u>1,215,511</u>	<u>189,804</u>	<u>896,528</u>	<u>9,359,568</u>
Excess (deficiency) of revenues over (under) expenditures	2,921,441	400,574	(1,215,509)	2,417,028	(456,649)	4,066,885
<b>Other financing sources (uses):</b>						
Transfers in	-	-	1,211,595	-	-	1,211,595
Transfers out	(1,354,834)	-	-	-	-	(1,354,834)
Total other financing sources (uses)	<u>(1,354,834)</u>	<u>-</u>	<u>1,211,595</u>	<u>-</u>	<u>-</u>	<u>(143,239)</u>
Net change in fund balances	1,566,607	400,574	(3,914)	2,417,028	(456,649)	3,923,646
<b>Fund balances (deficit), beginning of year</b>	<u>10,829,923</u>	<u>3,460,372</u>	<u>6,200</u>	<u>-</u>	<u>(4,041,924)</u>	<u>10,254,571</u>
<b>Fund balances (deficit), end of y.</b>	<u>\$ 12,396,530</u>	<u>\$ 3,860,946</u>	<u>\$ 2,286</u>	<u>\$ 2,417,028</u>	<u>\$ (4,498,573)</u>	<u>\$ 14,178,217</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

---

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

Net change in fund balances - total governmental funds	\$ 3,923,646
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	21,591
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(2,234,034)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(32,153)
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.	545,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>10,458</u>
Changes in net position - governmental activities	<u>\$ 2,234,508</u>

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

**CITY OF STOCKBRIDGE, GEORGIA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Sales taxes	\$ 3,189,165	\$ 3,403,406	\$ 3,403,706	\$ 300
Other taxes	3,786,517	4,172,804	4,364,557	191,753
Licenses and permits	392,301	197,550	174,297	(23,253)
Fines and forfeitures	974,405	1,210,910	1,210,910	-
Charges for services	699	699	1,187	488
Interest income	16,001	16,001	9,675	(6,326)
Other revenues	79,401	79,401	274,824	195,423
Total revenues	<u>8,438,489</u>	<u>9,080,771</u>	<u>9,439,156</u>	<u>358,385</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and council	255,318	203,752	203,493	259
Executive	432,498	335,957	335,957	-
Financial administration	2,219,439	2,162,474	2,134,483	27,991
Building and plant	333,450	255,854	255,854	-
Total general government	<u>3,240,705</u>	<u>2,958,037</u>	<u>2,929,787</u>	<u>28,250</u>
<b>Judicial:</b>				
Municipal court	778,080	828,871	767,735	61,136
<b>Public safety:</b>				
Police administration	185,000	671,715	671,715	-
<b>Public Works and Parks:</b>				
Public works	2,531,897	2,032,267	1,916,857	115,410
Parks	125,000	134,391	134,391	-
Total public works	<u>2,656,897</u>	<u>2,166,658</u>	<u>2,051,248</u>	<u>115,410</u>
<b>Housing and development:</b>				
Planning and zoning	194,751	-	-	-
City events	170,150	97,230	97,230	-
Total housing and development	<u>364,901</u>	<u>97,230</u>	<u>97,230</u>	<u>-</u>
Total expenditures	<u>7,225,583</u>	<u>6,722,511</u>	<u>6,517,715</u>	<u>204,796</u>
Excess of revenues over expenditures	<u>1,212,906</u>	<u>2,358,260</u>	<u>2,921,441</u>	<u>563,181</u>
<b>Other financing uses:</b>				
Transfers out	(1,212,906)	(1,359,810)	(1,354,834)	4,976
Total other financing uses	<u>(1,212,906)</u>	<u>(1,359,810)</u>	<u>(1,354,834)</u>	<u>4,976</u>
Net change in fund balances	-	998,450	1,566,607	568,157
<b>Fund balances, beginning of year</b>	<u>10,829,923</u>	<u>10,829,923</u>	<u>10,829,923</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 10,829,923</u>	<u>\$ 11,828,373</u>	<u>\$ 12,396,530</u>	<u>\$ 568,157</u>

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

**CITY OF STOCKBRIDGE, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2014**

	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Conference Center Fund</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 3,736,684	\$ 2,205,267	\$ 225,973	\$ 1,259,186	\$ 7,427,110
Investments	58,000	-	-	-	58,000
Accounts receivable, net of allowances	376,955	67,724	-	125,373	570,052
Due from other governments	6,930	-	-	-	6,930
Inventories	120,719	-	-	-	120,719
Prepaid expenses	5,204	132	687	205	6,228
Total current assets	<u>4,304,492</u>	<u>2,273,123</u>	<u>226,660</u>	<u>1,384,764</u>	<u>8,189,039</u>
<b>NONCURRENT ASSETS</b>					
Capital assets:					
Capital assets, non-depreciable	416,962	-	-	10,256	427,218
Capital assets, depreciable, net of accumulated depreciation	14,331,617	229,668	2,343,424	211,309	17,116,018
Total capital assets	<u>14,748,579</u>	<u>229,668</u>	<u>2,343,424</u>	<u>221,565</u>	<u>17,543,236</u>
Total noncurrent assets	<u>14,748,579</u>	<u>229,668</u>	<u>2,343,424</u>	<u>221,565</u>	<u>17,543,236</u>
Total assets	<u>19,053,071</u>	<u>2,502,791</u>	<u>2,570,084</u>	<u>1,606,329</u>	<u>25,732,275</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	65,065	15,268	3,181	13,894	97,408
Accrued liabilities	11,627	3,153	1,679	2,614	19,073
Unearned revenue	-	1,012,352	-	-	1,012,352
Notes payable, current portion	78,099	-	-	-	78,099
Due to other funds	885,011	5,650	110,954	16,580	1,018,195
Customer deposits	117,555	-	21,830	7,132	146,517
Accrued interest	4,184	-	-	-	4,184
Total current liabilities	<u>1,161,541</u>	<u>1,036,423</u>	<u>137,644</u>	<u>40,220</u>	<u>2,375,828</u>
<b>NONCURRENT LIABILITIES</b>					
Notes payable, long-term portion	1,595,552	-	-	-	1,595,552
Total noncurrent liabilities	<u>1,595,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,595,552</u>
Total liabilities	<u>2,757,093</u>	<u>1,036,423</u>	<u>137,644</u>	<u>40,220</u>	<u>3,971,380</u>
<b>NET POSITION</b>					
Net investment in capital assets	13,074,928	229,668	2,343,424	221,565	15,869,585
Unrestricted	3,221,050	1,236,700	89,016	1,344,544	5,891,310
Total net position	<u>\$ 16,295,978</u>	<u>\$ 1,466,368</u>	<u>\$ 2,432,440</u>	<u>\$ 1,566,109</u>	<u>\$ 21,760,895</u>

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

**CITY OF STOCKBRIDGE, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Conference Center Fund</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>					
Charges for services:					
Water sales	\$ 1,544,562	\$ -	\$ -	\$ -	\$ 1,544,562
Sewer sales	1,319,831	-	-	-	1,319,831
Stormwater fees	-	-	-	493,402	493,402
Sanitation charges	-	1,088,849	-	-	1,088,849
Rentals	-	78,614	194,518	34,661	307,793
Other fees and charges	74,491	-	-	-	74,491
Total operating revenues	<u>2,938,884</u>	<u>1,167,463</u>	<u>194,518</u>	<u>528,063</u>	<u>4,828,928</u>
<b>OPERATING EXPENSES</b>					
Personal services and employee benefits	903,455	299,571	67,745	177,846	1,448,617
Contracted services	365,508	275,186	68,076	81,512	790,282
Supplies	989,127	67,244	42,406	21,099	1,119,876
Repairs and maintenance	22,127	-	67,935	81,912	171,974
Bad debt expense	41,062	680	-	-	41,742
Depreciation	504,604	60,339	84,937	11,440	661,320
Total operating expenses	<u>2,825,883</u>	<u>703,020</u>	<u>331,099</u>	<u>373,809</u>	<u>4,233,811</u>
Operating income (loss)	<u>113,001</u>	<u>464,443</u>	<u>(136,581)</u>	<u>154,254</u>	<u>595,117</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>					
Loss on disposal of assets	(7,506)	(25,724)	-	(4,731)	(37,961)
Interest income	341	-	-	1,377	1,718
Interest expense	(51,257)	-	-	-	(51,257)
Total nonoperating revenue (expenses)	<u>(58,422)</u>	<u>(25,724)</u>	<u>-</u>	<u>(3,354)</u>	<u>(87,500)</u>
Income (loss) before capital contributions and transfers	54,579	438,719	(136,581)	150,900	507,617
<b>CAPITAL CONTRIBUTIONS</b>	2,163,972	-	-	55,537	2,219,509
<b>Transfers in</b>	-	-	143,239	-	143,239
Change in net position	2,218,551	438,719	6,658	206,437	2,870,365
<b>NET POSITION, beginning of year</b>	<u>14,077,427</u>	<u>1,027,649</u>	<u>2,425,782</u>	<u>1,359,672</u>	<u>18,890,530</u>
<b>NET POSITION, end of year</b>	<u>\$ 16,295,978</u>	<u>\$ 1,466,368</u>	<u>\$ 2,432,440</u>	<u>\$ 1,566,109</u>	<u>\$ 21,760,895</u>

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



**CITY OF STOCKBRIDGE, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Conference Center Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,964,433	\$ 1,172,559	\$ 190,813	\$ 573,397	\$ 4,901,202
Receipts from interfund activity	1,758,881	1,206,703	-	-	2,965,584
Payments to suppliers and service providers	(1,528,905)	(371,166)	(86,379)	(266,798)	(2,253,248)
Payments to employees	(41,667)	(301,388)	(67,764)	(178,799)	(589,618)
Net cash provided by operating activities	<u>3,152,742</u>	<u>1,706,708</u>	<u>36,670</u>	<u>127,800</u>	<u>5,023,920</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	-	143,239	-	143,239
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>143,239</u>	<u>-</u>	<u>143,239</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>					
Purchase of property and equipment	(17,825)	(60,045)	-	(21,888)	(99,758)
Principal payments on notes payable	(75,793)	-	-	-	(75,793)
Interest paid	(51,446)	-	-	-	(51,446)
Net cash used in capital and related financing activities	<u>(145,064)</u>	<u>(60,045)</u>	<u>-</u>	<u>(21,888)</u>	<u>(226,997)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	341	-	-	1,377	1,718
Net cash provided by investing activities	<u>341</u>	<u>-</u>	<u>-</u>	<u>1,377</u>	<u>1,718</u>
Increase in cash and cash equivalents	3,008,019	1,646,663	179,909	107,289	4,941,880
<b>Cash and cash equivalents:</b>					
Beginning of year	728,665	558,604	46,064	1,151,897	2,485,230
End of year	<u>\$ 3,736,684</u>	<u>\$ 2,205,267</u>	<u>\$ 225,973</u>	<u>\$ 1,259,186</u>	<u>\$ 7,427,110</u>

(Continued)

# CITY OF STOCKBRIDGE, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Water and Sewer Fund	Solid Waste Fund	Conference Center Fund	Other Enterprise Funds	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 113,001	\$ 464,443	\$ (136,581)	\$ 154,254	\$ 595,117
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	504,604	60,339	84,937	11,440	661,320
(Increase) decrease in accounts receivable	15,599	(1,397)	2,240	41,042	57,484
Decrease in inventories	271	-	-	-	271
Decrease in due from other funds	1,758,881	1,206,703	-	-	2,965,584
Increase (decrease) in customer deposits	9,950	-	(5,945)	4,292	8,297
Increase in prepaid expenses	(4,007)	(57)	(278)	(150)	(4,492)
Decrease in accrued liabilities	(6,727)	(1,817)	(19)	(953)	(9,516)
Decrease in accounts payable	(107,345)	(17,740)	(9,175)	(27,214)	(161,474)
Increase in unearned revenue	-	7,173	-	-	7,173
Increase (decrease) in due to other funds	868,515	(10,939)	101,491	(54,911)	904,156
Net cash provided by operating activities	<u>\$ 3,152,742</u>	<u>\$ 1,706,708</u>	<u>\$ 36,670</u>	<u>\$ 127,800</u>	<u>\$ 5,023,920</u>
<b>NON-CASH CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>					
Contributions of capital assets from other funds	<u>\$ 2,163,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,537</u>	<u>\$ 2,219,509</u>

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

# CITY OF STOCKBRIDGE, GEORGIA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

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

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

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

The City of Stockbridge Urban Redevelopment Agency (the "URA") was created by the City's elected officials to provide for the issuance of bonds to finance the construction of the Town Center facilities including City Hall. Although legally separate, the Urban Redevelopment Agency is blended as a governmental fund into the primary government. Separate financial statements for the Urban Redevelopment Agency are not issued.

The City of Stockbridge Downtown Development Authority (the "DDA") exists to encourage growth and redevelopment of the Stockbridge, Georgia central business district. Although legally separate, the DDA is blended as a major governmental fund into the primary government. Separate financial statements for the DDA may be obtained from the Executive Director, 135 North Park Place, Stockbridge, GA 30281.

## NOTES TO FINANCIAL STATEMENTS

---

### 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 nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

---

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The **Urban Redevelopment Fund** accounts for the proceeds from the issuance of bonds to finance the acquisition and construction of major capital facilities.

The City reports the following major proprietary funds:

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

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

The **Conference Center Fund** accounts for activities related to the Merle Manders Conference Center.

## NOTES TO FINANCIAL STATEMENTS

---

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

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

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

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

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

#### D. Use of Estimates

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

#### E. Cash and Investments

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

## NOTES TO FINANCIAL STATEMENTS

---

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

#### **E. Cash and Investments (Continued)**

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2014:

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

#### **F. Inventories**

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

#### **G. Prepaid Expenditures/Expenses**

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of December 31, 2014.

#### **H. Restricted Assets**

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

## NOTES TO FINANCIAL STATEMENTS

---

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

#### I. Deferred Outflows / Inflows

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City did not have any items that qualify for reporting in this category for the year ended December 31, 2014.

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

#### J. Capital Assets

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



## NOTES TO FINANCIAL STATEMENTS

---

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

#### J. Capital Assets (Continued)

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

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

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

#### K. Compensated Absences

In 2013, the City switched from using a compensated absences system to Paid Time Off (PTO) system. Under the PTO system, leave is earned and used throughout the year and any unused leave expires at the end of the year.

## NOTES TO FINANCIAL STATEMENTS

---

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

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

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

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

#### **M. Interfund Activity**

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

#### **N. Budgets and Budgetary Accounting**

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

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2014. All annual appropriations lapse at year end.

## NOTES TO FINANCIAL STATEMENTS

---

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

#### O. Revenues

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

#### P. Expenditures

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

#### Q. Fund Equity

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

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

## NOTES TO FINANCIAL STATEMENTS

---

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

#### Q. Fund Equity (Continued)

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

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

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

## NOTES TO FINANCIAL STATEMENTS

---

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$14,462,461 difference are as follows:

Accrued interest payable	\$ (272,461)
Bonds payable	<u>(14,190,000)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (14,462,461)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$21,591 difference are as follows:

Capital outlay	\$ 1,310,538
Depreciation expense	<u>(1,288,947)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 21,591</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 3. CASH AND INVESTMENTS

**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 has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia.

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2014, all of the deposits for the City were fully collateralized in accordance with the state statutes.

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

At December 31, 2014, the City had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	August 19, 2019	\$ 12,191
Certificate of Deposit	June 29, 2016	58,000
		<u>\$ 70,191</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The City, when applicable, obtains the services of Henry County to bill and collect the City's property taxes. The County remits taxes collected to the City on a bi-monthly basis. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from the tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended December 31, 2014. There were no property taxes receivable as of December 31, 2014.

### NOTE 5. RECEIVABLES

Receivables at December 31, 2014 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

#### Governmental Funds

	<u>General</u>	<u>SPLOST IV</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 30,646	\$ 292,873	\$ 29,322	\$ 352,841
Taxes	1,592,631	-	8,863	1,601,494
Accounts	555,497	-	646,185	1,201,682
Gross receivables	2,178,774	292,873	684,370	3,156,017
Less allowance for uncollectibles	(273,044)	-	-	(273,044)
Net total receivables	<u>\$ 1,905,730</u>	<u>\$ 292,873</u>	<u>\$ 684,370</u>	<u>\$ 2,882,973</u>

#### Proprietary Funds

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 6,930	\$ -	\$ -	\$ 6,930
Accounts	404,131	68,224	125,373	597,728
Gross receivables	411,061	68,224	125,373	604,658
Less allowance for uncollectibles	(27,176)	(500)	-	(27,676)
Net total receivables	<u>\$ 383,885</u>	<u>\$ 67,724</u>	<u>\$ 125,373</u>	<u>\$ 576,982</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 13,050,557	\$ -	\$ -	\$ -	\$ 13,050,557
Construction in Progress	3,403,749	610,283	-	(3,753,981)	260,051
Total	<u>16,454,306</u>	<u>610,283</u>	<u>-</u>	<u>(3,753,981)</u>	<u>13,310,608</u>
Capital assets, being depreciated:					
Buildings and improvements	24,805,230	375,609	(12,079)	166,070	25,334,830
Improvements other than buildings	1,537,539	264,033	(9,372)	164,208	1,956,408
Infrastructure	7,193,841	15,177	-	940,449	8,149,467
Machinery and equipment	1,402,108	15,910	-	-	1,418,018
Office equipment	642,626	-	(32,209)	263,745	874,162
Vehicles	1,322,491	29,526	(47,286)	-	1,304,731
Furniture and fixtures	1,063,391	-	-	-	1,063,391
Total	<u>37,967,226</u>	<u>700,255</u>	<u>(100,946)</u>	<u>1,534,472</u>	<u>40,101,007</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,807,122)	(614,978)	12,079	-	(3,410,021)
Improvements other than buildings	(523,542)	(103,293)	7,281	-	(619,554)
Infrastructure	(929,887)	(197,564)	-	-	(1,127,451)
Machinery and equipment	(1,047,881)	(89,684)	-	-	(1,137,565)
Office equipment	(428,152)	(94,034)	28,775	-	(493,411)
Vehicles	(822,978)	(100,915)	38,286	-	(885,607)
Furniture and fixtures	(575,075)	(88,479)	-	-	(663,554)
Total	<u>(7,134,637)</u>	<u>(1,288,947)</u>	<u>86,421</u>	<u>-</u>	<u>(8,337,163)</u>
Total assets, being depreciated, net	<u>30,832,589</u>	<u>(588,692)</u>	<u>(14,525)</u>	<u>1,534,472</u>	<u>31,763,844</u>
Governmental activities capital assets, net	<u>\$ 47,286,895</u>	<u>\$ 21,591</u>	<u>\$ (14,525)</u>	<u>\$ (2,219,509)</u>	<u>\$ 45,074,452</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 416,962	\$ -	\$ -	\$ -	\$ 416,962
Construction in Progress	-	10,256	-	-	10,256
Total	<u>416,962</u>	<u>10,256</u>	<u>-</u>	<u>-</u>	<u>427,218</u>
Capital assets, being depreciated:					
Buildings and improvements	2,935,663	-	(10,960)	2,020,177	4,944,880
Improvements other than buildings	18,172,470	-	(14,902)	-	18,157,568
Infrastructure	164,437	4,049	-	55,537	224,023
Vehicles	1,644,850	67,628	(224,185)	143,795	1,632,088
Furniture and fixtures	429,481	-	(12,255)	-	417,226
Machinery and equipment	1,207,450	17,825	(39,022)	-	1,186,253
Total	<u>24,554,351</u>	<u>89,502</u>	<u>(301,324)</u>	<u>2,219,509</u>	<u>26,562,038</u>
Less accumulated depreciation for:					
Buildings and improvements	(695,675)	(224,545)	7,914	-	(912,306)
Improvements other than buildings	(5,895,110)	(238,116)	11,051	-	(6,122,175)
Infrastructure	(37,045)	(5,481)	-	-	(42,526)
Vehicles	(1,232,185)	(91,510)	198,460	-	(1,125,235)
Furniture and fixtures	(273,881)	(25,233)	11,646	-	(287,468)
Machinery and equipment	(914,167)	(76,435)	34,292	-	(956,310)
Total	<u>(9,048,063)</u>	<u>(661,320)</u>	<u>263,363</u>	<u>-</u>	<u>(9,446,020)</u>
Total assets, being depreciated, net	<u>15,506,288</u>	<u>(571,818)</u>	<u>(37,961)</u>	<u>2,219,509</u>	<u>17,116,018</u>
Business-type activities capital assets, net	<u>\$ 15,923,250</u>	<u>\$ (561,562)</u>	<u>\$ (37,961)</u>	<u>\$ 2,219,509</u>	<u>\$ 17,543,236</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

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

**Governmental activities:**

General government	\$ 612,524
Judicial	54,711
Public safety	62,446
Public works	460,203
Housing and development	<u>99,063</u>

Total depreciation expense - governmental activities	<u>\$ 1,288,947</u>
--	---------------------

**Business-type activities:**

Water and sewer	\$ 504,604
Solid Waste	60,339
Stormwater	11,440
Conference center	<u>84,937</u>

Total depreciation expense - business-type activities	<u>\$ 661,320</u>
---	-------------------

### NOTE 7. LONG-TERM DEBT

**Changes in Long-Term Debt.** The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2014:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Urban Redevelopment revenue bonds	<u>\$ 14,735,000</u>	<u>\$ -</u>	<u>\$ (545,000)</u>	<u>\$ 14,190,000</u>	<u>\$ 570,000</u>
Total Governmental-Type Activity Long-Term Debt	<u>\$ 14,735,000</u>	<u>\$ -</u>	<u>\$ (545,000)</u>	<u>\$ 14,190,000</u>	<u>\$ 570,000</u>
<b>Business-type activities:</b>					
GEFA notes payable	<u>\$ 1,749,444</u>	<u>\$ -</u>	<u>\$ (75,793)</u>	<u>\$ 1,673,651</u>	<u>\$ 78,099</u>
Total Business-Type Activity Long-Term Debt	<u>\$ 1,749,444</u>	<u>\$ -</u>	<u>\$ (75,793)</u>	<u>\$ 1,673,651</u>	<u>\$ 78,099</u>

## NOTES TO FINANCIAL STATEMENTS

---

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

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

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

**Urban Redevelopment Revenue Bonds.** The City entered into an agreement with Wachovia Bank that provided for the issuance of revenue bonds for the purchase of land and construction of structures and improvements for the New Town Center. Various bond issues were used by the City during the purchase and construction phases. Some of the issues were non taxable while others were taxable issues. All of the remaining outstanding bonds are non taxable. During the year ended December 31, 2014, the City repaid various bond issues in the amount of \$545,000. Amounts outstanding at year end of \$14,190,000 reflect total draw downs to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at December 31, 2014, are as follows:

Series 2005 B Revenue bonds payable to Wells Fargo Bank, in the total amount of \$7,330,000, interest at 4.45%, matures 2/1/31	\$ 6,050,000
Series 2006 A Revenue bonds payable to Wells Fargo Bank, in the total amount of \$4,795,000, current interest at 4.58%, matures 2/1/31	3,975,000
Series 2006 C Revenue bonds payable to Wells Fargo Bank, in the total amount of \$5,000,000, current interest at 4.865%, matures 2/1/31	<u>4,165,000</u>
Total	<u><u>\$ 14,190,000</u></u>

## NOTES TO FINANCIAL STATEMENTS

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 570,000	\$ 640,778	\$ 1,210,778
2016	595,000	613,951	1,208,951
2017	625,000	585,859	1,210,859
2018	650,000	556,491	1,206,491
2019	680,000	525,859	1,205,859
2020-2024	3,910,000	2,117,518	6,027,518
2025-2029	4,880,000	1,108,309	5,988,309
2030-2031	<u>2,280,000</u>	<u>106,282</u>	<u>2,386,282</u>
Total	<u>\$ 14,190,000</u>	<u>\$ 6,255,047</u>	<u>\$ 20,445,047</u>

**Water and Sewer Long-Term Debt.** The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Facilities Authority where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year relate to a note issued in 2010 to finance construction projects to improve the City's water distribution facilities. The note was issued by the Georgia Environmental Facilities Authority in the total amount of \$1,911,900. During the year ended December 31, 2014 the City repaid \$75,793 of the note payable. Amounts outstanding at year end of \$1,673,651 reflect total draw downs to date net of repayments, if any.

The annual requirement to pay the Georgia Environmental Facilities Authority's note outstanding is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 78,099	\$ 49,141	\$ 127,240
2016	80,474	46,766	127,240
2017	82,922	44,318	127,240
2018	85,444	41,796	127,240
2019	88,043	39,197	127,240
2020-2024	482,050	154,151	636,201
2025-2029	559,957	76,244	636,201
2030-2031	<u>216,662</u>	<u>6,008</u>	<u>222,670</u>
Total	<u>\$ 1,673,651</u>	<u>\$ 457,621</u>	<u>\$ 2,131,272</u>

## NOTES TO FINANCIAL STATEMENTS

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

The composition of interfund balances as of December 31, 2014 is as follows:

<b>Payable Fund</b>	<b>Receivable Fund</b>		<b>Total</b>
	General Fund	SPLOST III Fund	
General Fund	\$ -	\$ 75,178	\$ 75,178
SPLOST IV Fund	8,024	-	8,024
Water & Sewer Fund	868,515	16,496	885,011
Solid Waste Fund	5,650	-	5,650
Conference Center Fund	110,954	-	110,954
Non-Major Governmental Fund	1,939	-	1,939
Non-Major Enterprise Funds	16,580	-	16,580
<b>Total</b>	<b>\$ 1,011,662</b>	<b>\$ 91,674</b>	<b>\$ 1,103,336</b>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund advances:

<b>Advance From</b>	<b>Advance To</b>
	DDA Fund
General Fund	\$ 6,000,000

During 2013, the City advanced to the DDA the sums of \$1,000,000 and \$5,000,000, in addition to the transfer of property, to purchase additional property to encourage growth and redevelopment in the downtown area. These amounts are not expected to be repaid until June 3, 2043 and December 9, 2043, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out
	General Fund
Urban Redevelopment Fund	\$ 1,211,595
Conference Center Fund	143,239
Total	\$ 1,354,834

Transfers are used to (1) move revenues from the fund that 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. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 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. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Henry County makes contributions on behalf of the City to the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission  
3715 Northside Parkway  
Building 200, Suite 300  
Atlanta, Georgia 30327

### NOTE 10. DEFINED BENEFIT PENSION PLAN

#### Plan Description

The City's defined benefit pension plan, City of Stockbridge Retirement Plan (SRP), provides retirement, disability, and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Council. SRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of Stockbridge Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303.

## NOTES TO FINANCIAL STATEMENTS

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

#### Plan Description (Continued)

As of July 1, 2014, the date of the most recent actuarial valuation, there were 112 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	27
Vested terminated employees not yet receiving benefits	14
Active employees	71
Total	112

As of the most recent valuation date, July 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	\$ 6,659,238	\$ 7,347,155	\$ 687,917	90.6 %	\$ 2,705,584	25.4 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability. 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 long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2014.

#### Funding Policy

SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate for 2014 is 15.5% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

## NOTES TO FINANCIAL STATEMENTS

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

#### Annual Pension Cost

For the year ended December 31, 2014, the City's annual pension cost of \$427,020 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administration expenses), b) projected salary increases of 3.5% plus age and service based merit increase, c) an inflation rate of 3.5%, and d) salary increases of 11%, 7%, 6.5%, 6.25%, and 6%, respectively, for the first five years of service. Subsequent year of service are based on age and range from 4 to 6%.

The actuarial value of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 10-year period.

SRP's unfunded actuarial accrued liability is being amortized over a 30-year period from 1983 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. The remaining period as of December 31, 2014 was nine years. These amortization periods, if applicable, are closed for this plan year.

Fiscal Year Ending	Annual Pension Cost	Actual City Contribution	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
12/31/2014	\$ 427,020	\$ 427,020	100 %	\$ -
12/31/2013	387,593	387,593	100	-
12/31/2012	451,787	451,787	100	-
12/31/2011	363,603	363,603	100	-
12/31/2010	456,490	456,490	100	-

### NOTE 11. RISK MANAGEMENT

The City of Stockbridge is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency. This membership allows the City to share liability, crime, motor vehicle and property damage risks.

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



## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 11. RISK MANAGEMENT (CONTINUED)

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

During the year ended December 31, 2014, the City paid no claims. The City has not compiled a record of the claims paid up to the \$1,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to \$1,000) which were outstanding and unpaid at December 31, 2014. No provisions have been made in the financial statements for the year ended December 31, 2014 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Stockbridge became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund.

As a 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 defined by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 11. RISK MANAGEMENT (CONTINUED)

Coverages are as follows:

Coverage Description- Property:	
Buildings and contents- (Blanket)	\$ 41,337,699
Automobile physical damage	Per Application on file with GIRMA
Coverage Description- Casualty:	
Comprehensive general liability	\$ 1,000,000
Automobile liability	\$ 1,000,000
Errors and omissions (Public Officials)	\$ 1,000,000
Employee benefits liability	\$ 1,000,000
Coverage Description- Crime:	
Blanket employee dishonesty	\$ 500,000
Forgery or alteration	\$ 500,000
Money and securities- loss inside and outside premises	\$ 500,000
Deductible:	
All coverage are subject to a per occurrence deductible of	\$ 1,000

### NOTE 12. COMMITMENTS AND CONTINGENCIES

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

In 2007, the citizens of Henry County voted to approve a special purpose local option sales tax to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue revenue bonds to finance some of the SPLOST projects in advance of the SPLOST tax collections. The City of Stockbridge received \$6,626,500 from the County under this agreement.

## NOTES TO FINANCIAL STATEMENTS

---

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

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

In January 2014, the newly elected and appointed government of the City of Stockbridge issued a "cease and desist" letter to the DDA, alleging previous government officials had not followed all statutory requirements to legally activate the DDA. The DDA is currently in litigation with the City to determine whether the DDA can continue to operate in its current form. As of the issuance of this financial report, the outcome of the litigation is unknown.

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

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditure requirements of this code section, the City remits 40% of the monies collected under this provision to the Henry County Chamber of Commerce. Total collections for year ended December 31, 2014 were \$92,580. The amount remitted to the Chamber totaled \$36,699.

### **NOTE 14. POLICE PROTECTION**

Henry County provides the City of Stockbridge with police protection by maintaining five full-time police officers, one lieutenant and a secretary within the city limits of Stockbridge. Prior to 2010, these services were paid for by citizens of Stockbridge through property and sales taxes collected by the County and the City paid the County for additional police services the City may request from time to time. Subsequent to 2009, the City began to pay the County an agreed upon amount paid by the citizens of Stockbridge. For 2014, the agreed upon amount was \$500,000.

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 15. LEASE AGREEMENTS**

The City leases its solid waste transfer station to Lamar County Regional Solid Waste Management Authority who subleases to Waste Management. The lease is on a year to year basis. The monthly rental charged by the City is \$1 for each ton of solid waste received at the site. For the year ended December 31, 2014, the City received \$78,614 in rental fees under the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$26,184 for a net carrying value of \$9,932.

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

### **NOTE 16. SUBSEQUENT EVENT**

In 2013, the citizens of Henry County voted to approve a special purpose local option sales tax to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue general obligation (sales tax) bonds to finance some of the SPLOST projects in advance of the SPLOST tax collections. The City of Stockbridge received \$6,000,000 from the County under this agreement upon issuance of the Henry County general obligation bonds on January 8, 2015.

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

# CITY OF STOCKBRIDGE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

---

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2014	\$ 6,659,238	\$ 7,347,155	\$ 687,917	90.6 %	\$ 2,705,584	25.4 %
7/1/2013	\$ 6,257,476	\$ 7,039,795	\$ 782,319	88.9 %	\$ 2,303,633	34.0 %
7/1/2012	\$ 5,900,462	\$ 7,001,325	\$ 1,100,863	84.3 %	\$ 2,702,849	40.7 %
7/1/2011	\$ 5,501,350	\$ 6,309,831	\$ 808,481	87.2 %	\$ 2,230,150	36.3 %
7/1/2010	\$ 5,007,432	\$ 6,157,553	\$ 1,150,121	81.3 %	\$ 2,475,607	46.5 %
1/1/2009	\$ 3,549,172	\$ 5,272,073	\$ 1,722,901	67.3 %	\$ 2,115,387	81.4 %
1/1/2008	\$ 3,860,238	\$ 4,804,184	\$ 943,946	80.4 %	\$ 2,227,561	42.4 %

The assumptions used in the preparation of the above schedule are disclosed in Note 10 to the financial statements.

## NONMAJOR GOVERNMENTAL FUNDS

---

### Special Revenue Fund

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

### Permanent Fund

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

### Capital Projects Funds

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

**SPLOST II Fund** – This fund is used to account for acquisition and construction of major capital facilities that were approved by the voters of Henry County, Georgia through the special purpose local option sales tax referendum.

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

**CITY OF STOCKBRIDGE, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	Special	Permanent	Capital Projects Funds			Total Nonmajor Governmental Funds
	Revenue	Fund	State and Federal	SPLOST II	DDA	
	Hotel/Motel Tax Fund	Burke Cemetery Fund	Grants Fund	Fund	Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 66,729	\$ -	\$ 317,530	\$ 3	\$ 460,649	\$ 844,911
Investments	-	12,191	-	-	-	12,191
Receivables	8,863	-	29,322	-	646,185	684,370
Prepaid expenditures	2,900	-	-	-	60,000	62,900
Total assets	<u>\$ 78,492</u>	<u>\$ 12,191</u>	<u>\$ 346,852</u>	<u>\$ 3</u>	<u>\$ 1,166,834</u>	<u>\$ 1,604,372</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	5,415	-	-	-	120	5,535
Due to other funds	1,939	-	-	-	-	1,939
Advance from other funds	-	-	-	-	6,000,000	6,000,000
Total liabilities	<u>7,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000,120</u>	<u>6,007,474</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - rental income	-	-	-	-	95,471	95,471
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,471</u>	<u>95,471</u>
<b>Fund Balances:</b>						
Nonspendable:						
Permanent fund corpus	-	5,000	-	-	-	5,000
Prepays	2,900	-	-	-	60,000	62,900
Notes receivable	-	-	-	-	525,000	525,000
Restricted:						
Cemetery maintenance	-	7,191	-	-	-	7,191
Capital projects	-	-	346,852	3	-	346,855
Tourism	68,238	-	-	-	-	68,238
Unassigned	-	-	-	-	(5,513,757)	(5,513,757)
Total fund balances	<u>71,138</u>	<u>12,191</u>	<u>346,852</u>	<u>3</u>	<u>(4,928,757)</u>	<u>(4,498,573)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 78,492</u>	<u>\$ 12,191</u>	<u>\$ 346,852</u>	<u>\$ 3</u>	<u>\$ 1,166,834</u>	<u>\$ 1,604,372</u>



**CITY OF STOCKBRIDGE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Special	Permanent	Capital Projects Funds			Total Nonmajor Governmental Funds
	Revenue	Fund	State and Federal Grants Fund	SPLOST II Fund	DDA Fund Fund	
	Hotel/Motel Tax Fund	Burke Cemetery Fund				
<b>Revenues:</b>						
Other taxes	\$ 92,580	\$ -	\$ -	\$ -	\$ -	\$ 92,580
Intergovernmental	-	-	317,911	-	-	317,911
Interest income	-	232	725	124	7,081	8,162
Rental income	-	-	-	-	21,226	21,226
Total revenues	<u>92,580</u>	<u>232</u>	<u>318,636</u>	<u>124</u>	<u>28,307</u>	<u>439,879</u>
<b>Expenditures:</b>						
Current:						
Housing and development	62,346	-	-	-	353,022	415,368
Capital outlay:						
General government	-	-	59	33	-	92
Public works	-	-	279,500	-	-	279,500
Culture and recreation	-	-	-	201,568	-	201,568
Total expenditures	<u>62,346</u>	<u>-</u>	<u>279,559</u>	<u>201,601</u>	<u>353,022</u>	<u>896,528</u>
Net change in fund balances	30,234	232	39,077	(201,477)	(324,715)	(456,649)
<b>Fund balances, beginning of year</b>	<u>40,904</u>	<u>11,959</u>	<u>307,775</u>	<u>201,480</u>	<u>(4,604,042)</u>	<u>(4,041,924)</u>
<b>Fund balances, end of year</b>	<u>\$ 71,138</u>	<u>\$ 12,191</u>	<u>\$ 346,852</u>	<u>\$ 3</u>	<u>\$ (4,928,757)</u>	<u>\$ (4,498,573)</u>

## NONMAJOR ENTERPRISE FUNDS

---

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

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

**CITY OF STOCKBRIDGE, GEORGIA**

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2014**

	<u>Community Center Fund</u>	<u>Stormwater Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 54,072	\$ 1,205,114	\$ 1,259,186
Accounts receivable	-	125,373	125,373
Prepaid expenses	60	145	205
Capital assets, net of accumulated depreciation	-	221,565	221,565
	<u>54,132</u>	<u>1,552,197</u>	<u>1,606,329</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	1,102	12,792	13,894
Due to other funds	16,580	-	16,580
Accrued liabilities	-	2,614	2,614
Customer deposits	7,132	-	7,132
	<u>24,814</u>	<u>15,406</u>	<u>40,220</u>
Total liabilities			
<b>NET POSITION</b>			
Net investment in capital assets	-	221,565	221,565
Unrestricted	29,318	1,315,226	1,344,544
	<u>29,318</u>	<u>1,536,791</u>	<u>1,566,109</u>
Total net position	\$ 29,318	\$ 1,536,791	\$ 1,566,109

**CITY OF STOCKBRIDGE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<b>Community Center Fund</b>	<b>Stormwater Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services:			
Rentals	\$ 34,661	\$ -	\$ 34,661
Stormwater fees	-	493,402	493,402
Total operating revenues	<u>34,661</u>	<u>493,402</u>	<u>528,063</u>
<b>OPERATING EXPENSES</b>			
Personal services	-	177,846	177,846
Contracted services	21,222	60,290	81,512
Supplies	7,627	13,472	21,099
Repairs and maintenance	-	81,912	81,912
Depreciation	-	11,440	11,440
Total operating expenses	<u>28,849</u>	<u>344,960</u>	<u>373,809</u>
Operating income	<u>5,812</u>	<u>148,442</u>	<u>154,254</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Loss on disposal of assets	-	(4,731)	(4,731)
Interest income	-	1,377	1,377
Total non-operating revenues (expenses)	<u>-</u>	<u>(3,354)</u>	<u>(3,354)</u>
Income before capital contributions	5,812	145,088	150,900
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>55,537</u>	<u>55,537</u>
Change in net position	5,812	200,625	206,437
<b>NET POSITION, beginning of year</b>	<u>23,506</u>	<u>1,336,166</u>	<u>1,359,672</u>
<b>NET POSITION, end of year</b>	<u>\$ 29,318</u>	<u>\$ 1,536,791</u>	<u>\$ 1,566,109</u>

# CITY OF STOCKBRIDGE, GEORGIA

## COMBINING STATEMENT OF CASH FLOWS NON-MAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	<b>Community Center Fund</b>	<b>Stormwater Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 41,283	\$ 532,114	\$ 573,397
Payments to suppliers and service providers	(14,155)	(252,643)	(266,798)
Payments to employees	-	(178,799)	(178,799)
Net cash provided by operating activities	<u>27,128</u>	<u>100,672</u>	<u>127,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of equipment	-	(21,888)	(21,888)
Net cash used in capital and related financing activities	<u>-</u>	<u>(21,888)</u>	<u>(21,888)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	-	1,377	1,377
Net cash provided by investing activities	<u>-</u>	<u>1,377</u>	<u>1,377</u>
Increase in cash and cash equivalents	27,128	80,161	107,289
<b>Cash and cash equivalents:</b>			
Beginning of year	26,944	1,124,953	1,151,897
End of year	<u>\$ 54,072</u>	<u>\$ 1,205,114</u>	<u>\$ 1,259,186</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 5,812	\$ 148,442	\$ 154,254
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	11,440	11,440
Decrease in accounts receivable	2,330	38,712	41,042
Increase in customer deposits	4,292	-	4,292
Increase in prepaid expenses	(20)	(130)	(150)
Decrease in accrued liabilities	-	(953)	(953)
Decrease in accounts payable	(1,866)	(25,348)	(27,214)
Increase (decrease) in due to other funds	16,580	(71,491)	(54,911)
Net cash provided by operating activities	<u>\$ 27,128</u>	<u>\$ 100,672</u>	<u>\$ 127,800</u>

**CITY OF STOCKBRIDGE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST II  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>			<u>Estimated Percent Complete</u>
			<u>Beginning of Year</u>	<u>Current Year</u>	<u>To Date</u>	
Roads, streets, curbs, gutters, sidewalks and bridges	\$ 4,011,703	\$ 4,068,250	\$ 4,068,250	\$ -	\$ 4,068,250	100.00%
Water and sewer improvements, and the repayment of debt incurred to acquire and construct water and sewer improvements	1,700,000	2,033,303	2,033,303	-	2,033,303	100.00%
Parks and recreation	200,000	338,122	136,554	201,568	338,122	100.00%
Acquire land and buildings, including the payment of debt service relating thereto	<u>1,800,000</u>	<u>1,702,348</u>	<u>1,702,315</u>	<u>33</u>	<u>1,702,348</u>	<u>100.00%</u>
Totals	<u>\$ 7,711,703</u>	<u>\$ 8,142,023</u>	<u>\$ 7,940,422</u>	<u>\$ 201,601</u>	<u>\$ 8,142,023</u>	<u>100.00%</u>

**CITY OF STOCKBRIDGE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST III  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>			<u>Estimated Percent Complete</u>
			<u>Beginning of Year</u>	<u>Current Year</u>	<u>To Date</u>	
Roads, bridges, sidewalks and transportation facilities	\$ 3,060,000	\$ 1,514,671	\$ 1,514,671	\$ -	\$ 1,514,671	100.00%
Public safety facilities and equipment	2,000,000	2,551,386	2,551,386	-	2,551,386	100.00%
Public works facilities and equipment	17,097,500	7,958,886	4,100,038	519,098	4,619,136	58.04%
Construction and renovation of municipal buildings	<u>10,700,000</u>	<u>6,239,501</u>	<u>5,765,038</u>	<u>20,912</u>	<u>5,785,950</u>	<u>92.73%</u>
Totals	<u>\$ 32,857,500</u>	<u>\$ 18,264,444</u>	<u>\$ 13,931,133</u>	<u>\$ 540,010</u>	<u>\$ 14,471,143</u>	<u>79.23%</u>

**CITY OF STOCKBRIDGE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST IV  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>			<u>Estimated Percent Complete</u>
			<u>Beginning of Year</u>	<u>Current Year</u>	<u>To Date</u>	
Roads, bridges, sidewalks and transportation facilities	\$ 1,500,000	\$ 5,550,000	\$ -	\$ -	\$ -	0.00%
Public safety facilities and equipment	4,180,000	150,000	-	9,943	9,943	6.63%
Public works facilities and equipment	19,000,000	12,250,000	-	11,950	11,950	0.10%
Parks and recreation	<u>2,000,000</u>	<u>1,550,000</u>	<u>-</u>	<u>167,911</u>	<u>167,911</u>	<u>10.83%</u>
Totals	<u>\$ 26,680,000</u>	<u>\$ 19,500,000</u>	<u>\$ -</u>	<u>\$ 189,804</u>	<u>\$ 189,804</u>	<u>0.97%</u>