

CITY OF SUGAR HILL, GEORGIA

Statement of Net Position

December 31, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Housing Authority
Assets					
Current Assets					
Cash and cash equivalents	\$ 34,777,764	\$ 744,044	\$ 35,521,808	\$ 440,109	\$ 29,879
Restricted assets	335,684	-	335,684	2,534,670	-
Investments	-	-	-	-	180,462
Accounts receivable (net)	1,374,061	1,117,280	2,491,341	-	-
Intergovernmental receivable	559,053	-	559,053	-	-
Leases receivable	-	398,393	398,393	3,139,267	-
Prepaid expenditures	54,852	21,795	76,647	11,087	-
Interfund balances	(856,713)	856,713	-	-	-
Due from component unit	3,205,623	-	3,205,623	-	-
Supplies / Inventory	-	429,705	429,705	-	-
Total Current Assets	39,450,324	3,567,930	43,018,254	6,125,133	210,341
Noncurrent Assets					
Capital assets					
Nondepreciable	35,371,290	4,887,392	40,258,682	7,535,663	-
Depreciable, net	48,358,804	3,895,183	52,253,987	41,814,528	-
Total Noncurrent Assets	83,730,094	8,782,575	92,512,669	49,350,191	-
Total Assets	123,180,418	12,350,505	135,530,923	55,475,324	210,341
Deferred Outflows of Resources	663,938	240,147	904,085	(648,705)	-
Total Assets and Deferred Outflows of Resources	123,844,356	12,590,652	136,435,008	54,826,619	210,341
Liabilities					
Current Liabilities					
Accounts payable	1,238,952	1,900,143	3,139,095	19,646	-
Accrued expenses	172,043	59,622	231,665	103,995	-
Retainage payable	346,007	-	346,007	-	-
Revenue bond payable	-	-	-	2,903,472	-
Unearned revenue	-	14,743	14,743	-	-
Due to primary government	-	-	-	3,205,623	-
Landfill closure/postclosure cost	144,986	-	144,986	-	-
Total Current Liabilities	1,901,988	1,974,508	3,876,496	6,232,736	-
Long-term Liabilities					
Net pension liability	409,894	372,198	782,092	-	-
Revenue bonds payable	-	-	-	37,350,836	-
Amounts held in trust	337,104	741,744	1,078,848	103,425	-
Compensated absences	244,880	62,970	307,850	-	-
Landfill closure/postclosure	434,961	-	434,961	-	-
Total Long-term Liabilities	1,426,839	1,176,912	2,603,751	37,454,261	-
Total Liabilities	3,328,827	3,151,420	6,480,247	43,686,997	-
Deferred Inflows of Resources	351,647	525,142	876,789	3,129,550	-
Total Liabilities and Deferred Inflows of Resources	3,680,474	3,676,562	7,357,036	46,816,547	-
Net Position					
Net Investment in Capital Assets	83,730,094	8,782,575	92,512,669	9,095,883	-
Restricted for:					
Capital projects	9,218,242	-	9,218,242	-	-
Debt service	-	-	-	46,319	-
Unrestricted	27,215,546	131,515	27,347,061	(1,132,130)	210,341
Total Net Position	\$ 120,163,882	\$ 8,914,090	\$ 129,077,972	\$ 8,010,072	\$ 210,341

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

CITY OF SUGAR HILL, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2022

	General Fund	Capital Projects Fund	ARPA Fund	SPLOST 2017 Fund	Total Governmental Funds
Revenues					
Property tax	\$ 6,549,309	\$ -	\$ -	\$ -	\$ 6,549,309
Business tax	2,645,399	-	-	-	2,645,399
Franchise tax	1,122,498	-	-	-	1,122,498
Excise tax	14,250	-	-	-	14,250
Alcohol tax	274,787	-	-	-	274,787
Intergovernmental	39,940	263,759	8,886,265	5,021,492	14,211,456
Licenses and permits	713,721	-	-	-	713,721
Fines and forfeitures	7,261	-	-	-	7,261
Charges for services	1,586,586	-	-	-	1,586,586
Contributions	500	-	-	-	500
Interest	69,631	-	18,993	-	88,624
Miscellaneous	2,624	-	-	-	2,624
Total Revenue	13,026,506	263,759	8,905,258	5,021,492	27,217,015
Expenditures					
Current:					
General Government	5,045,676	-	-	-	5,045,676
Judicial	14,393	-	-	-	14,393
Public safety	1,042,923	-	-	-	1,042,923
Public works	1,638,183	463,803	-	-	2,101,986
Recreation and culture	2,736,294	-	-	-	2,736,294
Housing and development	4,389,152	-	-	-	4,389,152
Capital outlay	-	1,863,742	43,295	4,639,235	6,546,272
Total Expenditures	14,866,621	2,327,545	43,295	4,639,235	21,876,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,840,115)	(2,063,786)	8,861,963	382,257	5,340,319
Other Financing Sources (Uses)					
Transfers in	11,263,401	1,718,680	-	-	12,982,081
Transfers out	(1,718,680)	-	(8,861,963)	-	(10,580,643)
Insurance refunds and recoveries	22,696	-	-	-	22,696
Proceeds from sale of assets	247,710	-	-	-	247,710
Total Other Financing Sources (Uses)	9,815,127	1,718,680	(8,861,963)	-	2,671,844
Net Change in Fund Balances	7,975,012	(345,106)	-	382,257	8,012,163
Fund Balances Beginning of Year	19,676,055	385,398	-	8,795,693	28,857,146
Fund Balances End of Year	\$ 27,651,067	\$ 40,292	\$ -	\$ 9,177,950	36,869,309

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

CITY OF SUGAR HILL, GEORGIA

Notes to Financial Statements

December 31, 2022

DISCREETLY PRESENTED COMPONENT UNITS

Activity for the Downtown Development Authority for the year ended December 31, 2022, was as follows:

	Balance as of December 31, 2021		Additions	Reductions	Balance as of December 31, 2022		Due Within One Year
Downtown Development Authority Activities:							
Revenue Bonds	\$	40,065,000	\$ -	\$ (2,355,000)	\$	37,710,000	\$ 2,435,000
Plus: original issue premium		3,053,512	-	(509,204)		2,544,308	468,472
Total Revenue Bonds		43,118,512	-	(2,864,204)		40,254,308	2,903,472
Total Downtown Development Authority Activities	\$	43,118,512	\$ -	\$ (2,864,204)	\$	40,254,308	\$ 2,903,472
Total Long-Term Liabilities	\$	43,118,512	\$ -	\$ (2,864,204)	\$	40,254,308	\$ 2,903,472

On February 19, 2016, the City entered into a contract, as lessee, with the Downtown Development Authority to issue \$24,375,000 in revenue bonds, Series 2016A, and \$3,855,000 in taxable revenue bonds, Series 2016B. The Series 2016A bonds carry a rate of ranging from 2.5% to 4.0% per annum and mature on December 1, 2035. The Series 2016B bonds carry a rate ranging from 1.25% to 2.0% per annum and mature on December 31, 2022. The bonds were issued to construct the E Center. Under the contract, the City will fund the bond payments as rent for the portion of the facilities rented by the City along with commercial lease tenants until the bond principal, premium, and interest have been fully paid. The E Center building will be owned and managed by the Downtown Development Authority. On December 1, 2021 Series 2016A was refunded with the new Series 2021 revenue bonds.

On May 29, 2018, the City entered into a contract, as lessee, with the Downtown Development Authority to issue \$9,875,000 in revenue bonds, Series 2018A, and \$4,050,000 in taxable revenue bonds, Series 2018B. The Series 2018A bonds carry a rate of ranging from 3% to 3.375% per annum and mature on December 1, 2035. The Series 2018B bonds carry a rate ranging from 2.45% to 3.21% per annum and mature on December 1, 2024. The bonds were issued to construct the E Center. Under the contract, the City will fund the bond payments as rent for the portion of the facilities rented by the City along with commercial lease tenants until the bond principal, premium, and interest have been fully paid. The E Center building will be owned and managed by the Downtown Development Authority.

The annual requirements to amortize the Series 2018 A&B revenue bonds outstanding as of December 31, 2022, are as follows:

<u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	680,000	326,172	1,006,172
2024	700,000	304,820	1,004,820
2025	720,000	283,725	1,003,725
2026	740,000	262,125	1,002,125
2027	765,000	239,925	1,004,925
2028-2032	4,175,000	841,875	5,016,875
2033-2035	2,820,000	187,750	3,007,750
	<u>\$ 10,600,000</u>	<u>\$ 2,446,391</u>	<u>\$ 13,046,391</u>

On December 1, 2021, the City entered into a contract, as lessee, with the Downtown Development Authority to issue \$21,560,000 in revenue bonds, Series 2021, as an advanced refunding of the non-taxable revenue bonds, Series 2016A. The Series 2021 bonds carry a rate of ranging from 2% to 5% per annum and mature on December 1, 2035. The bonds were issued to refund the Series 2016A bonds which were issued to construct the E Center. Under the contract, the City will fund the bond payments as rent for the portion of the facilities rented by the City along with commercial lease tenants until the bond principal, premium, and interest have been fully paid. The E Center building will be owned and managed by the Downtown Development Authority.

CITY OF SUGAR HILL, GEORGIA

Notes to Financial Statements

December 31, 2022

The annual requirements to amortize the Series 2021 revenue bonds outstanding as of December 31, 2022, are as follows:

<u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	1,180,000	766,550	1,946,550
2024	1,230,000	719,350	1,949,350
2025	1,280,000	670,150	1,950,150
2026	1,330,000	618,950	1,948,950
2027	1,400,000	552,450	1,952,450
2028-2032	8,070,000	1,674,750	9,744,750
2033-2035	5,565,000	279,900	5,844,900
	<u>\$ 20,055,000</u>	<u>\$ 5,282,100</u>	<u>\$ 25,337,100</u>

On December 17, 2022, the Downtown Development Authority issued \$7,615,000 in revenue bonds, Series 2022C. The Series 2022 bonds carry a rate of 2.01% per annum and mature on December 1, 2033. The bonds were issued to construct the

Revenue Bonds

Downtown Development Authority's portion of the Solis Project. This includes building a portion of the parking deck and commercial space.

The annual requirements to amortize the Series 2022 revenue bonds outstanding as of December 31, 2022, are as follows:

<u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	575,000	141,806	716,806
2024	585,000	130,248	715,248
2025	600,000	118,490	718,490
2026	610,000	106,430	716,430
2027	625,000	94,169	719,169
2028-2032	3,345,000	276,477	3,621,477
2033-2035	715,000	14,368	729,368
	<u>\$ 7,055,000</u>	<u>\$ 881,988</u>	<u>\$ 7,936,988</u>

The annual requirements to amortize all revenue bonds outstanding as of December 31, 2022, are as follows:

<u>Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2,435,000	1,234,528	3,669,528
2024	2,515,000	1,154,418	3,669,418
2025	2,600,000	1,072,365	3,672,365
2026	2,680,000	987,505	3,667,505
2027	2,790,000	886,544	3,676,544
2028-2032	15,590,000	2,793,102	18,383,102
2033-2035	9,100,000	482,018	9,582,018
	<u>\$ 37,710,000</u>	<u>\$ 8,610,479</u>	<u>\$ 46,320,479</u>

NOTE 12. BONDS HELD

As of December 31, 2022, performance bonds were posted by multiple companies with the City against damages that might occur during construction. Once these construction projects are successfully completed, the monies posted will be returned

CITY OF SUGAR HILL, GEORGIA
Notes to Required Supplementary Information
on Budgetary Accounting and Control
Year Ended December 31, 2022

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The City prepares its annual operating budget under the provisions of the official Code of Georgia. In accordance with those provisions, the following process is used to adopt the annual budget:

- (a). Prior to December 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (b). Public hearings are conducted in November or December to obtain taxpayer comments. Public hearings are normally scheduled no later than 15 days prior to the beginning of the budget year.
- (c). Subsequent to the public hearings, the budget is legally enacted through the passage of a resolution by the City Council at the normal council meeting in December.

All governmental funds with revenues and/or expenditures as defined by State law are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is at the department level within a fund.

Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. The City Council has delegated the authority to transfer appropriations between departments to the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Budget Requirements

An amendment to the original budget appropriations was properly approved by the City Manager as authorized by the City Council.

Department	Original Budget	Supplemental Appropriations	Supplemental Decreases	Revised Appropriations
General Fund				
General Government	\$ 3,827,565	\$ 1,837,000	\$ 235,000	\$ 5,429,565
Judicial	18,900	-	-	18,900
Public Safety	808,530	235,000	-	1,043,530
Public Works	1,883,675	-	-	1,883,675
Recreation & Culture	2,966,105	10,000	-	2,976,105
Housing & Development	4,869,808	-	-	4,869,808
Transfers Out	982,915	750,000	-	1,732,915
ARPA Fund				
General Government	-	-	-	-
Capital Outlay	-	43,300	-	43,300
Transfers Out	4,596,441	4,265,524	-	8,861,965
	<u>\$ 19,953,939</u>	<u>\$ 7,140,824</u>	<u>\$ 235,000</u>	<u>\$ 26,859,763</u>

CITY OF SUGAR HILL, GEORGIA
 Schedule of Special Purpose Local Option Sales Tax
 Estimated Cost and Expenditure Summary
 For the Year Ended December 31, 2022

<u>Project Description</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
SPLOST 2017					
Cultural Facilities	\$ 1,836,249	\$ 1,836,249	\$ -	\$ -	\$ -
Recreation facilities & equipment	8,236,540	8,236,540	6,752,859	4,639,235	11,392,094
Roads, streets, bridges and related facilities and equipment	9,859,121	9,859,121	2,344,751	-	2,344,751
Total:	<u>\$ 19,931,910</u>	<u>\$ 19,931,910</u>	<u>\$ 9,097,610</u>	<u>\$ 4,639,235</u>	<u>\$ 13,736,845</u>