

# 2020 Popular Annual Financial Report

Year End June 30, 2020



**Social Circle, Georgia**

**Since 1832**

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# LETTER FROM THE FINANCE DEPARTMENT

We, at the City of Social Circle, are proud to present the city's first Popular Annual Financial Report or PAFR for the Fiscal Year 2020. The PAFR is a brief analysis of where revenues come from to operate the City, as well as how those funds are spent annually. We strive to communicate the financial operations of the City in an easy-to-understand financial report. The summary that is the PAFR includes information about financial activities for the City of Social Circle and is drawn from the 2020 Comprehensive Annual Financial Report (CAFR) and contains information from only selected funds. This is also the first year that the City has provided a CAFR to our citizens. The CAFR contains a large variety of financial data for the past ten years for the City. All information provided in the CAFR is in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the City's independent auditors, Mauldin & Jenkins, which received an unmodified opinion.

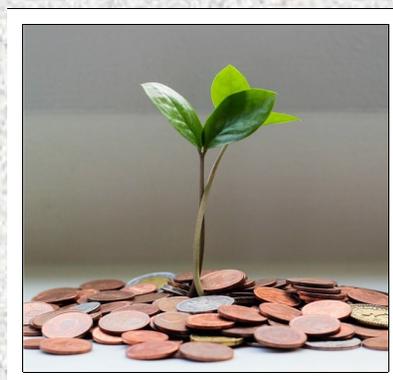
As a disclosure, the City's PAFR is an unaudited document and is presented on a non-GAAP compliance basis for the sake of simplicity. As a definition, Non-GAAP identifies that the statements do not comply with Generally Accepted Accounting Principles. Any financial information or data provided within this document is derived and based on the same data presented in the CAFR, available on our website. This data is the same measurement focus and basis of accounting as in the CAFR. The PAFR includes summarizations and combinations of accounting data that would not be in accordance with GAAP, but can easily relay information to our public. Copies of both the CAFR & PAFR can be found on the City's website, [socialcirclega.gov](http://socialcirclega.gov), or a paper copy can be requested by contacting or visiting City Hall. Any comments or ideas of items to include in the PAFR for years to come are welcome and can be made by contacting the Finance Director at City Hall. It is a pleasure to serve the community of Georgia's Greatest Little Town.

Sincerely,

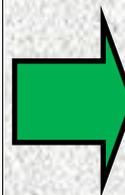
*Jennifer Fricks*

Jennifer Fricks, Finance Director

Date: 02/01/2021



Grow your money



Money Tree

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## GENERAL INFORMATION

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Welcome to “Georgia’s Greatest Little Town!” The City of Social Circle was founded in 1832 and incorporated in 1869. The City is approximately 50 miles East of Atlanta. The City’s iconic Well at the Center of the town is not only a beautiful center piece to our small town, but also holds stories of how our little city came to be. The plaque on The Well can be seen below.



The City also offers many municipal services to its community.



Fire



Police



Water



Gas



Waste Water



Solid Waste



Code Enforcement



Finance



Cemetery



Mainstreet

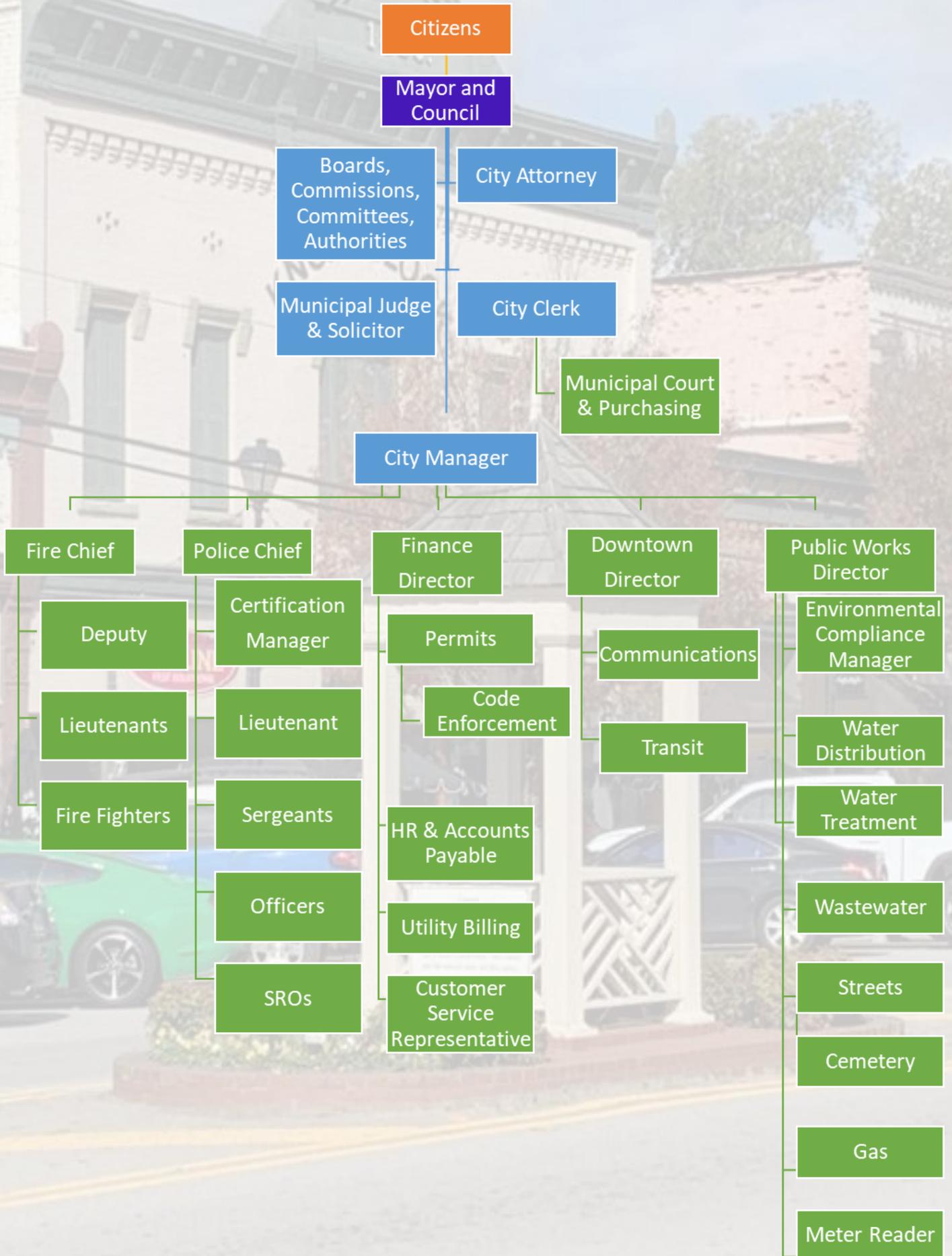


Planning & Zoning



Transit

# Organizational Chart & Contact information



# We Are Here For You

<b>Name/Title</b>	<b>Email</b>	<b>Phone</b>
David Keener / Mayor	dkeener@socialcirclega.gov	404-713-1279
Traysa Price / District 1	tprice@socialcirclega.gov	770-728-5893
Tyson Jackson / District 2	tjackson@socialcirclega.gov	770-885-9483
Vacant / District 3		
Steve Shelton / District 4	jsshelton@socialcirclega.gov	678-410-7971
Adele Schirmer / City Manager	aschirmer@socialcirclega.gov	770-464-6901
Will Brinkley / Police Chief	wbrinkley@socialcirclega.gov	770-464-2366
Ken Zaydel / Fire Chief	kzaydel@socialcirclega.gov	770-464-6914
Susan Roper / City Clerk	sroper@socialcirclega.gov	770-464-6902
Robbie Groves/ Public Works Dir.	rgroves@socialcirclega.gov	770-464-6908
Jennifer Fricks / Finance Director	jfricks@socialcirclega.gov	770-464-6925
Amber McKibben / Mainstreet Dir.	amckibben@socialcirclega.gov	770-464-6924

\*\* All questions can be routed to the correct place by reaching out to your City Hall at 770-464-2380. We are here to serve you.



# Statistical Information

Date of Incorporation: 1869  
 Form of Government : Mayor & Council  
 Current Population: 4,447  
 Square miles of City: 11  
 Number of City Employees: 67



## Utility Customers as of June 2020:

Water..... 2,002  
 Sewer..... 1,471  
 Gas..... 1,244  
 Solid Waste:..... 1,678

## **Top Employers:**

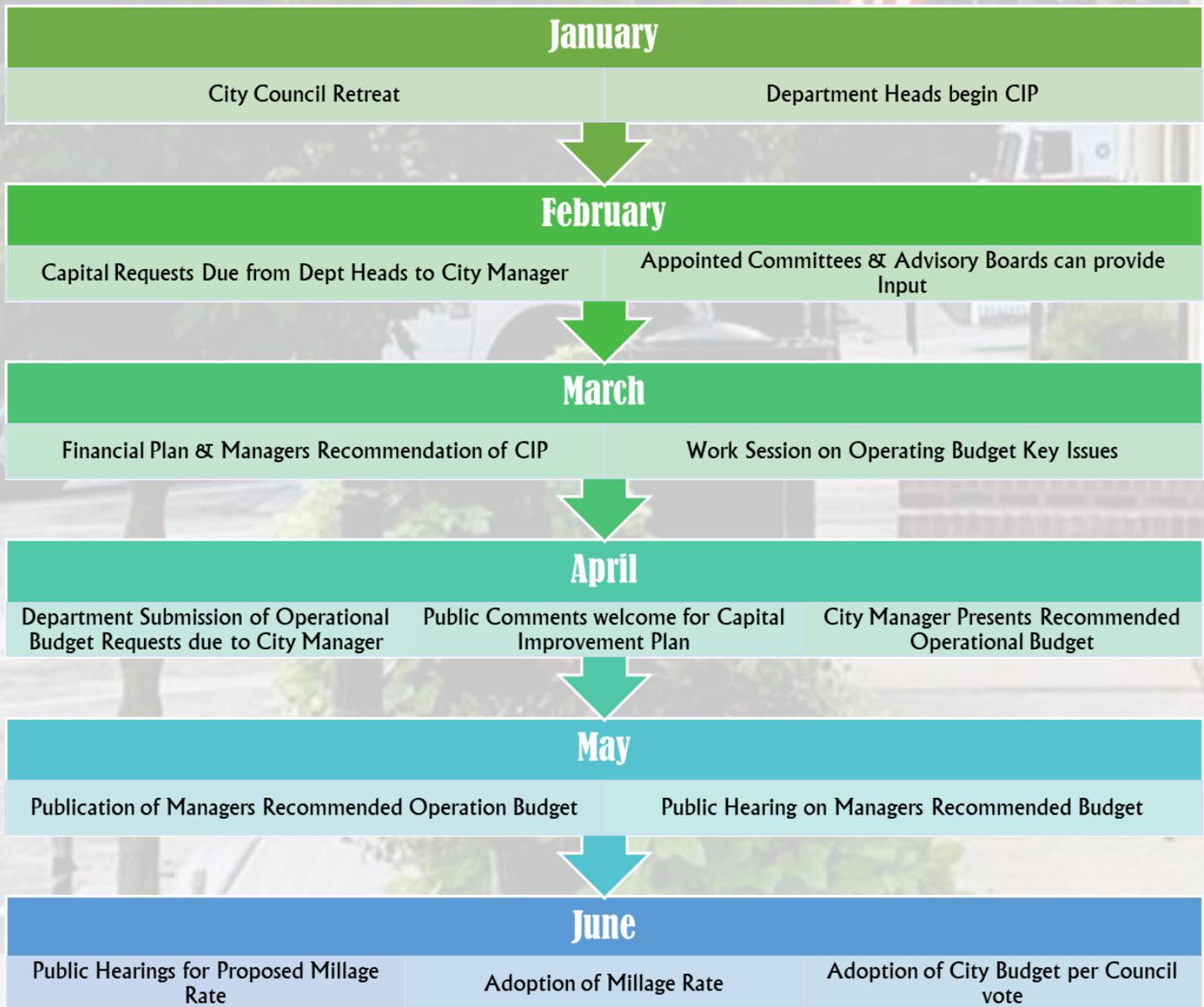
- 1. Standridge Color Corp: 305**
- 2. Social Circle City Schools: 246**
- 3. General Mills Distribution: 232**
- 4. Goodyear Tire & Rubber: 218**
- 5. IMMEC: 148**
- 6. Masterack: 90**
- 7. Social Circle Ace Hardware: 62**
- 8. Certainteed: 61**
- 9. Dart Enterprises: 57**

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2020	4,447	\$25,517	37.5	4.3%
2019	4,479	\$23,987	37.6	4.5%
2018	4,479	\$22,372	37.9	5.5%
2017	4,479	\$23,234	40.0	4.9%
2016	4,419	\$21,337	37.1	6.1%

# BUDGET PROCESS

Annually, department directors are responsible for submitting their proposed annual budget to the City Manager for their respective department. This is reviewed and submitted to Mayor and Council for review. This proposal includes operational and capital budget requests. Council will hold a public hearing and give advanced notice to the public in the newspaper, the Walton Tribune. This allows for members of the public to attend and express comments. Any revisions are made following the meeting and brought back for an adoption process at a later date. Revisions (outside of departmental transfers) to the adopted budget can only be made by the formal action of the City Council.

The City operates on a Fiscal Year that runs from July 1st—June 30th. The below budget is for FY July 1, 2019—June 30, 2020. Also, our Budget is balanced which means Revenues equal Expenses within each fund.



# Accomplishments

See below several, but not all, of the great accomplishments achieved by the City. This was made possible by hard work, dedication of staff, and support by Mayor and Council.



Completed Friendship Park



The Finance Department moved to the Drive-thru



Several Departments participated in educating the community youth about what they do!



Sidewalks Parks & Trails Master Plan



Received Our New Fire Truck

# **TYPES OF FUNDS**

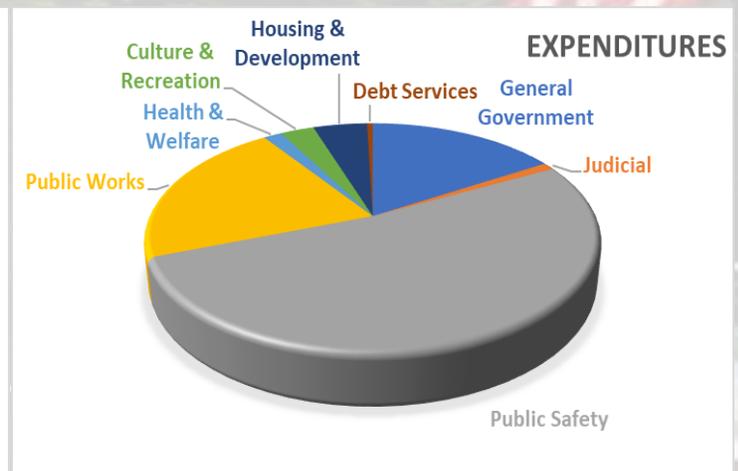
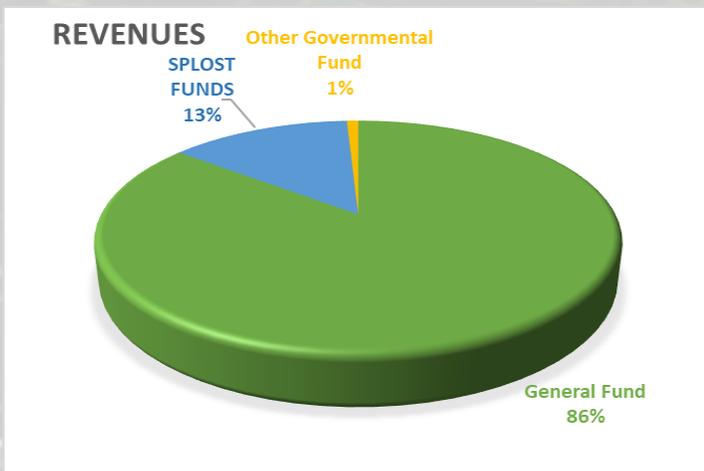
**Revenues and expenditures for the City are recorded using the modified accrual basis of accounting.**

- ◆ **General Fund: The general fund is the primary operating fund for the City. This fund accounts for revenues and expenditures that are not required to be accounted for in other funds. The departments within this fund include: Governing Body, Chief Executive, City Clerk, Elections, Administrative, Legal Services, Municipal Court, Police Administration, Fire, Highways & Streets, Cemetery, Transit, Library, and Mainstreet.**
- ◆ **Special Revenue Fund: These funds are used for specific revenues, and have legal constraints regarding spending that must be for specific purposes. This includes: Confiscations Pending, Confiscations Federal, and Confiscations Forfeited.**
- ◆ **Capital Project Fund: This fund is used to account for the acquisition and construction of major capital projects. For our City this is our SPLOST Fund.**
- ◆ **Proprietary Funds/Enterprise Funds: These funds are the ones used to account for utilities services to our Citizens. This includes: Water/Sewer (WasteWater Treatment, Water Treatment, and Water Distribution), Gas Services, and Solid Waste.**

**For the Purpose of the PAFR the main funds highlighted are the General Fund and the Enterprise Funds for the benefit of informing the citizens.**

# Revenues & Expenditures

Revenues	General Fund	SPLOST Funds	Other Governmental Funds
Taxes	3,256,789	-	-
Licenses & Permits	152,263	-	-
Intergovernmental	341,171	907,529	-
Fines & Forfeitures	112,375	-	50,510
Charges for Services	7,842	-	-
Interest Income	12,136	419	6,422
Miscellaneous	129,384	-	-
Other Financing Sources	1,679,620	-	-
Net Changes in Fund Balance	75,096	-	-
<b>Total:</b>	<b>5,766,676</b>	<b>907,948</b>	<b>56,932</b>



Expenditures	General Fund	SPLOST Fund	Other Governmental Funds
General Government	1,066,831	-	-
Judicial	67,394	-	-
Public Safety	3,328,856	9,315	78,929
Public Works	724,696	662,712	-
Health & Welfare	103,362	-	-
Culture & Recreation	139,639	50,000	-
Housing & Development	304,096	-	-
Debt Services	31,802	-	-
<b>Total:</b>	<b>5,766,676</b>	<b>722,027</b>	<b>78,929</b>

# What is Fund Balance?

Fund balance by definition, is the excess of assets of a fund over its liabilities, reserves and carryover. Assets are resources which have monetary value, owned or held by a government. Liabilities are future spending of revenue as a results of past transactions and other past events.

Fund Balance has several classifications:

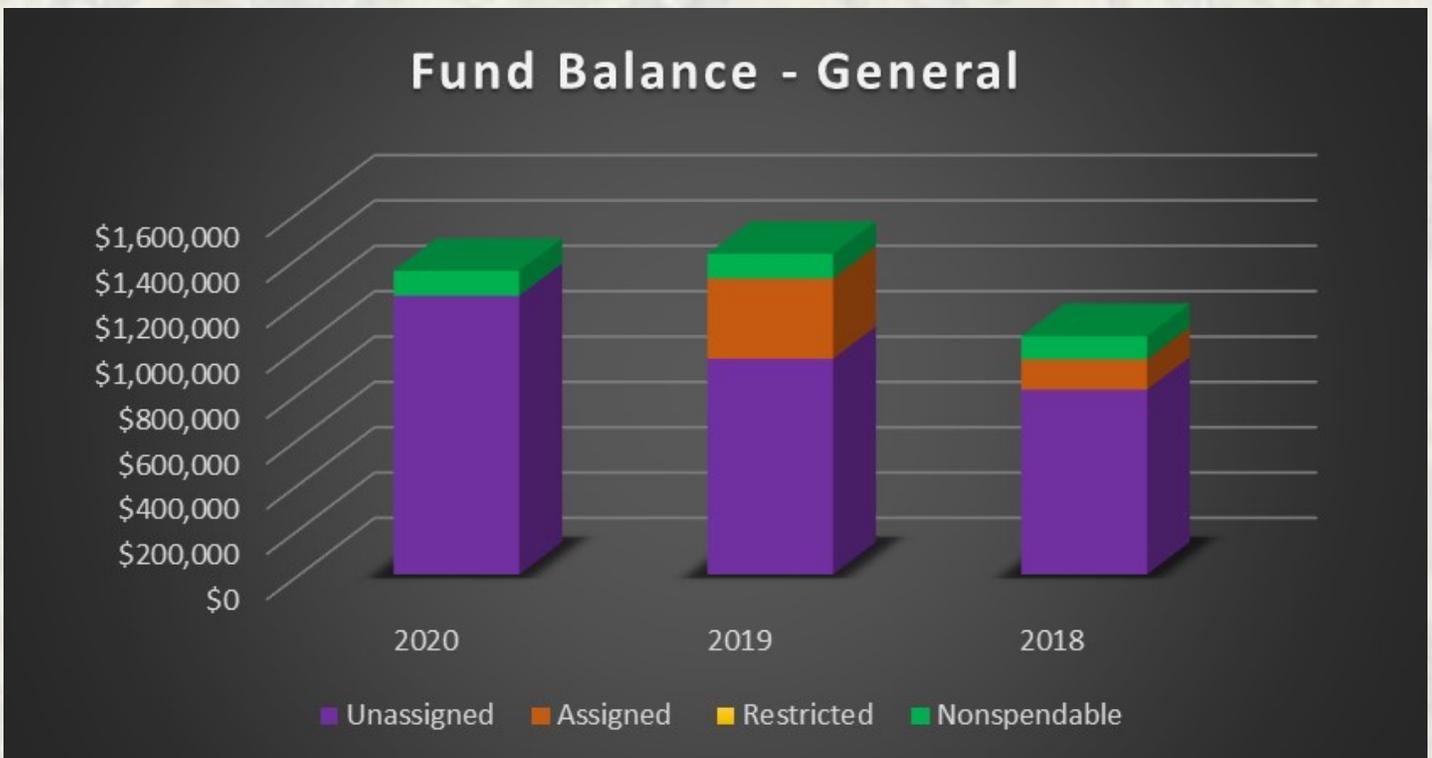
**Non-spendable:** the portion of the fund revenue over expenditures that is available to be invested but not spent.

**Restricted:** the portion that can be spent only for specific purposes stipulated by enabling legislation.

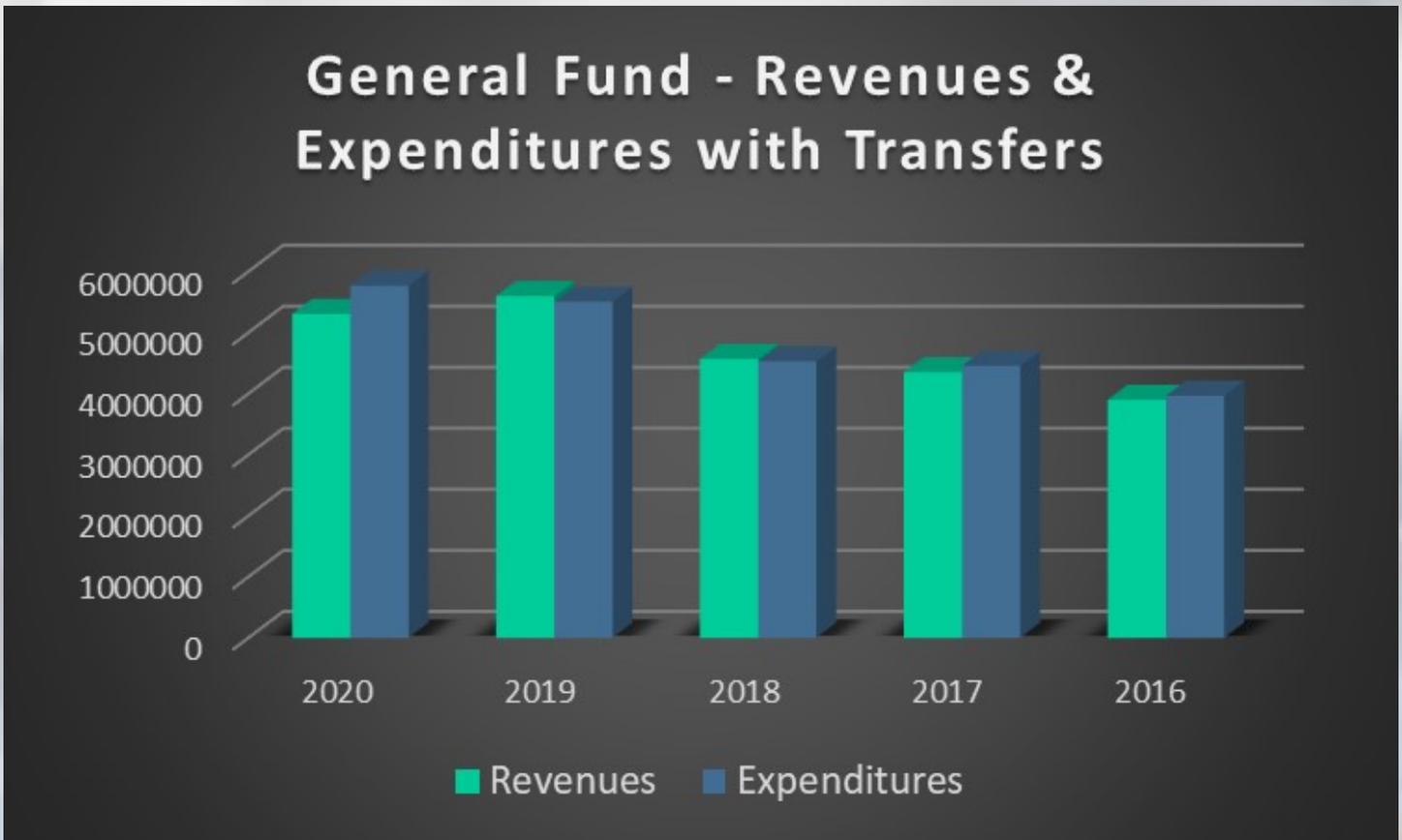
**Assigned:** the portion of the fund balance reflecting the government's intended use of resources, with the intent established by government committees or officials in addition to the governing board.

**Unassigned:** the remaining portion of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

As of Fiscal Year End 2020, Unassigned General Fund Balance was \$1,230,386, and Non-Spendable Fund Balance was \$109,897



## General Fund—Trend Data

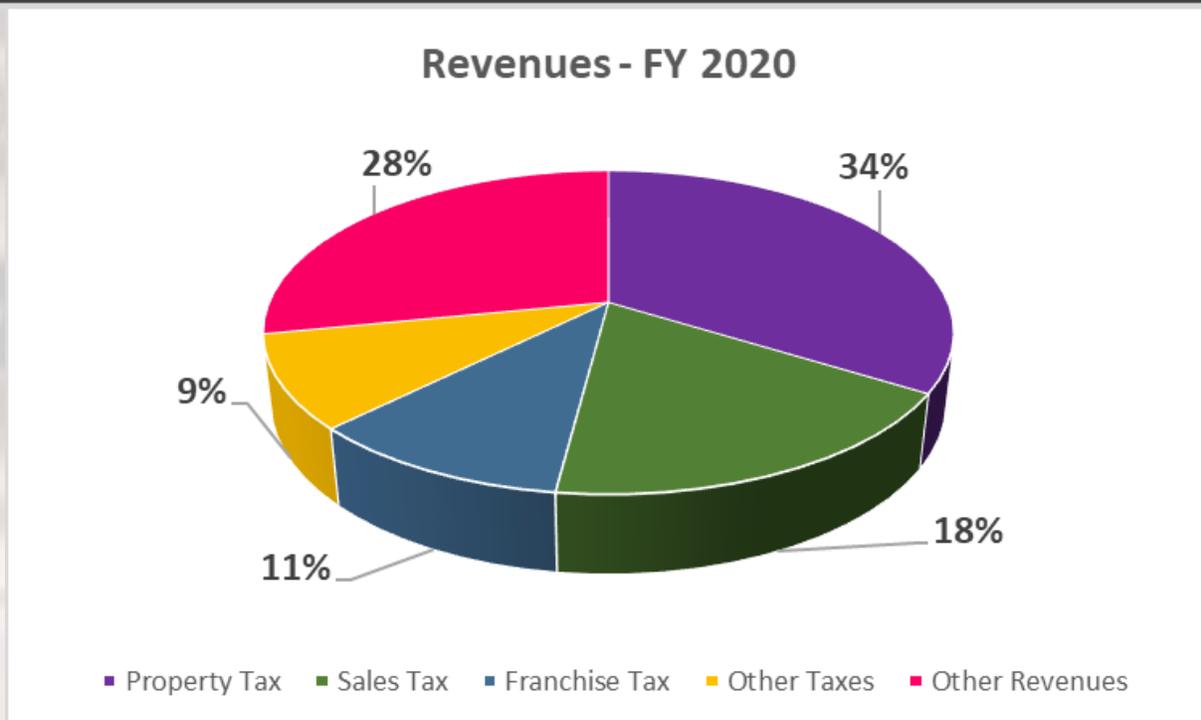
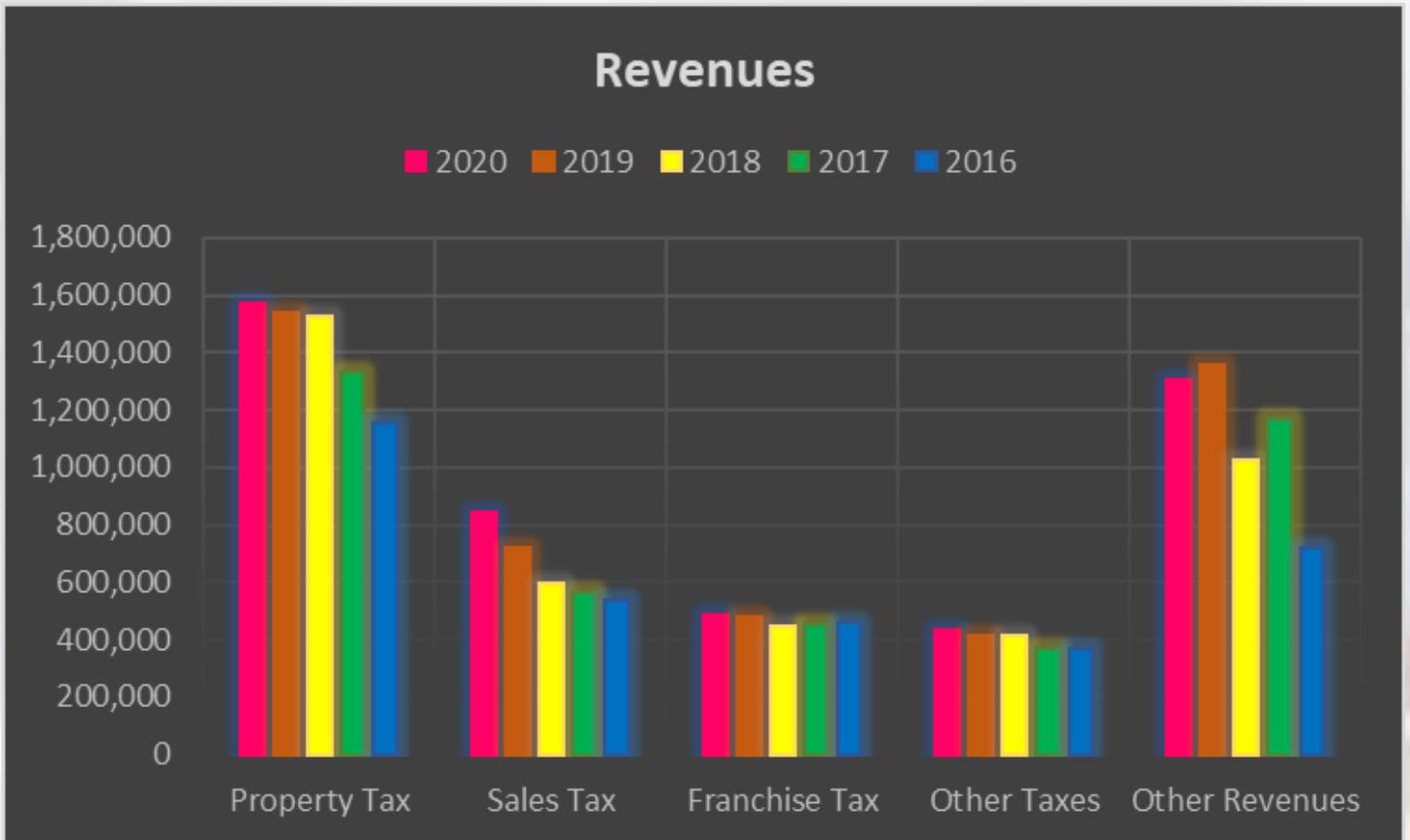


The above chart shows data trends for the last 5 years for the Total Revenues and Total Expenditures for the General Fund. The City's main operations are performed by the General Fund. In the next several slides of the PAFR you will find additional information regarding these trends.

The increase from 2019 to 2020 of General Fund Expenditures was \$261,068. However, the General Fund Revenue showed a decrease of \$291,674. This difference is due to additional expenses related to the COVID-19 pandemic, which CARES Grant funds were received, but required by State Audit standards to be recorded in the 2021 Fiscal Year Revenues.

# WHERE DOES THE MONEY COME FROM?

These figures are shown for the current year, on page 11 also. The below data shows trends for the last 5 years.



# Where does the money go?

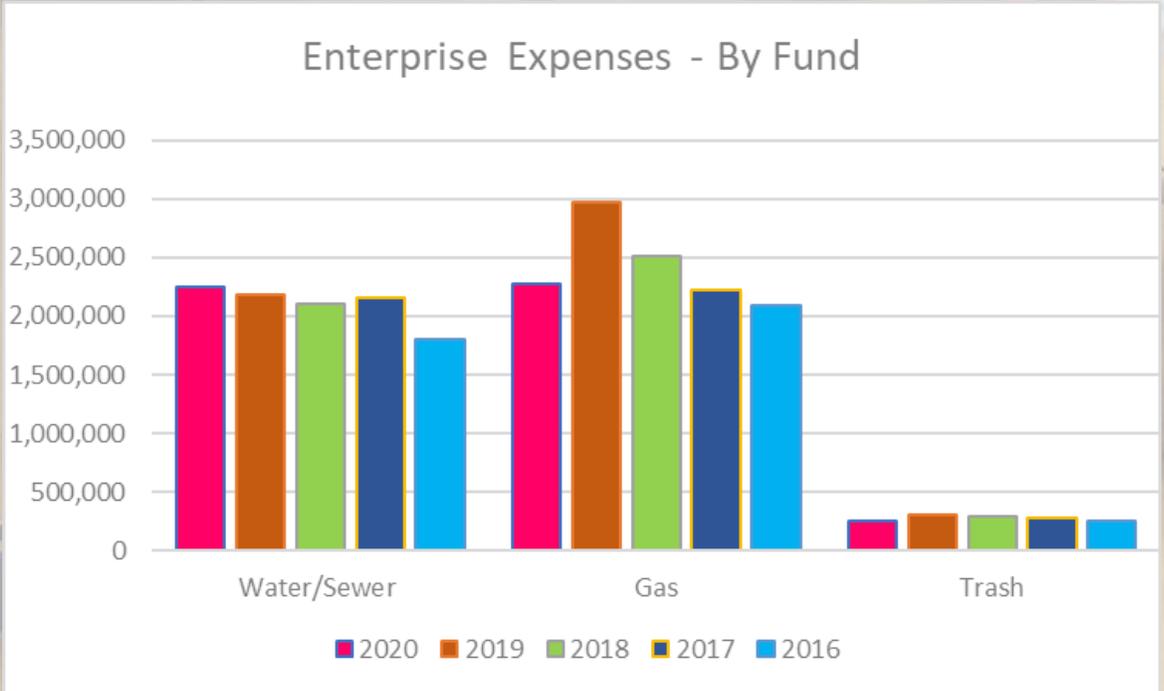
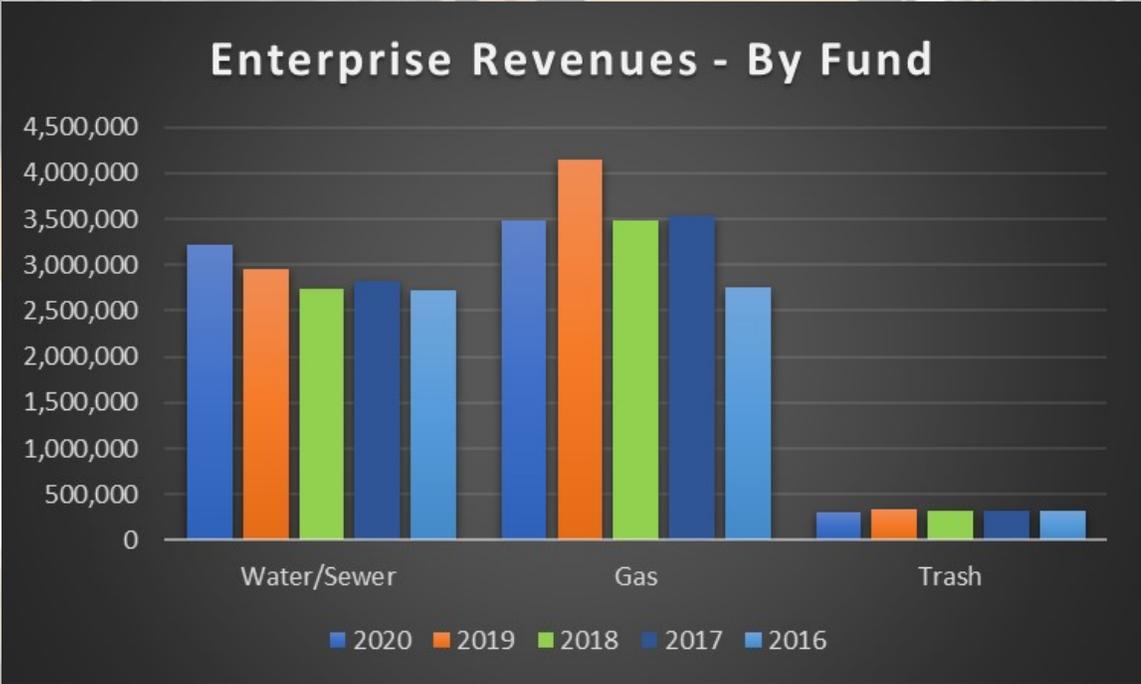
The General Fund has several departments as defined in prior slides. The departments which effect the budget the most are General Government departments, Public Safety Departments, and Public Works Departments. As an overall value, the Expenditures for General Fund for the FY 2020 increased by \$261,068. The bar chart below, expresses the data trend for the last 5 years for expenditures by function.

## Expenditures - Where the money goes



# ENTERPRISE FUNDS—SERVICES TO THE CITIZENS

The city offers several services to its citizens. These include: water, sewer, gas, and trash services. These services are offered based on the location in the city. See below graphs related to the operating Revenues and Expenses involved with supplying these services.

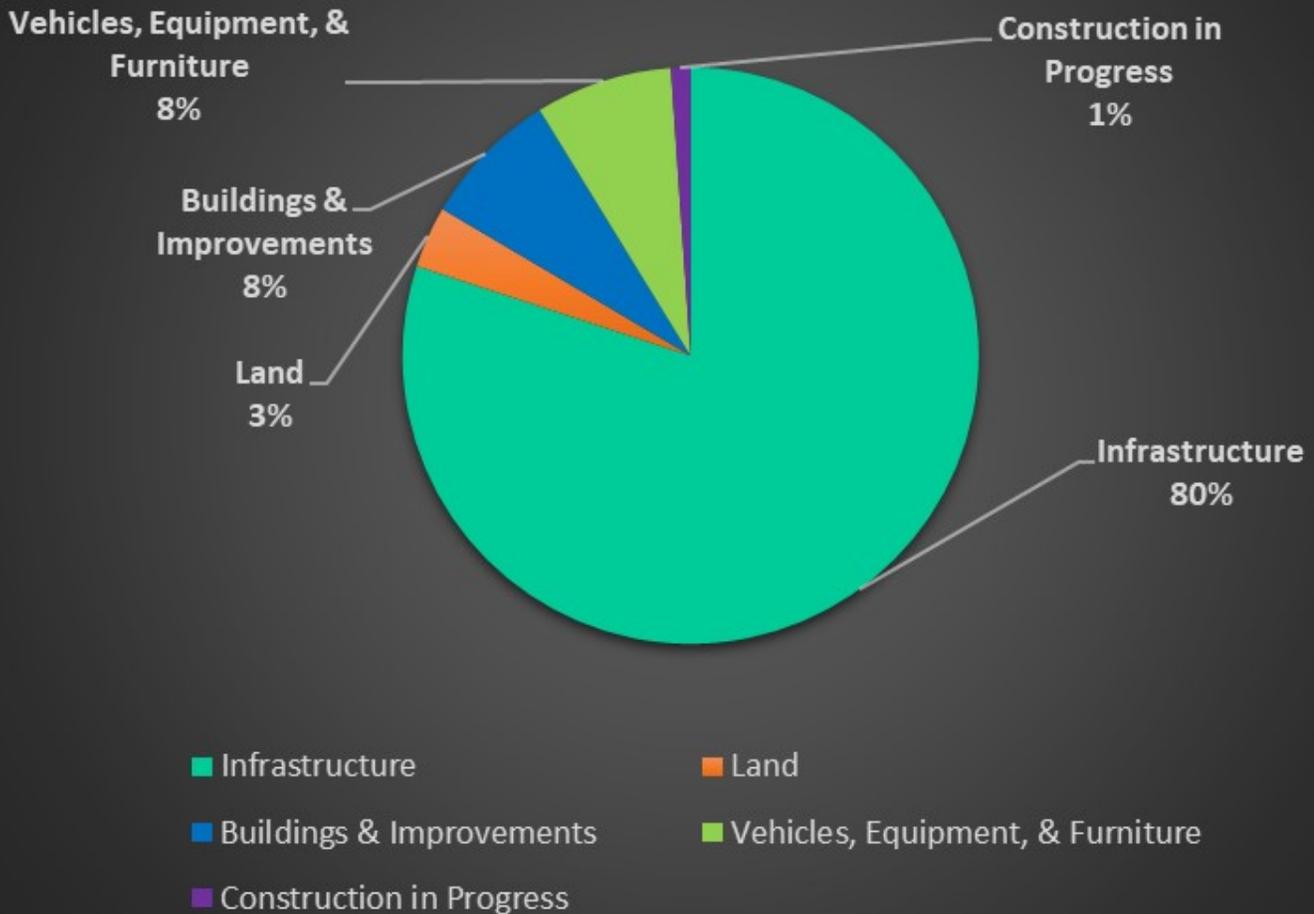


# Capital Assets

Overall Capital Assets increased by \$939,913 from FY 2019 to FY 2020

This increase is attributed to increase in assets and accumulated depreciation of infrastructure, buildings & improvements, vehicles, equipment and furniture.

## Capital Assets by Type



Pictured here is the new fire truck purchased in FY 2020.

# For the Kids

Several events are held within the City throughout the year to involve the communities youth. This includes Back to School Bash, Downtown Trick or Treating, Friendship Festival, and other events hosted by the Mainstreet Director and Employees of the city. Throughout the City there are 3 playgrounds available for kids to play until they can't play anymore.



# Frequently Used Terms

**Accrual Basis:** A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**Assets:** Resources which have monetary value, owned or held by a government

**Balanced Budget:** a situation in financial planning or the budgeting process where total revenues are equal to or greater than total expenses.

**Budget:** A plan for the acquisition and allocation of resources to accomplish specific purposes. The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as “the budget of the Police Department or Capital Budget” or may relate to a fiscal plan for an entire jurisdiction, such as “the budget of the City of Social Circle.”

**Calendar Year:** Twelve months beginning January 1 and ending December 31.

**Capital Assets:** assets of a long-term character (beyond the current year) that are intended to continue to be held or used, such as land, buildings, vehicles, machinery, furniture, and other equipment. Defined as an item that individually cost \$5000 or more with a life expectancy of than 2 years but less than 5 years.

**Capital Expenditures:** money spent by an organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment. For the City this is an item with an expected useful life of 5 years or more and an estimated total cost of \$25,000 or more.

**Comprehensive Annual Financial Report (CAFR):** Official annual financial report of a government. It is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Government Accounting Standards Board (GASB).

**Debt Service Funds:** Funds, defined by the State Auditor of Public Accounts, to finance and account for the annual payment of principal and interest on bonds.

**Department:** A separate functional and accounting entity within a certain fund type.

**Enterprise Funds:** Funds to account for operations that are financed and operated in a manner similar to private business enterprises. Costs of providing goods or services are financed or recovered, at least in part, through user charges.

**Expenditures:** government purchases or expenses which can be financed by revenue and/or government borrowing, i.e. bonds, tax anticipation, notes, etc.

**Fiscal Year:** In Social Circle, the twelve months beginning July 1 and ending the following June 30.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance:** The excess of the assets of a fund over its liabilities.

**GAAP:** Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**GASB:** Governmental Accounting Standards Board. It is the source of GAAP used by state and local governments in the U.S. It is the independent organization that establishes and improves standards of accounting and financial reporting for the U.S. state and local governments.

**GFOA:** Government Finance Officers Association. It represents public finance officials throughout the U.S. and Canada. It enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies for the public benefit.

**General Fund:** a fund used to account for the ordinary operations of the County government that are financed from taxes and other general revenue.

**Intergovernmental Revenues:** Revenues from other governments, such as the State and Federal governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

**Liabilities:** future spending of revenue as a result of past transactions and other past events. Liabilities are reported on a balance sheet and are divided into two categories: current liabilities & long-term liabilities.

**Long-term Debt:** Usually general obligation debt issued by the City for a period of twenty years to finance capital improvements.

**Major Fund:** A fund is considered “major” if it meets certain financial ratio criteria or if governmental officials designate a fund to be a major fund. The General Fund is always considered to be a major fund. This designation as “major” requires certain financial statement reporting whereby users can more easily assess accountability.

**Millage Rate:** The amount per \$1,000 used to calculate taxes on property. Millage rates are most often found in personal property taxes where the expressed millage rate is multiplied by the total taxable value of the property to arrive at the property taxes due.

**Modified Accrual Basis:** A basis of accounting where revenue is recorded when measurable and available and expenditures are recorded when made.

**Non-Expendable Fund Balance:** refers to the portion of fund revenue over expenditures that is available to be invested but not spent.

**Operating Expenditures:** Expenditures for current services including personnel and related benefit costs, supplies, and contractual services. It does not include debt service or capital improvements.

**PILOT:** Payment in Lieu of Taxes

**Revenue:** financial resources other than from interfund transfers and debt issue proceeds. Social Circle receives Revenue through property taxes, sales and other taxes, licenses and permits, grants, fines and forfeitures, charges for service, administration fees, investment income, and miscellaneous sources.

**SPLOST:** Special Purpose Local Option Sales Tax.

**Special Revenue Fund:** A fund type used where legal or contractual requirements restrict the use of resources to specific purposes.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

**Transfer:** A movement of money from one fund or department to another.

**Unassigned Fund Balance:** The portion of a fund’s balance that is a reserve for unanticipated emergencies.