JUNE 2026 FINANCIAL REPORT SUMMARY

Mayor and Council,

The following provides a summary of the City's financial position through June 30, 2026. The City's financial condition remains stable through the first six months of Fiscal Year 2026. The General Fund continues to report a positive year-to-date operating surplus. Revenues remain supported by strong franchise fee collections and other revenue activity, while expenditures remain within the adopted budget.

As of June 30, 2026, the General Fund reports a year-to-date surplus of approximately $2,324,582. The surplus decreased from approximately $3.33 million in May as June expenditures exceeded June revenues by approximately $906,328. The City nevertheless maintains a positive year-to-date operating position.

General Fund Overview (Fund 100)

Description	Amount
Adopted Budget	$19,113,300
Year-to-Date Revenues	$9,361,449
Year-to-Date Expenditures	$7,036,867
Year-to-Date Surplus	$2,324,582

General Fund revenues represent approximately 49% of the adopted annual budget through June, while expenditures represent approximately 37% of the adopted annual budget.

Budget Note: The approved midyear budget adjustment has not yet been posted and is therefore not reflected in the figures presented in this report.

ARPA Fund Status and Project Update (Fund 230)

The City of Stonecrest received $9,730,045 in State and Local Fiscal Recovery Funds. Based on the project schedule provided, $6,228,530.10 has been reported as spent and $3,501,514.90 remains available.

ARPA Reporting Note: The funding, expenditure, remaining-balance, and project figures presented in this section are based on the last reporting cycle.

ARPA Funding Summary	Amount
City of Stonecrest Total ARPA Funding	$9,730,045.00
Total Spent	$6,228,530.10
Total Remaining	$3,501,514.90

ARPA Project Status

Project	Obligated	Expended	Remaining	Status
SLFRF - Consulting Services	$542,220	$428,188	$114,032	
Marketing and Administrative Expenses	$25,739	$17,151	$8,588	
City Wide Food Distribution	$32,400	$32,400	$0	Completed
Business Support	$1,354,750	$1,354,750	$0	Completed
Residential Support	$436,532	$436,532	$0	Completed
Parks Upgrades	$2,961,814	$701,335	$2,260,479	
Youth and Adult Programming	$159,979	$86,888	$73,092	
Police Service Augmentation	$75,000	$75,000	$0	Completed
Educational Support	$1,700,000	$1,700,000	$0	Completed
Intersection Improvement	$1,183,173	$712,855	$470,318	
Park Land Acquisitions	$512,000	$321,060	$190,940	
Citizens’ Academy	$11,254	$11,254	$0	Completed
Recreational Center Upgrade	$735,184	$351,462	$383,723	

BerryDunn Recommendation and Project Options

Based on Treasury's reclassification guidance, Stonecrest may reclassify unexpended SLFRF funds to other eligible projects, provided the receiving project was also obligated by December 31, 2024. These should not be described as new obligations. Instead, they should be presented as previously obligated local costs that may be reclassified to ARPA under Expenditure Category 6.1, Provision of Government Services. Reclassified funds must remain tied to an obligation incurred by December 31, 2024, and the City must retain documentation supporting the obligation date.

Primary Recommendation

The City should work with BerryDunn to identify expenditures that were obligated by the December 31, 2024 deadline and are being funded in the current fiscal year. If sufficient eligible current-year expenditures do not exist, the City should evaluate eligible fiscal year 2025 expenditures because that fiscal year has not yet been audited.

Proposed BerryDunn Support

BerryDunn proposed reviewing current-year and prior-year expenditures, project descriptions, and supporting documentation; confirming whether costs relate to obligations incurred by December 31, 2024; and assessing alignment with ARPA eligibility requirements, Treasury guidance, and applicable Uniform Guidance considerations.

This work may include reviewing contracts, invoices, purchase orders, payment records, project narratives, and accounting support to determine whether costs are adequately documented and defensible for ARPA reporting and audit purposes. The process would help identify viable reclassification options, strengthen supporting documentation, reduce questioned-cost and compliance risk, and position the City to use the remaining ARPA funds in an allowable and practical manner.

Example Project Expenditure Options

Vehicles and major equipment purchases. City and public works vehicles, maintenance equipment, trailers, mowers, generators, fleet equipment, and other equipment used to support municipal operations.

Police, fire, and public safety equipment. Police vehicles, radios, body and dash cameras, protective and emergency response equipment, fire equipment, communications systems, and security equipment.

Computers, technology, and IT infrastructure. Computers, laptops, tablets, monitors, servers, network and cybersecurity tools, software, permitting and records-management systems, financial systems, agenda-management systems, and other technology used to provide government services.

Example Project Expenditure Options - Continued

COVID-related equipment and facility modifications. Air-filtration systems, touchless fixtures, sanitation equipment, protective barriers, public-meeting technology, remote-work equipment, and other items purchased to support safe public operations.

Public facility upgrades. Improvements to City Hall, public-safety facilities, recreation or community centers, parks facilities, public-works facilities, and other City-owned buildings. Examples include HVAC, roofing, electrical, plumbing, restrooms, access control, cameras, lighting, flooring, ADA accessibility, and security improvements.

Water, sewer, and stormwater projects. Previously obligated utility or drainage work, including water and sewer improvements, stormwater repairs, culverts, drainage projects, pump stations, utility relocation, engineering, design, or construction.

Road, sidewalk, intersection, and transportation improvements. Road construction and resurfacing, intersections, traffic signals, sidewalks, crosswalks, pedestrian-safety improvements, ADA ramps, parking-lot repairs, bridge or culvert work, signage, and related engineering or construction.

Parks, recreation, and outdoor infrastructure. Park lighting, fencing, bleachers, shade structures, playgrounds, trails, pavilions, athletic fields, aquatic-center repairs, restrooms, security, landscaping, and other park or recreation improvements.

General infrastructure and capital maintenance. Other previously obligated infrastructure and capital repair projects, including drainage, facility repairs, public-works improvements, parking infrastructure, public lighting, signage, and equipment replacement.

Other Major Funds

Hotel/Motel Fund (Fund 275)

Hotel/Motel revenues total approximately $451,494 through June, with year-to-date expenditures of approximately $208,751 and a reported surplus of approximately $242,743. Budgeted transfers will continue to be evaluated as part of the City's mid-year financial review.

Tree Bank Fund (Fund 260)

The Tree Bank Fund reports approximately $249,220 in year-to-date revenues, $1,000 in expenditures, and a year-to-date surplus of approximately $248,220. Available resources remain designated for eligible tree replacement and environmental enhancement projects.

SPLOST II Fund (Fund 321)

SPLOST II reports approximately $4.61 million in year-to-date revenue and continues to support voter-approved capital projects and infrastructure investments throughout the City.

Capital Projects Fund (Fund 300)

The Capital Projects Fund reports approximately $937,000 in year-to-date revenue and $1.08 million in year-to-date expenditures. The reported deficit of approximately $142,578 reflects project timing and the relationship between financing sources and capital expenditures.

Financial Monitoring Items

Finance staff continue to monitor:

- Receipt and forecasting of Insurance Premium Tax revenues.
- ARPA reimbursement, reclassification, and reporting schedules.
- Revenue trends and expenditure patterns across all operating departments.
- Long-term capital and infrastructure funding requirements.

At this time, no significant financial concerns have been identified that would prevent the City from meeting its operational obligations.

Audit Update

No changes have been made to the Audit Recovery Roadmap to date. Finance staff continue preparing the records and supporting schedules needed to complete the outstanding audits.

The current audit schedule remains as follows:

Fiscal Year	Target Issuance Date
FY2023 Annual Audit	December 2026
FY2024 Annual Audit	February 2027
FY2025 Annual Audit	June 2027
FY2026 Annual Audit	September 2027

Management remains focused on returning the City to a current audit cycle by the end of calendar year 2027.

Outlook

Based on activity through June, management believes the City remains in a sound financial position. The General Fund maintains a positive year-to-date surplus, major revenue collections remain on track with expected timing, and expenditures remain within the adopted budget. Finance staff will continue monitoring results and will recommend budget amendments or corrective actions as necessary.

Respectfully submitted,

Keisha Franklin, MACC, CFE
Finance Director
City of Stonecrest

JUNE 2026 GENERAL FUND DETAIL (FUND 100)

Note: The approved midyear budget adjustment has not yet been posted and is not reflected in these figures.

Section	Department	Description	Adopted Budget	June Activity	YTD Activity	Variance	% Remaining
Revenue	General Revenue	Appropriated Use of Fund Balance	$0	$0	$0	$0	0.0%
Revenue	General Revenue	Real Property - Current Year	$2,500,000	$0	$5,775	$-2,494,225	0.2%
Revenue	General Revenue	Public Utility Tax	$48,000	$211	$59,765	$11,765	124.5%
Revenue	General Revenue	Real Property - Prior Year	$108,000	$15,919	$242,717	$134,717	224.7%
Revenue	General Revenue	Personal Property - Current Year	$283,000	$0	$4,217	$-278,783	1.5%
Revenue	General Revenue	Motor Vehicle Tax	$8,500	$207	$3,735	$-4,765	43.9%
Revenue	General Revenue	Title Ad Valorem Tax	$1,400,000	$110,369	$642,499	$-757,501	45.9%
Revenue	General Revenue	Intangible Tax Revenue	$111,000	$1,861	$9,459	$-101,541	8.5%
Revenue	General Revenue	Real Estate Transfer Tax	$50,000	$687	$5,236	$-44,764	10.5%
Revenue	General Revenue	Atlanta Gas Light (Southern Co.)	$450,000	$125,331	$250,662	$-199,338	55.7%
Revenue	General Revenue	Snapping Shoals EMC	$575,000	$0	$588,134	$13,134	102.3%
Revenue	General Revenue	Xfinity/Comcast	$340,000	$0	$140,618	$-199,382	41.4%
Revenue	General Revenue	At&t	$70,000	$0	$8,236	$-61,764	11.8%
Revenue	General Revenue	Georgia Power	$2,700,000	$0	$2,606,443	$-93,557	96.5%
Revenue	General Revenue	Personal Property - Prior Year	$9,800	$-266	$12,081	$2,281	123.3%
Revenue	General Revenue	Business & Occupation Taxes	$2,200,000	$29,259	$992,691	$-1,207,309	45.1%
Revenue	General Revenue	Insurance Premium Tax	$6,100,000	$0	$0	$-6,100,000	0.0%
Revenue	General Revenue	Financial Institutions Taxes	$45,000	$0	$40,067	$-4,933	89.0%
Revenue	General Revenue	Alcoholic Beverages Current Year	$400,000	$100	$44,045	$-355,955	11.0%
Revenue	General Revenue	Insurance License Fee	$36,000	$150	$26,994	$-9,006	75.0%
Revenue	General Revenue	Other Licenses/Permits	$0	$0	$167	$167	0.0%
Revenue	General Revenue	Building Permits	$460,000	$29,815	$146,748	$-313,252	31.9%
Revenue	General Revenue	Development Permits	$50,000	$43,657	$386,980	$336,980	774.0%
Revenue	General Revenue	Zoning Applications	$13,000	$1,070	$3,685	$-9,315	28.3%
Revenue	General Revenue	Other	$1,000	$0	$0	$-1,000	0.0%
Revenue	General Revenue	Penalty & Interest On Delinquent Tax	$9,000	$1,546	$9,450	$450	105.0%
Revenue	General Revenue	Penalty & Interest On Delinquent Property Tax	$5,000	$0	$0	$-5,000	0.0%
Revenue	General Revenue	Fees, Charges	$15,000	$0	$0	$-15,000	0.0%
Revenue	General Revenue	Film Permitting	$10,000	$0	$1,220	$-8,780	12.2%
Revenue	General Revenue	Planning And Development Fees	$500	$0	$0	$-500	0.0%
Revenue	General Revenue	Alcoholic Beverage Excise Tax	$130,500	$13,590	$83,549	$-46,951	64.0%
Revenue	General Revenue	Local Option Mixed Drink	$200,000	$16,173	$108,421	$-91,579	54.2%
Revenue	General Revenue	Telecommunications	$0	$2	$19	$19	0.0%
Revenue	General Revenue	Activity Fees	$75,000	$1,640	$20,005	$-54,995	26.7%
Revenue	General Revenue	Program Fees	$25,000	$4,260	$34,560	$9,560	138.2%
Revenue	General Revenue	Municipal Court	$35,000	$0	$15,068	$-19,932	43.1%
Revenue	General Revenue	Interest	$200,000	$11,965	$65,742	$-134,258	32.9%
Revenue	General Revenue	Other Miscellaneous Revenue	$0	$1,805	$2,801,805	$2,801,805	0.0%
Revenue	General Revenue	Transfer From Hotel	$450,000	$0	$0	$-450,000	0.0%
Revenue	General Revenue	Open Records Fees	$0	$0	$660	$660	0.0%
Operating	Mayor & Council	Operating Expenses	$284,000	$11,011	$60,252	$223,748	78.8%
Personnel	Mayor & Council	Personnel Expenses	$227,765	$15,717	$105,597	$122,168	53.6%
Operating	City Manager	Operating Expenses	$156,500	$18,472	$46,570	$109,930	70.2%
Personnel	City Manager	Personnel Expenses	$759,860	$40,304	$330,092	$429,768	56.6%
Operating	City Clerk	Operating Expenses	$148,500	$2,628	$71,455	$77,045	51.9%
Personnel	City Clerk	Personnel Expenses	$400,710	$28,669	$190,718	$209,992	52.4%
Operating	Finance	Operating Expenses	$719,500	$71,283	$49,254	$670,246	93.2%
Personnel	Finance	Personnel Expenses	$1,547,360	$87,587	$596,886	$950,474	61.4%
Operating	Legal	Operating Expenses	$750,000	$103,628	$462,681	$287,319	38.3%
Operating	Information Technology	Operating Expenses	$818,500	$84,639	$385,636	$432,864	52.9%
Operating	Human Resources	Operating Expenses	$183,500	$4,827	$27,955	$155,545	84.8%
Personnel	Human Resources	Personnel Expenses	$557,845	$30,728	$199,658	$358,187	64.2%
Operating	Internal Audit	Operating Expenses	$65,000	$0	$0	$65,000	100.0%

JUNE 2026 GENERAL FUND DETAIL (FUND 100)

Note: The approved midyear budget adjustment has not yet been posted and is not reflected in these figures.

Section	Department	Description	Adopted Budget	June Activity	YTD Activity	Variance	% Remaining
Personnel	Internal Audit	Personnel Expenses	$65,000	$0	$0	$65,000	100.0%
Operating	Facilities	Operating Expenses	$1,195,800	$63,110	$421,139	$774,661	64.8%
Personnel	Facilities	Personnel Expenses	$1,167,310	$60,607	$419,682	$747,628	64.0%
Operating	Communications	Operating Expenses	$393,500	$19,782	$96,530	$296,970	75.5%
Personnel	Communications	Personnel Expenses	$646,630	$49,590	$319,797	$326,833	50.5%
Operating	Public Works/Engineering	Operating Expenses	$573,160	$0	$0	$573,160	100.0%
Personnel	Public Works/Engineering	Personnel Expenses	$414,805	$8,217	$57,940	$356,865	86.0%
Operating	General Administration	Operating Expenses	$883,800	$138,195	$432,025	$451,775	51.1%
Operating	Municipal Court	Operating Expenses	$48,000	$1,574	$-610	$48,610	101.3%
Personnel	Municipal Court	Personnel Expenses	$287,790	$12,385	$58,900	$228,890	79.5%
Operating	Public Safety	Operating Expenses	$60,900	$0	$0	$60,900	100.0%
Personnel	Public Safety	Personnel Expenses	$158,000	$0	$0	$158,000	100.0%
Operating	Parks & Recreation	Operating Expenses	$1,520,500	$164,675	$730,663	$789,837	51.9%
Personnel	Parks & Recreation	Personnel Expenses	$1,229,805	$78,253	$414,802	$815,003	66.3%
Operating	Building	Operating Expenses	$286,200	$17,160	$125,945	$160,255	56.0%
Personnel	Building	Personnel Expenses	$383,625	$14,253	$75,937	$307,688	80.2%
Operating	Planning & Zoning	Operating Expenses	$278,500	$579	$98,015	$180,485	64.8%
Personnel	Planning & Zoning	Personnel Expenses	$1,286,040	$89,168	$582,358	$703,682	54.7%
Operating	Code Enforcement	Operating Expenses	$49,500	$90	$5,605	$43,895	88.7%
Personnel	Code Enforcement	Personnel Expenses	$964,640	$74,696	$490,554	$474,086	49.1%
Operating	Economic Development	Operating Expenses	$196,500	$295	$29,764	$166,736	84.9%
Personnel	Economic Development	Personnel Expenses	$404,255	$23,559	$151,065	$253,190	62.6%