

# City of Villa Rica Annual Financial Report

For the Year Ended December 31, 2014

**CITY OF VILLA RICA, GEORGIA**

571 West Bankhead Highway  
Villa Rica, GA 30180

# ***Annual Financial Report***

**City of Villa Rica, Georgia**

for the Fiscal Year  
January 1, 2014 – December 31, 2014

**FINANCE DEPARTMENT**

**Julia H. Luke, CGFM CPFA**

**Chief Finance Officer**

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# *Introduction*

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# City of Villa Rica

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Mayor J. Allen Collins • Verland Best • Leslie McPherson • Mike Williamson • Danny Carter • Shirley Marchman

June 30, 2015

Citizens of Villa Rica, Georgia  
Honorable Mayor  
Members of Council,

We are pleased to present the Annual Financial Report of the City of Villa Rica, Georgia (the “City”) for the period ended December 31, 2014. This report consists of management’s representations concerning the finances of the City of Villa Rica. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. We believe, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City. All disclosures necessary to enable the reader to gain a full understanding of the City’s financial activities have been included.

The management of the City of Villa Rica is responsible for establishing and maintaining an effective internal control structure. In developing and evaluating the City of Villa Rica’s accounting system, consideration is given to the adequacy of its system of internal control. We believe the City of Villa Rica’s internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Georgia Code requires and annual audit by independent certified public accountants. The City selected the accounting firm of Rushton & Company to complete the audit of the fiscal year ended December 31, 2014 and the auditor’s unqualified opinion has been included in the report.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Villa Rica for the fiscal year ended December 31, 2014 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimated made by management; and evaluating the overall financial presentation. The independent auditors have concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the City of Villa Rica and its component unit’s financial statements for the fiscal year ended December 31, 2014 are fairly presented and conform with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented in the first component of the financial section of this report.

The City receives federal financial assistance through various federal grant programs. The amount received in the fiscal year ended December 31, 2014 were material to require an audit in accordance with the Single Audit Act, P.L. 98-502, and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations" and "Government Auditing Standards" issued by the Comptroller General of the United States.

Generally accepted accounting principles require that management provide a narrative introduction, over view, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Villa Rica's MD&A can be found immediately following the auditor's report in the financial section of this report.

### **Reporting Entity**

The financial reporting entity (the government) includes all the funds of the primary government (i.e., City of Villa Rica, Georgia, as legally defined), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units (although legally separate entities) are, in substance part of the primary's government operations and are included as part of the primary government. The Villa Rica Facilities Authority meets the criteria. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government and differentiate their financial position and results of operations from those of the primary government. There are two potential discretely presented component units meeting the criteria - Industrial Development Authority and Downtown Development Authority.

The City operates under a charter adopted on April 25, 1975, which provides for a Council-Manager form of government. The City provides a full range of services to some 14,000 residents. These services include general administration, police protection, solid waste services, water and sewer services, the construction and maintenance of streets, and recreational activities and cultural events.

Villa Rica is governed by a mayor and five council members elected by the citizens. The mayor serves a four year term, and is the chief executive official of the City. The members of the City Council serve four-year staggered terms. The five district Councilpersons represent specific districts within the territorial limit of Villa Rica. The City Manager is appointed by the Mayor and Council and serves as the Chief Administrative Officer, responsible for the day-to-day operation of the City.

## **Natural features and Land Use**

Villa Rica's total land area is 12.7 square miles and sits on the ridgeline that separates the Chattahoochee and Tallapoosa river basins. Slightly more than half of Villa Rica lies within Carroll County, Georgia and the remaining portion lie within Douglas County, Georgia. The City is 33 miles west of Atlanta and 43 miles from Hartsfield Jackson International Airport. Villa Rica sits strategically on I - 20, between Atlanta, Georgia and Birmingham, Alabama.

The location which was to become Villa Rica was originally settled in 1826 along what is now known as the Dallas Highway. The land was ceded by the Creek people in 1825 with the second Treaty of Indian Springs signed by Chief William McIntosh. In 1826, farmers and gold miners arrived in the area from Pennsylvania, New Jersey and Delaware to what was known as Hixtown (named after a local tavern operator, incorporated 1830). One mile south was Chevestown, owned by Allen Cheeves. Hixtown and Cheevestown moved to Villa Rica's present location in 1882 when the railroad was built. The city was incorporated as Villa Rica in 1881. The name Villa Rica is derived from Spanish for "rich city" and the city's name change was done to promote the gold in the area.

Shortly after the arrival of the wagons in 1826, gold was discovered. This is the same year Carroll County was created and named for Charles Carroll of Carrollton, Maryland because he was the last living signer of the Declaration of Independence. There was a small gold rush in Villa Rica in the late 1820's. When Georgia's Gold Rush took hold in 1829, most of the Villa Rica miners moved northeast to the Dahlonega area. Nevertheless, some mining continued in the area with several hundred men employed in nearby mines. By 1860, the gold supplies in the area had been largely exhausted.

Fullerville, small community northwest of Villa Rica, had several textile mills and was incorporated in 1916. In 1956 the City returned its charter to the state and was annexed into Villa Rica.

Today, Villa Rica is a city in Carroll and Douglas Counties, Georgia. The population was 4,134 at the 2000 census. By the 2010 census, the population had grown to 13,956 a growth of 211.34%. Villa Rica is the birthplace of Thomas A. Dorsey, father of gospel music – a festival is held in his honor every year, Asa Griggs Candler, Coca-Cola business tycoon and former Mayor of the City of Atlanta, and Warren Akin Candler, former Bishop of the Methodist Episcopal Church, South and tenth president of Emory University. On May 4, 1961, The Freedom Riders passed through Villa Rica. This is the same day their bus was burned in Anniston, Alabama.

The City has several historic registered places. The North Villa Rica Commercial District was added to the National Register of Historic Places on December 31, 2002. The district includes several blocks of buildings, some dating back to 1875, which were built in early commercial style. The area houses several antique stores and restaurants, and other commercial business. The Pine Mountain Gold Museum at Stockmar Park is listed on the National Registry of Historic Places. This site allows the visitors to walk where miners walked and experience gold mining techniques

spanning more than 100 years. The site includes a museum, grist mill wheel, more than 2 miles of trails, and an operating 19<sup>th</sup> century stamp mill and the attraction of a C.P. Huntington locomotive with almost a mile of track around the mountain.

The City hosts the Thomas A. Dorsey Festival, closest Saturday to July 1, featuring Gospel and Blues music. Another annual festival is the Gold Rush Festival, the Saturday after Labor Day, celebrating the first gold rush in Georgia.

### **Budgetary Controls**

The annual budget serves as the foundation for the City of Villa Rica's financial planning and control. The objective of these budgetary controls is to ensure compliance and legal provisions embodied in the annual appropriation budget approved by Mayor and Council. Annual Budget and Program for Services are legally adopted for the General Fund, Special Revenue Funds, Debt Service, Capital Projects Funds and Proprietary Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

### **Local Economy**

Villa Rica, like many cities, has continued to see the prolonged result of the slowdown of the economy since January 2011. One of the indicators watched on a monthly basis is trending of the vacant homes. In August 2011 the number of vacant homes within the city limits reached 607 units. As of December 2014 this number has been reduced to 410. There has been a steady decline over the past 37 months. At the fiscal year ended December 31, 2014 the total LOST collections were \$2,214,750 compared to the prior nine months of \$1,532,773. These trends are expected to continue in FY 2014.

The Villa Rica Development Authority and Carroll Tomorrow vigorously market the city and the results are showing. There are currently more than 80 industries located in the industrial parks and only a few buildings remain vacant.

In the west side industrial park, Southern Enterprises made a most recent purchase of raw land and constructed a manufacturing facility, and prior to that Universal Pasteurization made the most recent purchase of an existing building, the old Reinhart manufacturing plant. Printpack just completed an expansion and Sugar Foods just announced an expansion to begin in 2015.

There are 150 acres of undeveloped land on the east side industrial park, and Southwire has recently announced expansion on a portion of this land to begin before the end of 2015.

The Villa Rica Development Authority (VRDA) hired Silvio Development Company in 2013 to identify suitable new industrial sites and the VRDA is actively seeking to expand available industrial properties to attract still more industries.

There are contracts for the purchase of 2.7 million gallons of water per day from Carroll County Water Authority and the Douglasville/Douglas County Water & Sewer Authority. These contracts along with the City's own 1.5 MGD water plant give the City available water supply to triple water sales.

Strategic advantages that Villa Rica has are a main line east/west railroad that serves the industrial areas from Atlanta to Birmingham; easy access to I-20 with two exits (24 and 26) and Hartsfield Jackson International Airport only a short trip away. What are the three most important elements in real estate - location, location and location?

### **Major Initiatives**

In 2011, Carroll Tomorrow embarked on a new five-year initiative, "Advantage Carroll" with the focus on Economic Development, Education and Workforce Development, and Leadership and Government Relations. Business, government, education and community leaders, throughout Carroll County and Villa Rica believed in the vision of *Advantage Carroll* and committed \$660,000/year or \$3.3 million over the five years of the plan. Measurable goals are to create \$175 million in new capital investment; generate at least \$100 million in new payroll; create 2,000 new and retained jobs including 500 new information technology and communications jobs; assist a minimum of 240 existing businesses to identify opportunities for expansion; add 100 acres of prepared industrial sites; and assist 75 new start-up businesses through the Burson Center. Through 2014, new capital investment totals \$650.6 million; new payroll totals \$86,848,560; new and retained jobs total 3,926 with 1,167 new technology and communication jobs; 115 acres of new industrial sites have been prepared; and 84 new start-up businesses have been assisted through The Burson Center. Villa Rica has been a catalyst for many of these Carroll County successes.

### **Looking to the Future**

Villa Rica is fortunate to have a stable list of large employers such as Tanner Medical Center, PrintPack, Flowers Bakery, Sugar Foods, Turano Bakery and Southwire Company. In fiscal year 2014, companies such as Industrial Battery and Charger, APEX Chemical Supply, Sustainable Recycling Solutions, Inc. and Universal Pasteurization were among the list of firms that have chosen to call Villa Rica home. Companies such as Turano Bakery, Sugar Foods, Southwire and PrintPak have expanded their operations in Villa Rica. With excess sewer capacity and a hefty debt service on the new \$30 million facility, the City lowered water and sewer tap fees to attract new construction of homes and commercial customers in FY 2013. Investors are looking at Villa Rica almost every day to make their next move and the Villa Rica Development Authority hopes the

next Carroll County Industrial site is located in Villa Rica. There are numerous sites available for large retail customers just off the two I-20 exits and this growth will come as traffic continues to increase on I-20.

Transportation is important to Villa Rica and the City continues its efforts to complete environmental studies and the engineering for the North Loop. This loop will connect State Route 101(Rockmart Highway) and State Route 61 (Dallas Highway) together on the north side of the City. Right of way acquisition is planned to begin in 2016 and construction is scheduled for 2018 pending final permitting. Upgrades for the intersection in the Industrial Park have been completed with the addition of a turn lane. Sidewalk and street upgrades continue each year as SPLOST funds are available.

The City Library designed for a population of 5,000 has \$650,000 in SPLOST funds set aside to construct a new library. Grant applications have been submitted to the State and funding has been received. The library board is working with Tanner Medical Center to partner and build a new library on the Dallas Highway.

The City Council committed years ago to move City Hall back to the downtown area and construction plans are complete and ready to bid the project at some appropriate time in the future. An old industrial complex in the downtown was purchased nine years ago and now serves as the City's maintenance department but will be the site of the new City Hall. The Mill (amphitheater) also located on this site was completed in downtown in 2010 and continues to draw huge crowds to events year round.

The City completed building the new Waste Water Treatment Plant in fiscal year 2012. The plant has a total treatment capacity of 2.1 MGD and a current demand of .7 MGD

There is a main line east/west railroad that serves the industrial areas; easy access to I-20 and Hartsfield Jackson International Airport.

### **Cash Management**

The available assets of the various funds are pooled to the extent possible for investment purposes. Investments are made in accordance with applicable State laws. Demand deposit bank account must be collateralized by a pledge of the State of Georgia or United States Treasury or Agency obligations equal to market values to 110% of the uninsured amount of the deposit.

### **Acknowledgements**

The preparation of the Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Special acknowledgment goes to Janet Hyde for assistance in preparing the introductory letter. Appreciation is also expressed to the Mayor and Council Members, City Manager and Departments for their cooperation and assistance on matters pertaining to the financial affairs of the City.

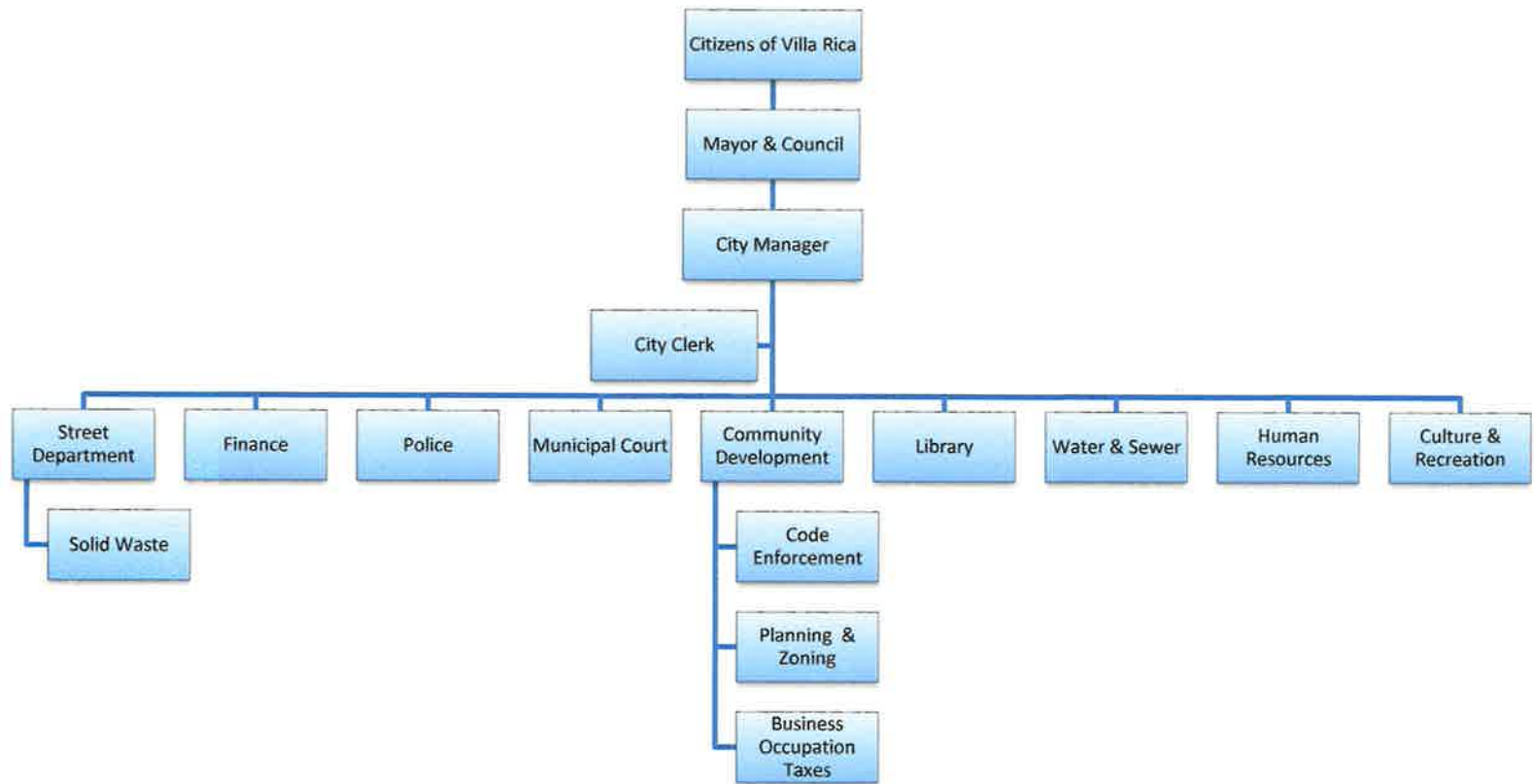
Respectively submitted,

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Julia H. Luke, CGFM, CMFA  
Chief Finance Officer

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# **ORGANIZATIONAL CHART**



# **PRINCIPAL OFFICIALS**

## **CITY OF VILLA RICA, GEORGIA**

Mayor	J Allen Collins
Council Member	Danny Carter
Council Member	Verland Best
Council Member	Leslie McPherson
Council Member	Mike Williamson
Council Member	Shirley Marchman
City Manager (Interim)	Larry Wood
City Clerk	Alisa Doyal
City Attorney	C David Mecklin, Jr.
Municipal Court Judge	Scott K Camp
City Auditor	Rushton and Company, Certified Public Accountants
Chief Financial Officer	Julia H Luke, CGFM, CMPA
Chief of Police	Michael Mansour
Director of Community Development	Janet Hyde
Public Works Director	Steve Kinney

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Villa Rica, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, 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 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 of 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, as of December 31, 2014, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 management's discussion and analysis on pages 29 through 44 and the schedule of funding progress on page 115 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Villa Rica, Georgia's basic financial statements. The accompanying supplementary information as listed in the table of contents and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The supplementary information, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of the City of Villa Rica, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Villa Rica, Georgia's internal control over financial reporting and compliance.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
November 5, 2015

# *Management Discussion and Analysis*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Villa Rica, Georgia, we offer readers of Villa Rica's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year end December 31, 2014. The discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the City's financial activities; 3) identify changes in the City's financial position; 4) identify material deviations from the original budget; and 5) identify fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the financial statements and the notes to the financial statements.

This annual report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and under the guiding principle of the Governmental Accounting Standards Board (GASB).

Management's Discussion and Analysis document is intended to serve as an introduction to the City of Villa Rica's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

The City's basic financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide the readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. These are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position*. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities*, reports how the City's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- Government activities – Most of the City’s basic services are reported here, including police, community development, public works, and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- Business-type activities – The city charges a fee to customers to help cover all or most of the cost of certain services it provides. The City’s water and sewer system and solid waste system are reported here.
- Component units – The City includes three additional separate legal entities in its report – the Villa Rica Public Facilities Authority, the Villa Rica Industrial Authority and the Downtown Development Authority. Although legally separate, these “component units” are important because the City is financially accountable for them.

The government-wide statements financial statements are presented on pages 47 & 48 of this report.

A fund is an accountability unit use to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City’s most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The City has two kinds of funds:

- *Government funds* – The majority of the City’s basis services are reported in governmental funds, which focus on how money flows in and out of those funds and the balance left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. By comparing information presented in for the governmental funds with similar information presented governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government’s near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are detailed in reconciliation following the fund financials statements.

The City maintains five major funds and eleven non-major governmental funds. The City’s major governmental funds are: General, UDAG, Villa Rica Public Facilities Authority Fund, SPLOST Fund and Capital Projects Fund. The City’s non-major governmental funds are: Federal Seizures, Narcotics Enforcement, EIP Grant, Community Green Space, Drug Task Force, COPS, Hotel Motel Tax, Cemetery, Capital Projects Fund for Public Roads, Pine Mountain Gold Museum and Villa Rica’s Public Facility Capital Project.

The basic governmental fund financial statements are presented on pages 51 through 58 of this report.

- *Proprietary funds* – The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as cash flows. These are reported in the fund financial statements and generally report services for which the City charges customers a fee.

The City maintains two enterprise funds: Water and Sewer and Solid Waste.

Also included in the proprietary fund are internal service funds. These funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost reimbursement basis.

The City has no internal service funds.

The proprietary funds statements are presented on pages 61 through 65 of this report.

The financial statements include notes that explain some of the information in the financial statements and provide information in more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 65 of this report.

Budgetary comparison statements are included as “basic financial statements” for the General Fund, UDAG Fund, Villa Rica Public Facilities Authority Fund. Budgetary comparisons schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City’s adopted and final revised budget.

As discussed the City reports major funds in the basic financial statements. A General Fund’s schedule of expenditures by department, combining and individual statements and schedules for non- major funds are presented as supplementary information beginning on page 117.

Figure A-1 on the following page summarizes the major feature of the City’s financial statements, including the portion of the City they cover and the types of information they contain.

Figure A- 1

**Major Features of City of Villa Rica's Government-wide and Fund Financial Statements**

	<b>Fund Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire City government and City's component units	The activities of the City that are not proprietary, such as police and recreation	Activities the City operates similar to a business: Water and Sewer and Solid Waste
<b>Required Financial Statements</b>	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic focus
<b>Types of asset/liability information</b>	All assets and liabilities, both capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon enough thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during on soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Within this section of the City of Villa Rica, Georgia's (the City) annual financial report, the City management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

## **FINANCIAL HIGHLIGHTS**

- The assets of the City of Villa Rica exceeded its liabilities at December 31, 2014 by \$52,682,139 (net position) for the fiscal year reported. Of this amount, \$8,171,964 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This compares to the previous year when total assets exceeded total liabilities by \$52,010,630.
- Total net position is comprised of the following:
  - a. Net investment in capital assets, \$42,183,503, include property and equipment net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - b. Net position of \$2,326,672 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws and regulations.
  - c. At the end of the current fiscal year, unrestricted net position increased to \$8,171,964 from fiscal year 2013's \$7,470,661.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true last year.

During the current fiscal year the City's total long-term bonds were unchanged. The remaining bonds outstanding are interest only until 2020.

### **Financial Analysis of the City as a Whole**

The financial highlights are explained in more detail in the "financial analysis" section of the document. The City's net position at fiscal year-end 2014 increased .01% from \$52,253,140 at December 31, 2013 to \$52,682,139 at December 31, 2014 (See Table 1).

**City of Villa Rica's Summary of Net Position (Table 1)**

	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2014	CY 2013	2014	CY 2013	2014	CY 2013	2014	CY 2013
<b>Assets and Deferred Outflow of Revenues:</b>								
Current and other assets	\$11,048,863	\$ 9,437,997	\$ 2,938,798	\$ 2,965,576	\$ 13,987,661	\$ 12,403,573	15.25%	13.86%
Capital assets	53,423,723	53,375,064	24,014,768	23,568,414	77,438,491	76,943,478	84.42%	85.97%
Restricted assets	306,841	153,389	-	-	306,841	153,389	.33%	0.17%
Total assets	64,779,427	62,966,450	26,953,566	26,533,990	91,732,993	89,500,440	100.00%	100.00%
<b>Liabilities:</b>								
Current liabilities	1,695,869	1,343,679	1,926,399	771,129	3,622,268	2,114,808	9.35%	5.65%
Long-term liabilities	34,924,037	35,145,680	197,706	229,322	35,121,743	35,375,002	90.65%	94.35%
Total Liabilities	36,619,906	36,489,359	2,124,105	1,000,451	38,744,011	38,068,443	100.00%	100.00%
<b>Net Position:</b>								
Net Investment in capital assets	18,441,338	18,144,707	23,742,165	23,335,348	42,241,815	41,480,055	80.18%	79.75%
Restricted	2,326,672	819,114	-	-	2,326,672	819,114	4.42%	1.58%
Assigned	-	2,240,800	-	-	-	2,240,800	0%	4.32%
Unrestricted	7,084,670	5,272,470	1,087,597	2,198,191	8,113,652	7,470,661	15.40%	14.35%
Total net position	\$ 27,852,680	\$ 26,477,091	\$ 24,829,459	\$ 25,533,539	\$ 52,682,139	\$ 52,010,630	100.00%	100.00%

The largest portion of the City's net position 80.18% % at December 31, 2014, reflects its investment in capital assets (e.g., land, buildings machinery and equipment, less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that revenue sources needed to pay this debt must be provided from other sources, since capital assets themselves are not planned to be used to liquidate these liabilities.

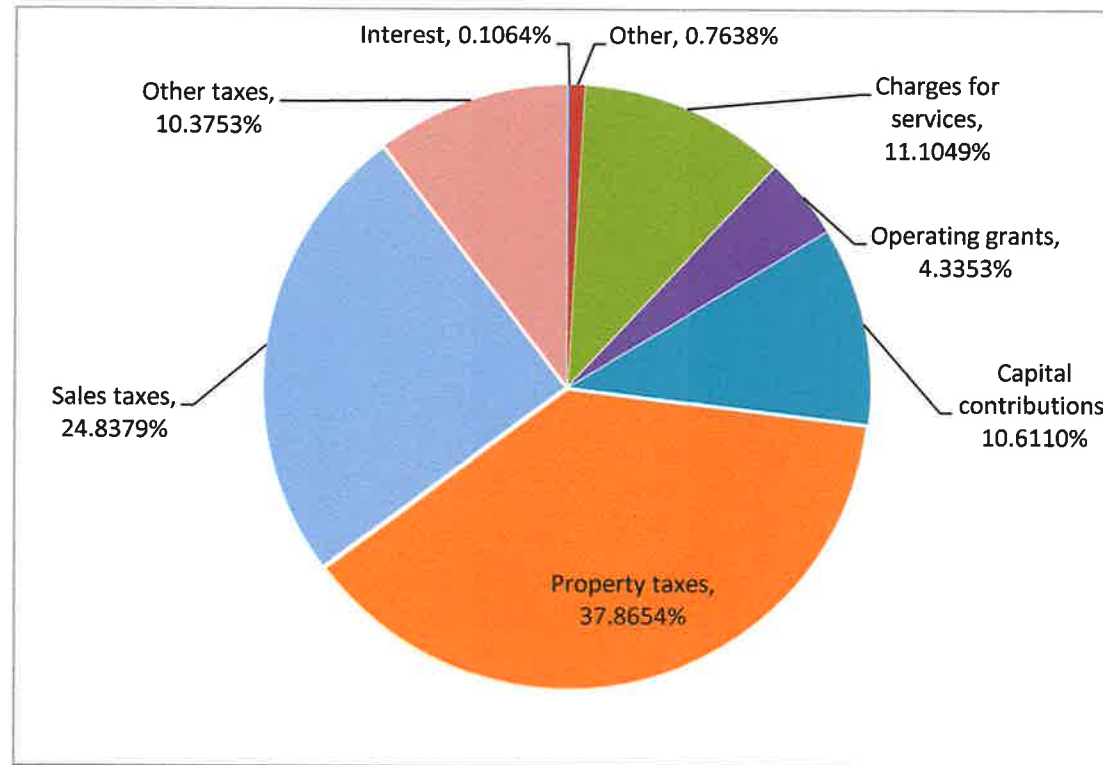
An additional portion of the City's net position 4.42% represents resources that are subjects to external restrictions on how they may be used, and the remaining balance of unrestricted net position of \$8,171,964 or 15.4% may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The increase in assets is an indication the City's financial position has been stable over the period ending December 2014.

Summary of Changes in Net Position (Table2)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2014	CY 2013	2014	CY 2013	2014	CY 2013	2014	CY 2013
<i>Revenues:</i>								
<i>Program:</i>								
Charges for services	\$ 1,224,987	\$ 896,341	\$ 5,564,569	\$ 4,307,918	\$ 6,789,556	\$ 5,204,259	38.99%	40.89%
Operating grants	478,226	203,247	-	-	478,226	203,247	2.75%	1.60%
Capital contributions	1,170,507	799,239	500,000	146,381	1,670,507	945,620	9.59%	7.43%
<i>General:</i>								
Property taxes	4,176,958	2,924,486	-	-	4,176,958	2,924,486	23.99%	22.98%
Sales taxes	2,739,884	1,554,878	-	-	2,739,884	1,554,878	15.74%	12.21%
Other taxes	1,144,511	1,545,385	-	-	1,144,511	1,545,385	6.57%	12.14%
Interest	11,738	13,344	1,692	-	13,430	13,344	0.08%	0.10%
Other	84,253	90,811	314,391	239,754	398,644	330,565	2.29%	2.65%
<i>Total revenues</i>	<i>11,031,064</i>	<i>8,027,731</i>	<i>6,380,652</i>	<i>4,694,052</i>	<i>17,411,716</i>	<i>12,721,784</i>	<i>100.00%</i>	<i>100.00%</i>
<i>Program expenses:</i>								
General government	846,657	566,169	-	-	846,657	566,169	4.94%	4.69%
Judicial	219,206	193,686	-	-	219,206	193,686	1.29%	1.60%
Public safety	3,228,101	2,323,774	-	-	3,228,101	2,323,774	18.85%	19.25%
Public works	2,490,499	1,854,052	-	-	2,490,499	1,854,052	14.54%	15.35%
Health and welfare	197,633	138,624	-	-	197,633	128,624	1.15%	1.15%
Culture and recreation	2,207,497	1,658,092	-	-	2,207,497	1,658,092	12.89%	13.74%
Housing and economic development	522,374	402,967	-	-	522,374	402,967	3.05%	3.34%
Interest	1,728,076	874,838	-	-	1,728,076	874,838	10.09%	7.25%
Water and sewer	-	-	4,824,998	3,502,699	4,824,998	3,502,699	28.18%	29.05%
Solid waste	-	-	859,068	552,633	859,068	552,634	5.02%	4.58%
<i>Total expenses</i>	<i>11,440,043</i>	<i>8,012,202</i>	<i>5,684,066</i>	<i>4,055,332</i>	<i>17,124,109</i>	<i>12,057,535</i>	<i>100.00%</i>	<i>100.00%</i>
Excess (deficiency)	(408,979)	15,529	696,586	638,720	287,607	654,250		
Gain (loss) on sale of assets	16,964	127,062	1,425	(179,262)	18,389	(52,500)		
Transfers	1,443,352	574,056	(1,443,352)	(574,056)	-	-		
Change in net position	1,051,337	716,647	(745,341)	(114,597)	305,996	602,050		
Beginning net position	26,477,091	26,756,389	25,533,538	25,648,136	52,010,629	52,404,525		
Prior period adjustment	324,252	(995,945)	41,262	-	365,514	(995,945)		
Ending net position	\$ 27,852,680	\$ 26,477,091	\$ 24,829,459	\$ 25,533,539	\$ 52,682,139	\$ 52,010,630		

## Governmental Revenues Year 2014



### GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes, sales taxes and other taxes to support operations. Property taxes provided 37.86%, sales taxes provide 24.84% and other taxes provided 10.37%. Also note program revenues cover 26.05% of governmental expenses. This means the government taxpayers and the City's other general revenues fund 74% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

Table 3 presents the cost of each of the City's programs, including the net costs (i.e., total costs less revenues generated by the activities). The net costs illustrate the financial burden placed on the City's taxpayers by each of these functions.

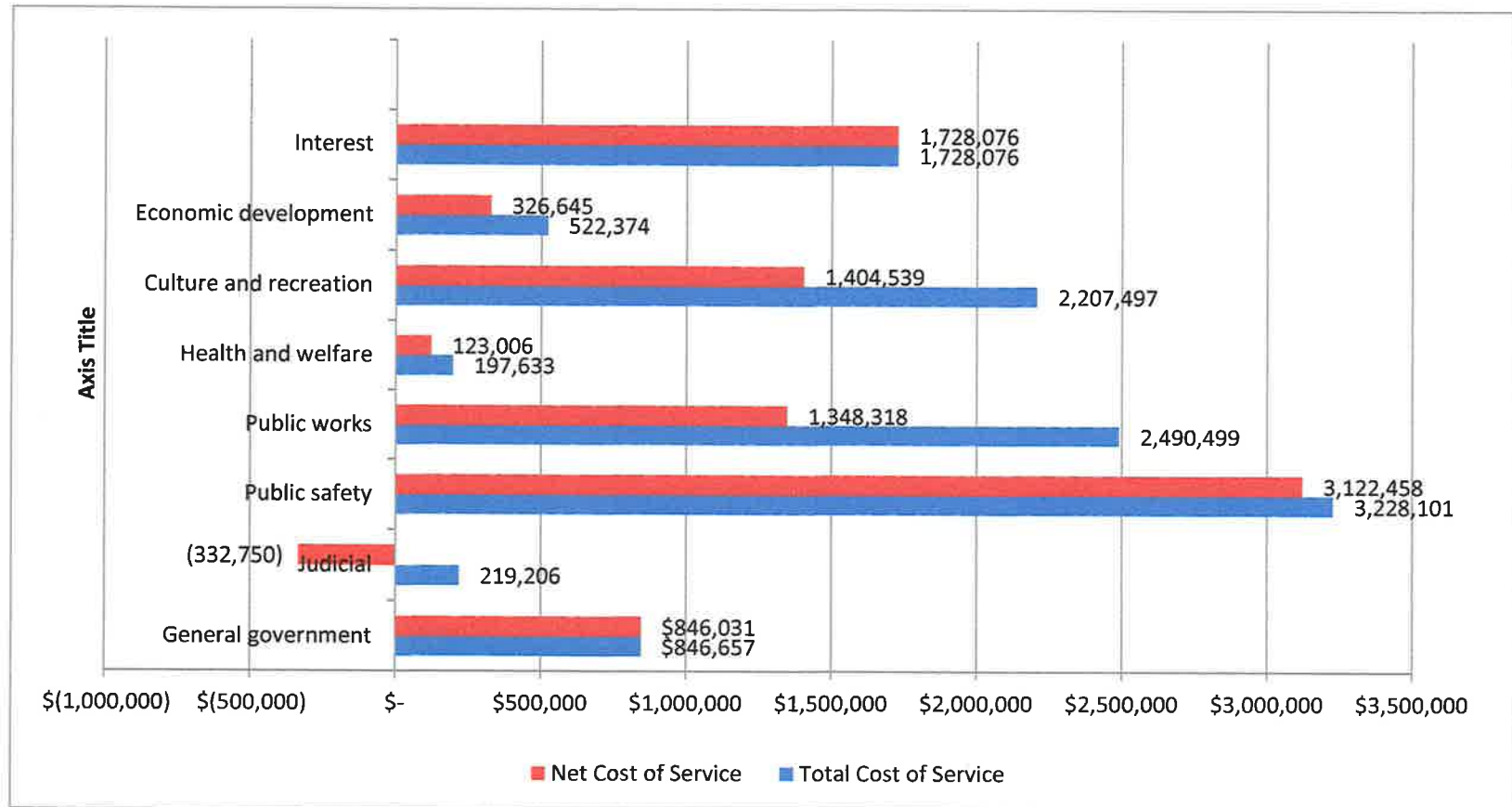
The most significant governmental expense for the City is providing Public Safety services such as Police protection. This comprises 28.22% of the total governmental expense. Revenues collected from a variety of sources offset public safety expenses with the largest being fines and forfeitures, which were \$551,956 for the fiscal year, ended December 31, 2014. The second largest City cost is for Public Works totaling \$2,490,499 or 21.77% of governmental expenses.

- The cost for all governmental activity for the year was \$11,440,043 compared to \$8,200,194 in the nine month CY 2013.
- The revenue amount paid for most of these activities came from the general revenues of the City such as property taxes, sales taxes and business taxes (\$8,061,353).
- Some of the costs were paid by those benefiting directly from the programs (\$1,224,987) and subsidies from other governments and organizations through grants and/or contributions (\$1,648,733).

**CITY OF VILLA RICA GOVERNMENTAL ACTIVITIES (TABLE 3)**

	Total Cost of Services		Percentage of Total		Net Costs of Services		Percentage of Total	
	2014	CY 2013	2014	CY 2013	2014	CY 2013	2014	CY 2013
General government	\$ 846,657	\$ 566,169	7.04%	7.00%	\$ 846,031	\$ 566,139	9.88%	9.10%
Judicial	219,206	193,686	1.92%	2.35%	(332,750)	193,686	(3.84)%	3.06%
Public safety	3,228,101	2,323,774	28.22%	28.39%	3,122,458	1,751,700	36.45%	27.87%
Public works	2,490,499	1,854,052	21.77%	22.58%	1,348,318	1,150,259	15.74%	18.23%
Health and welfare	197,633	138,624	1.73%	1.70%	123,006	92,869	1.44%	1.49%
Culture and recreation	2,207,497	1,658,092	19.30%	20.16%	1,404,539	1,239,501	16.40%	19.59%
Community development	522,374	402,967	4.57%	4.90%	326,645	244,383	3.81%	3.87%
Interest	1,728,076	1,062,830	15.10%	12.92%	1,728,076	1,062,830	20.17%	16.79%
<b>Total</b>	<b>\$ 11,440,043</b>	<b>\$ 8,200,194</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 8,566,323</b>	<b>\$ 6,301,367</b>	<b>100.00%</b>	<b>100.00%</b>

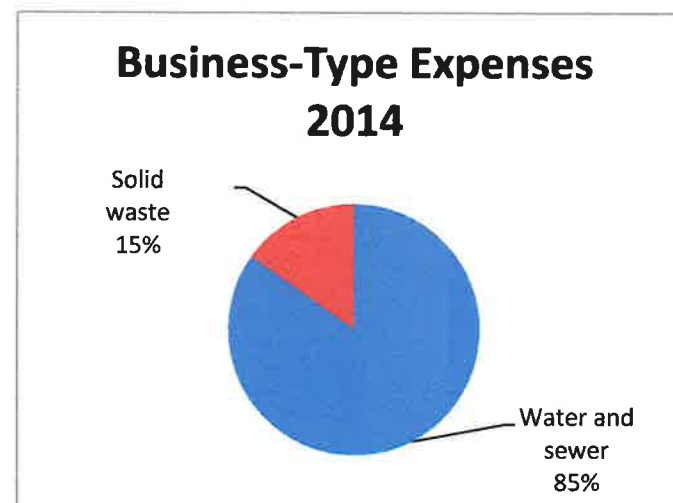
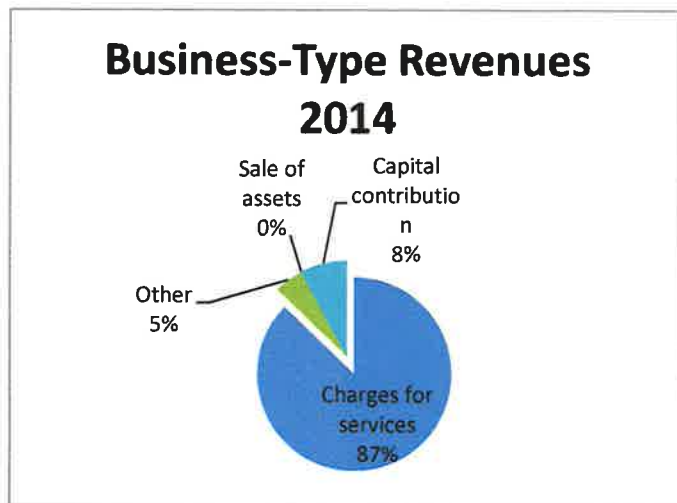
### Governmental Expenditures Period Ending December 31, 2014



## BUSINESS-TYPE ACTIVITIES

### Revenues vs. Cost

The cost of all Proprietary (Business-Type) activities this fiscal year was \$5,684,066 as shown Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$5,564,659 and additionally the business-type activities earned \$317,508 from other revenues and received capital contributions for \$500,000. Within the total business-type activities of the City, these activities reported a decrease in net position of \$745,341.



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. The information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

### *Governmental Funds*

Governmental funds reported ending fund balance of \$9,855,342. Of this year-end total, \$6,290,536 is unassigned indicating availability for continuing City service requirements.

### *Major Governmental Funds*

The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$6,290,536. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 76.19% total general fund expenditures.

Total general fund revenues for the period ending December 31 were \$9,827,527 or a 140.45% increase from the last nine month fiscal year. There was a increase in property taxes, which was \$4,176,958 for the ending December 31, 2014 and \$2,875,351 in the nine month fiscal year 2013. The reason for this \$1,301,607 increase in property tax is primarily the taxes were collected over twelve month period as opposed to the nine month period of the previous year.

The insurance premium taxes in the nine month fiscal 2013 were \$719,906 while in the period ending December 31, 2014 were \$752,714, which is an increase of \$32,808. An increase in revenues was in the franchise taxes. The franchise taxes in the nine month fiscal year 2013 were \$390,143, while in the period ending December 31, 2014 were \$1,177,178 which is an increase of \$787,035.

The Urban Development Action Grant Fund ending fund balance was \$1,052,523 at the period ending December 31, 2013 an increase of \$54,936 from the nine month fiscal year 2013.

The Villa Rica Public Facilities Fund is used for the payment of the Series 2008 and 2009 revenue bonds which were for the construction of the waste water treatment plant on the North West side of the City. The expenditures of \$1,713,007 were for the debt service payment in fiscal 2014. The expenditure was matched with an operating transfer from the water and sewer fund.

The Special Purpose Local Option (SPLOST) Fund ending fund balance was \$1,524,894, an increase of \$324,852 from the nine month fiscal year 2013. The increase in fund balance is due to project monies that were appropriated not being spent within the current fiscal year due to a variety of reasons such as inclement weather and projects taking longer than was expected.

### *The Proprietary Funds*

The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues were 134.12% higher than those in the nine month fiscal year 2013 and operating expense were 138.89 higher than the prior nine month fiscal year.

The water and sewer fund operating revenues are 134.53% higher than those in nine month fiscal year 2013 and operating expenses were 136.28% higher than the prior nine month fiscal year. The increase of \$1,270,832 was the result of a twelve month year compared to the transitional year of nine months.

The solid waste fund operating revenues are 131.35% higher than those in nine month fiscal year 2013 and operating expenses are 155.45% over the prior nine month year.

### **BUDGETARY HIGHLIGHTS**

*The General Fund* – The General Fund’s 2014 final approved revenue budget was \$10,389,543 and the original approved revenue budget was \$9,886,895. The City collected \$484,381 less than the approved revenue budget. The decrease in collection compared to budget projection consists of \$40,302 in taxes, \$92,628 fines and forfeitures, \$375,338 in intergovernmental revenues, \$3,721 in license and permits, \$14,758 in charges for services and \$3,917 in interest. There was an increase in collections compared to budget projections consisting of contributions of \$5,847 and miscellaneous of \$31,253.

The General Fund’s final approved expenditure budget was \$10,377,016 and the original approved expenditures budget was \$9,886,895. The City expended 90.91% of the final approved expenditure budget. The General Fund actual expenditures were \$1,010,645 less than budgeted.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### *Capital Assets*

The City’s investment in capital assets, net of accumulated depreciation and related debt, for governmental and business-type activities as December 31, 2014, was \$18,441,338 and \$23,742,165 respectively. The major changes to capital for 2014 were:

- Capital additions associated with the primary governmental activities site improvements (Pavement and trails, ball fields, landscaping, fencing, retaining walls, and outdoor lighting) were \$151,906. An increase in infrastructure of \$514,351 was for roads and sidewalks. Capital additions associated with the purchase of machinery and equipment was \$599,594 in governmental activities.

- Construction in progress added \$478,365 in additions. Some of the major projects are road design and improvements.

For more information on the changes in capital assets, see Note 3-E.

**City of Villa Rica's Capital Assets (Table 4)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2014	CY 2013	2014	CY 2013	2014	CY 2013
<b>Non-depreciable assets:</b>						
Land	\$ 1,685,974	\$ 1,685,974	\$ 2,101,972	\$ 2,101,972	\$ 3,787,946	\$ 3,787,946
Construction in progress	953,047	743,241	871,836	207,691	950,932	950,932
Total non-depreciable assets	<u>2,639,021</u>	<u>2,429,215</u>	<u>2,973,808</u>	<u>2,309,663</u>	<u>5,612,829</u>	<u>4,738,878</u>
<b>Depreciable assets:</b>						
Site Improvements	7,108,140	6,926,234	36,789	36,789	7,144,929	6,963,023
Infrastructure	11,433,436	10,650,346	28,668,097	28,509,768	40,101,533	39,160,114
Buildings	39,300,187	39,237,816	1,536,354	1,536,354	40,836,541	40,774,170
Machinery and equipment	5,442,334	5,390,331	3,184,652	2,793,155	8,626,986	8,183,486
Total depreciable assets	<u>63,284,097</u>	<u>62,204,727</u>	<u>33,425,892</u>	<u>32,876,066</u>	<u>96,709,989</u>	<u>95,080,793</u>
Less accumulated depreciation	<u>(12,499,395)</u>	<u>(11,258,878)</u>	<u>(12,384,932)</u>	<u>(11,617,315)</u>	<u>(24,884,327)</u>	<u>(22,876,193)</u>
<b>Net book value-depreciated assets</b>	<u>\$50,784,702</u>	<u>\$50,945,849</u>	<u>21,040,960</u>	<u>21,258,751</u>	<u>71,825,662</u>	<u>72,204,600</u>
Percentage depreciated	19.75%	18.10%	37.05%	35.34%	25.73%	24.006%
<b>Total Capital Assets</b>	<u>\$53,423,723</u>	<u>\$53,375,064</u>	<u>\$24,014,768</u>	<u>\$23,568,414</u>	<u>\$77,438,491</u>	<u>\$76,943,478</u>

At December 31, 2014, the depreciable capital assets for governmental activities were 19.75% depreciated. Note the business-type activities are 37.05% depreciated.

#### *Long-term Debt*

At the end of the fiscal year, the City had total bonded debt outstanding of \$34,905,000, all of which is backed first by the revenues of the Water and Sewer Fund and then the full faith and credit of the City.

#### **City of Villa Rica's Outstanding Borrowings as December 31, 2014 and December 31, 2013 (Table 5)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2014	CY 2013 (As adjusted)	2014	CY 2013 (As adjusted)	2014	CY 2013 (As adjusted)
Revenue bonds	\$ 34,905,000	\$ 34,905,000	\$ -	\$ -	\$ 34,905,000	\$ 34,905,000
Compensate absences	169,037	182,967	17,693	15,202	186,730	198,169
Capital lease agreement	66,302	325,339	-	-	66,302	325,339
Notes payable	-	-	214,097	233,066	214,097	233,066
<b>Total</b>	<b>\$ 35,140,339</b>	<b>\$ 35,413,306</b>	<b>\$ 231,790</b>	<b>\$ 248,268</b>	<b>\$ 35,372,129</b>	<b>\$ 35,661,574</b>

For more information on the long-term obligations, see Note 3-F and 3-G to the financial statements

#### **ECONOMIC CONDITIONS AFFECTING THE CITY**

The City's elected and appointed officials consider many factors when adopting the 2014 budget, tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The economic trends for the City of Villa Rica have shown stabilization in the

economy. However the City continues to have a steady flow of newcomers and industry. The City closely monitors the housing vacancy rate and this has shown a steady decline. There are several companies contacting the City about relocating or expanding their footprint in Villa Rica.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the City's finances, comply with the finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City at 678-840-1220 or visit the City's website at [www.villarica.org](http://www.villarica.org).

# ***Basic Financial Statements***

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**CITY OF VILLA RICA**  
**STATEMENT OF NET POSITION**  
**December 31, 2014**

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	INDUSTRIAL AUTHORITY	DDA
<b>ASSETS</b>					
Current assets:					
Cash	\$ 8,138,903	\$ 2,061,305	\$ 10,200,208	\$ 1,201,131	\$ 21,714
Receivables (net)	2,322,713	824,116	3,146,829	-	-
Due from other governments	-	-	-	-	-
Inventories at cost	-	24,853	24,853	-	-
Prepaid expenses	587,248	28,524	615,772	-	-
Restricted assets:					
Cash	306,841	-	306,841	-	-
Non-current assets:					
Capital Assets:					
Non-depreciable	2,639,021	2,973,808	5,612,829	154,172	-
Depreciable, net	50,784,701	21,040,960	71,825,661	-	-
Total assets	<u>\$ 64,779,427</u>	<u>\$ 26,953,566</u>	<u>\$ 91,732,993</u>	<u>\$ 1,355,303</u>	<u>\$ 21,714</u>
<b>LIABILITIES</b>					
Current liabilities:					
Outstanding checks in excess of bank balance	\$ 26,442	\$ 1,378,491	\$ 1,404,933	\$ -	\$ -
Accounts payable	640,494	58,506	699,000	-	-
Retainage payable	11,083	-	11,083	-	-
Accrued expenses	230,548	10,224	240,772	-	-
Accrued interest	571,000	-	571,000	-	-
Compensated absences (current portion)	150,000	14,500	164,500	-	-
Loan payment	66,302	19,584	85,886	-	-
Deposits	-	445,094	445,094	-	-
Total current liabilities	<u>1,695,869</u>	<u>1,926,399</u>	<u>3,622,268</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities (payable from unrestricted assets):					
Compensated absences (net of current portion)	19,037	3,193	22,230	-	-
Liabilities payable (net of current portion)	<u>34,905,000</u>	<u>194,513</u>	<u>35,099,513</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities (payable from unrestricted assets)	<u>34,924,037</u>	<u>197,706</u>	<u>35,121,743</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>36,619,906</u>	<u>2,124,105</u>	<u>38,744,011</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	18,441,338	23,742,165	42,183,503	154,172	
Restricted:					
Public Safety	491,684	-	491,684	-	-
Public works	306,841	-	306,841	-	-
Capital outlay	1,524,894	-	1,524,894	-	-
Debt Service	3,253	-	3,253	-	-
Unrestricted	<u>7,084,670</u>	<u>1,087,294</u>	<u>8,171,964</u>	<u>1,201,131</u>	<u>21,714</u>
<b>Total net position</b>	<u>\$ 27,852,680</u>	<u>\$ 24,829,459</u>	<u>\$ 52,682,139</u>	<u>\$ 1,355,303</u>	<u>\$ 21,714</u>

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

CITY OF VILLA RICA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

FUNCTIONS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION					COMPONENT UNITS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			TOTAL			
					GOVERNMENTAL	BUSINESS-TYPE					
					ACTIVITIES	ACTIVITIES			INDUSTRIAL AUTHORITY	DDA	
Primary Government											
General government	\$ 846,657	\$ 494	\$ -	\$ 132	\$ (846,031)	\$ -	\$ (846,031)			\$ -	
Judicial	219,206	551,956		-	332,750	-	332,750		-	-	
Public safety	3,228,101	6,130	99,513		(3,122,458)	-	(3,122,458)		-	-	
Public works	2,490,499	8,990	-	1,133,191	(1,348,318)	-	(1,348,318)		-	-	
Health and welfare	197,633	-	74,627	-	(123,006)	-	(123,006)		-	-	
Culture - recreation	2,207,497	461,688	304,086	37,184	(1,404,539)	-	(1,404,539)		-	-	
Housing and economic development	522,374	195,729	-	-	(326,645)	-	(326,645)		-	-	
Debt Service	1,728,076	-	-	-	(1,728,076)	-	(1,728,076)		-	-	
Total governmental activities	11,440,043	1,224,987	478,226	1,170,507	(8,566,323)	-	(8,566,323)		-	-	
Business-Type Activities											
Water and sewer	4,824,998	4,821,054	-	500,000	-	496,056	496,056		-	-	
Solid waste	859,068	743,515	-	-	-	(115,553)	(115,553)		-	-	
Total business-type activities	5,684,066	5,564,569	-	500,000	-	380,503	380,503		-	-	
Total primary government	\$ 17,124,109	\$ 6,789,556	\$ 478,226	\$ 1,670,507	\$ (8,566,323)	\$ 380,503	\$ (8,185,820)	\$ -	-	\$ -	
Component Units:											
Industrial Development Authority	\$ 28,357	\$ 87,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,393		\$ -	
Downtown Development Authority	8,958	7,498	-	-	-	-	-	-		(1,460)	
Total Component units	\$ 37,315	\$ 95,248	\$ -	\$ -	-	-	-	59,393		(1,460)	
Governmental Revenue:											
Taxes:											
Property taxes					4,176,958	-	4,176,958		-	-	
Sales and use taxes					2,739,884	-	2,739,884		-	-	
Other taxes					1,144,511	-	1,144,511		-	-	
Investment earnings					11,738	1,692	13,430		-	-	
Miscellaneous					84,253	314,391	398,644	13,956		15	
Gain on sales of capital assets					16,964	1,425	18,389	-		-	
Transfers					1,443,352	(1,443,352)	-		-	-	
Total General revenues and transfers					9,617,660	(1,125,844)	8,491,816		13,956	15	
Change in net position					1,051,337	(745,341)	305,996		73,349	(1,445)	
Net position beginning					26,477,091	25,533,538	52,010,629		1,281,954	23,159	
Prior period adjustments					324,252	41,262	365,514		-	-	
Net position beginning after adjustment					26,801,343	25,574,800	52,376,143		1,281,954	23,159	
Net position ending					\$ 27,852,680	\$ 24,829,459	\$ 52,682,139	\$ 1,355,303		\$ 21,714	

The accompanying notes are an integral part of these statements.

# *Governmental Funds*

**General Fund** – the principal fund of the city which accounts for all the financial transactions not accounted for in other funds. Principal sources of revenue are property taxes, sales taxes, license and permits. Primary expenditures are for police, culture and recreation and public works

**Urban Development Action Grant Special Revenue Fund** – to account for funds received in accordance with Title I, Section 119, of the Housing and Community Development Act of 1974.

**Villa Rica Public Facilities Authority Special Revenue Fund** – to account for the financing and construction of capital projects determined by the authority to promote the public good or general welfare of the citizens of Villa Rica including the acquisition, construction, renovation, improvement, extension, addition, or equipping of utility systems, emergency facilities, recreational facilities, public safety facilities, healthcare facilities, educational, cultural, or historical facilities, and administrative facilities.

**Capital Projects Fund** – to account for the financing of various capital improvement projects. The majority of the funding is provided for the General Fund revenues.

**Special Purpose Local Option Sales Tax Capital Projects Fund (SPLOST)** – to account for the financing and construction of capital improvements for various public projects including public works improvements, water improvements, sewer improvements and parks and recreation improvements.

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**CITY OF VILLA RICA, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2014**

	GENERAL	UDAG FUND	VILLA RICA PUBLIC FACILITIES AUTHORITY FUND	SPLOST FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES:</b>							
Cash	\$ 5,540,702	\$ 488,816	\$ 2	\$ 1,535,376	\$ 11,083	\$ 869,765	\$ 8,445,744
Receivables (net)	2,317,711	-	-	-	-	5,002	2,322,713
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Advance to other funds	-	563,707	-	-	-	-	563,707
Prepaid expenditures	135,245	-	-	-	-	-	135,245
Total assets and deferred outflow of resources	<u>\$ 7,993,658</u>	<u>\$ 1,052,523</u>	<u>\$ 2</u>	<u>\$ 1,535,376</u>	<u>\$ 11,083</u>	<u>\$ 874,767</u>	<u>\$ 11,467,409</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Outstanding checks in excess of bank balance	\$ -	-	-	\$ 10,482	\$ -	\$ 15,960	\$ 26,442
Accounts payable	634,078	-	-	-	-	6,416	640,494
Retainage payable	-	-	-	-	11,083	-	11,083
Salaries and wages payable	38,117	-	-	-	-	-	38,117
Payroll deductions payable	192,431	-	-	-	-	-	192,431
Contracts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Compensated absences due within one year	-	-	-	-	-	-	-
Advance to other funds	563,707	-	-	-	-	-	563,707
Total liabilities	<u>1,428,333</u>	<u>-</u>	<u>-</u>	<u>10,482</u>	<u>11,083</u>	<u>22,376</u>	<u>1,472,274</u>
Deferred inflows of resources:							
Unavailable revenue -property taxes	139,544	-	-	-	-	249	139,793
Total deferred inflow of resources	<u>139,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249</u>	<u>139,793</u>
Fund balance (deficit)							
Nonspendable	135,245	-	-	-	-	-	135,245
Restricted	-	-	-	1,524,894	-	801,778	2,326,672
Assigned	-	1,052,523	2	-	-	50,364	1,102,889
Unassigned	6,290,536	-	-	-	-	-	6,290,536
Total fund balance	<u>6,425,781</u>	<u>1,052,523</u>	<u>2</u>	<u>1,524,894</u>	<u>-</u>	<u>852,142</u>	<u>9,855,342</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,993,658</u>	<u>\$ 1,052,523</u>	<u>\$ 2</u>	<u>\$ 1,535,376</u>	<u>\$ 11,083</u>	<u>\$ 874,767</u>	<u>\$ 11,467,409</u>

The accompanying notes are an integral part of these statements.

**CITY OF VILLA RICA, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2014**

Fund balances - total governmental funds	\$	9,855,342
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Amount reported for governmental activities in the statement of  
net assets are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the governmental funds

Governmental capital assets	\$ 65,923,118	
Less accumulated depreciations	<u>(12,499,396)</u>	53,423,722

Long-term liabilities are not due and payable in the current period  
and therefore are not reported in the governmental funds:

Bonds Payable	(34,905,000)	
Capital lease payable	(66,302)	
Interest payable	<u>(571,000)</u>	(35,542,302)

Premium for bond insurance is expense on the fund financial reporting level but are recognized as a prepaid expense on the governments-wide statement of assets.		145,162
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Compensated absences:		(169,037)
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Revenue not received within 60 days in governmental funds is susceptible to full accrual on the entity-wide statements		139,793
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Net position of governmental activities	\$	<u><u>27,852,680</u></u>
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*The accompanying notes are an integral part of these statements.*

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	GENERAL	UDAG FUND	VILLA RICA PUBLIC FACILITIES AUTHORITY FUND	SPLOST FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
Taxes	\$ 8,015,005	\$ -	\$ -	\$ -	\$ -	\$ 121,227	\$ 8,136,232
License and permits	195,729	-	-	-	-	-	195,729
Intergovernmental	478,226	-	-	1,034,187	-	98,741	1,611,154
Charges for services	468,312	-	-	-	-	8,990	477,302
Fines and forfeitures	538,872	-	-	-	-	13,084	551,956
Investment income	11,083	27,196	-	395	-	655	39,329
Contributions	36,047	-	-	-	1,137	-	37,184
Miscellaneous	84,253	-	-	-	-	-	84,253
<b>TOTAL REVENUES</b>	<b>9,827,527</b>	<b>27,196</b>	<b>-</b>	<b>1,034,582</b>	<b>1,137</b>	<b>242,697</b>	<b>11,133,139</b>
<b>EXPENDITURES:</b>							
Current:							
General government	753,825	-	-	132	-	-	753,957
Judicial	216,681	-	-	-	-	-	216,681
Public safety	3,057,866	-	-	-	-	667	3,058,533
Public works	1,414,663	-	-	-	-	8,500	1,423,163
Health and welfare	197,314	-	-	-	-	-	197,314
Culture - recreation	1,862,430	-	-	-	-	-	1,862,430
Housing and economic development	448,985	-	-	-	-	72,678	521,663
Debt Service	293,092	-	1,713,007	-	-	-	2,006,099
Capital Outlay	11,360	-	-	534,466	922,492	204,598	1,672,916
<b>TOTAL EXPENDITURES</b>	<b>8,256,216</b>	<b>-</b>	<b>1,713,007</b>	<b>534,598</b>	<b>922,492</b>	<b>286,443</b>	<b>11,712,756</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,571,311	27,196	(1,713,007)	499,984	(921,355)	(43,746)	(579,617)
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	61,021	-	1,713,009	-	921,355	94,274	2,789,659
Transfers out	(1,110,155)	-	-	(175,132)	-	(61,021)	(1,346,308)
Sale of assets	16,614	-	-	-	-	350	16,964
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b>(1,032,520)</b>	<b>-</b>	<b>1,713,009</b>	<b>(175,132)</b>	<b>921,355</b>	<b>33,603</b>	<b>1,460,315</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>538,791</b>	<b>27,196</b>	<b>2</b>	<b>324,852</b>	<b>-</b>	<b>(10,143)</b>	<b>880,698</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>5,718,887</b>	<b>997,587</b>	<b>-</b>	<b>1,200,042</b>	<b>-</b>	<b>862,285</b>	<b>8,778,801</b>
<b>Prior Period Adjustments</b>	<b>168,103</b>	<b>27,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,843</b>
<b>FUND BALANCES - BEGINNING OF YEAR AFTER ADJ</b>	<b>5,886,990</b>	<b>1,025,327</b>	<b>-</b>	<b>1,200,042</b>	<b>-</b>	<b>862,285</b>	<b>8,974,644</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 6,425,781</b>	<b>\$ 1,052,523</b>	<b>\$ 2</b>	<b>\$ 1,524,894</b>	<b>\$ -</b>	<b>\$ 852,142</b>	<b>\$ 9,855,342</b>

The accompanying notes are an integral part of these statements.

**CITY OF VILLA RICA, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Net changes in fund balance - total governmental funds** **\$ 880,698**

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

Governmental funds report capital outlays as expenditures  
However, in the statement of activities, the cost of those  
assets is depreciated over their useful life:

Expenditures for capital assets	\$ 1,672,916	
Less current year depreciation	<u>(1,633,895)</u>	39,021
Retirements of capital assets	(558,872)	
Less accumulated depreciation	<u>500,611</u>	(58,261)

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:

Changes in long-term compensated absences:		13,930
Principal payments on debt		259,055
Prior year deferred revenues		(74,879)
Amortization of bond		(8,227)

Changes in net assets of governmental activities		<u><u>\$ 1,051,337</u></u>
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*The accompanying notes are an integral part of these statements.*

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Taxes	\$ 7,652,061	\$ 8,055,307	\$ 8,015,005	\$ (40,302)
License and permits	189,100	199,450	195,729	(3,721)
Intergovernmental	853,564	853,564	478,226	(375,338)
Charges for services	406,470	483,070	468,312	(14,758)
Fines and forfeitures	631,500	631,500	538,872	(92,628)
Investment income	15,000	15,000	11,083	(3,917)
Contributions	30,200	30,200	36,047	5,847
Miscellaneous	73,000	53,000	84,253	31,253
Transfers in	36,000	48,452	61,021	12,569
Sale of asset	-	20,000	16,614	(3,386)
<b>TOTAL REVENUES</b>	<b>9,886,895</b>	<b>10,389,543</b>	<b>9,905,162</b>	<b>(484,381)</b>
<b>Expenditures:</b>				
Current:				
General government	1,100,325	1,138,885	753,825	(385,060)
Judicial	309,009	246,009	216,681	(29,328)
Public safety	2,937,630	3,149,630	3,057,866	(91,764)
Public works	1,401,753	1,544,753	1,414,663	(130,090)
Health and welfare	180,007	200,707	197,314	(3,393)
Culture - recreation	2,104,938	1,996,090	1,862,430	(133,660)
Housing and economic development	279,530	464,578	448,985	(15,593)
Capital:				
Culture - recreation	-	-	11,360	11,360
Debt service	327,756	327,756	293,092	(34,664)
Other uses:				
Transfers out	1,245,947	1,308,608	1,110,155	(198,453)
<b>TOTAL EXPENDITURES</b>	<b>9,886,895</b>	<b>10,377,016</b>	<b>9,366,371</b>	<b>(1,010,645)</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>12,527</b>	<b>538,791</b>	<b>526,264</b>
<b>Fund balance - beginning of year budgetary basis</b>	<b>5,718,887</b>	<b>5,718,887</b>	<b>5,718,887</b>	<b>-</b>
Prior period adjustments	263,648	263,648	168,103	(95,545)
<b>Fund balance - beginning of year budgetary basis after prior period adjustment</b>	<b>5,982,535</b>	<b>5,982,535</b>	<b>5,886,990</b>	<b>(95,545)</b>
<b>FUND BALANCE - END OF YEAR - BUDGETARY BASIS</b>	<b>\$ 5,982,535</b>	<b>\$ 5,995,062</b>	<b>\$ 6,425,781</b>	<b>\$ 430,719</b>

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ 9,905,162
Differences - budget to GAAP:	
Transfers from other funds are inflows for budgetary purposes resources but are not revenues for financial reporting purposes	(61,021)
Sale of assets are inflows for budgetary purposes resources but are not are not revenues for financial reporting purposes	(16,614)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 9,827,527</u></u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 9,366,371
Differences - budget to GAAP:	
Transfers to other funds are outflows for budgetary resources but are not expenditures for financial reporting purposes.	(1,110,155)
Total expenditures as reported on the statement of revenues, expenditures and changes expenditures and changes in fund balance - government funds	<u><u>\$ 8,256,216</u></u>

CITY OF VILLA RICA, GEORGIA  
**STATEMENT OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)**  
**UDAG FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Investment income	60,881	60,881	27,196	(33,685)
Transfers in	-	-	-	-
<b>TOTAL REVENUES</b>	<b>60,881</b>	<b>60,881</b>	<b>27,196</b>	<b>(33,685)</b>
<b>Expenditures</b>				
Transfer to other funds	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<b>60,881</b>	<b>60,881</b>	<b>27,196</b>	<b>(33,685)</b>
<b>Fund balance - beginning of year-budgetary basis</b>	<b>997,587</b>	<b>997,587</b>	<b>997,587</b>	<b>-</b>
<b>Prior period adjustment</b>			<b>27,740</b>	<b>27,740</b>
<b>Fund Balance - Beginning of year after adjustments</b>	<b>997,587</b>	<b>997,587</b>	<b>1,025,327</b>	<b>27,740</b>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<b>\$ 1,058,468</b>	<b>\$ 1,058,468</b>	<b>\$ 1,052,523</b>	<b>\$ (5,945)</b>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation"  
from budgetary comparison schedule

\$ 27,196

Differences - budget to GAAP:

-

Total revenues as reported on the statement of revenues,  
expenditures and changes in fund balance - governmental funds

\$ 27,196

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations"  
from the budgetary comparison schedule

\$ -

Differences - budget to GAAP:

-

Total expenditures as reported on the statement of revenues,  
expenditures and changes in fund balance - government funds

\$ -

CITY OF VILLA RICA, GEORGIA  
**STATEMENT OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)**  
**VILLA RICA PUBLIC HOUSING AUTHORITY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Transfers from other funds	\$ 1,716,010	\$ 1,716,010	\$ 1,713,009	\$ (3,001)
<b>TOTAL REVENUES</b>	<u>1,716,010</u>	<u>1,716,010</u>	<u>1,713,009</u>	<u>(3,001)</u>
<b>Expenditures</b>				
Debt Service				
Interest payments	1,716,010	1,716,010	1,713,007	(3,003)
<b>TOTAL EXPENDITURES</b>	<u>1,716,010</u>	<u>1,716,010</u>	<u>1,713,007</u>	<u>(3,003)</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	-	-	2	2
<b>Fund balance - beginning of year-budgetary basis</b>	-	-	-	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

**Explanation of Differences between Budgetary Inflows and Outflows  
and GAAP Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation"  
from budgetary comparison schedule

\$ 1,713,009

**Differences - budget to GAAP:**

Transfers from other funds are inflows for budgetary purposes  
resources but are not revenues for financial reporting purposes

Total revenues as reported on the statement of revenues, expenditures  
and changes in fund balance - governmental funds

\$ 1,713,009

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations"  
from the budgetary comparison schedule

\$ 1,713,007

**Differences - budget to GAAP:**

Transfers to other funds are outflows for budgetary resources  
but are not expenditures for financial reporting purposes.

Total expenditures as reported on the statement of revenues,  
expenditures and changes in fund balance - government funds

\$ 1,713,007

# ***Proprietary Funds***

**Solid Waste Fund** – to account for the financing of residential and commercial trash and garbage pickup to the citizens and businesses of the City. All activities necessary to provide such services are included on the fund.

**Water and Sewer Revenue Fund** – to account for the financing of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are included in the fund, including financing and related debt services.

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**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2014**

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	WATER SEWER	SOLID WASTE	TOTAL
<b>ASSETS</b>			
Current assets:			
Cash	\$ 2,061,305	\$ -	\$ 2,061,305
Receivables (net)	720,292	103,824	824,116
Inventories at cost	24,853	-	24,853
Prepaid expenses	19,009	9,515	28,524
Total current assets	<u>2,825,459</u>	<u>113,339</u>	<u>2,938,798</u>
Non-current assets:			
Capital Assets:			
Sites - land	2,101,972	-	2,101,972
Site Improvements	34,598	2,191	36,789
Infrastructure	28,668,097		28,668,097
Buildings and structures	1,536,354		1,536,354
Machinery and equipment	3,063,052	121,600	3,184,652
Construction in progress	871,836	-	871,836
	<u>36,275,909</u>	<u>123,791</u>	<u>36,399,700</u>
Less accumulated depreciation	<u>(12,268,999)</u>	<u>(115,933)</u>	<u>(12,384,932)</u>
Net capital assets	<u>24,006,910</u>	<u>7,858</u>	<u>24,014,768</u>
Total noncurrent assets	<u>24,006,910</u>	<u>7,858</u>	<u>24,014,768</u>
Total assets	<u>\$ 26,832,369</u>	<u>\$ 121,197</u>	<u>\$ 26,953,566</u>
<b>LIABILITIES</b>			
Current liabilities:			
Outstanding checks in excess of bank balance	\$ 1,231,299	\$ 147,192	1,378,491
Accounts payable	58,506		58,506
Salaries and wages payable	9,314	910	10,224
Employer's share of employee benefits payable	-	-	-
Accrued interest			-
Compensated absences (current portion)	10,000	4,500	14,500
Due to other funds			-
Notes payable	19,584		19,584
Deposits	445,094		445,094
Total current liabilities	<u>1,773,797</u>	<u>152,602</u>	<u>1,926,399</u>
Noncurrent liabilities:			
Compensated absences (net of current portion)	3,185	8	3,193
Notes payable (net of current portion)	194,513	-	194,513
Total noncurrent liabilities	<u>197,698</u>	<u>8</u>	<u>197,706</u>
Total liabilities	<u>1,971,495</u>	<u>152,610</u>	<u>2,124,105</u>
<b>NET POSITION:</b>			
Net investment in capital assets	23,734,307	7,858	23,742,165
Unrestricted	1,126,567	(39,273)	1,087,294
Total net position (deficit)	<u>\$ 24,860,874</u>	<u>\$ (31,415)</u>	<u>\$ 24,829,459</u>

The accompanying notes are an integral part of these statements.

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

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER SEWER	SOLID WASTE	TOTAL
Operating revenues:			
Charges for services	\$ 4,821,054	\$ 743,515	\$ 5,564,569
Late charges and penalties	213,025	-	213,025
<b>TOTAL OPERATING REVENUES</b>	<b>5,034,079</b>	<b>743,515</b>	<b>5,777,594</b>
Operating expenses:			
Personal services	440,432	258,298	698,730
Purchased services	2,985,661	547,123	3,532,784
Supplies	591,207	44,021	635,228
Claims paid	5,491	-	5,491
Other services and charges	52,330	5,470	57,800
Depreciation expense	719,651	4,156	723,807
<b>TOTAL OPERATING EXPENSES</b>	<b>4,794,772</b>	<b>859,068</b>	<b>5,653,840</b>
<b>OPERATING INCOME (LOSS)</b>	<b>239,307</b>	<b>(115,553)</b>	<b>123,754</b>
Non-operating revenues (expenses):			
Interest income	1,692	-	1,692
Miscellaneous income	21,239	-	21,239
Insurance reimbursement	80,127	-	80,127
Gain (loss) on sale of assets	1,425	-	1,425
Interest expense and fiscal charges	(30,226)	-	(30,226)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>74,257</b>	<b>-</b>	<b>74,257</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>313,564</b>	<b>(115,553)</b>	<b>198,011</b>
Capital contribution from CDBG	500,000	-	500,000
Transfers in	175,132	115,553	290,685
Transfers out	(1,734,037)	-	(1,734,037)
	(1,058,905)	115,553	(943,352)
<b>Changes in net assets</b>	<b>(745,341)</b>	<b>-</b>	<b>(745,341)</b>
NET POSITION (DEFICITS) - BEGINNING	25,572,617	(39,079)	25,533,538
Prior period adjustment	33,598	7,664	41,262
NET POSITION (DEFICITS) - BEGINNING after adj	25,606,215	(31,415)	25,574,800
NET POSITION (DEFICITS) - ENDING	\$ 24,860,874	\$ (31,415)	\$ 24,829,459

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

**CITY OF VILLA RICA, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>WATER AND SEWER FUND</b>	<b>SOLID WASTE FUND</b>	<b>TOTAL</b>
<b>Cash flow from operating activities:</b>			
Cash received from customers	\$ 5,044,870	\$ 756,657	\$ 5,801,527
Cash payments for good and services	(2,459,312)	(612,244)	(3,071,556)
Cash payments for personal services	(426,959)	(259,966)	(686,925)
New customer deposits	115,663	-	115,663
Refunded customer deposits	(112,716)	-	(112,716)
<b>Net change in cash from operating activities</b>	<u>2,161,546</u>	<u>(115,553)</u>	<u>2,045,993</u>
<b>Cash flows from non capital financing activities:</b>			
Insurance claims	80,127	-	80,127
Transfer in from other funds	-	115,553	115,553
Transfer out to other funds	(1,713,009)	-	(1,713,009)
<b>Net changes in cash from non capital financing activities</b>	<u>(1,632,882)</u>	<u>115,553</u>	<u>(1,517,329)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and constructions of capital assets	(1,148,922)	-	(1,148,922)
Proceeds (loss) from sale of capital assets	1,425	-	1,425
CDBG Grant	485,192	-	485,192
Transfer in from other funds	175,132	-	175,132
Principal paid on Georgia Environmental Facilities Loans	(18,969)	-	(18,969)
Interest paid on bonds and GEFA notes	(6,943)	-	(6,943)
Fiscal agent fees	(23,223)	-	(23,223)
<b>Net change from capital and related financing activities</b>	<u>(536,308)</u>	<u>-</u>	<u>(536,308)</u>
<b>Cash flows from investing activities:</b>			
Interest on cash deposits	1,692	-	1,692
<b>Net change in cash from investing activities</b>	<u>1,692</u>	<u>-</u>	<u>1,692</u>
<b>Net change in cash</b>	<u>(5,952)</u>	<u>-</u>	<u>(5,952)</u>
<b>Cash beginning of year</b>	<u>2,067,257</u>	<u>-</u>	<u>2,067,257</u>
<b>Cash at end of year</b>	<u><u>\$ 2,061,305</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,061,305</u></u>

Continued

**CITY OF VILLA RICA, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CHANGE IN CASH FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ 260,548	\$ (115,553)	\$ 144,995
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:			
Depreciation	719,651	4,156	723,807
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable	10,791	13,142	23,933
Decrease (Increase) in inventory	33,473		33,473
(Increase) in prepaid expenses	(12,256)	(9,514)	(21,770)
Increase (Decrease) in accounts payable	1,132,920	(7,026)	1,125,894
Increase in salaries and wages payable	9,314	910	10,224
(Decrease) increase in compensated absences current	4,158	(1,668)	2,490
Increase (Decrease) in customer deposits	2,947		2,947
<b>Net change in cash from operating activities</b>	<b>\$ 2,161,546</b>	<b>\$ (115,553)</b>	<b>\$ 2,045,993</b>

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

# *Notes to Financial Statements*

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**CITY OF VILLA RICA, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. Summary of Significant Accounting Policies**

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**1-A. Financial Reporting Entity**

The primary government of the City of Villa Rica has three component units – City of Villa Rica Public Facilities Authority and Industrial Development Authority and the Downtown Development Authority. Using the criteria of the Governmental Accounting Standards Board (GASB) Statements No. 14 and 39, management has determined the City of Villa Rica Public Facilities Authority should be a blended component unit and the remaining two should be presented discretely.

**Primary Government**

The City of Villa Rica was originally incorporated by an Act of the General Assembly of Georgia on October 5, 1883. The basic charter of the City was provided in Georgia laws of 1883. The City currently operates under a charter approved by an Act of Georgia as amended March 10, 1988. (1988 Georgia Laws, page 3851) The City is governed by an elected mayor and five-member council with daily operations managed by an appointed city manager. The following services are authorized by its charter and code provided by the City: General Administrative Services, Public Safety (Police and Inspections), Public Works, (Streets, Solid Waste, Water and Sewer), and Culture Recreation.

**Blended Component Unit**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides service entirely to the City.

The City of Villa Rica Public Facilities Authority is governed by a six to nine member board; six of which are the persons currently serving as the duly elected members of the city council of the City of Villa Rica and the mayor of the City of Villa Rica. Additional members are appointed by the mayor and city council. Although it is a legally separate entity from the City Government, the Public Facilities Authority is reported in the financial statements as if it were part of the primary government because it serves as a financial conduit for debt issued to construct/maintain public buildings and related projects. This authority is reported as the Villa Rica Public Facilities Authority and the VRPFA Capital Project Fund, which are major governmental funds.

### **Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The City's discretely presented component units do not issue separate component unit financial statements. The City has established the following authorities as potential component units of the City.

#### ***Component Unit – Villa Rica Industrial Development Authority***

The Industrial Development Authority is a public body, corporate and politic and was created upon the adoption and approval of the Development Authority Law of the State of Georgia. The Mayor and City Council appoint all members of the Industrial Development Authority. A \$625,000 Urban Development Action Grant was obtained in 1985 for an economic development revolving loan fund and other Title I activities. The Authority has purchased land and built industrial buildings that were leased to such companies as Lowe's, Flowers Bakery and Print Pack.

#### ***Component Unit - Downtown Development Authority of Villa Rica***

The Downtown Development Authority is a seven member public body, corporate and politic and was created in 1991 upon adoption and approval of the Development Authorities of the State of Georgia. The City Council appoints all members of the Downtown Development Authority. The Downtown Development Authority developed plans and coordinated the use of SPLOST funds for a downtown train station park parking area.

Separate financial statements are not available from either board.

### **Related Organizations;**

The City of Villa Rica officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for the organizations do not extend beyond making appointments. The Mayor and Council appoint the board members for the Villa Rica Housing Authority, Planning and Zoning Commission, the Library Board, and the Recreation Advisory Board.

The City also contracts with the Villa Rica Tourism Board to provide tourism marketing for the City. The City provides 60% of the Hotel/Motel Tax to the Tourism Board for their operations.

## **1-B. BASIS OF PRESENTATION**

The City's basic financial statements consist of government-wide financial statements including the statement of net position and the statement of changes in net asset, and fund financial statements, which provide more detailed level of financial information.

**Government-wide Financial Statements** – The government-wide financial statements include a statement of net position and statement of activities. These statements report financial information on the City as a whole. All funds are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities. Direct expenses are specifically associated with a function and therefore clearly identifiable to the particular function. The City does not allocate indirect expenses to functions in the statement of net position.

A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expense and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; (3) capital grants and contribution which fund the acquisition, construction or rehabilitation of capital assets. The revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenues pertains, the determining factor of *charges for services* is which function generates the revenue. For *grants and contributions*, the determining factor is which function the revenues are *restricted*.

The comparison of direct expenses with program revenues identifies the extent each governmental function and each business-type activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – The accounts of the City are organized on the basis of the funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets,

liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in the individual funds based upon the purpose for which they are spent and means by which the spending activities are controlled.

## THE CITY REPORTS THE FOLLOWING MAJOR FUNDS

### GOVERNMENTAL

**General Fund** – the principal fund of the City used to account for all resources except those legally or administratively required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

#### Special Revenue Funds

**Urban Development Action Grant (UDAG) Fund** – this fund accounts for funds received in accordance with Title I, Section 119, of the Housing and Community Development Act of 1974. The funds are used to promote economic development.

**Villa Rica Public Facilities Authority Fund** – this fund accounts for the financing and construction of capital projects determined by the authority to promote the public good or general welfare of the citizens of Villa Rica including the acquisition, construction, renovation, improvement, extension, addition, or equipping of utility systems, emergency facilities, recreational facilities, public safety facilities, healthcare facilities, educational, cultural, or historical facilities, and administrative facilities.

#### Capital Projects Funds

**Special Purpose Local Option Sales Tax (SPLOST)** – this fund accounts for the financing and construction of capital improvements for various public projects including public works improvements, water improvements, sewer improvements and parks and recreation improvements.

**Capital Projects Fund** – this fund accounts for the financing and construction of capital improvements for various public projects including public safety improvements, public works improvements, and parks and recreation improvements.

## **ENTERPRISE FUNDS**

**Water and Sewer Fund** – this fund accounts for the financing of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are included in the fund, including financing and related debt services.

**Solid Waste Fund** – this fund accounts for the financing of residential and commercial trash and garbage pickup to the citizens and businesses of the City.

ADDITIONALLY THE CITY REPORTS THE FOLLOWING FUND TYPES:

## **GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance.

## **SPECIAL REVENUE FUNDS**

These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City maintains a separate Special Revenue Fund for each Federal Grant Program.

## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for capital improvements (except those financed by Proprietary Funds) which are financed from certain Federal grants and other City Funds.

## **PROPRIETARY FUNDS**

Proprietary Funds include Enterprise Funds and Internal Service Funds. The Proprietary Funds measurement focus is on the determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles in these funds are those applicable to similar business in the private sector and thus these funds are maintained on the accrual basis of accounting. (Explained further under Basis of Accounting (Note 1.B))

## **ENTERPRISE FUNDS**

Enterprise Funds account for operations financed and operated on a manner similar to private business enterprises – where the intent of the City is for the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, federal grants and other city funds.

### **1-C. MEASUREMENT FOCUS**

**Government-wide Financial Statements** – the government-wide financial statement are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports all revenues and expenses, including depreciation, regardless of the related cash flows.

**Fund Financial Statements** – All governmental funds are accounted for using the flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the government-wide statements.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operations of these funds are included on the statement of net position. The statement of changes in fund net position presents increase (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City's finances and meets the cash flow requirements of its proprietary activities.

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

## **1-D. BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on an accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place in the fiscal year in which the resources are measurable and available. Available means the resources will be collected within the current fiscal years or expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Revenues – Non-exchange Transactions** – Non-exchange transactions, in which the City receives value without directly giving equal value in return, includes sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place on the modified accrual basis when the taxable sales takes place and revenue is considered available (i.e., collected within 60 days after yearend). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized on the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it may be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal grants.

**Deferred Revenue** – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable measureable but not available) rather than as revenue. Grants and entitlements received before eligibility requirement are met (i.e., cash advances) are also recorded as deferred revenue. Grant accounts receivable not collected within 60 days of year-end have also been recorded as deferred revenue.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time incurred. On the modified accrual basis, expenditures are recognized in the accounting period in which the related fund liability is incurred and due for payment, if measurable.

## **1-E. ASSETS, LIABILITIES AND FUND EQUITY**

### **Cash, Cash Equivalents and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months or less of the current fiscal year end.

Investments are stated at fair market value based on quoted market prices.

Georgia law authorizes the City to invest in the following types of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the U.S. government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptance
- The State of Georgia local government investment pool (i.e., Georgia Fund 1)
- Repurchase agreements
- Obligations of the other political subdivision of the State of Georgia

Any investment of deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

### **1-E-2. Receivables**

Revenues are recorded when received except for the following items for the following items which receivables have been recorded:

#### **1. Taxes Receivable**

- a. Taxes receivable –Delinquent – represents the past years of uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The tax receivables have been reported net of these allowances.

- b. Sales Taxes, Franchise Taxes and Public Utilities Receivable – recorded as revenue when they become both measurable and available for collection with the current period paying cycle, which is 60 days past year end, The balance of what has been earned though not available is recorded as deferred revenue.

## **2. Accounts Receivable**

- a. Accounts Receivable – Solid Waste and Water and Sewer service charges are recognized when earned, with an allowance for uncollectible accounts of 1% of accounts receivable balance at March 31. Services performed by various departments are recognized as revenue when they are measured and assured collections within the current paying cycle of the City. That which is earned, but not collected within 60 days of year end, is recognized as deferred revenue. In the Proprietary Funds, they are recognized as revenue when earned.
- b. Returned Checks – the balance of checks written by the public the banks have returned to the City over the past 12 months.
- c. Unbilled Services Receivable – within the City’s Enterprise Funds, an estimated amount has been recorded for services rendered but not yet billed as December 31, 2014. The receivable was arrived at taking the cycle billings of the City sent to the customers in January and February 2015 and prorating the amount of days applicable to the current year factored by 99% to allow for uncollectable accounts.

## **3. Interest Receivable**

Interest on investments is recorded as revenue on the Governmental Fund types when it is measurable and collected within the City’s current paying cycle. The amount earned but not collected is recognized as deferred revenue. The interest on investments is recorded as revenue in the year earned for the Proprietary Fund types.

### **1-E-3. Due from other governments & agencies**

Due from other governments and agencies include grantors for grants for specific programs and capital projects. Program grants and capital grants for governmental assets are recorded as receivables and revenues at the time reimbursable projects costs are incurred. Revenue received in advance of project costs being incurred is deferred. Capital grants for capital assets in the Proprietary Funds are recorded as receivables and corresponding increases to contributions when reimbursable project costs are incurred.

#### **1-E-4. Inter-fund Receivable and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

#### **1-E-5. Advance to other funds**

The long-term advance from the UDAG Fund to the General Fund represents the financing for the maintenance building property. The advance is for 20 years with an annual payment of \$60,881.

#### **1-E-6. Inventories**

Inventories in Proprietary Funds are adjusted to annual and periodic physical counts and are valued using the first-in, first-out method (FIFO) of valuation.

#### **1-E-7. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid account and reflecting the expenditure/expense in the year in which services are consumed. The fund balances in the Governmental Fund types attributable to prepaid expenditures are classified as nonspendable. This reflects the amount of fund balance not currently available for expenditure.

#### **1-E-8. Restricted Assets**

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond trustee accounts and utility meter deposits. When both restricted and unrestricted resources are available, City management uses restricted resources first, then unrestricted resources as needed.

#### **1-E-9. Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### *Government-wide Statements*

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to March 31, 2002.

Prior to April 1, 2002, governmental funds' infrastructure assets were not capitalized. The City is a Phase 3 entity and is not required to record infrastructure from years prior to implementation of the reporting model. The City uses a capitalization threshold of \$5,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	25-50 years
- Improvements	10-50 years
- Machinery and Equipment	3-20 years
- Utility System	25-50 years
- Infrastructure	25-50 years

### *Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### **1-E-10. Compensated Absences**

The City's policies regarding vacation time permit employees to accumulate a limited amount of earned but unused vacation leave, which any unused time will be paid to employees upon separation from City service. The City's policies regarding sick leave permits employees to accumulate a limited amount of earned but unused sick leave, which may only be used for medical leave. Upon separation from the City no payment will be made to the employee for any sick leave balance. The liability for the vacation leave is calculated based on the actual hours accrued. The liability for the vacation compensated absences is recorded as accrued expenses in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred

#### **1-E-11. Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

#### **1-E-12. Pension Fund**

Annual costs of the pension plan are actuarially computed and include amortization of past service over a 30 year period. The City's policy is to fund the annual pension costs in the annual budget.

#### **1-E-14. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. The separate financial statement element, *deferred outflows of resources*, represent a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. They are a deferred charges for the property and casualty insurance premium, a deferred charges for the worker's compensation premium and a deferred charge for animal control that was paid in December for month of January 2015 service.

In addition to liabilities, the statement of financial position will sometime report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represent an acquisition of net position that applies to a future time period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period they become available.

#### **1-E-14. 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 current assets and current liabilities under the current financial resources management 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 purpose for which amounts in those funds can be spent.

The City implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Types Definitions as of April 1, 2011. The new standard changed the overall definitions and classifications of governmental fund balances. In the governmental fund financial statements fund balance is reported in five classifications:

- ***Nonspendable*** – Nonspendable fund balance includes the value of City assets that will never be converted to cash. These include but are limited to prepaid items and inventories. This will also include assets will not convert to cash soon enough to affect the current period such as long-term receivables and the no-cash assets such as land.
- ***Restricted*** – Restricted fund balance includes the value of resources that are limited in how they may be used by external enforceable legal restrictions. This maybe the result of other governments through laws and regulations, grantors or contributions through agreements, creditors through debt covenants or other contracts, and enabling legislation that limits how revenue can be used.
- ***Committed*** – Committed fund balance includes the value of resources that are authorized and limited by the Mayor and Council. Further the limitation that has been placed on the resources can only be removed by Mayor and Council with reversal of the action that committed these resources in the fund balance.
- ***Assigned*** – Assigned fund balance includes resources the government has intentions for use but are not externally restricted or committed through formal action by the Mayor and Council. The Mayor and Council authorized the City Manager to assign and authorize amounts equal to or less than \$5,000.

- **Unassigned** – Unassigned fund balances includes the remaining resources that have not been classified in the above categories. Only the General Fund may have a positive balance in this category. All other funds will only have this classification if the remaining resources are negative to balance the fund.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. The Mayor and Council will make every effort to use the unassigned funds for the following purposes: to provide pay-as-you-go financing for capital projects, and to provide revenue shortfalls resulting from unexpected economic changes in recessionary periods. For unrestricted amounts in fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

### **Net Position**

Net position represents the difference between assets and liabilities. Net position component, "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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. The balance of the net position is reported as unrestricted.

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

## **1-E-15. Revenues, Expenditures and Expenses**

### **Program Revenues**

Program revenues include charges paid by the recipients of the goods or services offered by the programs, grants and contributions that are restricted to meeting the operational capital requirements of a particular program.

### **Operating Revenues and Expense**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. Non-operating revenue and expenses include revenue and expenses related to capital and related financing, noncapital financing, or investing activities.

## **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (future classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund – By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

## **Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants outside contributions of resources restricted to capital acquisition and construction.

## **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller fund and as expenditures/expenses in the purchase funds. Flows of cash or goods from one fund to another without a requirement or repayment are reported as Interfund transfer. Interfund transfers are reported as other financing sources /uses in government funds and are after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities column are eliminated. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

### **Accounting Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## **Note 2. Stewardship, Compliance and Accountability**

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

### **2-A. Budgetary Information**

The City adopts an annual operating budget for the general fund, each of the special revenues funds, and enterprise funds. A project budget is adopted for each capital projects fund. The budget ordinance reflects the total of each department's appropriation in each fund.

The governmental funds and enterprise funds budgets are adopted on a basis consistent with GAAP.

The legal level of budgetary control (the level at which expenditures may not exceed appropriation) is the department level within the following provisions:

- The City Manager may transfer funds from one object or purpose to another within the same department.
- The City Council may amend the budget by motion during the fiscal year.

**2-B. The following funds' exceeded legal appropriation.**

<b>Fund/Department</b>	<b>Expenditures/ Expenses on Budgetary Basis</b>	<b>Appropriations</b>	<b>Amount Exceeding</b>
General Fund:			
Capital	\$ 11,360	\$ 0	\$11,360
Special Revenue Funds:			
Narcotics Enforcement Fund	12,611	10,000	2,611
COPS Fund	12,569	0	12,569
Capital Projects Fund:			
SPLOST Fund			
Operating expenditures	132	0	132
Capital Projects Fund for Roads	171,987	128,364	43,623
Villa Rica Public Facilities Capital Project Fund	5,000	6,600	1,600
Debt Service Fund	667	0	667

The General Fund exceeding appropriations do to the unplanned purchase for equipment in the recreation department. The Special Revenue Fund, Narcotics Enforcement Fund, the equipment purchase exceeded the planned budgeted amount. The COPS Fund exceeded appropriation with the closing of the fund in FY 2014. Capital Projects for SPLOST exceeded appropriation for the bank service fees that were not budgeted. Public Roads exceeded appropriations due to the expenditure for the capital construction of the two planned road for the LMIG funds exceeding the budgeted local match. The Debt Service Fund exceeded appropriation for the tax write offs that were not budgeted.

**2-D. Fund Accounting Requirements**

The City complies with all state and local laws and regulations requiring the use of separate funds.

**2-E. Deposits and Investments**

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Georgia debt obligations or surety bonds. As required, all financial institutions pledging collateral to the City must have a written

collateral agreement approved by the board of directors or loan committee. As reflected in Note 3A, all deposits were fully insured or collateralized.

## **2-F Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local requirements.

## **2-G Debt Restrictions and Covenants**

For the year ended December 31, 2014, the City complied, in all material respects, with these revenue restrictions.

## **2-H. General Obligation Debt**

The City has complied with its restrictions which limits the amount of outstanding general obligation bonded debt of the municipality.

## **Note 3. Detail Notes on All Funds**

### **3-A. Deposits and Investments**

At year end, the carrying amount of the City's deposits was \$8,140,424 and the bank balance was \$7,005,666. The City also had \$1,480 change cash and \$550 petty cash.

#### Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may be returned to it. The City's deposits policy is to require all of its deposits in excess of FDIC insurance to be collateralized with securities held by the City or its agents in the City's name. Of the bank balance, \$250,000 was covered by federal depository insurance and \$10,165,516 was collateralized with collateral held by the government or agent in the City's name.

The carrying amount of deposits for the Industrial Authority, a discretely presented component unit, was \$1,201,131 and the bank balance was \$1,201,131.

The Industrial Authority does not have a deposit policy. Of the bank balance, all was covered by Federal Depository Insurance. The Industrial Authority maintains certificated of deposits with various banks making sure they do not exceed the \$250,000 FDIC insurance.

The carrying amount for the Downtown Development Authority (DDA) was \$21,714.

The DDA does not have a deposit policy. Of the bank balance, \$21,714 was covered by Federal Depository Insurance.

As of December 31, 2013, the City had the following investments:

Investment	Maturities (Years)	Fair Value
Certificate of Deposit	.58	\$ 204,982
Certificate of Deposit	.58	102,401
Certificate of Deposit	.58	2,057,212
	Total fair values	\$ 2,364,595

#### Custodial Credit Risk – Investments

For an investment, this is the risk, in the event of the failure of the counterparty, the City will not be able to recover the value of the security that are in possession of the outside party. The securities are held in the City's name.

#### Interest Rate Risk

Interest rate risk is the possibility an investment will be sold at a time when the interest rate is higher than it was when the investment was purchased. There is an inverse relationship between a security's market price and the interest rate. Selling when rates are higher than they were when a security was purchased would usually result in a decrease in the market value of an investment. An investment held to maturity will be paid at par (face) value.

#### Credit Risk

Credit risk is the risk the issuer of the security may become insolvent and unable to pay the principal or the principal and interest of an investment. The City reduces the risk by investing in the following:

1. U.S. Treasury Obligations
2. Obligations of approved U.S. agencies
3. Repurchase agreement collateralized by U.S. government securities
4. Certificates of deposits not exceeding the FDIC insurance amount or the amount is collateralized by U.S. Government securities
5. Money market bank accounts

The Component Units do not have an investment policy

Listed below is a breakdown of the carrying amount of the City's cash and investments as reported:

	Cash on Deposit	Investments	Total Cash
Balance per Note Above	\$8,140,424	\$2,364,595	\$10,505,019
Change cash	1,480	0	1,480
Petty cash	550	0	550
	<u>\$8,142,454</u>	<u>\$2,364,595</u>	<u>\$10,507,049</u>
Non Restricted	\$7,833,947	\$2,364,595	\$10,200,208
Restricted	308,507	0	306,841
,Balance per Financial Statement	<u>\$8,142,454</u>	<u>\$2,364,595</u>	<u>\$10,507,049</u>

The following is a summary of the carrying amount of the cash and investments as shown above and on the financial statement of the discretely presented component units.

	Cash on Deposit
<b>INDUSTRIAL AUTHORITY</b>	
Balance per Note Above	<u>\$1,201,131</u>
Balance per Financial Statement	<u>\$1,201,131</u>
<b>DDA</b>	
Balance per Note Above	<u>\$21,714</u>
Balance per Financial Statement	<u>\$21,714</u>

### 3-B. Receivables

Receivable at December 31, 2014, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivable arising from grants.

Receivables and payables are recorded on the City's financial statement to the extent the amounts are determined to be material and substantial not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

At December 31, 2014, the allowance for uncollectible taxes was \$16,080 in the General Fund and \$233 in the Debt Service Fund for a total of \$16,313. Allowance for uncollectible accounts was \$46,595 for Water and Sewer and \$7,324 for Solid Waste accounts. Allowance for police fines was \$699,996.

<b>Governmental Funds</b>						
	<b>General</b>	<b>UDAG Fund</b>	<b>Villa Rica Public Facilities Fund</b>	<b>SPLOST Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Receivables:</b>						
Taxes	\$246,382	\$0	\$0	\$0	\$5,235	\$251,617
Accounts	2,050,566	0	0	0	0	2,050,566
Fines	736,838	0	0	0	0	736,838
<b>Gross Receivables</b>	<b>3,033,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,235</b>	<b>3,039,021</b>
Less allowance for uncollectible	(716,076)	0	0	0	(233)	(716,309)
<b>Net Receivables</b>	<b>\$2,317,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,002</b>	<b>\$2,322,712</b>

<b>Proprietary Funds</b>			
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Total Proprietary</b>
<b>Receivables:</b>			
Accounts	\$711,766	\$111,149	\$822,915
Other	55,120	0	55,120
<b>Gross Receivables</b>	<b>766,886</b>	<b>111,149</b>	<b>878,035</b>
Less allowance for uncollectible	(46,595)	(7,324)	(53,919)
<b>Net Receivables</b>	<b>\$720,291</b>	<b>\$103,825</b>	<b>\$824,116</b>

### 3-C. Property Taxes

Advalorem property taxes revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, "Revenue Recognition Property Taxes." This interpretation states property tax revenue is recorded when it becomes available. Available means when due or past due and receivable within the current period and collected with the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. The City's property taxes attach as an enforceable lien on property as of January 1. The City's corporate limits are over two counties, Carroll County and Douglas County. Carroll County Taxes were levied on September 16, 2014 and were due and payable on or before November 16, 2014 in Carroll County. Taxes were levied on September 15, 2014, and were due and payable on or before November 15, 2014 in Douglas County. All unpaid taxes became delinquent after their respective due dates. The 2014 property taxes levied were \$2,619,717. The millage rate was 6.63 mills for 2014. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. For any additional property taxes receivable after the 60-day period, an additional accrual is made in the government-wide financial statements.

The levy for 2014 is as follows:

<u>Type of Levy</u>	<u>Rate per \$1,000 of Assessed Value</u>
General Operations	9.910
Less Sales Tax Rebate	3.280
Net for General Operations	<u>6.630</u>

Property taxes levied for the current year are available and are therefore recognized as revenue. The City's property tax collection records show that most of the property taxes due are collected during the fiscal year of the levy. Property tax received is reduced by an allowance for uncollectible accounts which is computed on the outstanding receivable at December 31, 2013 per the following table:

100% of the 2002 Levy  
100% of the 2003 Levy  
100% of the 2004 Levy  
100% of the 2005 Levy  
100% of the 2006 Levy  
100% of the 2007 Levy

98% of the 2008 Levy  
 80% of the 2009 Levy  
 60% of the 2010 Levy  
 50% of the 2011 Levy  
 40% of the 2012 Levy  
 25% of the 2013 Levy  
 5% of the 2014 Levy

Taxes receivable at December 31, 2014 consist of the following:

Tax Year	Carroll County		Douglas County		Total Taxes Receivable	
	General Fund	Debt Service Fund	General Fund	Debt Service Fund	General Fund	Debt Service Fund
2002	\$91	\$25	\$0	\$0	\$91	\$25
2003	94	19	0	0	94	19
2004	162	29	0	0	162	29
2005	96	15	0	0	96	15
2006	106	14	0	0	106	14
2007	278	33	0	0	278	33
2008	419	44	0	0	419	44
2009	584	69	10	1	594	70
2010	1,294	0	1,368	0	2,662	0
2011	2,401	0	339	0	2,740	0
2012	6,571	0	2,366	0	8,937	0
2013	18,986	0	6,200	0	25,186	0
2014	154,930	0	50,087	0	205,017	0
	<u>\$186,012</u>	<u>\$ 248</u>	<u>\$60,370</u>	<u>\$ 1</u>	<u>246,382</u>	<u>249</u>
					(16,080)	(233)
					<u>\$230,302</u>	<u>\$16</u>

The property taxes for the City are collected by Carroll County and Douglas County Tax Commissioners' office and remitted to the City weekly.

### 3-D. Interfund Balances and Transfers

Individual fund Interfund balances including advances at December 31, 2014, consisted of the following amounts and represent charges for services or reimbursable expenses. The remaining balances resulted from a time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to pay all interfund balance within one year, except for the advance between the General Fund and the UDAG Fund.

	General Fund	UDAG Fund	Total
<b>Payables</b>			
General Fund	\$ -	\$563,707	\$ 563,707
UDAG Fund	(563,707)	0	(563,707)
<b>Total</b>	<b>\$ (563,707)</b>	<b>\$563,707</b>	<b>\$ 0</b>

All interfund balances are due to routine interfund transactions that were not paid or received at December 31, 2013 as discussed in Note 1-E-4. Advances are long-term in nature.

Interfund transfers for the year ended December 31, 2014 consisted of the following:

General Fund	Hotel Motel Tax Fund	COPS's Fund	SPLOST Fund	Capital Projects Fund - Public Roads	Capital Projects Fund	Villa Rica Public Facilities Capital Project Fund	Villa Rica Public Facilities Fund	Water and Sewer Fund	Solid Waste Fund	Total
\$ 61,021	\$(48,452)	\$(12,569)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						21,028		(21,028)		
(1,110,154)				73,246	921,355		-	-	115,553	-
-				-	-		1,713,009	(1,713,009)	-	-
			(175,132)					175,132		
\$( 1,049,133)	\$(48,452)	\$(12,569)	\$(175,132)	\$73,246	\$ 921,355	21,028	\$1,713,009	\$(1,558,905)	\$115,553	\$ -

Transfers are used to collect revenues from a fund the statute or budget requires. It also records expenses that statute or budget requires in the appropriate fund. Transfer may also be recorded unrestricted revenues collected in the General Fund to finance various programs

accounted for in other funds in accordance with budgetary authorizations and to return money to the fund from which it was originally provided, once the project is complete.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

### 3-E. Capital Assets

Capital assets activity for the period ended December 31, 2014 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Restatement of Prior Year</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclass</b>	<b>Ending Balance</b>
Non-depreciable assets						
Land – (non-depreciable)	\$ 1,685,974	\$0	\$0	\$0	\$0	\$1,685,974
Construction in progress	743,241	-3,595	481,960	0	-268,559	953,047
<b>Total non-depreciable assets</b>	<b>2,429,215</b>	<b>-3,595</b>	<b>481,960</b>	<b>0</b>	<b>-268,559</b>	<b>2,639,021</b>
Depreciable assets						
Site improvements	6,926,234	0	181,906	0	0	7,108,140
Infrastructure	10,650,346	0	514,531	0	268,559	11,433,436
Buildings	39,237,816	0	73,652	-11,281	0	39,300,187
Machinery and equipment	5,390,331	178,727	420,867	-547,591	0	5,442,334
<b>Total depreciable assets</b>	<b>62,204,727</b>	<b>178,727</b>	<b>1,190,956</b>	<b>-558,872</b>	<b>268,559</b>	<b>63,284,097</b>
<b>Totals at historical cost</b>	<b>64,633,942</b>	<b>175,132</b>	<b>1,672,916</b>	<b>-558,872</b>	<b>0</b>	<b>65,923,118</b>
Less accumulated depreciation:						
Site improvements	-1,510,421	0	-193,624	1	0	-1,704,044
Infrastructure	-1,700,067	0	-231,314	0	0	-1,931,381
Buildings	-4,280,427	0	-862,143	2,961	0	-5,139,609
Machinery and equipment	-3,767,963	-107,234	-346,814	497,649	0	-3,724,362
<b>Total accumulated depreciation</b>	<b>-11,258,878</b>	<b>-107,234</b>	<b>-1,633,895</b>	<b>500,611</b>	<b>0</b>	<b>-12,499,396</b>
<b>Governmental activities capital assets, net</b>	<b>\$53,375,064</b>	<b>\$67,898</b>	<b>\$39,021</b>	<b>\$-58,261</b>	<b>\$0</b>	<b>\$53,423,722</b>

	Beginning Balance	Restatement of Prior Year	Additions	Retirements	Reclass	Ending Balance
<b>Business-type activities:</b>						
Non-depreciable assets						
Land - (non-depreciable)	\$2,101,972	\$0	\$0	\$0	\$0	\$2,101,972
Construction in progress - (non-depreciable)	207,691	0	955,867	0	(291,722)	871,836
Total non-depreciable assets	<u>2,309,663</u>	<u>0</u>	<u>955,867</u>	<u>0</u>	<u>(291,722)</u>	<u>2,973,808</u>
Depreciable assets						
Site improvements	36,789	0	0	0	0	36,789
Infrastructure	28,509,768	0	146,902	0	11,427	28,668,097
Buildings	1,536,354	0	0	0	0	1,536,354
Equipment	2,793,155	67,750	46,152	(2,700)	280,295	3,184,652
Total depreciable assets	<u>32,876,066</u>	<u>67,750</u>	<u>193,054</u>	<u>(2,700)</u>	<u>291,722</u>	<u>33,425,892</u>
<b>Totals at historical cost</b>	<b><u>35,185,729</u></b>	<b><u>67,750</u></b>	<b><u>1,148,921</u></b>	<b><u>(2,700)</u></b>	<b><u>0</u></b>	<b><u>36,399,700</u></b>
Less accumulated depreciation:						
Site Improvements	-12,129	0	-2,169	0	0	-14,298
Infrastructure	-9,529,153	0	-584,425	0	0	-10,113,578
Buildings	-57,748	0	-42,582	0	0	-100,330
Equipment	-2,018,285	- 46,509	-94,631	2,700	0	-2,156,725
<b>Total accumulated depreciation</b>	<b><u>-11,617,315</u></b>	<b><u>-46,509</u></b>	<b><u>-723,807</u></b>	<b><u>2,700</u></b>	<b><u>0</u></b>	<b><u>-12,384,931</u></b>
<b>Business-type capital assets, net</b>	<b><u>\$23,568,414</u></b>	<b><u>\$21,241</u></b>	<b><u>\$425,114</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$24,014,769</u></b>

**Depreciation was charged to governmental activities as follows:**

Governmental Depreciation:	
General government	\$93,689
Public safety	179,242
Public Works	1,029,940
Culture and recreation	331,024
Total governmental depreciation	<u>1,633,895</u>
Business-type Depreciation	
Water and Sewer	719,651
Solid waste	4,156
Total business-type activities	<u>723,807</u>
<b>Total depreciation expense</b>	<u><u>\$2,357,702</u></u>

**3-F. Compensated Absences**

Employees earn vacation leave, (PTO) paid time off, at a rate of 6 days per calendar year for the first year up to a maximum of 20 days per year after fifteen years of service. A maximum of thirty days may be carried from service year to service year. If the total amount of unused vacation time equals the 30 day accrual no further vacation time will be earned until the balance of the accrued time is below the 30 day cap. Upon termination, employees are paid for any accrued vacation leave. The amount of the vacation leave carried forward is recorded as a liability in the government-wide statements and proprietary statements.

Employees earn sick leave, (PTO), at a rate of 12 days per year. A maximum of ninety days may be carried from service year to service year. Sick leave is not paid upon termination

### 3-G. Long-Term Debt

**Primary Government – Summary of Revenue Bonds** – The following is a summary of the revenue long-term bond issues at December 31, 2014:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Interest Dates</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
2008	Construction of new 2.15 million gallons per day wastewater treatment plant (A) Financing or refinancing a portion of the costs acquisition of land and construction and equipping the wastewater treatment plant on the west side of the City, (B) paying capitalized interest on Bonds, and (C) paying all or a portion of the cost of issuance of the	4.4 - 4.9%	3/1, 9/1	3/01/2028	10,000,000	-	10,000,000
2009	bonds	4.625 - 4.875%	3/1, 9/1	3/01/2039	24,905,000	-	24,905,000
<b>Total</b>					<u>\$34,905,000</u>	<u>\$0</u>	<u>\$34,905,000</u>

Annual debt service requirements to amortize all governmental general obligation long-term bonds outstanding as of December 31, 2014 follow:

Primary Government									
Year	2008			2009			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	-	468,109	468,109	-	1,244,900	1,244,900	-	1,713,009	1,713,009
2016	-	468,109	468,109	-	1,244,900	1,244,900	-	1,713,009	1,713,009
2017	-	468,109	468,109	-	1,244,900	1,244,900	-	1,713,009	1,713,009
2018	-	468,109	468,109	-	1,244,900	1,244,900	-	1,713,009	1,713,009
2019	-	468,109	468,109	-	1,244,900	1,244,900	-	1,713,009	1,713,009
2020	830,000	468,109	1,298,109	-	1,244,900	1,244,900	830,000	1,713,009	2,543,009
2021	965,000	431,589	1,396,589	-	1,244,900	1,244,900	965,000	1,676,489	2,641,489
2022	1,010,000	388,164	1,398,164	-	1,244,900	1,244,900	1,010,000	1,633,064	2,643,064
2023	1,060,000	342,714	1,402,714	-	1,244,900	1,244,900	1,060,000	1,587,614	2,647,614
2024	1,110,000	293,954	1,403,954	-	1,244,900	1,244,900	1,110,000	1,538,854	2,648,854
2025	1,170,000	242,339	1,412,339	-	1,244,900	1,244,900	1,170,000	1,487,239	2,657,239
2026	1,225,000	187,349	1,412,349	-	1,244,900	1,244,900	1,225,000	1,432,249	2,657,249
2027	1,285,000	128,549	1,413,549	-	1,244,900	1,244,900	1,285,000	1,373,449	2,658,449
2028	1,345,000	65,905	1,410,905	-	1,244,900	1,244,900	1,345,000	1,310,805	2,655,805
2029	-	-	-	1,765,000	1,244,900	3,009,900	1,765,000	1,244,900	3,009,900
2030	-	-	-	1,845,000	1,163,269	3,008,269	1,845,000	1,163,269	3,008,269
2031	-	-	-	1,930,000	1,075,631	3,005,631	1,930,000	1,075,631	3,005,631
2032	-	-	-	2,025,000	981,544	3,006,544	2,025,000	981,544	3,006,544
2033	-	-	-	2,125,000	880,294	3,005,294	2,125,000	880,294	3,005,294
2034	-	-	-	2,235,000	774,044	3,009,044	2,235,000	774,044	3,009,044
2035	-	-	-	2,345,000	662,294	3,007,294	2,345,000	662,294	3,007,294
2036	-	-	-	2,465,000	545,044	3,010,044	2,465,000	545,044	3,010,044
2037	-	-	-	2,590,000	418,712	3,008,712	2,590,000	418,712	3,008,712
2038	-	-	-	2,720,000	285,975	3,005,975	2,720,000	285,975	3,005,975
2039	-	-	-	2,860,000	146,575	3,006,575	2,860,000	146,575	3,006,575
Total	\$10,000,000	\$4,889,217	\$14,889,217	\$24,905,000	\$25,606,882	\$50,511,882	\$ 34,905,000	\$ 30,496,099	\$65,401,099

**Changes in Long-term Debt** – Changes in the City’s long-term obligations consisted of the following for the year ended December 31, 2014:

	Balance 12/31/2013 (As adjusted)	Additions	Reductions	Balance 12/31/14	Amounts Due Within One Year
<b>Governmental Activities</b>					
VRPFA Revenue Bonds, Series 2008	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -
VRPFA Revenue Bonds, Series 2009	24,905,000	-	-	24,905,000	-
Capital leases	325,357	-	259,052	66,302	66,302
Compensated balances	182,967 *	63,203	77,133	169,037	150,000
<b>Total Governmental Activities</b>	<b>\$ 35,413,324</b>	<b>\$ 63,203</b>	<b>\$ 336,185</b>	<b>\$ 35,140,339</b>	<b>\$ 216,302</b>
<b>Business-Type Activities</b>					
Notes Payable					
Georgia Environmental Facilities Authority Loan – CW96018	\$ 21,560	\$ -	\$ 3,976	\$ 17,584	\$ 4,137
Georgia Environmental Facilities Authority Loan – DWSRF 09-011	211,505	-	14,992	196,513	15,448
Compensated absences	15,203 *	20,783	18,293	17,693	14,500
<b>Total Business-Type Activities</b>	<b>\$ 248,268</b>	<b>\$ 20,783</b>	<b>\$ 37,261</b>	<b>\$ 231,790</b>	<b>\$ 34,085</b>

\*The compensated balances were adjusted by removing the sick leave from the prior year ending balance. Please refer to Note 6.A

#### Long-term obligations:

The 2008 and 2009 Villa Rica Public Facilities Authority Revenues Bonds are payable solely from a Trust Estate pledged to the payment of the Series 2008 and 2009 Bonds under the Indenture, which includes payments made by the City to the Authority pursuant to a Lease Agreement, dated December 1, 2008 and March 1, 2009 (the “Agreement”). Under the Agreement the City agrees to pay the Authority as rental payments amounts sufficient to enable the Authority to pay the debt service on the Series 2008 and Series 2009 bonds and unconditionally agrees to levy an ad valorem property tax, without limitation as to the amount, on all property in the City subject to taxation for such purposes as may be necessary in order to pay amounts due to the Authority under this Agreement.

#### Recreation Department Capital Lease Agreement

On March 31, 2005, the City entered into a “Bricks and Mortar” installment sale agreement with the Georgia Municipal Association. The agreement requires payment in full by March 31, 2015. The City agrees that it will cause the appropriate officers of the City to request

that the governing body appropriate the minimum annual appropriated amount for each fiscal year in the amount of \$266,875. The City further agrees to take such action to assure the availability of moneys appropriated for such purpose to make all payments as may be required under Official Code of Georgia Annotated Section 36-60-13.

The City has a limited warranty deed to the subject property, old Centerfield Athletic Complex at 1605 Highway 61, Villa Rica, Georgia. The terms of the agreement define that the City is responsible for maintenance and operation, site alterations, liens and taxes and insurance for the facility. The facility has been renamed the Villa Rica Conference and Athletic Complex.

The cash flows required to service the agreement are approximately \$66,719 per year with monthly payments of \$22,240 including interest and principal. The following is a schedule of installment sale agreement service requirements to maturity as of December 31, 2014:

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2015	3.77	66,302	417	66,719
		<u>\$ 66,302</u>	<u>\$417</u>	<u>\$66,719</u>

The city capitalized land, site improvements and buildings with a cost of \$2,220,500 as a result of this lease. Of the capitalized assets \$1,000,000 was recognized as land value and the depreciable assets, \$1,220,500, included lighted ball fields, a civic center and a sports complex. The accumulated depreciation of \$564,482 in FY 2014 on these assets leaves book values of \$656,018. The current year depreciation is \$61,025.

#### Notes Payable

The amount drawn on a construction project from Georgia Environmental Facilities Authority for Environmental Loan was \$65,580 which bears interest at the rate of 4.0% per annum from September 1, 2004. Principal and interest shall be due and payable in 58 equal installments in the amount of \$1,195 each, paid quarterly. The following schedule shows the requirements until maturity:

**2004 GEFA Loan:**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2015	4,137	642	4,779
2016	4,305	474	4,779
2017	4,480	299	4,779
2018	4,662	117	4,779
	<b>\$ 17,584</b>	<b>\$ 1,532</b>	<b>\$ 19,116</b>

The City entered into a loan agreement with the Drinking Water State Revolving Loan Fund administered by the Georgia Environmental Facilities Authority for \$425,000 to install water line throughout the City. In accordance with the loan agreement, forty percent of the loan was forgiven upon certification of completion of the project. The balance of the loan, \$255,000, bears interest at the rate of 3.0%. Principal and interest is due and payable in 180 consecutive monthly installments of \$1,760.98, commencing on December 1, 2010. The following schedule shows the requirements until maturity:

**2009 DW09-011 GEFA Loan:**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2015	15,448	5,684	21,132
2016	15,917	5,215	21,132
2017	16,402	4,730	21,132
2018	16,900	4,232	21,132
2019	17,415	3,717	21,132
2020-2024	95,347	10,311	105,658
2025	19,084	287	19,371
	<b>\$ 196,513</b>	<b>\$ 34,176</b>	<b>\$ 230,689</b>

### Compensated Absences

The compensated absences liability will be paid from the fund which the employees' salaries are paid, which include the General Fund, Water and Sewer Fund, and Solid Waste Fund.

### Conduit Debt

The Industrial Development Authority, a component unit of the City has the following issued outstanding conduit debt as of December 31, 2014:

UPC Southeast, LLC Project Series 2013	\$20,000,000
Southwire Villa Rica Project Series 2013	22,000,000
Printpack Inc Project Series 2014	70,000,000
Total outstanding	\$112,000,000

The Industrial Authority has no obligation beyond the resources provided by the related loans.

### **3-G. Fund Balance**

The City records five categories of fund balance as defined in Note 1-E-14. The five types are nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance is classified by amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

	<u>General</u>	<u>UDAG Fund</u>	<u>Villa Rica Public Facilities Fund</u>	<u>SPLOST Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
Non Spendable	\$ 135,245	\$ -	\$ -	\$ -	\$ -	\$ 135,245
Restricted. The following fund balances are restricted for :						
Public safety	-	-	-	-	491,684	491,684
Public Works	-	-	-	-	306,841	306,841
Capital Outlay	-	-	-	1,524,894	0	1,524,894
Debt Service	-	-	-	-	3,253	3,253
	-	-	-	1,524,894	801,778	2,326,672
Assigned. The following fund balances are assigned to:						
Public works	-	-	2	-	43,307	43,309
Economic development	-	1,052,523	-	-	7,057	1,059,580
	-	1,052,523	2	-	50,364	1,102,889
Unassigned. The following balances are unassigned	6,290,536	-	-	-	-	6,290,536
Total Fund Balance	<u>\$6,425,781</u>	<u>\$1,052,523</u>	<u>\$ 2</u>	<u>\$1,524,894</u>	<u>\$ 852,142</u>	<u>\$ 9,855,342</u>

#### **Note 4. Other Notes**

##### **4-A. Pensions**

###### ***GMEBS PLAN***

**Plan Description** – The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Villa Rica Retirement Plan) covering all full time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multi-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a public available financial report that includes financial statements and required supplementary information for GMEBS. The report may be obtained by writing to:

Georgia Municipal Association  
Risk Management and Employee Benefit Services  
P O Box 105377  
Atlanta, Georgia 30348

As provided by state law, benefit provision for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability for plan members and beneficiaries. The plan covers all regular city employees (40 hours weekly or more), all police officers (84 hours per pay period) who were employed after March 6, 2012, Police Department Customer Service Representatives (77 hours per pay period) who were employed after March 6, 2012, eligible regular employees (20 hours weekly) first employed on December 1, 2004, provided they do not become reemployed after that date, eligible regular employees (30 hours weekly) first employed or reemployed after December 1, 2004, but prior to March 6, 2012, provided they do not become reemployed after March 6, 2012 and current elected officials. All full-time City employees with one year of continuous, uninterrupted service are eligible to participate in the system. Effective March 6, 2012 for regular employees, police officers and police department customer service representatives early retirement qualifications are the attainment of age 55 with the completion 10 years total credited service and normal retirement qualifications are attainment of age 65 with the completion of 5 years total credited service. For the elected officials the normal retirement qualification is the attainment of age 65. There is no maximum employee entry age. For the regular employee the benefit is calculated using the split final average earning formula. The final average is the earnings for the five highest consecutive years (12 month periods). The retirement benefit is calculated using the final average up to the amount of covered compensation (1.50% up to a break point and then 2.00% after the break point) multiplied by the years of Total Credited Service. Elected officials are immediately invested with a normal retirement age of 65 and a benefit of \$14.00 for each year of service.

At July 1, 2014, the date of the most recent actuarial valuation, there were 190 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	50
Terminated vested participants not yet receiving benefits	50
Active employees – vested	50
Active employees – non vested	34
Number of elected officials	6
Total	190

### **Funding Policy**

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contributions described below

Actuarial Valuation Date	July 1, 2014
Total normal costs	\$152,104
Administrative expenses	16,802
Expected employee contributions	0
Employer normal costs	168,906
Payment on unfunded/(surplus) actuarial accrued liability	48,522
Total recommended mid-year contribution	217,428
Adjustment to fiscal year*	8,268
Total recommended mid-year contribution, adjusted for fiscal year	\$225,696
Total recommended contribution as a percentage of payroll	7.17%

\*Fiscal year begins January 1, 2015

### Annual Pension Costs

The City's annual pension cost of \$225,696 for the City of Villa Rica Retirement Plan is for a twelve month period. The City's actual contribution for the period is \$257,112. The required contribution was determined as part of the July 1, 2014, actuarial valuation using the projected unit credit method. The amortization method is the closed level dollar for the remaining unfunded liability. The remaining amortization period varies for the bases, with net effective amortization period of 10 years. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases 3.50% plus age and service based on merit increases; (c) projected inflation rate of 3.5% and (d) cost living adjustment 0%. There is no postretirement benefit increase assumption. The actuarial value of GMEBS assets is the sum of actuarial value at the beginning of year and the cash flow during the years plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

The following is a schedule of funding progress, using the actuarial cost method:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/2014	\$4,663,566	\$5,005,373	\$341,807	93.17%	3,093,925	11.05%

The previous schedule of funding serves as a surrogate for the funded status and the funding progress of the plan. The required schedule of funding progress immediately following the notes to the financial statements presents a multi-year trend information about whether the actuarial value of the 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 in the future, and actuarially determined amounts are subject to continual revision as a results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect July 1, 2014.

#### **Employer Contributions**

Year Ended	Required Contribution	Pension Costs	Percentage Contributed
3/31/2011	314,931	314,931	100%
3/31/2012	313,388	313,388	100%
3/31/2013	276,689	276,689	100%
12/31/ 2013	250,587	164,681	66%
12/31/14	225,696	257,112	114%

#### **4-B. Deferred Compensation Plan**

The City of Villa Rica Internal Revenue Code Sections 457 Plan (the “Plan”) is a deferred compensation plan and qualifies as a defined contribution plan. The plan is administered by DST Systems and Lord Abbett Administration for full time employees. Plan provisions and contribution requirements are established and may be amended by the City’s Mayor and Council. On December 31, 2014 there were 22 active plan members.

Employees and the City are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed IRS guidelines, in to the Plan. The plan allows employee to increase, decrease, stop and restart deferrals as often as the wish without penalties or fees. The City’s Mayor and Council have approved discretionary employer contributions for 30 employees. Total employer and employee contributions for the year ended December 31, 2014, was \$22,604 and \$45,088 respectively.

#### **4-C. Other Post-Retirement Benefits (OPEB)**

In addition to pension benefits described above, the City provides post-employment benefit options for health care and dental insurance to eligible retirees according to a local ordinance. Persons who are 62 and eligible for early retirement and retire under the City of Villa Rica Pension Plan are entitled to City provided medical benefits until the employee reaches the age of 65. Retirees are covered by the same plan available to full-time City employees and subject to 50% co-pay and the retiree pays 100% of the additional cost for dependent coverage. Blue Cross Blue Shield administers the plan. The funding is on a “pay as you go” method. There is currently one retiree covered by the plan. The OPEB provisions and obligations to contribute were established by a City Council resolution of February 3, 2004. City Council on November 4, 2014 a motion to rescind and terminate the plan except for those employees already in the plan (one employee) and terminate those employees at 65 was adopted. The remaining employee plan terminated December 2014.

#### **4-D. Risk Management**

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risks, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool’s 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 pool’s 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 worker’s compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Deductibles range from \$5,000 for such items as auto liability and property damage to \$10,000 for General Liability. There have been no significant reductions in insurance coverage nor have there been any settlements that exceed the City’s insurance coverage during the past five years.

#### **E. Litigations and Contingent Liabilities**

The City is involved in various cases which are active. The City intends to vigorously defend its positions on these matters. Should any of these cases be settled unfavorably, the City has set aside the funds to cover the settlements. Therefore, these cases should not have an adverse effect on the City's financial condition.

#### **4-F. Joint Ventures**

Under Georgia law, the City, in conjunction with other cities and counties, is a member of the Three Rivers Regional Commission (TRRC) and the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. Membership in a regional commission is required by the Official Code of Georgia Annotated (OGGA) Section 50-8-34 which provides for the organizational structure of the regional commissions in Georgia. The TRRC and ARC Board memberships include at least one elected or appointed municipal government official from each member county and at least one elected or appointed county government official from each member county. OGGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements for the TRRC and ARC are available from:

Three Rivers Regional Commission  
Highway 34  
Franklin, Georgia 30217

Atlanta Regional Commission  
40 Courtland Street, NE  
Atlanta, Georgia 30303

In 2006 it was determined that the entire City of Villa Rica is part of the Metropolitan North Georgia Water Planning District and therefore must receive approval from that organization to expand the City's North Waste Water Treatment Plant. The decision was based on the part of 2001 Senate Bill 130/AP that states, "any municipality of this state lying in whole or in part within the district area". Thus the City now has this new relationship.

#### 4-G. Hotel/Motel Lodging Tax

The City of Villa Rica has levied a 5% lodging tax

The City of Villa Rica's Hotel/Motel fund for the calendar year 2014 has expenditures in the amount of \$121,130, of this amount \$72,678 or 60% was for the promotion of tourism and \$48,452 or 40% was for the promotion of development programs as required by the Official Code of Georgia Annotated (OCGA 48-13-51).

#### 4-H. Contract Commitments

The City has entered into contracts to provide services to the City at December 31, 2014. A contract between two parties does not result immediately in the recognition of a liability. Instead a liability is incurred when performance has occurred under the contract. Until such time performance takes place, these contracts represent a commitment rather than a liability.

Contract commitments for general government services at December 31, 2014, are as follows:

City of Villa Rica Contract Commitments for General Government Services at December 31, 2014		
Description of Services	Vendor	Remaining Commitment
Employee Health Insurance	Blue Cross Blue Shield	\$772,000
Employee Dental, Life and Disability Insurance	Lincoln Financial Group	64,000
Property, Casualty and Liability	Georgia Interlocal Risk Management Group (GIRMA)	52,644
Total		<u>\$888,644</u>

#### 4 E. Component Units

The Governmental Accounting Standards Board Statement requires inclusion as part of the reporting entity component units that are financially accountable. This is discussed in Note 1 under reporting entity. Based upon the criterion presented in Note 1, there are three component units. These are the Villa Rica Public Facilities Authority, a blended component unit, and the Industrial Development Authority, and the Downtown Development Authority which are "discretely" presented in the column segregation as "component units".

These component units are not separately audited, thus separate financial statements are not issued. To help understand the significance of each component unit, a condensed financial statement for the discretely presented component units is presented on the following page as of December 31, 2014:

### Combining Statement of Net position

	<b>Industrial Development Authority</b>	<b>Downtown Development Authority</b>	<b>Totals</b>
Cash	\$ 1,201,131	\$ 21,714	\$1,222,845
Land at cost including capitalized interest	154,172	0	154,172
<b>Total assets</b>	<b>\$ 1,355,303</b>	<b>\$ 21,714</b>	<b>\$ 1,377,017</b>
Restricted	\$ 154,172	\$ 0	\$ 154,172
Unrestricted	1,201,131	21,714	1,222,845
<b>Net position</b>	<b>\$ 1,355,303</b>	<b>\$ 21,714</b>	<b>\$ 1,377,017</b>

### Combining Statement of Activities

	<b>Industrial Development Authority</b>	<b>Downtown Development Authority</b>	<b>Totals</b>
Expenses			
General government	\$ 28,357	\$ 8,958	\$ 37,315
Program revenues			
Charges for services	87,750	7,498	95,248
<b>Total governmental activities</b>	<b>\$ 59,393</b>	<b>\$ (1,460)</b>	<b>\$ 57,933</b>
General revenues			
Interest	13,956	15	13,971
Changes in net position	73,349	(1,445)	71,904
Net position – beginning	\$ 1,281,954	23,159	1,305,113
<b>Net position - ending</b>	<b>\$ 1,355,303</b>	<b>\$ 21,714</b>	<b>\$ 1,377,017</b>

#### 4.F. Special Local Option Sales Tax

#### **4.F. Special Local Option Sales Tax**

Effective July 1, 1998, Carroll County and the Municipalities entered into an agreement to collect a one percent local option sales tax. Projects were agreed upon and percentages of the available receipts were determined. Villa Rica's total project cost was estimated at \$4,251,000.

Effective July 1, 2001, Douglas County and the Municipalities entered into an agreement to collect a one percent local option sales tax. Projects were agreed upon and percentages of the available receipts were determined. Villa Rica's total project cost was estimated at \$600,000.

Effective July 1, 2003, Carroll County and the Municipalities entered into an agreement to collect a one percent local option sales tax. Projects were agreed upon and percentages of the available receipts were determined. Villa Rica's total project cost was estimated at \$3,970,065.

Effective July 1, 2008, Carroll County and the Municipalities entered into an agreement to collect a one percent local option sales tax. Projects were agreed upon and percentages of the available receipts were determined. Villa Rica's total project cost was estimated at \$6,759,300.

Effective July 31, 2013, Carroll County and the Municipalities entered in an agreement to collect a one percent local option sales tax. Projects were agreed upon and percentages of available receipts were determined. Villa Rica's total project cost was estimated at \$7,267,200.

#### **Note 5. Accounting Changes**

##### **5-A. Funds Closed**

One fund was closed in FY 2014. The COPS Grant Fund, a Special Revenue Fund, was closed due to project ending and all grant funds received.

##### **5-B. Compensated Absences**

The City made accounting changes with the recognition of compensated absences. The City had not implemented the changes in sick leave and vacation accrual as required by the GASB Statements 16 and 34 and the GASBI 6. The sick leave may only be recorded if the employee is to receive a portion upon termination. The City does not provide this benefit, therefore all sick leave accrued balances have been removed from the Statement of Net Position, Statement of Activities, Fund Balance Sheets and Statement of Revenues and Expenditures and Changes in Fund Balance. The vacation accrual is only permitted on the governmental fund financial statements if the employee will receive some portion upon termination and the termination occurs within sixty days of year end. The vacation accrual is

recognized on the Proprietary Fund financial statements and the government wide statements. All vacation accruals have been removed from the governmental funds Balance Sheets and Statements of Revenues and Expenditures and Changes in Fund Balance.

#### 5-C. Property and Casualty

The City made accounting changes with the recognition of the property and casualty insurance recognizing the amount of prepaid insurance at the end of the fiscal year rather than recognizing twelve month expenditure at the time of the annual premium due. This classifies the correct premium to be paid in the current period.

#### Note 6. Prior Period Adjustment

	General Fund	UDAG	Entity Wide,	Total Governmental Activities	Water and Sewer Fund	Solid Waste Fund	Total Business Activities	Total
Note 6-A, Compensated Absences	\$156,411	\$0	\$0	\$156,411	\$12,357	\$7,664	\$20,021	\$176,432
Note 6-B, Property and Casualty	56,643	0	0	56,643	0	0	0	56,643
Note 6-C, Debt Service, (Fund Level only)	0	0	0	0	0	0	0	0
Note 6-D, Franchise Fees	614,300	0	0	614,300	0	0	0	614,300
Note 6-E, Accrued Interest	0	0	-571,000	-571,000	0	0	0	-571,000
Note 6-F, Revaluation of Capital Assets	0	0	67,898	67,898	21,241	0	21,241	89,139
Note 6-G, Reclass UDAG Advance Liability	-563,707	0	563,707	0				
Note 6-H, Recognize interest in CY 2013	-27,740	27,740	0	0				
Note 6-I, Adjust UDAG liability in ending balance	-67,804	0	67,804	0				
Total	\$168,103	27,740	128,409	\$324,252	\$33,598	\$7,664	\$41,262	\$365,514

**6-A. Compensated Absences**

The accounting change for the compensated absences required a prior period adjustment in the General Fund, Water and Sewer Fund and the Solid Waste Fund. On the General Fund the amount was \$156,411, an increase to the unrestricted net position, the Water and Sewer Fund was \$12,357, an increase to the unrestricted net position, and the Solid Waste Fund was \$7,664, an increase to the unrestricted net position.

**6-B. Property and Casualty**

The accounting change for the property and casualty recognition required a prior period adjustment on the General Fund. In the amount of was \$56,643, an increase to the unrestricted net position. This entry applies to the Governmental Statements and the Statement of Net Position and Statement of Activities.

**6-C Debt Service**

The CY 2013 debt service payment for the UDAG Advance to the General Fund was not recorded in the CY 2013 year. A prior period adjustment was made to recognize the interest in the correct accounting period of \$27,740 on the General Fund and a credit of \$27,740 on the UDAG Special Revenue Fund. This entry applies to the fund level.

**6-D. Franchise Fees**

The 2013 Georgia Power Franchise tax was made after the close of CY 2013. There was not a receivable posted for this revenue. A prior period adjustment was made on the General Fund in the amount of \$614,300. The entry applied to both the Governmental Funds statements and the Statement of Net Assets and Statement of Activities.

**6-E. Accrued Interest**

The accrued interest on the 2008 and 2009 City of Villa Rica Public Facilities Bonds were never accrued in 2008 or 2009, The fund's liabilities has been understated since the issue of these bonds. A prior period adjustment for \$571,000 was an increase in the liabilities and a decrease to the unrestricted net position on the Villa Rica Public Facilities Fund, a Special Revenue Fund,

**6-F. Revaluation of Capital Assets**

The city discovered several capital assets that were either undervalued or had not been capitalized. On the Statement of Net Assets the effect of this error on the General Fund was a decrease in non-depreciable assets of \$3,595, an increase depreciable capital asset of \$178,727 and an increase in accumulated depreciation of \$107,234 with a net increase to the unrestricted net position of \$67,898. On the water and Sewer Fund it was an increase on the depreciable assets of \$67,750 and an increase of \$46,509 to the accumulated depreciation with net increase to the unrestricted net position of \$21,241.

**6-G. Reclass UDAG Advance Liability**

The city was not recognizing the advance from the UDAG to the General Fund at the fund level. This year it was entered at the fund level as a liability of \$563,707.

**6-H. Recognize interest in CY 2013**

The UDAG payment by the General Fund was not made in CY 2013. This effect on the fund level was an expense on the General Fund and revenue on the UDAG Fund of \$27,740.

**Note 7. Subsequent Events**

On January 29, 2015 the Villa Rica Public Facilities Authority issued \$33,860,000 City of Villa Rica Public Facilities Authority Bonds (City of Villa Rica Water and Sewerage Project), Series 2015. The proceeds from the sale of the Series 2015 Bonds were used, together with other funds, for the purpose of (A) establishing an escrow account to provide for the advance refunding of all of the (i) \$10,000,000 in original aggregate principal amount of the City of Villa Rica Public Facilities Authority Revenue Bonds (City of Villa Rica Water and Sewerage Project), Series 2008, and (ii) \$24,905,000 in original aggregate principal amount of the City of Villa Rica Public Facilities Authority Revenue Bonds (City of Villa Rica Water and Sewerage Project), Series 2009, and (B) paying all or a portion of the cost of issuance of the Series 2015 Bonds. The coupon rates on the bonds are .200-3.360% and the interest will bear from January 29, 2015 and will be payable semi-annually on March 1 and September 1 commencing March 1, 2015 until maturity. The final maturity date is March 1, 2039. The debt service saving over the life of the bonds is \$6,370,734.

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# ***Required Supplementary Information***

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**CITY OF VILLA RICA, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
CITY OF VILLA RICA PENSION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL) Projected Unit of Credit</b>	<b>Surplus Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio a/b</b>	<b>(c) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (b-a)/c</b>
3/1/2003	1,299,607	1,687,795	388,188	77.00%	2,359,711	16.45%
3/1/2004	1,464,183	2,062,693	598,510	70.98%	2,736,074	21.87%
3/1/2005	1,684,694	2,155,552	470,858	78.16%	2,902,644	16.22%
3/1/2006	1,897,513	2,274,254	376,741	83.43%	3,211,337	11.73%
3/1/2007	2,181,710	2,452,801	271,091	88.95%	3,434,067	7.89%
3/1/2008	2,471,404	2,978,409	507,005	82.98%	3,641,408	13.92%
3/1/2009	2,236,398	3,375,109	1,138,711	66.26%	3,904,607	29.16%
3/1/2010	3,229,726	3,852,870	623,144	83.83%	4,017,136	15.51%
3/1/2011	3,633,717	4,204,677	570,960	86.42%	4,030,784	14.16%
7/1/2012	3,984,240	4,403,090	418,850	90.49%	3,707,513	11.30%
7/1/2013	4,336,461	4,725,164	388,703	91.77%	3,129,242	12.42%

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# *Supplementary Information*

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CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>General government</b>				
Administration				
Mayor and council				
Personal services	\$ 67,675	\$ 67,675	\$ 44,819	\$ (22,856)
Purchased services	116,650	116,650	92,983	(23,667)
Supplies	4,500	4,500	314	(4,186)
Other services and charges	298,500	298,500	8,794	(289,706)
	<u>487,325</u>	<u>487,325</u>	<u>146,910</u>	<u>(340,415)</u>
City manager				
Personal services	91,552	90,552	96,244	5,692
Purchased services	60,500	61,500	39,243	(22,257)
Supplies	20,750	20,750	6,330	(14,420)
Other services and charges	-	-	-	-
	<u>172,802</u>	<u>172,802</u>	<u>141,817</u>	<u>(30,985)</u>
Elections				
Purchased services	-	983	983	-
Retirees other post-employment benefits				
Personal services	<u>2,664</u>	<u>2,664</u>	<u>2,012</u>	<u>(652)</u>
Law				
Purchased services	<u>75,000</u>	<u>86,252</u>	<u>86,251</u>	<u>(1)</u>
	<u>75,000</u>	<u>86,252</u>	<u>86,251</u>	<u>(1)</u>
<b>TOTAL ADMINISTRATION</b>	<u>737,791</u>	<u>750,026</u>	<u>377,973</u>	<u>(372,053)</u>
 MIS				
Purchased services	<u>51,500</u>	<u>51,600</u>	<u>51,571</u>	<u>(29)</u>
	<u>51,500</u>	<u>51,600</u>	<u>51,571</u>	<u>(29)</u>

Continued

**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS**  
**GENERAL FUND**  
**FOR YEAR ENDED DECEMBER 31, 2014**

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>General government, continued</b>				
Finance department				
Administration				
Personal services	\$ 140,239	\$ 138,439	\$ 140,816	\$ 2,377
Purchased services	53,545	53,545	39,060	(14,485)
Supplies	18,230	18,230	12,187	(6,043)
Other services and charges	28,000	28,000	36,524	8,524
	<u>240,014</u>	<u>238,214</u>	<u>228,587</u>	<u>(9,627)</u>
Human resources department				
Administration				
Personal services	43,969	72,069	81,748	9,679
Purchased services	14,135	14,135	5,855	(8,280)
Supplies	4,391	4,391	2,165	(2,226)
	<u>62,495</u>	<u>90,595</u>	<u>89,768</u>	<u>(827)</u>
Customer Service department				
Administraton				
Personal services	8,525	8,450	2,892	(5,558)
Purchased services	-	-	3,034	3,034
	<u>8,525</u>	<u>8,450</u>	<u>5,926</u>	<u>(2,524)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,100,325</u>	<u>1,138,885</u>	<u>753,825</u>	<u>(385,060)</u>
Municipal Court				
Personal services	43,386	43,386	45,181	1,795
Purchased services	83,819	83,819	72,576	(11,243)
Supplies	9,726	2,726	182	(2,544)
Other services and charges	172,078	116,078	98,742	(17,336)
<b>TOTAL JUDICIAL</b>	<u>309,009</u>	<u>246,009</u>	<u>216,681</u>	<u>(29,328)</u>
				Continued

CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>Public Safety</b>				
Police department				
Personal services	\$ 2,423,261	\$ 2,657,261	\$ 2,595,252	\$ (62,009)
Purchased services	252,850	252,850	214,607	(38,243)
Supplies	200,581	200,581	204,755	4,174
Other services and charges			5,047	5,047
	<u>2,876,692</u>	<u>3,110,692</u>	<u>3,019,661</u>	<u>(91,031)</u>
Custody of prisoners				
Other services and charges	60,938	38,938	38,205	(733)
	<u>60,938</u>	<u>38,938</u>	<u>38,205</u>	<u>(733)</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,937,630</u>	<u>3,149,630</u>	<u>3,057,866</u>	<u>(91,764)</u>
<b>Public works</b>				
Public works department				
Highways and Streets				
Personal services	201,103	228,203	221,548	(6,655)
Purchased services	91,040	159,740	155,976	(3,764)
Supplies	278,500	336,800	334,340	(2,460)
	<u>570,643</u>	<u>724,743</u>	<u>711,864</u>	<u>(12,879)</u>
Watershed management department				
Personal services	71,454	71,454	73,069	1,615
Purchased services	108,068	108,068	51,103	(56,965)
Supplies	28,925	28,925	8,978	(19,947)
	<u>208,447</u>	<u>208,447</u>	<u>133,150</u>	<u>(75,297)</u>

Continued

CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>Public works, continued</b>				
Garage				
Personal services	\$ 113,349	\$ 113,349	\$ 98,583	\$ (14,766)
Purchased services	27,640	27,640	29,932	2,292
Supplies	47,750	36,650	26,779	(9,871)
Other services and charges	-	-	161	161
	<u>188,739</u>	<u>177,639</u>	<u>155,455</u>	<u>(22,184)</u>
Administrative community services				
Personal services	286,074	286,074	252,475	(33,599)
Purchased services	132,500	132,500	147,615	15,115
Supplies	15,350	15,350	14,104	(1,246)
	<u>433,924</u>	<u>433,924</u>	<u>414,194</u>	<u>(19,730)</u>
<b>TOTAL PUBLIC WORKS</b>	<u>1,401,753</u>	<u>1,544,753</u>	<u>1,414,663</u>	<u>(130,090)</u>
<b>Health and welfare</b>				
<b>Community services</b>				
Senior Citizens				
Personal services	100,827	121,527	116,791	(4,736)
Purchased services	6,380	6,380	9,448	3,068
Supplies	72,800	72,800	71,075	(1,725)
	<u>180,007</u>	<u>200,707</u>	<u>197,314</u>	<u>(3,393)</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>180,007</u>	<u>200,707</u>	<u>197,314</u>	<u>(3,393)</u>

Continued

CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>Culture and recreation</b>				
<b>Recreation</b>				
Participant recreation				
Personal services	\$ 414,819	394,119	\$ 362,715	\$ (31,404)
Purchased services	481,260	481,260	460,247	(21,013)
Supplies	414,164	405,500	383,214	(22,286)
Other services and charges	-	-	4,702	4,702
	<u>1,310,243</u>	<u>1,280,879</u>	<u>1,210,878</u>	<u>(70,001)</u>
Mountain Gold Museum				
Personal services	82,745	110,745	107,132	(3,613)
Purchased services	57,050	69,500	71,529	2,029
Supplies	114,487	156,637	154,037	(2,600)
	<u>254,282</u>	<u>336,882</u>	<u>332,698</u>	<u>(4,184)</u>
<b>TOTAL RECREATION</b>	<u>1,564,525</u>	<u>1,617,761</u>	<u>1,543,576</u>	<u>(74,185)</u>
<b>Library</b>				
Administration				
Personal services	271,129	271,129	262,715	(8,414)
Purchased services	37,200	37,200	30,061	(7,139)
Supplies	70,000	70,000	25,432	(44,568)
Other services and charges	-	-	646	646
	<u>378,329</u>	<u>378,329</u>	<u>318,854</u>	<u>(59,475)</u>
<b>TOTAL LIBRARY</b>	<u>378,329</u>	<u>378,329</u>	<u>318,854</u>	<u>(59,475)</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>1,942,854</u>	<u>1,996,090</u>	<u>1,862,430</u>	<u>(133,660)</u>

Continued

**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS**  
**GENERAL FUND**  
**FOR YEAR ENDED DECEMBER 31, 2014**

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>Housing and development</b>				
<b>Protective inspection</b>				
Building inspection				
Personal services	\$ -	\$ -		\$ -
Purchased services	62,500	72,800	72,726	(74)
Supplies	-	-	5	5
	<u>62,500</u>	<u>72,800</u>	<u>72,731</u>	<u>(69)</u>
 <b>Planning and zoning</b>				
Administration				
Personal services	\$ 99,993	\$ 106,193	\$ 114,743	\$ 8,550
Purchased services	42,618	42,618	30,970	(11,648)
Supplies	7,900	7,900	10,061	2,161
	<u>150,511</u>	<u>156,711</u>	<u>155,774</u>	<u>(937)</u>
 Code Enforcement				
Personal services	14,038	17,447	17,716	269
Purchased Services	1,781	1,782	1,107	(675)
Suplies	700	3,000	3,197	197
	<u>16,519</u>	<u>22,229</u>	<u>22,020</u>	<u>(209)</u>

Continued

CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Current Operations:</b>				
<b>Economic development and assistance</b>				
Economic development				
Purchased services	\$ 50,000	\$ 48,090	\$ 47,860	\$ (230)
Main street				
Personal services	65,758	65,758	69,414	3,656
Purchased services	88,040	88,040	63,171	(24,869)
Supplies	10,950	10,950	18,015	7,065
	<u>164,748</u>	<u>164,748</u>	<u>150,600</u>	<u>(14,148)</u>
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<u>214,748</u>	<u>212,838</u>	<u>198,460</u>	<u>(14,378)</u>
<b>TOTAL HOUSING AND DEVELOPMENT</b>	<u>444,278</u>	<u>464,578</u>	<u>448,985</u>	<u>(15,593)</u>
<b>TOTAL EXPENDITURES FROM CURRENT OPERATIONS</b>	<u>8,315,856</u>	<u>8,740,652</u>	<u>7,951,764</u>	<u>(788,888)</u>
<b>Capital Expenditures</b>				
<b>Culture and Recreation</b>				
Participant Recreation				
Equipment	-	-	11,360	11,360
<b>TOTAL PUBLIC SAFETY</b>	<u>-</u>	<u>-</u>	<u>11,360</u>	<u>11,360</u>
<b>TOTAL EXPENDITURES FROM CAPITAL</b>	<u>-</u>	<u>-</u>	<u>11,360</u>	<u>11,360</u>
<b>Debt Service</b>				
Principal	259,055	259,055	259,055	-
Interest	68,701	68,701	34,037	(34,664)
<b>TOTAL DEBT SERVICE</b>	<u>327,756</u>	<u>327,756</u>	<u>293,092</u>	<u>(34,664)</u>

Continued

CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES BY DEPARTMENT  
BUDGETARY LEVEL OF CONTROL - BUDGET TO ACTUAL COMPARISONS  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2014

	ORIGINAL	FINAL	ACTUAL	VARIANCE OVER (UNDER)
<b>Current Operations:</b>				
<b>Other Financing Uses</b>				
Interfund Transfer.	\$ 1,245,947	\$ 1,308,608	\$ 1,110,155	\$ (198,453)
<b>TOTAL OTHER FINANCING USES</b>	<u>1,245,947</u>	<u>1,308,608</u>	<u>1,110,155</u>	<u>(198,453)</u>
 <b>TOTAL EXPENDITURES</b>	 <u>\$ 9,889,559</u>	 <u>\$ 10,377,016</u>	 <u>\$ 9,366,371</u>	 <u>\$ (1,010,645)</u>

# ***Non Major Funds***

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**CITY OF VILLA RICA, GEORGIA**  
**BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2014**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS FUND	NONMAJOR DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash	\$ 559,437	\$ 306,841	\$ 3,487	\$ 869,765
Receivables (net)	4,987	-	15	5,002
Total assets	<u>\$ 564,424</u>	<u>\$ 306,841</u>	<u>\$ 3,502</u>	<u>\$ 874,767</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Outstanding checks in excess of bank balance	\$ 15,960	-	-	\$ 15,960
Accounts payable	6,416	-	-	6,416
Contracts payable	-	-	-	-
Deferred Revenue	-	-	249	249
Total liabilities	<u>22,376</u>	<u>-</u>	<u>249</u>	<u>22,625</u>
Fund balance (deficit)				
Restricted	491,684	306,841	3,253	801,778
Committed	-	-	-	-
Assigned	50,364	-	-	50,364
Unassigned	-	-	-	-
Total fund balance	<u>542,048</u>	<u>306,841</u>	<u>3,253</u>	<u>852,142</u>
<b>Total liabilities and fund balance</b>	<u>\$ 564,424</u>	<u>\$ 306,841</u>	<u>\$ 3,502</u>	<u>\$ 874,767</u>

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS FUND	NONMAJOR DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Taxes	\$ 121,130	\$ -	\$ 97	\$ 121,227
Intergovernmental	-	98,741	-	98,741
Charges for services	8,990	-	-	8,990
Fines and forfeitures	13,084	-	-	13,084
Investment income	343	312	-	655
Contributions and donations	-	-	-	-
Miscellaneous income	-	-	-	-
<b>TOTAL REVENUES</b>	<u>143,547</u>	<u>99,053</u>	<u>97</u>	<u>242,697</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	667	667
Public works	1,900	6,600	-	8,500
Economic development	72,678	-	-	72,678
Capital Outlay	32,611	171,987	-	204,598
<b>TOTAL EXPENDITURES</b>	<u>107,189</u>	<u>178,587</u>	<u>667</u>	<u>286,443</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>36,358</u>	<u>(79,534)</u>	<u>(570)</u>	<u>(43,746)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	94,274	-	94,274
Transfers out	(61,021)	-	-	(61,021)
Sale of assets	350	-	-	350
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>(60,671)</u>	<u>94,274</u>	<u>-</u>	<u>33,603</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>(24,313)</u>	<u>14,740</u>	<u>(570)</u>	<u>(10,143)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>566,361</u>	<u>292,101</u>	<u>3,823</u>	<u>862,285</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 542,048</u>	<u>\$ 306,841</u>	<u>\$ 3,253</u>	<u>\$ 852,142</u>

# Non-Major Governmental Funds

## Special Revenue Funds

**Federal Seizures Fund** – Accounts for funds awarded to the City of Villa Rica from seizures made by the federal government in the act of criminal activity.

**Narcotics Enforcement Fund** – Accounts for revenues and expenditures from drug seizures activity.

**Community Green Space Fund** – Account for grants and expenditures used to preserve and enhance green spaces within the City.

**Drug Task Force Fund** – Accounts for revenues and expenditures from drug seizures.

**COPS** – Accounts for the Community Oriented Policing Services grants. The City has hired two additional police officers with the funding from this grant.

**Hotel and Motel Tax Fund** – this fund accounts for hotel and motel tax monies received by the City. These funds are used to promote tourism to Villa Rica. By statute, 40% of the collections go to the Tourism Authority. The City council has voted to provide 60% of the collections to the Tourism Board. The remaining 40% is used to fund Carroll Tomorrow and other special events.

**Cemetery Fund** – Accounts for resources restricted for the operation and maintenance of the cemeteries in Villa Rica.

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**CITY OF VILLA RICA, GEORGIA  
BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2014**

		SPECIAL REVENUE FUNDS							TOTAL NONMAJOR SPECIAL REVENUE FUNDS
		FEDERAL SEIZURES	NARCOTICS ENFORCEMENT	COMMUNITY GREEN SPACE FUND	DRUG TASK FORCE	COPS	HOTEL MOTEL TAX	CEMETERY FUND	
<b>ASSETS</b>									
Cash		\$ 327,795	\$ 148,937	\$ 100	\$ 28,511	\$ -	\$ 8,486	\$ 45,608	\$ 559,437
Receivables (net)		-	-	-	-	-	4,987	-	4,987
Total assets		<u>\$ 327,795</u>	<u>\$ 148,937</u>	<u>\$ 100</u>	<u>\$ 28,511</u>	<u>\$ -</u>	<u>\$ 13,473</u>	<u>\$ 45,608</u>	<u>\$ 564,424</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Outstanding checks in excess of bank balance		\$ 13,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,401	15,960
Accounts payable		-	-	-	-	-	6,416	-	6,416
Total liabilities		<u>13,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,416</u>	<u>2,401</u>	<u>22,376</u>
Fund balance:									
Restricted		314,236	148,937	-	28,511	-	-	-	491,684
Committed		-	-	-	-	-	-	-	-
Assigned		-	-	100	-	-	7,057	43,207	50,364
Total fund balance		<u>314,236</u>	<u>148,937</u>	<u>100</u>	<u>28,511</u>	<u>-</u>	<u>7,057</u>	<u>43,207</u>	<u>542,048</u>
<b>Total liabilities and fund balance</b>		<u>\$ 327,795</u>	<u>\$ 148,937</u>	<u>\$ 100</u>	<u>\$ 28,511</u>	<u>\$ -</u>	<u>\$ 13,473</u>	<u>\$ 45,608</u>	<u>\$ 564,424</u>

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

SPECIAL REVENUE FUNDS								
	FEDERAL SEIZURES	NARCOTICS ENFORCEMENT	COMMUNITY GREEN SPACE FUND	DRUG TASK FORCE	COPS	HOTEL MOTEL TAX	CEMETERY FUND	TOTAL NONMAJOR SPECIAL REVENUE
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,130	\$ -	\$ 121,130
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	8,990	8,990
Fines and forfeitures	-	2,973	-	10,111	-	-	-	13,084
Investment income	217	23	-	-	-	-	103	343
Contributions and donations	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>217</b>	<b>2,996</b>	<b>-</b>	<b>10,111</b>	<b>-</b>	<b>121,130</b>	<b>9,093</b>	<b>143,547</b>
EXPENDITURES:								
Current:								
Public works	-	-	-	-	-	-	1,900	1,900
Economic development	-	-	-	-	-	72,678	-	72,678
Total operations	-	-	-	-	-	72,678	1,900	74,578
Capital								
Public safety	20,000	12,611	-	-	-	-	-	32,611
<b>TOTAL EXPENDITURES</b>	<b>20,000</b>	<b>12,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,678</b>	<b>1,900</b>	<b>107,189</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>								
<b>OVER EXPENDITURES</b>	<b>(19,783)</b>	<b>(9,615)</b>	<b>-</b>	<b>10,111</b>	<b>-</b>	<b>48,452</b>	<b>7,193</b>	<b>36,358</b>
OTHER FINANCING SOURCES (USES):								
Sale of assets	350	-	-	-	-	-	-	350
Transfers out	-	-	-	-	(12,569)	(48,452)	-	(61,021)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,569)</b>	<b>(48,452)</b>	<b>-</b>	<b>(60,671)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(19,433)</b>	<b>(9,615)</b>	<b>-</b>	<b>10,111</b>	<b>(12,569)</b>	<b>-</b>	<b>7,193</b>	<b>(24,313)</b>
FUND BALANCES - BEGINNING OF YEAR	333,669	158,552	100	18,400	12,569	7,057	36,014	566,361
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 314,236</b>	<b>\$ 148,937</b>	<b>\$ 100</b>	<b>\$ 28,511</b>	<b>\$ -</b>	<b>\$ 7,057</b>	<b>\$ 43,207</b>	<b>\$ 542,048</b>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERAL SEIZURE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Fines and forfeitures	\$ -			
Investment income	150	150	217	67
Sale of assets			350	350
<b>TOTAL REVENUES</b>	<u>5,150</u>	<u>5,150</u>	<u>567</u>	<u>(4,583)</u>
<b>Expenditures</b>				
Current:				
Public safety				
Police				
Purchase services				-
Supplies				-
Capital				
Public Safety				
Police	50,000	50,000	20,000	(30,000)
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>20,000</u>	<u>(30,000)</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(44,850)</u>	<u>(44,850)</u>	<u>(19,433)</u>	<u>25,417</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>333,669</u>	<u>333,669</u>	<u>333,669</u>	<u>-</u>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 288,819</u>	<u>\$ 288,819</u>	<u>\$ 314,236</u>	<u>\$ 25,417</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ 567
Differences - budget to GAAP:	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 567</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 20,000
Differences - budget to GAAP:	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds	<u>\$ 20,000</u>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
NARCOTICS ENFORCEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Fines and forfeitures	\$ 3,500	\$ 3,500	\$ 2,973	\$ (527)
Investment income	100	100	23	(77)
<b>TOTAL REVENUES</b>	<u>3,600</u>	<u>3,600</u>	<u>2,996</u>	<u>(604)</u>
<b>Expenditures</b>				
Current:				
Public safety				
Police				
Purchased and contracted services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Capital				
Public Safety				
Police	10,000	10,000	12,611	2,611
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>12,611</u>	<u>2,611</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(6,400)</u>	<u>(6,400)</u>	<u>(9,615)</u>	<u>(3,215)</u>
<b>Fund balance - beginning of year-budgetary basis</b>	158,552	158,552	158,552	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 152,152</u>	<u>\$ 152,152</u>	<u>\$ 148,937</u>	<u>\$ (3,215)</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule \$ 2,996

Differences - budget to GAAP: -

Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds \$ 2,996

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 12,611

Differences - budget to GAAP: -

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds \$ 12,611

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY GREEN SPACE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>	-	-	-	-
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	-	-	-	-
<b>Fund balance - beginning of year-budgetary basis</b>	100	100	100	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ -
Differences - budget to GAAP:	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ -</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ -
Differences - budget to GAAP:	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds	<u>\$ -</u>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
DRUG TASK FORCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 10,111	\$ 10,111
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>10,111</u>	<u>10,111</u>
<b>Expenditures</b>				
Police	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>-</u>	<u>-</u>	<u>10,111</u>	<u>10,111</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>18,400</u>	<u>18,400</u>	<u>18,400</u>	<u>-</u>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 18,400</u>	<u>\$ 18,400</u>	<u>\$ 28,511</u>	<u>\$ 10,111</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule \$ 10,111

Differences - budget to GAAP: -

Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds

\$ 10,111

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
COPS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

		<u>BUDGETED AMOUNTS</u>		
		<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>
<b>Revenues:</b>				
	Fines and forfeitures	\$ -	\$ -	\$ -
	<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
	Police	-	-	-
	<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing uses:</b>				
	Transfers out	-	-	(12,569)
	<b>NET CHANGE IN IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>(12,569)</u>
	Fund balance - beginning of year-budgetary basis	12,569	12,569	12,569
	<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 12,569</u>	<u>\$ 12,569</u>	<u>\$ (12,569)</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ -
Differences - budget to GAAP:	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ -</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	-
Differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds	<u>\$ -</u>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
HOTEL MOTEL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

		<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
		<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>					
Tax		\$ 90,000	\$ 121,130	\$ 121,130	\$ -
	<b>TOTAL REVENUES</b>	<u>90,000</u>	<u>121,130</u>	<u>121,130</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
Tourism					
Purchased Services		54,000	72,678	72,678	-
	<b>TOTAL EXPENDITURES</b>	<u>54,000</u>	<u>72,678</u>	<u>72,678</u>	<u>-</u>
	<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>36,000</u>	<u>48,452</u>	<u>48,452</u>	<u>-</u>
<b>Other sources and (uses)</b>					
Transfer out		(36,000)	(48,452)	(48,452)	-
	<b>NET CHANGE IN IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - beginning of year-budgetary basis</b>		7,057	7,057	7,057	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>		<u>\$ 7,057</u>	<u>\$ 7,057</u>	<u>\$ 7,057</u>	<u>\$ -</u>
<b>Explanation of Differences between Budgetary Inflows and Outflows and GAAP</b>					
<b>Revenue and Expenditures</b>					
<b>Sources/inflows of resources</b>					
Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule				121,130	
Differences - budget to GAAP:				-	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds				<u>\$ 121,130</u>	
<b>Uses/outflows of resources</b>					
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule				\$ 72,678	
Differences - budget to GAAP:				-	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds				<u>\$ 72,678</u>	

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CEMETERY FUND  
FOR THE YEAR ENDED DECEMEBR 31, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Charges for services	\$ 2,000	\$ 2,000	\$ 8,990	\$ 6,990
Interest income	150	150	103	(47)
<b>TOTAL REVENUES</b>	<u>2,150</u>	<u>2,150</u>	<u>9,093</u>	<u>6,943</u>
<b>Expenditures:</b>				
Current:				
Purchase services and contracts	5,000	5,000	700	(4,300)
Supplies	-	-	1,200	1,200
<b>TOTAL EXPENDITURES</b>	<u>5,000</u>	<u>5,000</u>	<u>1,900</u>	<u>(3,100)</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(2,850)</u>	<u>(2,850)</u>	<u>7,193</u>	<u>10,043</u>
<b>NET CHANGE IN IN FUND BALANCE</b>	<u>(2,850)</u>	<u>(2,850)</u>	<u>7,193</u>	<u>10,043</u>
<b>Fund balance - beginning of year-budgetary basis</b>	36,014	36,014	36,014	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 33,164</u>	<u>\$ 33,164</u>	<u>\$ 43,207</u>	<u>\$ 10,043</u>

**Explanation of Differences between Budgetary Inflows and Outflows  
and GAAP Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ 9,093
Differences - budget to GAAP:	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 9,093</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	1,900
Differences - budget to GAAP:	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds	<u>\$ 1,900</u>

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# Non-Major Governmental Funds

## Capital Projects Funds

**Capital Project Fund for Public Roads** – to account for the financing of various capital improvement road projects. The funding is provided for through the Local Maintenance and Improvement Grant (LMIG).

**Villa Rica Public Facilities Capital Project Fund** – to account for the financing of major capital improvement projects. The majority of the funding is provided through debt structures to be repaid within the life of the completed project.

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**CITY OF VILLA RICA, GEORGIA**  
**BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**December 31, 2014**

		<b>CAPITAL PROJECTS FUND FOR PUBLIC ROADS</b>	<b>VR PFA CAP PRJ</b>	<b>TOTAL NONMAJOR CAPITAL PROJECTS FUNDS</b>
<b>ASSETS</b>				
Cash		\$ -	\$ 306,841	\$ 306,841
Interest Receivable		-	-	-
	Total assets	-	306,841	306,841
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
	Total liabilities	\$ -	\$ -	\$ -
Fund balance (deficit)				
	Restricted	-	306,841	\$ 306,841
	Total fund balance	-	306,841	306,841
	<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 306,841</b>	<b>\$ 306,841</b>

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>CAPITAL PROJECTS FUND FOR PUBLIC ROADS</b>	<b>VILLA RICA PUBLIC FACILITIES AUTHORITY CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR CAPITAL PROJECTS FUNDS</b>
<b>REVENUES:</b>			
Intergovernmental	\$ 98,741	\$ -	\$ 98,741
Investment income	-	312	312
<b>TOTAL REVENUES</b>	<u>98,741</u>	<u>312</u>	<u>99,053</u>
<b>EXPENDITURES:</b>			
Supplies	-	6,600	6,600
Capital	171,987	-	171,987
<b>TOTAL EXPENDITURES</b>	<u>171,987</u>	<u>6,600</u>	<u>178,587</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(73,246)</u>	<u>(6,288)</u>	<u>(79,534)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfer in	73,246	21,028	94,274
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>73,246</u>	<u>21,028</u>	<u>94,274</u>
<b>NET CHANGES IN FUND BALANCE</b>	-	14,740	14,740
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>-</u>	<u>292,101</u>	<u>292,101</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>-</u>	<u>\$ 306,841</u>	<u>\$ 306,841</u>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND FOR PUBLIC ROADS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 98,741	\$ 98,741	\$ 98,741	\$ -
<b>TOTAL REVENUES</b>	<u>98,741</u>	<u>98,741</u>	<u>98,741</u>	<u>-</u>
<b>Expenditures</b>				
Capital outlays				
Public works	128,364	128,364	171,987	43,623
<b>TOTAL EXPENDITURES</b>	<u>128,364</u>	<u>128,364</u>	<u>171,987</u>	<u>43,623</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(29,623)</u>	<u>(29,623)</u>	<u>(73,246)</u>	<u>(43,623)</u>
<b>Other financing sources:</b>				
Transfers in	29,623	29,623	73,246	43,623
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>29,623</u>	<u>29,623</u>	<u>73,246</u>	<u>43,623</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule

\$ 98,741

Differences - budget to GAAP:

-

Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds

\$ 98,741

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule

\$ 171,987

Differences - budget to GAAP:

-

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds

\$ 171,987

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
VILLA RICA PUBLIC FACILITIES CAPITAL PROJECT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 312	(688)
Miscellaneous income	-	-	-	-
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>1,000</u>	<u>312</u>	<u>(688)</u>
<b>Expenditures</b>				
Current:				
Supplies	5,000	5,000	6,600	1,600
<b>TOTAL EXPENDITURES</b>	<u>5,000</u>	<u>5,000</u>	<u>6,600</u>	<u>1,600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(6,288)</u>	<u>(2,288)</u>
<b>Other sources and (uses)</b>				
Transfer in	-	-	21,028	21,028
Transfers out	(293,245)	(293,245)	-	293,245
<b>TOTAL OTHER SOURCES AND (USES)</b>	<u>(293,245)</u>	<u>(293,245)</u>	<u>21,028</u>	<u>314,273</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>(297,245)</u>	<u>(297,245)</u>	<u>14,740</u>	<u>311,985</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>292,101</u>	<u>292,101</u>	<u>292,101</u>	<u>-</u>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ (5,144)</u>	<u>\$ (5,144)</u>	<u>\$ 306,841</u>	<u>311,985</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule

\$ 312

Differences - budget to GAAP:

-

Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds

\$ 312

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule

\$ 6,600

Differences - budget to GAAP:

-

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds

\$ 6,600

Governmental Funds  
Major Capital Project Funds  
Budgetary Schedules

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**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL PURPOSE LOCAL OPTION TAX CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Intergovernmental revenues	\$ 1,200,000	\$ 1,200,000	\$ 1,034,187	\$ (165,813)
Investment income	1,500	1,500	395	(1,105)
<b>TOTAL REVENUES</b>	<u>1,201,500</u>	<u>1,201,500</u>	<u>1,034,582</u>	<u>(166,918)</u>
<b>Expenditures</b>				
Operating:				
Purchased services	-	-	132	132
Capital outlays				
Public works:				
Highways and streets	795,094	795,094	500,577	(294,517)
Library				
Buildings	135,000	135,000	33,889	(101,111)
<b>TOTAL EXPENDITURES</b>	<u>930,094</u>	<u>930,094</u>	<u>534,598</u>	<u>(395,496)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>271,406</u>	<u>271,406</u>	<u>499,984</u>	<u>228,578</u>
<b>Other financing uses:</b>				
Transfers out	(461,000)	(461,000)	(175,132)	285,868
<b>TOTAL OTHER FINANCING USES</b>	<u>(461,000)</u>	<u>(461,000)</u>	<u>(175,132)</u>	<u>285,868</u>
<b>NET CHANGE IN IN FUND BALANCE</b>	<u>(189,594)</u>	<u>(189,594)</u>	<u>324,852</u>	<u>514,446</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>1,200,042</u>	<u>1,200,042</u>	<u>1,200,042</u>	<u>-</u>
<b>FUND BALANCE (deficit)- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ 1,010,448</u>	<u>\$ 1,010,448</u>	<u>\$ 1,524,894</u>	<u>\$ 514,446</u>

Continued

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL PURPOSE LOCAL OPTION TAX CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP**

**Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation"

from budgetary comparison schedule

\$ 1,034,582

Differences - budget to GAAP

-

Total revenues as reported on the statement of revenues,

expenditures and changes in fund balance - governmental funds

\$ 1,034,582

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations"

from the budgetary comparison schedule

534,598

Differences - budget to GAAP

-

Total expenditures as reported on the statement of revenues,

expenditures and changes in fund balance - government funds

\$ 534,598

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 330,000	\$ 330,000	\$ -	(330,000)
Contributions	-	-	1,137	1,137
<b>TOTAL REVENUES</b>	<u>330,000</u>	<u>330,000</u>	<u>1,137</u>	<u>(328,863)</u>
<b>Expenditures</b>				
Capital outlays				
Administration				
Equipment	20,000	20,000	19,725	(275)
Public safety				
Equipment	90,000	90,000	74,717	(15,283)
Streets and sidewalks				-
Site improvements	616,822	616,822	192,109	(424,713)
Infrastructure	139,725	139,725	97,326	(42,399)
Equipment	166,000	166,000	171,731	5,731
Watershed management				
Infrastructure	164,000	164,000	140,605	(23,395)
Recreation				
Site improvements	250,000	250,000	153,435	(96,565)
Equipment	30,000	30,000	21,999	(8,001)
Library				
Buildings (roof)	60,000	60,000	50,845	(9,155)
Economic development				
Equipment	5,250	5,250	-	(5,250)
<b>TOTAL EXPENDITURES</b>	<u>1,541,797</u>	<u>1,541,797</u>	<u>922,492</u>	<u>(619,305)</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(1,211,797)</u>	<u>(1,211,797)</u>	<u>(921,355)</u>	<u>290,442</u>
<b>Other financing sources:</b>				
Transfers from other funds	1,211,797	1,211,797	921,355	(290,442)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,211,797</u>	<u>1,211,797</u>	<u>921,355</u>	<u>(290,442)</u>
<b>Fund balance - beginning of year-budgetary basis</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from budgetary comparison schedule	\$ 1,137
Differences - budget to GAAP:	
Transfers from other funds are inflows for budgetary purposes resources but are not revenues for financial reporting purposes	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,137</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 922,492
Differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - government funds	<u>\$ 922,492</u>

# Non-Major Governmental Funds

## Debt Service Fund

**Debt Service Fund** – to account for the revenues from the debt service millage rate on property taxes and the expenditures authorized by the bond ordinances and the repayment of principal and interest.

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**CITY OF VILLA RICA, GEORGIA  
BALANCE SHEET  
NONMAJOR DEBT SERVICE FUND  
December 31, 2014**

	<b>DEBT SERVICE</b>
<b>ASSETS</b>	
Cash	\$ 3,487
Receivables (net)	<u>15</u>
Total assets	<u><u>\$ 3,502</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	
Deferred inflows of resources:	
Unavailable revenue - property taxes	\$ 249
Total deferred inflow of resources	<u>249</u>
Fund balance	
Total fund balance	<u>3,253</u>
<b>Total liabilities deferred inflows and fund balance</b>	<u><u>\$ 3,502</u></u>

**CITY OF VILLA RICA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>DEBT SERVICE FUND</b>
REVENUES:	
Taxes	\$ 97
<b>TOTAL REVENUES</b>	<b>97</b>
EXPENDITURES:	
Purchased services	667
<b>TOTAL EXPENDITURES</b>	<b>667</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(570)</b>
<b>NET CHANGE IN IN FUND BALANCE</b>	<b>(570)</b>
 FUND BALANCES - BEGINNING OF YEAR	 3,823
 <b>FUND BALANCES - END OF YEAR</b>	 <b>\$ 3,253</b>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
		ORIGINAL	FINAL		
<b>Revenues:</b>					
Taxes		\$ -	\$ -	\$ 97	\$ 97
	<b>TOTAL REVENUES</b>	-	-	97	97
<b>Expenditures</b>					
Purchased services		-	-	667	667
	<b>TOTAL EXPENDITURES</b>	-	-	667	667
	<b>REVENUES OVER (UNDER EXPENDITURES)</b>	-	-	(570)	(570)
	<b>NET CHANGE IN IN FUND BALANCE</b>	-	-	(570)	(570)
<b>Fund balance - beginning of year-budgetary basis</b>		3,823	3,823	3,823	-
<b>FUND BALANCE- END OF YEAR-BUDGETARY BASIS</b>		<u>\$ 3,823</u>	<u>\$ 3,823</u>	<u>\$ 3,253</u>	<u>\$ (570)</u>

**Explanation of Differences between Budgetary Inflows  
and Outflows and GAAP Revenue and Expenditures**

**Sources/inflows of resources**

Actual amounts (budgetary basis) "available for appropriation"  
from budgetary comparison schedule

\$ 97

Differences - budget to GAAP:

Transfers from other funds are inflows for budgetary purposes  
resources but are not revenues for financial reporting purposes

Total revenues as reported on the statement of revenues, expenditures  
and changes in fund balance - governmental funds

\$ 97

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total charges to appropriations"  
from the budgetary comparison schedule

\$ 667

Differences - budget to GAAP:

Total expenditures as reported on the statement of revenues,  
expenditures and changes in fund balance - government funds

\$ 667

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Proprietary Funds  
Major Enterprise Funds  
Budgetary Schedules

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**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
WATER AND SEWER FUND  
FOR THE YEAR ENDED DECEMEBR 31, 2014**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>Operating revenues</b>				
Charges for services - water	\$ 2,864,313	\$ 2,864,313	\$ 2,534,452	\$ (329,861)
Charges for services - sewer	2,670,150	2,670,150	2,286,602	(383,548)
Late charges and penalties	160,849	161,849	213,025	51,176
<b>Total operating revenues</b>	<u>5,695,312</u>	<u>5,696,312</u>	<u>5,034,079</u>	<u>(662,233)</u>
<b>Operating expenses</b>				
Personnel services	330,004	389,679	440,432	50,753
Purchased contract services	240,290	3,424,765	2,964,420	(460,345)
Supplies	128,150	302,950	591,207	288,257
Claims paid	-	-	5,491	5,491
Other services and charges	42,000	42,000	52,330	10,330
Depreciation expense	878,000	878,000	719,651	(158,349)
<b>Total operating expenses</b>	<u>1,618,444</u>	<u>5,037,394</u>	<u>4,773,531</u>	<u>(263,863)</u>
<b>Operating income (loss)</b>	<u>4,076,868</u>	<u>658,918</u>	<u>260,548</u>	<u>(398,370)</u>
<b>Non-operating revenues (expenses)</b>				
Interest income	12,750	12,750	1,692	(11,058)
Miscellaneous income	4,050	4,050	21,239	17,189
Insurance reimbursements	-	-	80,127	80,127
Gain (loss) on sale of assets	6,235	6,235	1,425	(4,810)
Interest expense and fiscal charges	(6,943)	(6,943)	(30,226)	(23,283)
<b>Total non-operating revenues (expenses)</b>	<u>16,092</u>	<u>16,092</u>	<u>74,257</u>	<u>58,165</u>
<b>Other financing sources (uses)</b>				
Capital contributions from private sources	11,000	11,000	-	(11,000)
Contribution from CDBG	500,000	500,000	500,000	-
Capital contribution from SPLOST	310,000	310,000	-	(310,000)
Transfers in	293,245	293,245	175,132	(118,113)
Transfer out	(1,716,010)	(1,716,010)	(1,734,037)	(18,027)
<b>Total other financing sources (uses)</b>	<u>(601,765)</u>	<u>(601,765)</u>	<u>(1,058,905)</u>	<u>(457,140)</u>
<b>Net change in net position (GAAP basis)</b>	<u>\$ 3,491,195</u>	<u>\$ 73,245</u>	<u>\$ (724,100)</u>	<u>\$ (797,345)</u>

**CITY OF VILLA RICA, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
SOLID WASTE FUND  
FOR THE YEAR ENDED DECEMEBR 31, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Operating revenues</b>				
Charges for services	\$ 839,773	\$ 839,774	\$ 743,515	\$ (96,259)
<b>Total operating revenues</b>	<u>839,773</u>	<u>839,774</u>	<u>743,515</u>	<u>(96,259)</u>
<b>Operating expenses</b>				
Personnel services	260,971	272,221	258,298	(13,923)
Purchased contract services	537,530	572,141	547,123	(25,018)
Supplies	23,200	40,000	44,021	4,021
Other services and charges	5,000	5,000	5,470	470
Depreciation expense	17,600	17,600	4,156	(13,444)
<b>Total operating expenses</b>	<u>844,301</u>	<u>906,962</u>	<u>859,068</u>	<u>(47,894)</u>
<b>Operating income (loss)</b>	<u>(4,528)</u>	<u>(67,188)</u>	<u>(115,553)</u>	<u>(48,365)</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,528	67,188	115,553	48,365
<b>Total other financing sources (uses)</b>	<u>4,528</u>	<u>67,188</u>	<u>115,553</u>	<u>48,365</u>
<b>Net change in net position (GAAP basis)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# ***Supplemental Financial Data***

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**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTION**  
**WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
For the Year Ended December 31, 2014

<b>1998 SPLOST Expenditures</b>					
Projects	Original Estimated Costs	Current Estimated Costs	Prior Years	Current Year	Remaining to be allocated
Sewer and water	\$ 2,750,000	\$ 2,773,510	\$ 2,773,510	\$ -	\$ -
Streets and sidewalks	1,000,000	1,000,105	1,000,105	-	-
Library	150,000	150,000	15,694	33,889	100,417
Recreation	100,000	100,000	100,000	-	-
GEO Debt Reduction	251,000	-	-	-	-
	<u>\$ 4,251,000</u>	<u>\$ 4,023,615</u>	<u>\$ 3,889,309</u>	<u>\$ 33,889</u>	<u>\$ 100,417</u>

<b>2008 SPLOST Expenditures</b>					
Projects	Original Estimated Costs	Current Estimated Costs	Prior Years	Current Year	Remaining to be allocated
Administrative facilities	\$ 1,013,895	\$ 711,699	\$ 711,699	\$ -	\$ -
Sewer and water	3,041,685	2,778,637	1,226,351	175,132	1,377,154
Streets and sidewalks	1,757,418	2,433,782	1,432,628	500,577	500,577
Library	473,151	473,151	-	-	473,151
Recreation	473,151	499,469	464,808	-	34,661
	<u>\$ 6,759,300</u>	<u>\$ 6,896,738</u>	<u>\$ 3,835,486</u>	<u>\$ 675,709</u>	<u>\$ 2,385,543</u>

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# *Statistical Section*

## *(Unaudited)*

This part of City of Villa Rica's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health. This section includes data for the City (i.e., the primary government) only and does not include the City's discretely presented component units. This information has not been audited by the independent auditor.

The statistical section is sub-categorized as:

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial Performance and well-being have changed over time.	171
<b>Revenue Capacity</b>	
These schedules contain trend information to help the reader assess the government's most significant local revenue sources, property tax and water/sewer fees.	181
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	191

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial report for the relevant year.

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## ***Financial Trends***

**Financial Trends** – these schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

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## CITY OF VILLA RICA, GEORGIA

## Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013*	2014
<b>Governmental Activities:</b>										
Invested in capital assests	\$ 12,297,115	\$ 15,258,740	\$ 16,258,039	\$ 21,670,112	\$ 20,864,698	\$ 20,288,828	\$ 16,821,558	\$ 17,947,001	\$ 18,144,707	18,441,338
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,787,412	1,721,985	1,652,064	1,615,891	1,972,321	1,819,156	4,027,037	3,338,842	3,059,914	2,326,672
Unrestricted	2,775,700	1,262,452	2,496,600	1,162,946	2,858,334	3,493,761	4,638,447	5,470,546	5,272,470	7,084,670
<b>Total governmental activities net assets</b>	<b>\$ 16,860,227</b>	<b>\$ 18,243,177</b>	<b>\$ 20,406,703</b>	<b>\$ 24,448,949</b>	<b>\$ 25,695,353</b>	<b>\$ 25,601,745</b>	<b>\$ 25,487,042</b>	<b>\$ 26,756,389</b>	<b>\$ 26,477,091</b>	<b>27,852,680</b>
<b>Business-type activities:</b>										
Invested in capital assests	\$ 15,426,090	\$ 15,879,272	\$ 19,041,000	\$ 19,333,428	\$ 19,877,122	\$ 20,174,037	\$ 21,377,935	\$ 23,667,285	\$ 23,335,348	23,742,165
Restricted	300,000	300,000	411,911	289,575	256,678	245,661	-	-	-	-
Unrestricted	5,435,136	8,025,689	5,276,945	4,974,856	5,098,633	5,540,017	4,666,193	1,980,851	2,198,191	1,087,294
<b>Total business-type activites net assets</b>	<b>\$ 21,161,226</b>	<b>\$ 24,204,961</b>	<b>\$ 24,729,856</b>	<b>\$ 24,597,859</b>	<b>\$ 25,232,433</b>	<b>\$ 25,959,715</b>	<b>\$ 26,044,128</b>	<b>\$ 25,648,136</b>	<b>\$ 25,533,539</b>	<b>24,829,459</b>
<b>Primary government</b>										
Invested in capital assests	\$ 27,723,205	\$ 31,138,012	\$ 35,299,039	\$ 41,003,540	\$ 40,741,820	\$ 40,462,865	\$ 38,199,493	\$ 41,614,286	\$ 41,480,055	42,183,503
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	2,087,412	2,021,985	2,063,975	1,905,466	2,228,999	2,064,817	4,027,037	3,338,842	3,059,914	2,326,672
Unrestricted	8,210,836	9,288,141	7,773,545	6,137,802	7,956,967	9,033,778	9,304,640	7,451,394	7,470,661	8,171,964
<b>Total primary government net assets</b>	<b>\$ 38,021,453</b>	<b>\$ 42,448,138</b>	<b>\$ 45,136,559</b>	<b>\$ 49,046,808</b>	<b>\$ 50,927,786</b>	<b>\$ 51,561,460</b>	<b>\$ 51,531,170</b>	<b>\$ 52,404,522</b>	<b>\$ 52,010,630</b>	<b>52,682,139</b>

## CITY OF VILLA RICA, GEORGIA

## Changes in Net Position

## Last Ten Fiscal Years

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,092,902	\$ 2,067,234	\$ 1,926,783	\$ 1,775,896	\$ 1,615,757	\$ 1,589,991	\$ 750,917	\$ 708,402	\$ 566,169	\$ 846,657
Judicial	-	-	-	-	-	-	305,148	275,246	193,686	219,206
Public safety	2,816,650	3,159,079	3,006,202	3,180,557	2,972,457	2,970,777	3,034,279	3,059,519	2,323,774	3,228,101
Public works	902,412	939,985	944,011	1,066,003	1,138,040	1,140,594	1,269,585	1,537,280	1,854,052	2,490,499
Health and welfare	166,814	236,166	184,840	208,354	211,864	215,884	174,500	181,044	138,624	197,633
Culture and recreation	1,276,748	1,624,672	1,949,970	2,179,889	2,117,303	2,083,146	2,255,994	2,256,113	1,658,092	2,207,497
Housing and economic development	-	-	-	-	-	-	387,520	415,639	402,967	522,374
Villa Rica Pulic Facilities Authority	-	-	-	56,000	27,780	-	-	-	-	-
Interest on long-term debt	127,043	109,271	95,261	178,790	1,758,229	1,754,960	2,348,443	1,828,657	874,338	1,728,076
Total governmental activities expenses	7,382,569	8,136,407	8,107,067	8,645,489	9,841,430	9,755,352	10,526,386	10,261,900	8,011,702	11,440,043
Business-type activities:										
Water and sewer	3,392,729	3,806,251	4,354,737	4,499,896	4,586,364	4,162,020	4,277,787	4,849,711	3,502,699	4,824,998
Solid waste	560,306	542,709	630,301	700,144	748,899	747,599	762,889	796,965	552,633	859,068
Total business-type activities expenses	3,953,035	4,348,960	4,985,038	5,200,040	5,335,263	4,909,619	5,040,676	5,646,676	4,055,332	5,684,066
Total primary government expenses	\$ 11,335,604	\$ 12,485,367	\$ 13,092,105	\$ 13,845,529	\$ 15,176,693	\$ 14,664,971	\$ 15,567,062	\$ 15,908,576	\$ 12,067,034	\$ 17,124,109
<b>Program revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 1,038,501	\$ 979,947	\$ 651,638	\$ 541,893	\$ 539,605	\$ 551,547	\$ 384,612	\$ 75	\$ 30	494
Judicial	-	-	-	-	-	-	894,816	656,253	429,935	551,956
Public safety	994,642	1,298,805	1,260,244	879,076	687,574	763,839	-	8,705	8,585	6,130
Health and welfare	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	2,935	8,990
Culture and recreation	219,003	295,070	271,414	336,449	381,714	390,743	-	340,869	296,272	461,688
Economic development	-	-	-	-	-	-	-	764	158,584	195,729
Operating grants and contributions	271,058	419,121	363,857	290,225	372,225	439,962	398,231	457,789	203,247	478,226
Capital grants and contributions	1,460,213	-	-	1,834,313	2,684,168	1,246,610	1,364,303	373,641	799,239	1,170,507
Total governmental activities program revenues	3,983,417	2,992,943	2,547,153	3,881,956	4,665,286	3,392,701	3,041,962	1,838,096	1,898,827	2,873,720
Business-type activities:										
Charges for services:										
Water and sewer	5,105,027	6,487,875	4,449,750	4,867,917	4,244,427	4,550,302	4,638,804	4,567,275	3,741,855	4,821,054
Solid waste	383,175	430,654	642,902	708,093	723,562	730,565	758,834	747,813	566,063	743,515
Capital grants and contributions	404,541	1,425	-	-	180,629	170,000	45,240	489,117	-	500,000
Total business-type activities program revenues	5,892,743	6,919,954	5,092,652	5,576,010	5,148,618	5,450,867	5,442,878	5,804,205	4,307,918	6,064,569
Total primary government program revenues	\$ 9,876,160	\$ 9,912,897	\$ 7,639,805	\$ 9,457,966	\$ 9,813,904	\$ 8,843,568	\$ 8,484,840	\$ 7,642,301	\$ 6,206,745	\$ 8,938,289

\* A nine month year

Continued

## CITY OF VILLA RICA, GEORGIA

## Changes in Net Position

## Last Ten Fiscal Years

(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013*	2014
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (3,399,152)	\$ (5,143,464)	\$ (5,559,914)	\$ (4,763,533)	\$ (5,176,144)	\$ (6,362,651)	\$ (7,484,424)	\$ (8,423,804)	\$ (6,113,375)	1,051,337
Business activities	1,939,708	2,570,994	107,614	375,970	(186,645)	541,248	402,202	157,529	252,586	(745,341)
Total primary government net expense	\$ (1,459,444)	\$ (2,572,470)	\$ (5,452,300)	\$ (4,387,563)	\$ (5,362,789)	\$ (5,821,403)	\$ (7,082,222)	\$ (8,266,275)	\$ (5,860,789)	305,996
<b>General revenues and other changes in net assets</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,513,073	\$ 3,957,453	\$ 5,074,048	\$ 5,339,696	\$ 3,987,999	\$ 3,646,496	\$ 3,598,148	\$ 3,055,908	\$ 2,924,486	4,176,958
Sales taxes	1,259,635	1,345,992	1,388,092	1,305,727	1,294,346	1,215,902	1,124,689	2,854,597	1,554,878	2,739,884
Other taxes	949,024	1,046,147	1,153,671	1,282,799	1,278,200	1,321,621	2,047,895	2,499,135	1,545,385	1,144,511
Investment earnings	100,619	136,563	94,257	150,050	588,686	180,764	27,531	55,217	13,344	11,738
Miscellaneous	59,871	9,112	4,451	82,393	43,481	17,876	98,263	55,398	90,811	84,253
Gain on sale of capital assets	94,665	68,284	8,925	33,665	17,624	9,058	21,600	30,775	127,062	16,964
Transfers	(7,431)	(37,135)	-	611,446	(787,788)	(122,674)	451,595	1,142,121	574,056	1,443,352
Total governmental activities	5,969,456	6,526,416	7,723,444	8,805,776	6,422,548	6,269,043	7,369,721	9,693,151	6,830,022	9,617,660
Business-type activities:										
Taxes:										
Sales taxes	-	-	24,524	-	-	-	-	-	-	-
Investment earnings	211,706	411,847	378,413	94,314	24,200	28,820	41,632	17,358	-	1,692
Miscellaneous	9,426	14,843	7,043	9,166	30,122	34,540	154,306	153,838	239,754	314,391
Gain on sale of capital assets	-	8,916	7,300	-	(20,890)	-	4,844	468,404	(179,262)	1,425
Capital contributions	-	-	-	-	-	-	-	-	146,381	-
Transfers	7,431	37,135	-	(611,446)	787,788	122,674	(451,595)	(1,142,121)	(574,056)	(1,443,352)
Total business-type activities	228,563	472,741	417,280	(507,966)	821,220	186,034	(250,813)	(502,521)	(367,183)	(1,125,844)
Total primary government	\$ 6,198,019	\$ 6,999,157	\$ 8,140,724	\$ 8,297,810	\$ 7,243,768	\$ 6,455,077	\$ 7,118,908	\$ 9,190,630	\$ 6,462,839	8,491,816
<b>Change in net position</b>										
Government activities	\$ 2,570,304	\$ 1,382,952	\$ 2,163,530	\$ 4,042,243	\$ 1,246,404	\$ (93,608)	\$ (114,703)	(1,269,347)	716,647	1,051,337
Business-type activities	2,168,271	3,043,735	524,894	(131,996)	634,575	727,282	151,389	344,992	(114,597)	(745,341)
Total primary government	\$ 4,738,575	\$ 4,426,687	\$ 2,688,424	\$ 3,910,247	\$ 1,880,979	\$ 633,674	\$ 36,686	\$ (924,355)	\$ 602,050	305,996

\* A nine month year

**CITY OF VILLA RICA, GEORGIA**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013	2014
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,734,108	2,213,518	2,405,365	2,311,639	2,747,555	3,460,426	-	-	-	-
Nonspendable	-	-	-	-	-	-	64,637	67,196	-	135,245
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	47,000	-	-
Assigned	-	-	-	-	-	-	24,845	-	-	-
Unassigned	-	-	-	-	-	-	4,857,630	5,457,490	5,272,470	6,290,536
Total General Fund	\$ 2,734,108	\$ 2,213,518	\$ 2,405,365	\$ 2,311,639	\$ 2,747,555	\$ 3,460,426	\$ 4,947,112	\$ 5,571,686	\$ 5,272,470	\$ 6,425,781
All other governmental funds										
Reserved	\$ -	\$ -	\$ 38,923	\$ 33,906,390	\$ 11,647,919	\$ 2,937,406	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,786,810	696,341	1,564,358	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	1,441,487	3,326,438	523,190	491,684
Capital projects funds	-	-	-	-	-	-	-	-	292,101	1,831,735
Debt service fund	-	-	-	-	-	-	-	-	3,823	3,253
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	5,870	-	-	-
Capital projects funds	-	-	-	-	-	-	1,755,151	41,196	-	-
Assigned, reported in:										
Special revenue funds	-	-	-	-	-	-	31,831	100	1,040,758	1,102,889
Capital projects funds	-	-	-	-	-	-	-	-	1,200,042	-
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	(3,997)	(3,930)	-	-
Total all other governmental funds	\$ 1,786,810	\$ 696,341	\$ 1,603,281	\$ 33,906,390	\$ 11,647,919	\$ 2,937,406	\$ 3,230,342	\$ 3,363,804	\$ 3,059,914	\$ 3,429,561
Total all governmental funds	\$ 4,520,918	\$ 2,909,859	\$ 4,008,646	\$ 36,218,029	\$ 14,395,474	\$ 6,397,832	\$ 8,177,454	\$ 8,935,490	\$ 8,332,384	\$ 9,855,342

**CITY OF VILLA RICA, GEORGIA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013	2014
<b>Revenues</b>										
Taxes	\$ 5,704,287	\$ 6,317,209	\$ 7,550,374	\$ 7,987,237	\$ 6,530,769	\$ 6,261,463	\$ 6,974,531	\$ 7,132,663	\$ 5,972,779	\$ 8,136,232
License and permits	989,999	904,256	573,401	461,515	476,550	473,499	109,161	103,712	158,584	195,729
Intergovernmental	249,166	418,685	360,871	289,623	3,044,026	1,652,918	1,737,165	2,081,192	1,002,486	1,611,154
Charges for services	267,505	370,759	349,651	416,827	444,769	468,791	358,192	335,810	307,822	477,302
Fines and forfeitures	994,642	1,298,805	1,260,244	879,075	687,574	763,839	894,816	670,856	429,935	551,956
Investment income	100,619	157,296	129,826	184,457	621,876	214,471	58,118	55,217	13,343	39,329
Contributions	27,392	436	2,984	11,102	12,367	29,380	25,369	36,635	49,958	37,184
Miscellaneous	59,871	9,112	4,451	82,394	43,481	17,876	97,873	53,438	40,853	84,253
Total revenue	8,393,481	9,476,558	10,231,802	10,312,230	11,861,412	9,882,237	10,255,225	10,469,523	7,975,760	11,133,139
<b>Expenditures</b>										
Current:										
General government	1,978,112	1,929,997	1,764,536	2,521,967	1,533,545	1,481,553	593,397	611,130	543,329	753,957
Judicial	-	-	-	-	-	-	305,148	275,246	193,686	216,681
Public safety	2,623,386	2,928,755	2,750,891	2,965,192	2,793,197	2,799,230	2,762,379	2,872,255	2,231,925	3,058,533
Public works	711,759	728,627	734,272	834,346	888,382	889,233	958,589	928,320	1,131,782	1,423,163
Health and welfare	166,814	236,166	184,840	208,354	211,864	215,884	168,299	182,496	144,304	197,314
Culture - recreation	1,127,004	1,416,122	1,712,323	1,937,966	1,857,103	1,804,937	1,925,444	1,959,000	1,444,902	1,862,430
Economic development	-	-	-	-	-	-	387,520	416,728	403,848	521,663
Debt Service										
Principal	486,360	508,508	330,000	350,000	370,000	-	266,903	218,970	189,609	259,055
Interest	127,043	130,004	331,762	421,833	2,008,061	2,011,830	1,743,596	1,828,657	867,051	1,747,044
Capital Outlay	863,122	3,240,587	1,333,311	2,859,662	23,185,969	8,563,596	580,003	2,148,664	1,611,268	1,672,916
Total expenditures	8,083,600	11,118,766	9,141,935	12,099,320	32,848,121	17,766,263	9,691,278	11,441,466	8,761,704	11,712,756
Excess of revenues over (under) expenditures	309,881	(1,642,208)	1,089,867	(1,787,090)	(20,986,709)	(7,884,026)	563,947	(971,943)	(785,944)	(579,617)
<b>Other financing sources (uses)</b>										
Transfers in	-	-	-	-	-	-	1,963,752	2,347,396	1,579,308	2,789,659
Transfers out	(7,431)	(37,135)	-	(384,754)	(787,788)	(122,674)	(1,512,157)	(627,525)	(1,005,251)	(1,346,308)
Proceeds from sale of bonds	-	-	-	34,905,000	-	-	-	-	-	-
Bond costs	-	-	-	(557,442)	(65,682)	-	-	-	-	-
Payment to refunding bond escrow	-	-	-	-	-	-	-	-	-	-
Sale of assets	94,665	68,284	8,925	33,666	17,624	9,058	21,600	10,108	55,199	16,964
Total other financing sources (uses)	87,234	31,149	8,925	33,996,470	(835,846)	(113,616)	473,195	1,729,979	629,256	1,460,315
<b>Net change in fund balances</b>	<b>\$ 397,115</b>	<b>\$ (1,611,059)</b>	<b>\$ 1,098,792</b>	<b>\$ 32,209,380</b>	<b>\$ (21,822,555)</b>	<b>\$ (7,997,642)</b>	<b>\$ 1,037,142</b>	<b>\$ 758,036</b>	<b>\$ (156,688)</b>	<b>880,698</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>9.28%</b>	<b>8.82%</b>	<b>9.26%</b>	<b>9.11%</b>	<b>32.65%</b>	<b>27.98%</b>	<b>28.31%</b>	<b>28.26%</b>	<b>17.34%</b>	<b>24.97%</b>

**CITY OF VILLA RICA, GEORGIA**  
**General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Last Eight Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Years Ended March 31									
	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013*	2014
<b>Revenues:</b>										
Taxes	\$ 5,288,774	\$ 5,669,190	\$ 6,243,497	\$6,625,368	\$6,447,653	\$6,180,752	6,369,130	\$7,057,866	\$5,892,039	8,136,232
Licenses and Permits	914,568	828,829	573,401	461,515	476,550	473,499	109,161	103,712	158,584	195,729
Intergovernmental	207,167	249,725	345,787	269,051	782,643	407,988	372,128	434,087	146,305	1,611,154
Charges for Services	267,505	370,759	349,651	-	-	468,791	356,142	334,240	304,887	477,302
Fees and Fines	880,632	1,279,373	1,177,283	870,045	670,549	732,892	892,347	666,194	403,935	551,956
Interest	71,489	107,851	83,489	-	-	23,022	16,875	17,792	10,488	39,329
Contributions	1,000	-	300	-	-	27,630	25,369	33,635	40,222	37,184
Other Revenue	21,717	9,112	4,451	558,849	514,852	17,876	97,873	53,438	40,853	84,253
Total Revenues	7,652,852	8,514,839	8,777,859	8,784,828	8,892,247	8,332,450	8,239,025	8,700,964	6,997,313	11,133,139
<b>Expenditures:</b>										
Current Operating:										
General government	1,978,112	1,929,997	1,764,536	1,694,150	1,528,545	1,479,552	591,994	611,130	543,329	753,957
Judicial	-	-	-	-	-	-	305,148	275,246	193,686	216,681
Public safety	2,620,753	2,671,928	2,748,246	2,817,704	2,698,970	2,793,182	2,753,882	2,863,154	2,179,702	3,058,533
Public works	-	-	-	-	-	-	928,945	926,798	1,125,219	1,423,163
Highways and streets	491,928	455,752	447,847	541,312	653,458	657,308	-	-	-	-
Maintenance / garage	219,831	272,875	286,425	293,035	227,504	225,959	-	-	-	-
Community service	-	-	-	90,429	87,342	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	168,299	182,496	144,304	197,314
Recreation and culture	1,119,656	1,416,122	1,712,323	1,912,935	1,857,103	1,803,706	1,920,241	1,959,000	1,444,902	1,862,430
Public Welfare	132,914	151,806	151,679	172,798	168,618	167,457	-	-	-	-
Economic development	-	-	-	-	-	-	340,372	372,088	356,672	521,663
Debt Service:										
Principal	486,360	315,000	330,000	558,639	586,642	224,952	233,580	242,541	200,156	259,055
Interest	127,043	56,638	331,763	114,371	95,701	73,869	63,910	85,215	-	1,747,044
Capital Outlay	381,689	1,386,240	-	-	-	-	-	-	39,994	1,672,916
Total Expenditures	7,558,286	8,656,358	7,772,819	8,195,373	7,903,883	7,425,985	7,306,371	7,517,668	6,227,964	11,712,756
<b>Excess (Deficiency) of Revenues over/ (under) expenditures</b>	94,566	(141,519)	1,005,040	589,455	988,364	906,465	932,654	1,183,296	769,349	(579,617)
<b>Other Financing Sources (Uses):</b>										
Operating transfers in/out	23,732	(398,830)	(813,190)	(683,184)	(552,448)	(193,594)	(187,879)	(568,005)	(659,501)	1,443,351
Residual equity transfer	-	-	-	-	-	-	(2,218)	-	-	-
Sale of Assets	19,231	19,759	-	-	-	-	1,648	6,933	37,353	16,964
Greenfiber recycling	-	-	-	-	-	-	-	2,350	-	-
<b>Total other financing sources (uses)</b>	42,963	(379,071)	(813,190)	(683,184)	(552,448)	(193,594)	(188,449)	(558,722)	(622,148)	1,460,315

**CITY OF VILLA RICA, GEORGIA**  
**General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Last Eight Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Years Ended March 31									
	2006	2007	2008	2009	2010	2011	2012	2013	CY 2013*	2014
Net change in Fund Balances	137,529	(520,590)	191,850	(93,729)	435,916	712,871	744,205	624,574	147,201	880,698
Fund Balance Beginning of Year	2,596,579	2,734,108	2,213,518	2,405,368	2,311,639	2,747,555	3,460,426	4,947,112	5,571,686	8,788,801
Prior period adjustments				-	-	-	742,481	-	-	195,843
Fund Balance beginning, restated	2,596,579	2,734,108	2,213,518	2,405,368	2,311,639	2,747,555	4,202,907	4,947,112	5,571,686	8,984,644
Fund balance - March 31	\$ 2,734,108	\$ 2,213,518	\$ 2,405,368	\$ 2,311,639	\$ 2,747,555	\$ 3,460,426	\$ 4,947,112	\$ 5,571,686	\$ 5,718,887	\$ 9,865,342

\* A nine month year

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## *Revenue Capacity*

**Revenue Capacity** – these schedules contain trend information to help the reader assess the government's most significant local revenue sources, property tax and water/sewer fees.

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**CITY OF VILLA RICA, GEORGIA**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales &amp; Use Taxes</b>	<b>Business Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2005	2,950,738	1,291,635	368,794	14,161	4,625,328
2006	3,724,930	1,475,656	505,849	9,371	5,715,806
2007	3,884,829	1,615,213	566,054	16,254	6,082,350
2008	4,400,305	1,664,868	545,186	18,431	6,628,790
2009	4,848,765	1,590,002	560,277	23,729	7,022,773
2010	4,652,657	1,560,198	610,063	25,125	6,848,043
2011	4,524,341	1,481,048	614,537	12,203	6,632,129
2012	3,963,370	1,473,147	973,755	564,259	6,974,531
2013	4,144,490	1,594,620	1,023,001	370,552	7,132,663
CY 2013*	2,926,097	1,501,297	838,004	707,381	5,972,779
2014	3,601,911	1,721,677	1,122,596	1,690,048	8,136,232

**CITY OF VILLA RICA, GEORGIA**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Seven Fiscal Years and One Calendar Year**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Privately Owned Public Utilities</b>	<b>Personal and Business</b>	<b>Less Tax- Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2008	559,704,007	6,426,867	31,510,852	42,753,745	554,887,981	6.775	1,387,219,953	40.00%
2009	562,797,420	6,426,867	106,566,839	126,490,608	549,300,518	6.775	1,373,251,295	40.00%
2010	528,531,960	6,787,916	179,880,372	116,730,690	598,469,558	6.775	1,496,173,895	40.00%
2011	502,583,287	7,136,971	98,951,926	132,179,033	476,493,151	6.775	1,191,232,878	40.00%
2012	469,594,611	6,962,623	135,834,148	160,402,139	451,989,243	6.775	1,129,973,108	40.00%
2013	450,691,331	6,284,839	30,473,101	49,727,568	437,721,703	6.775	1,094,304,258	40.00%
CY 2013*	441,372,889	6,453,445	34,342,832	97,861,294	384,307,872	6.775	960,769,680	40.00%
2014	448,691,838	7,277,810	29,742,391	60,881,512	424,830,527	6.630	1,062,076,318	40.00%

\* A nine month year

CITY OF VILLA RICA, GEORGIA  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

City of Villa Rica Millage Rates							Overlapping Rates (1)														
							Carroll County						Douglas County								
							Government			School District			Government			School District			Direct & Overlapping Millage Rate		
Fiscal Year	Tax Year	Maintenance & Operations Millage Rate	(Less) Local Option Sales Taxes	Total M&O	Debt Service Millage Rate	Total Millage Rate	State	Maintenance & Operations Millage Rate	Debt Service Millage Rate	Total County Millage Rate	Maintenance & Operations Millage Rate	Debt Service Millage Rate	Total School Millage Rate	Direct & Overlapping Millage Rate	Maintenance & Operations Millage Rate	Debt Service Millage Rate	Total County Millage Rate	Maintenance & Operations Millage Rate		Debt Service Millage Rate	Total School Millage Rate
2004	2003	Not available	NA	5.850	1.170	7.020	0.250	6.180	-	6.180	18.100	-	18.100	31.550	7.728	-	7.728	19.767	1.033	20.800	35.798
2005	2004	Not available	NA	5.883	1.098	6.921	0.250	6.170	-	6.170	18.100	-	18.100	31.441	7.631	-	7.631	19.484	1.018	20.502	35.304
2006	2005	Not available	NA	5.942	0.908	6.850	0.250	6.500	-	6.500	18.100	-	18.100	31.700	7.349	-	7.349	18.400	0.900	19.300	33.749
2007	2006	Not available	NA	6.012	0.813	6.825	0.250	6.500	-	6.500	18.100	-	18.100	31.675	8.240	-	8.240	19.400	0.900	20.300	35.615
2008	2007	Not available	NA	6.052	0.723	6.775	0.250	8.500	-	8.500	18.100	-	18.100	33.625	7.861	-	7.861	18.700	1.000	19.700	34.586
2009	2008	Not available	NA	6.129	0.646	6.775	0.250	8.500	-	8.500	18.100	-	18.100	33.625	7.826	-	7.826	18.350	1.350	19.700	34.551
2010	2009	8.480	2.421	6.059	0.716	6.775	0.250	8.500	-	8.500	18.100	-	18.100	33.625	7.932	-	7.932	18.350	3.000	21.350	36.307
2011	2010	9.196	2.421	6.775	-	6.775	0.250	8.500	-	8.500	18.100	-	18.100	33.625	9.900	-	9.900	20.000	4.100	24.100	41.025
2012	2011	9.391	2.616	6.775	-	6.775	0.250	8.500	-	8.500	19.600	-	19.600	35.125	9.900	-	9.900	19.850	3.100	22.950	39.875
2013	2012	9.344	2.569	6.775	-	6.775	0.250	8.500	-	8.500	19.500	-	19.500	35.025	9.900	-	9.900	19.850	2.100	21.950	38.875
CY 2013	2013	10.263	3.488	6.775	-	6.775	0.250	8.500	-	8.500	19.500	-	19.500	35.025	9.900	-	9.900	19.850	2.100	21.950	38.875
2014	2014	9.910	3.280	6.630	-	6.630	0.250	8.482	-	8.482	19.500	-	19.500	34.862	12.153	-	12.153	19.850	1.500	21.350	40.383

Source: Georgia Department of Revenue, Property Tax Division

Notes: The city's maintenance and operations tax rate may be increased by majority vote of the city's Mayor and Council. Rate for debt service are based on yearly requirements.

(1) Overlapping rates are those local and county governments that apply to property owners within the City of Villa Rica

CITY OF VILLA RICA, GEORGIA  
Principal Property Tax Payers  
Current Year

2014					
Taxpayer	County	2014 Assessed		Percentage of	
		Valuation	Taxes	Rank	Total City Taxable Assessed Value
Printpack Inc	Carroll	34,288,435	196,936	1	8.07%
Sugar Foods Corporation	Carroll	16,429,503	108,928	2	3.67%
Southwire Company	Douglas	15,590,890	103,368	3	3.67%
Flowers Food, Inc	Carroll	8,721,011	57,820	4	2.05%
Villa Rica Development Authority	Carroll	4,584,624	30,396	5	1.08%
Preserve at Mirror Lake, LLC	Douglas	4,192,560	27,797	6	0.99%
SPG Villa Rica, LLC	Carroll	3,997,205	26,501	7	0.94%
Hickory Falls Apartments, LLC	Carroll	3,820,677	25,331	8	0.90%
Georgia Power	Carroll	3,460,240	23,446	9	0.81%
Villa Rica Ascott Ltd Partnership	Carroll	3,306,067	21,919	10	0.78%
<b>Total</b>		<b>\$ 98,391,212</b>	<b>\$ 622,442</b>		<b>23.16%</b>

FY 2013					
Taxpayer	County	2012 Assessed		Percentage of	
		Valuation	Taxes	Rank	Total City Taxable Assessed Value
Printpack Inc	Carroll	\$ 10,205,786	\$ 87,391	1	2.33%
Southwire Company	Douglas	10,560,691	71,550 (1)	2	2.56%
Southwire Company	Carroll	633,619	4,293		
Flowers Baking Company	Carroll	9,669,795	65,718	3	2.21%
Sugar Foods Corporation	Carroll	7,189,585	48,709	4	1.64%
Preserve at Mirror Lake	Douglas	4,808,640	30,947	5	1.10%
Development Authority of Douglas County	Douglas	4,381,864	29,687	6	1.00%
SPG Villa Rica, LLC	Carroll	5,047,205	34,195	7	1.15%
Sony Computer Entertainment of America	Carroll	2,503,531	16,961	8	0.57%
Home Depot USA, LLC	Carroll	1,946,922	13,190	9	0.44%
Village Mirror, LLC	Douglas	3,194,160	21,640	10	0.73%
<b>Total</b>		<b>\$ 60,141,798</b>	<b>\$ 424,281</b>		<b>13.74%</b>

CY 2013					
Taxpayer	County	2013 Assessed		Percentage of	
		Valuation	Taxes	Rank	Total City Taxable Assessed Value
Flowers Baking Company	Carroll	12,839,811	89,042	1	3.34%
Preserve at Mirror Lake	Douglas	9,718,916	60,950	2	2.53%
Printpack Inc	Carroll	8,991,223	60,916	3	2.34%
SPG Villa Rica, LLC	Carroll	5,047,205	34,195	4	1.31%
Sugar Foods Corporation	Douglas	4,502,920	30,507	5	1.17%
Village Mirror, LLC	Douglas	4,030,460	27,306	6	1.05%
Development Authority of Douglas County	Douglas	3,826,918	25,927	7	1.00%
Sequoia Golf Course Mirror Lake, The LLC	Douglas	3,690,987	25,006	8	0.96%
Hickory Falls Apartments	Carroll	3,496,221	23,680	9	0.91%
Georgia Power Co	Douglas	3,178,680	21,536	10	0.83%
<b>Total</b>		<b>\$ 59,323,341</b>	<b>\$ 399,065</b>		<b>15.44%</b>

FY 2012					
Taxpayer	County	2011 Assessed		Percentage of	
		Valuation	Taxes	Rank	Total City Taxable Assessed Value
Printpack Inc	Carroll	36,849,104	756,382	1	8.42%
Flower Baking Company	Carroll	10,701,922	355,009	2	2.44%
Sugar Foods Corporation	Carroll	10,229,190	219,569	3	2.34%
Sony Computer Entertainment of America	Carroll	33,512,853	218,530	4	7.66%
SPG Villa Rica, LLC	Carroll	5,241,228	184,098	5	1.20%
Preserve at Mirror Lake	Douglas	4,030,480	160,715	6	0.92%
Villa Rica Development Authority	Carroll	4,635,784	141,241	7	1.88%
Hickory Falls Apartments	Carroll	3,883,205	136,397	8	
Southwire Company	Carroll	11,084,215	133,389	9	2.53%
Village Mirror, LLC	Douglas	3,240,440	129,212	10	0.74%
<b>Total</b>		<b>\$ 123,408,421</b>	<b>\$ 2,434,542</b>		<b>28.13%</b>

Source: Carroll County Tax Commissioner and Douglas County Tax Commissioner Departments

(1) Southwire is located in both Carroll and Douglas County. The 2012 Assesed Valuation are consolidated to arrive at the ranking and Percentage of total City Taxable Assessed Value

**CITY OF VILLA RICA, GEORGIA**  
**Property Tax Levies and Collections**  
**Last Six Fiscal Years**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Tax Due Date</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
				<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2008	2007	12/1/2007	3,358,797	3,050,234	90.81%	305,454	3,355,688	99.91%
2009	2008	12/1/2008	3,669,749	3,364,542	91.68%	301,079	3,665,621	99.89%
2010	2009	12/1/2009	3,442,640	3,201,074	92.98%	238,511	3,439,585	99.91%
2011	2010	12/1/2010	3,388,730	3,002,688	88.61%	353,480	3,356,168	99.04%
2012	2011	12/1/2011	2,874,822	2,649,137	92.15%	164,912	2,814,049	97.89%
2013	2012	12/1/2012	2,761,456	2,633,360	95.36%	-	2,633,360	95.36%
CY 2013*	2013	12/1/2013	2,620,399	2,527,100	96.44%	136,043	2,663,143	101.63%
2014	2014	12/1/2014	2,619,716	2,391,902	91.30%	264,185	2,656,087	101.39%

\* A nine month year

CITY OF VILLA RICA, GEORGIA  
Water and Sewer Rates  
Last Ten Fiscal Years

Fiscal Year	Meter Size	Water		Sewer		Water														Sewer	
		Inside Based Charge	Outside Base Charge	Inside Based Charge	Outside Base Charge	Inside	Inside	Inside	Inside	Outside	Outside	Outside	Inside Sprinkler Rate per 1,000 gallons	Outside Sprinkler Rate per 1,000 gallons	Inside Commercial Rater per 1,000	Outside Commercial Rater per 1,000	Inside Industrial Rate per 1,00	Outside Industrial Rate per 1,00	Inside Rate Per 1,000 gallons	Outside Rate Per 1,000 gallons	
						Water	Water	Water	Water	Water	Water	Water									
						Rate per 1,000 gallons	Rate per 1,000 gallons	Rate per 1,000 gallons	Rate per 12,500 gallons	Rate per 1,000 gallons	Rate per 1,000 gallons	Rate per 1,000 gallons									
2006	5/8" - 3/4"	4.00	5.50	4.40	6.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1"	10.00	15.50	11.00	17.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1 1/2"	20.00	30.00	22.00	33.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	2"	32.00	48.00	35.20	52.80	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	3"	64.00	96.00	70.40	105.60	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	4"	100.00	150.00	110.00	165.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	6"	200.00	300.00	220.00	330.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	8"	275.00	400.00	302.50	440.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
2007	5/8" - 3/4"	4.00	5.50	4.40	6.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1"	10.00	15.50	11.00	17.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1 1/2"	20.00	30.00	22.00	33.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	2"	32.00	48.00	35.20	52.80	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	3"	64.00	96.00	70.40	105.60	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	4"	100.00	150.00	110.00	165.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	6"	200.00	300.00	220.00	330.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	8"	275.00	400.00	302.50	440.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
2008	5/8" - 3/4"	4.00	5.50	4.40	6.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1"	10.00	15.50	11.00	17.05	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	1 1/2"	20.00	30.00	22.00	33.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	2"	32.00	48.00	35.20	52.80	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	3"	64.00	96.00	70.40	105.60	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	4"	100.00	150.00	110.00	165.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	6"	200.00	300.00	220.00	330.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
	8"	275.00	400.00	302.50	440.00	3.000	N/A	N/A	N/A	4.250	N/A	N/A	3.50	4.25	2.65	4.25	2.500	4.250	3.300	4.950	
Continued																					
2009	Senior	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	Residential	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	Non-residential	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	1"	10.00	15.50	10.00	15.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	1 1/2"	20.00	30.00	20.00	30.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	2"	32.00	48.00	32.00	48.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	3"	64.00	96.00	64.00	96.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	4"4	100.00	150.00	100.00	150.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	6"	200.00	300.00	200.00	300.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	8"	275.00	400.00	275.00	400.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
2010	Senlor	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	Residential	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	Non-residential	4.00	5.50	4.00	5.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	1"	10.00	15.50	10.00	15.50	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	1 1/2"	20.00	30.00	20.00	30.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	2"	32.00	48.00	32.00	48.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	3"	64.00	96.00	64.00	96.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	

Fiscal Year	Meter Size	Water		Sewer		Water														Sewer	
		Inside Based Charge	Outside Base Charge	Inside Based Charge	Outside Base Charge	Inside	Inside	Inside	Inside	Outside	Outside	Outside	Inside	Outside	Inside Commercial Rater per 1,000	Outside Commercial Rater per 1,000	Inside Industrial Rate per 1,00	Outside Industrial Rate per 1,00	Inside Rate Per 1,000 gallons	Outside Rate Per 1,000 gallons	
						Water	Water	Water	Water	Water	Water	Water	Sprinkler	Sprinkler							
						Rate per	Rate per	Rate per	Rate per	Rate per	Rate per	Rate per	Rate per	Rate per							
						1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000							1,000
Tier 1	Tier 2	Tier 3	gallons > 12,500 gallons	Tier 1	Tier 2	Tier 3	gallons	gallons	gallons	1,000 gallons	1,000 gallons	gallons	gallons								
2011	4"4	100.00	150.00	100.00	150.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	6"	200.00	300.00	200.00	300.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	8"	275.00	400.00	275.00	400.00	3.100	3.880	6.200	N/A	4.650	5.810	9.300	6.20	9.30	N/A	N/A	3.100	4.650	3.300	4.950	
	Senior	-	N/A	-	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.575	5.371	4.829	7.244	
	Residential	6.50	9.75	6.50	9.75	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	1"	15.45	23.18	16.50	24.75	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	1 1/2"	30.90	46.35	33.00	49.50	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	2"	49.50	74.25	52.50	79.20	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	3"	99.00	148.50	105.60	158.40	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	4"4	154.50	231.75	165.00	247.50	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	6"	309.00	463.50	330.00	495.00	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	8"	427.50	641.25	453.75	680.63	3.100	3.880	6.200	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
2012	Senior	-	N/A	-	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.575	5.371	4.829	7.244	
	Residential	6.50	9.75	6.50	9.75	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	1"	15.45	23.18	16.50	24.75	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	1 1/2"	30.90	46.35	33.00	49.50	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	2"	49.50	74.25	52.50	79.20	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	3"	99.00	148.50	105.60	158.40	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	4"4	154.50	231.75	165.00	247.50	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	6"	309.00	463.50	330.00	495.00	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
	8"	427.50	641.25	453.75	680.63	3.575	4.481	7.161	N/A	5.371	6.584	10.742	6.20	9.30	N/A	N/A	3.100	4.650	4.829	7.244	
2013	Senior	5.50	15.00	N/A	N/A	3.581	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	Continued		
	Residential	12.00	15.00	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	1"	20.00	23.18	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	1 1/2"	35.00	46.35	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	2"	35.00	74.25	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	3"	155.00	148.50	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	4"4	200.00	213.75	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	6"	350.00	463.50	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	
	8"	500.00	641.25	N/A	N/A	3.575	4.481	7.161	N/A	5.371	6.584	10.742	7.16	10.74	N/A	N/A	3.581	5.371	5.100	7.550	

Source: City of Villa Rica ordinances

**CITY OF VILLA RICA, GEORGIA**  
**Principal Water and Sewer Customer**  
**Last Two Fiscal Years**

Customer	2014				2013			
	Average Monthly Gallon Used	Average Amount Paid	Rank	Percentage of Total	Average Monthly Gallon Used	Average Amount Paid	Rank	Percentage of Total
Hickory Falls	989,994	\$ 9,490.71	1	2.59%	653,980	\$ 6,507	3	1.78%
Flowers	1,120,208	6,951.03	2	1.90%	769,344	7,033	2	1.92%
Tanner Medical	459,815	5,758.07	5	1.57%	732,196	7,600	1	2.08%
Aspen	-	-	N/A	0.00%	462,380	5,051	5	1.38%
Arbor Bend	481,612	5,001.17	8	1.37%	468,700	4,761	7	1.30%
Print Pack	1,278,916	5,316.59	6	1.45%	326,500	2,996	9	0.82%
Villa Rica Housing Authority	367,083	4,676.89	9	1.28%	269,860	4,878	6	1.33%
Carroll County Board of Education	402,375	5,274.17	7	1.44%	456,010	5,629	4	1.54%
Hometown Lodge	-	-	N/A	0.00%	189,500	2,311	10	0.63%
Hampton Court	367,354	4,058.77	10	1.11%	37,630	4,168	8	1.14%
Wildwood	525,557	6,545.00	3	1.79%	-	-	N/A	0.00%
Preserves	467,646	6,171.31	4	1.69%	-	-	N/A	0.00%

Customer	2012			
	Average Monthly Gallon Used	Amount Paid	Rank	Percentage of Total
Hickory Falls	891,008	\$ 9,170	1	2.61%
Flowers	769,344	6,791	4	1.93%
Tanner Medical	724,547	7,400	3	2.10%
Aspen	515,079	5,179	2	1.47%
Arbor Bend	490,629	4,875	5	1.39%
Print Pack	317,333	2,773	7	0.79%
Villa Rica Housing Authority	302,469	2,992	6	0.85%
Carroll County Board of Education	297,959	1,456	9	0.41%
Hometown Lodge	161,133	1,527	8	0.43%

## ***Debt Capacity***

**Debt Capacity** – these schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

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**CITY OF VILLA RICA, GEORGIA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business Type Activities	Total Primary Government	Percentage of Personal Income	Debt per Capita	Personal Income	Population	Per Capita Money Income
	Revenue Bonds	Capital Leases	Total	Notes Payable						
2005		2,220,500	2,220,500	50,357	2,270,857	1.03%	213.23	219,916,164	10,650	20,649
2006		2,034,140	2,034,140	47,550	2,081,690	0.86%	182.93	242,571,014	11,380	21,316
2007		1,840,631	1,840,631	44,629	1,885,260	0.60%	130.73	316,146,130	14,421	21,923
2008		1,431,061	1,431,061	41,590	1,472,651	0.45%	102.12	328,286,141	14,421	22,764
2009	10,000,000	1,214,420	11,214,420	38,428	11,252,848	3.66%	829.31	307,813,482	13,569	22,685
2010	34,905,000	989,468	35,894,468	35,137	35,929,605	11.17%	2,574.49	321,784,717	13,956	23,057
2011	34,905,000	755,888	35,660,888	282,201	35,943,089	10.63%	2,527.44	338,250,386	14,221	23,785
2012	34,905,000	513,347	35,418,347	264,831	35,683,178	10.33%	2,508.31	345,366,190	14,226	24,277
2013	34,905,000	513,349	35,418,349	247,006	35,665,355	10.01%	2,473.15	356,240,985	14,421	24,703
CY 2013	34,905,000	325,357	35,230,357	233,066	35,463,423	9.76%	2,453.88	363,268,675	14,452	25,136
2014	34,905,000	66,302	34,971,302	214,097	35,185,399	9.96%	2,410.45	353,364,176	14,597	24,208

**Sources:**

U S Census Bureau for 2000, 2010 and 2012 population  
 City of Villa Rica water utility household factored by the number of average occupant per household  
 U S Census Bureau for 2011 per capital money income  
 U S inflation rates from 2003-2014

**CITY OF VILLA RICA, GEORGIA**  
**Ratios Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Revenue Bond (1)</b>	<b>Less: Amount in Debt Service</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Amount</b>	<b>Per Capita</b>
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	10,000,000	-	10,000,000	0.00%	736.97
2010	34,905,000	-	34,905,000	0.00%	2,501.07
2011	34,905,000	-	34,905,000	0.00%	2,454.44
2012	34,905,000	-	34,905,000	0.00%	2,453.61
2013	34,905,000	-	34,905,000	0.00%	2,420.43
CY 2013	34,905,000	-	34,905,000	0.00%	2,415.24
2014	34,905,000	-	34,905,000	0.00%	2,391.32

**Note:**

1. The Revenue Bonds are limited obligation of the Villa Rica Public Facilities Authority (Georgia). The City has agreed to pay rental payments to the Authority in amounts sufficient to enable the Authority to make payments on the debt service. The City has unconditionally agreed to levy an advalorem property tax, without limitation as to rate or amount, on all property in the City subject to taxation for such purpose as may be necessary to pay amounts due to the Authority under the agreement.

**CITY OF VILLA RICA, GEORGIA**

**Direct and Overlapping Governmental Activities Debt**

**December 31, 2014**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
Debt paid with property taxes:			
Douglas County Board of Education - general obligation bonds	\$ 188,718,000	4.89%	\$ 9,228,310
Debt paid with special purpose local option sales taxes:			
Douglas County - general obligation bonds	41,169,865	4.89%	2,013,206
Carroll County Board of Education - general obligation bonds	63,215,000	15.51%	9,804,647
Carroll County - general obligation bonds	47,515,000	15.51%	7,369,577
Other debt:			
Douglas County - capital leases	912,299	4.89%	44,611
Carroll County Board of Education - capital lease	1,588,974	15.51%	246,450
Subtotal overlapping debt			28,706,801
City direct debt			35,665,355
Total direct and overlapping debt			<u>\$ 64,372,156</u>

**Sources:**

Assessed value data used to estimate applicable percentage provided by Douglas and Carroll County.

Debt outstanding provided by each government.

Notes: Overlapping government are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimated the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Villa Rica. The process recognizes when considering the city's ability to issue and repay long-term debt, the entire debt burden of the residents and businesses should be taken into account. However, this does not imply every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF VILLA RICA, GEORGIA**  
**Legal Debt Margin Information**  
**Last Eight Fiscal Years**

	2008	2009	2010	2011	2012	2013	CY 2013	2014
Debt limit (10% of total assessed value)	\$ 59,764,173	\$ 67,579,113	\$ 71,520,025	\$ 60,867,218	\$ 61,239,138	\$ 48,744,927	\$ 58,003,046	\$ 48,571,204
Total net debt applicable to limit	-	10,000,000	34,905,000	34,905,000	34,905,000	34,905,000	34,905,000	34,905,000
Legal debt margin	\$ 59,764,173	\$ 57,579,113	\$ 36,615,025	\$ 25,962,218	\$ 26,334,138	\$ 13,839,927	\$ 23,098,046	\$ 13,666,204
Total net debt applicable to the limit as a percentage of debt limit	0.00%	14.80%	48.80%	57.35%	57.00%	71.61%	60.18%	71.86%

Assessed Value	\$ 424,830,527
Add back exempt property	60,881,512
Total assessed value	485,712,039
Debt limit (10% of total assessed value)	48,571,204
Debt applicable to limit:	
Revenue bonds	34,905,000
Less: Amount set aside for repayment of general obligation bonds	-
Total net debt applicable to limit	34,905,000
Legal debt margin	\$ 13,666,204

Note: Under state finance law, the City's obligation general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by the amounts set aside for repaying general obligation bonds.

**CITY OF VILLA RICA, GEORGIA**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Water and Sewer Revenue Bonds						
Fiscal Year	Operating Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	5,105,795	3,185,667	1,920,128	235,000	81,436	607.00%
2007	6,489,732	3,665,613	2,824,119	245,000	71,566	892.00%
2008	4,456,793	4,273,503	183,290	255,000	61,154	58.00%
2009	4,877,083	4,363,174	513,909	265,000	50,189	163.00%
2010	4,252,220	4,353,907	(101,687)	275,000	38,661	-32.00%
2011	4,563,346	4,120,177	443,169	290,000	2,630	151.00%
2012	4,638,804	4,292,086	346,718	305,000	17,325	108.00%
2013	4,567,275	4,849,711	(282,436)	-	-	N/A
CY 2013	3,741,855	3,502,699	239,156	-	-	N/A
2014	5,034,079	4,794,559	239,520	-	-	N/A

Note: Details about the City's outstanding debt can be found in the notes to the financial statements.  
Operating revenue included charges for services with in the Water and Sewer Fund.

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# *Single Audit*

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# RUSHTON & COMPANY

## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards***

Honorable Mayor and Members  
of the City Council  
City of Villa Rica, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, 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, and have issued our report thereon dated November 5, 2015.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City of Villa Rica, Georgia's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Comments 14-1 and 14-2 to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Villa Rica, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## City of Villa Rica, Georgia's Responses to Findings

The City of Villa Rica, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied to the audit of the financial statements and, accordingly, we express no opinion on them.

### Purpose of this Report

The purpose of this report is solely to describe our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
November 5, 2015



# RUSHTON & COMPANY

## **Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133**

Honorable Mayor and Members  
of the City Council  
City of Villa Rica, Georgia

### **Report on Compliance for Each Major Program**

We have audited the City of Villa Rica, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City of Villa Rica, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### **Auditor's Responsibilities**

Our responsibility is to express an opinion on compliance for each of the City of Villa Rica, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Villa Rica, Georgia's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the City of Villa Rica, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

### **Report on Internal Control over Compliance**

Management of the City of Villa Rica, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of control deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
November 5, 2015

**CITY OF VILLA RICA, GEORGIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Pass-Through Grant/Program Title</u>	<u>Federal DFDA Number</u>	<u>Contract of Projects Number</u>	<u>Total Expenditure</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed through the Georgia Department of Community Affairs Community Development Block Grant	14.218	12p-x-022-2-5530	\$ 500,000
<b>Total U.S. Department of Housing and Urban Development</b>			<u>500,000</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Community Oriented Policing Services	16.71	2009RKWX0266	53,080
<b>Total U.S. Department of Justice</b>			<u>53,080</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Center for Medicare and Medicaid</b>			
Passed through the Three Rivers Regional Commission			
Home and Community Based Services Nutrition and Wellness	93.045	T-III CI Congregate Meals	30,201
Home and Community Based Services Nutrition and Wellness	93.053	ACL-NSIP Congregate Meals	12,092
Home and Community Based Services Nutrition and Wellness	93.045	T-III C2 - Home Delivered Meals	13,665
Home and Community Based Services Nutrition and Wellness	93.053	ACL-NSIP Home Delivered Meals	11,478
Home and Community Based Services Nutrition and Wellness	93.053	NISP-SSBG Home Delivered Meals	2,962
<b>Total U.S. Department of Health and Human Services</b>			<u>70,398</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 623,478</u>

*See accompanying note to the schedule of expenditures of federal awards.*

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**CITY OF VILLA RICA, GEORGIA**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1.       Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of City of Villa Rica, Georgia, under programs for the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2.       Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended December 31, 2014**

**1. Summary of the Auditor's Results**

**A. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiencies identified  
not considered material weaknesses? No

Noncompliance material to  
financial statements noted? No

**B. Federal Awards**

Internal control over major programs:

Material weakness(es) identified? None reported

Significant deficiencies identified  
not considered material weaknesses? None reported

Type of auditor's report issued on  
compliance for major programs: Unmodified

Any audit findings disclosed that are  
required to be reported in accordance  
with Circular A-133, Section .510(a)? None reported

Identification of major programs:

14.218 Community Development Block Grant/Entitlement Grants

Dollar threshold used to distinguish  
Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended December 31, 2014**

**2. Financial Statement Findings and Responses**

**Comment 14-1**

*Condition:* The 2013 financial statements were restated for incorrectly reported amounts in the financial statements that involved both the 2013 and 2014 years. These were needed to properly report the 2014 beginning balances in accordance with governmental accounting standards.

*Criteria:* Governmental accounting standards require that amounts be properly recorded and presented on the financial statements.

*Effect:* Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

*Recommendation:* Management should review their procedures for recording and financial statement presentation.

*Management Response:* Management concurs with this finding. The major restatement occurred to errors happening in 2008 and 2009. The Chief Financial Officer will review procedures and understanding for proper financial statement recording and presentation. This action was taken immediately upon receipt of the comment from our auditors.

**Comment 14-2**

*Condition:* Material adjustments were required to the financial statements during the audit process for unrecorded or miscalculated assets and liabilities. These include receivables, accounts payable, accrued salaries, prepaid expenses, interest payable and compensated absences.

*Criteria:* Internal controls should be in place to ensure the City can prevent, detect, and correct material misstatements on a timely basis.

*Effect:* The current year financial statements were materially misstated.

*Recommendation:* We recommend that the City's Finance Department continue to implement and/or strengthen internal controls over reconciling the general ledger and financial statements that will ensure that the City can prevent, detect, and correct material misstatements on a timely basis and provide accurate financial reporting.

*Management Response:* Management concurs with this finding. The City Manager and Chief Financial Officer will ensure that proper internal controls over reconciling the general ledger and financial statements are designed and implemented. This action was taken immediately upon receipt of the comment from our auditors.

**3. Prior Year Audit Findings Follow-Ups**

The prior fiscal year audit disclosed no audit findings requiring follow-up.

**4. Federal Award Findings and Questioned Costs**

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Section 510(a) of OMB A-133.

