



Photo Credit: Michael Valentine

Villa Rica

**CITY OF VILLA RICA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2020**



CITY OF VILLA RICA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2020

Prepared By:
The City of Villa Rica Finance Department

INTRODUCTORY SECTION

CITY OF VILLA RICA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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June 7, 2021

To the Honorable Mayor, Members of the City Council, City Manager,
Citizens, Businesses, and Stakeholders of the City of Villa Rica:

It is my pleasure to present the City of Villa Rica's (the "City") Comprehensive Annual Financial Report (Annual Report) for the fiscal year-ended September 30, 2020. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of Mauldin & Jenkins, LLC. As reflected in the Independent Auditor's Report, the City's financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles (GAAP) in the United States.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Villa Rica, Georgia.

State law and local ordinances require that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2020. This report has been prepared in accordance with State statutes set forth in an Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved March 28, 1968 (p. 464), and as amended by an Act approved April 21, 1968 (GA Laws 1997, p. 883).

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter complements the MD&A and should be read in conjunction with it.

OUR HISTORY

The location that eventually became Villa Rica was originally settled in 1826 along what is now Dallas Highway. Shortly after the arrival of the wagons in 1826, gold was discovered. Although it did not develop

into the large gold rush that would strike Georgia a few years later, there was a small gold rush in Villa Rica in the late 1820s. When the Georgia 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.

Two small communities, Hixtown and Cheevestown, had been formed between 1826 and 1882. Hixtown and Cheevestown moved to Villa Rica's present location in 1882 when the railroad was built. Many of the original structures were physically moved to the new site by rolling them on logs pulled by horses. Villa Rica was incorporated in September of 1883 and chartered one month later in October.

GOVERNMENT PROFILE

The City Charter provides for a Council-Manager form of government, subject only to the limitations imposed by the State of Georgia and the City Charter. All powers of the City are vested in an elective Council (the "City Council"), which enacts legislation, adopts budgets, and determines policy. The City Council is comprised of six members, with five members elected from single-member wards, and the Mayor elected at-large. The Mayor and Council members have four-year terms. The City Council also appoints a City Manager who executes the laws and administers the government of the City and serves as the City's Chief Operating Officer.

The City provides a vast array of municipal services. The full range of services provided to its constituents includes ongoing programs to provide public safety; maintenance and construction of streets and drainage; cultural and recreational services; and community development. The City also considers the promotion of convention and tourism and participation in economic development programs as high priorities. The funding sources from which these various services are provided include property, sales, and hotel tax receipts; grants; user fees; and other sources.

The City has two component units that are considered part of the City's operations and, therefore, included in its annual financial statements. The two units are the Downtown Development Authority and the Industrial Development Authority. For additional details on all of the City's component units and the basis for their respective presentation in our financial report, please refer to the Financial Section, Note 1 Summary of Significant Accounting Policies.

ECONOMY

The City is located in West Georgia, approximately 35 miles west of downtown Atlanta and 24 miles east of the Alabama border. Interstate 20, Highway 78, Highway 101, and Highway 61 run through Villa Rica, providing easy access to and from the City. Residents of Villa Rica enjoy first-rate medical services, various industrial employment opportunities, historical attractions, including the Pine Mountain Gold Museum, a variety of dining establishments, and lively performing arts at the Mill Amphitheatre in downtown. Geographically, the City of Villa Rica covers more than 14 square miles in two counties. Roughly 60% of the population is located in the northeastern corner of Carroll County, while the other 40% is located in the northwestern corner of Douglas County. The City is estimated to be the 70th most populated city in the State of Georgia with roughly 17,000 citizens. Since 2010, the City's population has grown over 21% and is projected to grow by an additional 8,000 people through the year 2030.

The City's commercial properties comprise more than 52% of the total tax digest by property value, ensuring a strong economic environment. Major employers in and around the Villa Rica area include

Tanner Medical Center, Printpack, Flowers Baking Company, Southwire, Sugar Foods, Carroll County Board of Education, Turano Bread Company, Walmart, and the City of Villa Rica.

COVID-19 The COVID-19 global pandemic has brought unprecedented challenges to our community, neighborhoods, businesses, and economy. According to the Bureau of Labor Statistics, national unemployment for September was 7.9%. Georgia statewide unemployment was as high as 12.5% in April 2020, according to the Georgia Department of Labor. The rate dropped to 6.5% by September. More than 4 million Georgians have filed for unemployment relief since the pandemic began, according to the Georgia Budget & Policy Institute. At a local level, the Carroll County unemployment rate for September fell to 5.6%, down from 12.7% in April, as reported by the Federal Reserve Bank of St. Louis. Douglas County unemployment did not fall as low, but was down to 7.3% in September compared to 12.7% in April, according to the Federal Reserve Bank of St. Louis.

COVID-19 RESPONSE The first appearance of the coronavirus occurred in late 2019 in Wuhan, China. By March 11, 2020 the Novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. On March 13, 2020 a national emergency was declared in the United States concerning the COVID-19 Outbreak. As of June 7, 2021, the Centers for Disease Control and Prevention (CDC) has reported 31.8 million COVID-19 cases and 568,000 deaths in the United States since China reported its first cases to the World Health Organization (WHO) in December 2019. On March 14, 2020 Governor Brian Kemp declared a Public Health State of Emergency, and closed schools on March 16th. Governor Kemp signed the first shelter-in-place order on March 23, 2020 for the medically fragile, which was expanded to everyone on April 2, 2020. Villa Rica's response to COVID-19 began on March 25, 2020 when the City shut down all government buildings and sent all non-essential personnel home. On April 30, 2020, the State's shelter-in-place order expired. The City of Villa Rica brought all employees back to work on May 1, 2020.

COVID-19 LOSSES The City lost revenue due to closures as a result of COVID-19. Recreation programs were cancelled, including spring sports and summer camp. The annual July 3rd Fireworks event was cancelled. Pine Mountain Gold Museum was closed through July. The City's Library was closed to the public for two months but patrons were able to check out books through the drive-thru and offered limited inside services. Main Street cancelled all summer concerts. The Senior Center closed the dining room for congregate meals, but offered curbside pickup in addition to the home delivery program.

MAJOR CAPITAL INITIATIVES

North Loop Bypass Plans for a North Loop Bypass have been underway for over half a century. The Georgia Department of Transportation is going to create a bypass on the northside of Villa Rica stemming from the 3-way stop at Industrial Blvd and Highway 61 near Stockmar Road. Both intersections are being designed as roundabouts. The proposed bypass is expected to take truck traffic out of the downtown area. The engineers for the project anticipate for it to go to bid in spring of 2022. The City will be responsible for the utility relocations and possible betterments.

Splash Pad During 2020, the City relocated and replaced the playground at Gold Dust Park. This allowed for a better location for a zero-depth water park, or a splash pad. The City Council approved a design-build contract in fiscal year 2021. Ground was broken on the project in April of 2021, with plans of being completed by the summer.

FINANCIAL INFORMATION

The management of the City is responsible for establishing a system of internal controls that is designed to provide reasonable assurance that assets are protected from loss, theft, or misuse. The City's accounting system supports the internal controls and procedures, which provide reliable financial records for preparing financial statements in conformity with GAAP. The internal control structure provides reasonable assurance that the City's assets are safeguarded as well as the reliability of financial records for preparing financial statements. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

BUDGET Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Levels of budgetary control, that is the levels at which expenditures cannot legally exceed appropriated amounts, are established at the department level within individual funds. The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Another budgetary control is the generation of a monthly revenue and expenditure report summarizing by department budget and actual balances with variances which are reviewed by the City's Finance Department.

The Finance Department meets with department managers regularly to assess departments' revenues and expenditures based on actual to date and projected revenue and expenditures for the remainder of the fiscal year. The projected revenue and expenditures are compared against the legally adopted budget for analysis. A financial summary is presented to the Finance Committee, comprised of three council members, quarterly, and to the City Council on a monthly basis. The accounting software requires a password for any requisitions that exceed the budget for any line item. Therefore, the departments are not able to request funds for line items that have met or exceeded the budget. Budget transfers within departments are processed by the Finance Department, while budget amendments that impact the overall budget go to Council for approval.

Annual Budget Process The annual budget serves as the foundation for the City's financial planning and control. The development of the City's annual budget begins in April. It is a comprehensive effort that involves input from the Mayor and City Council, City Manager, all City departments, and citizens. There are several major components to the process, including gathering input on priorities, the annual goal setting session with the Mayor and City Council, presentation of the proposed budget, public comment on the proposed budget, City Council budget work sessions, and budget adoption.

Goal Setting At the beginning of the budget process, the City Manager and Department Heads, including the Finance Department, meet with the City Council to discuss upcoming priorities and set goals for the budget. This is an open dialogue between the Department Heads and the Council. Department Heads bring their wish lists and the Council brings theirs.

Budget Proposal After obtaining the priorities of the City Council, the City Manager reviews department budgets to ensure they are in line with priorities and funding availability. The City Manager then presents the proposed budget to the City Council for review in early August. The proposed budget represents the City staff's recommendation of utilizing revenues and expenditures in order to achieve a balanced budget, while optimizing City service deliveries and addressing priorities of the City Council and residents.

City Council Work Sessions The City Manager and Chief Financial Officer meet with the City Council to discuss capital projects and personnel requests before the budget is proposed. Once the budget is proposed, the City Council holds additional work sessions to review the proposed budget. The budget work sessions provided a forum for public comments on significant policy issues as well as an opportunity to review departmental programs, service enhancement, and revenue changes.

Budget Adoption On September 24, 2019, City Council adopted the fiscal year 2020 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 30th, or the prior year budget rolls forward into the new fiscal year. The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Finance Department). The legal level of budgetary control is approved by City Council at the individual fund and departmental level. Expenditures by department and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document.

FINANCIAL RESERVE As a means of managing the City's financial standing, the City established and maintains a financial reserve within the General Fund and Water & Sewer Fund. The financial reserve provides budgetary flexibility for unexpected events, financial emergencies, or the unusual fluctuation in revenue-expenditure patterns that impact the ability of the City in the short-term to meet its obligations. In the Water & Sewer Fund, the reserve also allows for pay-as-you-go capital purchases.

GRANT FUNDS

The City also actively seeks and applies for Federal and State grants that are in line with the City's core operations and initiatives as an additional tool in providing services to the citizens of Villa Rica. In 2020, the City was awarded \$893,000 in Federal assistance and \$19,000 in State assistance for a total of \$912,000. The City would have been unable to appropriately respond to the COVID-19 pandemic resulting needs of the community during this time, construct specific public improvements and operate grant programs without the support of these funds.

AWARDS

LIVABLE CENTERS INITIATIVE In May 2020, the Atlanta Regional Commission (ARC) announced that Villa Rica had been chosen to receive \$100,000 grant for the Livable Centers Initiative (LCI). The LCI grant helps cities "to re-envision their communities as vibrant, walkable places." Villa Rica was one of several cities to receive the LCI grant from ARC this year.

MAIN STREET OF THE MONTH In August 2020, the City's Main Street program earned the Main Street of the Month in the State of Georgia. This was the first time Villa Rica's Main Street had earned this title. Villa Rica is proud of its distinction as a nationally accredited Main Street Program and invites visitors to enjoy all the city has to offer.

WATERFIRST In November 2020, the City received the WaterFirst Designation from the Georgia Environmental Finance Authority (GEFA). This designation identifies Villa Rica as a leader in water resource management, innovation and education. Additionally, the designation allows the City to borrow funds from GEFA with a 1% interest rate reduction.

ACKNOWLEDGEMENTS

This is first Comprehensive Annual Financial Report that the City has prepared. Previous reports did not include all the required information to be considered a Comprehensive Annual Financial Report. The preparation of this report is possible because of the dedicated services of the Finance Department and the cooperation of all City departments. We would like to express our appreciation to all who assisted in this effort. In closing, please accept our sincere gratitude to the Mayor, City Council, and City Manager for their continued support.

Respectfully submitted,

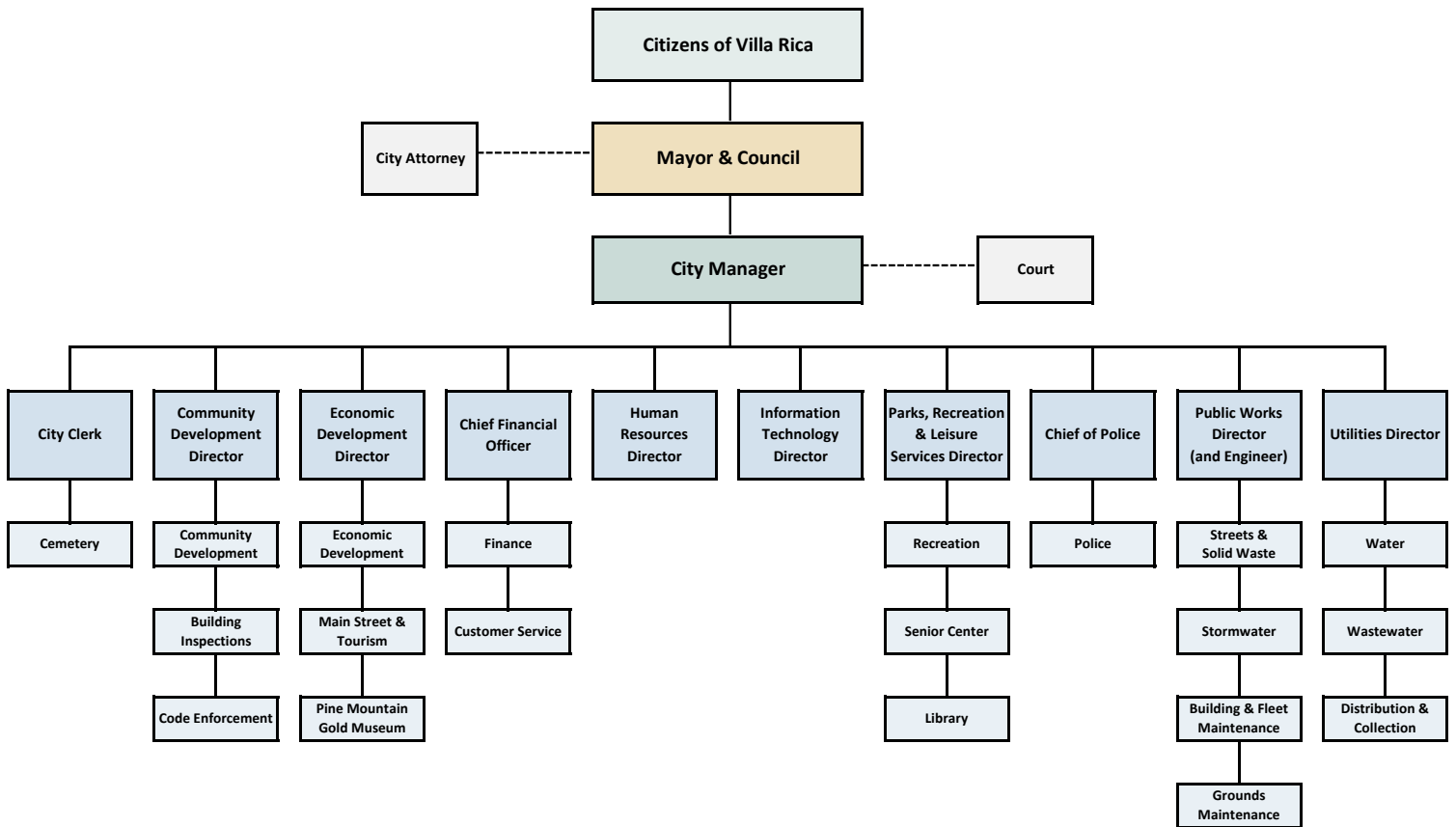
A handwritten signature in blue ink, appearing to read "Sarah Andrews".

Sarah Andrews, CPA
Deputy City Manager/
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Jennifer Hallman".

Jennifer Hallman, CPFO
Finance Director

CITY OF VILLA RICA, GEORGIA
ORGANIZATION CHART
FOR THE YEAR ENDED SEPTEMBER 30, 2020



CITY OF VILLA RICA, GEORGIA

ELECTED OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2020



Gil McDougal, *Mayor*
Shirley Marchman, *Ward 1*
Matthew Momtahan, *Ward 2*
Leslie McPherson, *Ward 3*
Michael Young, *Ward 4*
Danny Carter, *Ward 5*

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**To the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Villa Rica, Georgia (the "City")**, as of and for the year ended September 30, 2020, 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 from material misstatement.

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

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

Opinions

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information of the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions on pages 4 through 13, 57, and 58 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 combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales taxes as required by 48-4-121 of the Georgia Code, the schedule of expenditures of federal awards, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of expenditures of special purpose local options sales taxes, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales taxes, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2021 on our consideration of the City of Villa Rica, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Villa Rica, Georgia's 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 7, 2021

CITY OF VILLA RICA, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended September 30, 2020

The following discussion and analysis of the City of Villa Rica, Georgia (the “City”) provides an introduction to the basic financial statements for the fiscal year ended September 30, 2020. Management prepared this discussion that should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City’s finances.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Villa Rica exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$65,459,101 (net position). Of this amount, the unrestricted portion is \$14,824,332.
- The City’s total net position increased by \$5,047,883 compared to the prior year. The City’s operations increased the governmental activities by \$3,933,333 and increased the business-type activities by \$1,114,550.
- At the close of fiscal year 2020, the City of Villa Rica’s governmental funds reported combined ending fund balances of \$11,789,182.
- At the end of fiscal year 2020, the unassigned fund balance for the General Fund was \$5,859,892 or 46% of the total General Fund expenditures.
- At the end of fiscal year 2020, unrestricted net position for the Enterprise Funds was \$6,023,630 or 86% of the total Proprietary Fund expenses, excluding the transfer for the bond payment.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management’s Discussion and Analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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.

The *Statement of Net Position* presents information on all of the City’s assets and liabilities, and deferred outflows and inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, and cultural and recreation. The business-type activities of the City include water, sewer, electric and airport operations.

The government-wide statements financial statements are presented on pages 14 and 15 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen (16) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, 2015 SPLOST Fund, 2016 SPLOST Fund, and Villa Rica Public Facilities Authority Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-20 of this report.

Proprietary Funds – The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and stormwater operations. Internal Service Funds are used to report departments that provide services for other city departments. The City uses an internal service fund to account for its partially self-funded insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-56 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's net position at the close of fiscal year 2020 increased 8.36% from \$60,411,218 at September 30, 2019 to \$65,459,101 at September 30, 2020.

The largest portion of the City's net position at September 30, 2020 (\$46,900,956) 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 (\$3,733,813) represents resources that are subjects to external restrictions on how they may be used. The unrestricted portion of net position is \$14,824,332.

Following are summaries of the City's Statement of Net Position and Changes in Net Position.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 15,184,641	\$ 12,041,244	\$ 7,461,117	\$ 6,643,581	\$ 22,645,758	\$ 18,684,825
Capital assets	27,271,385	27,150,274	51,368,464	51,214,739	78,639,849	78,365,013
Total Assets	42,456,026	39,191,518	58,829,581	57,858,320	101,285,607	97,049,838
Deferred outflows of resources	4,037,813	3,749,462	281,277	153,287	4,319,090	3,902,749
Total deferred outflows of resources	4,037,813	3,749,462	281,277	153,287	4,319,090	3,902,749
Current liabilities	1,265,459	1,436,308	1,061,884	1,148,126	2,327,343	2,584,434
Long-term liabilities	37,090,846	37,056,557	635,267	482,267	37,726,113	37,538,824
Total Liabilities	38,356,305	38,492,865	1,697,151	1,630,393	40,053,456	40,123,258
Deferred inflows of resources	70,527	314,441	21,613	103,670	92,140	418,111
Total deferred inflows of resources	70,527	314,441	21,613	103,670	92,140	418,111
Net Position:						
Invested in capital assets, net of related debt	27,271,385	27,150,274	51,368,464	51,095,904	46,900,956	45,651,654
Restricted	3,733,813	2,369,296	-	-	3,733,813	2,369,296
Unrestricted	(22,938,191)	(25,385,896)	6,023,630	5,181,640	14,824,332	12,390,268
Total Net Position	\$ 8,067,007	\$ 4,133,674	\$ 57,392,094	\$ 56,277,544	\$ 65,459,101	\$ 60,411,218

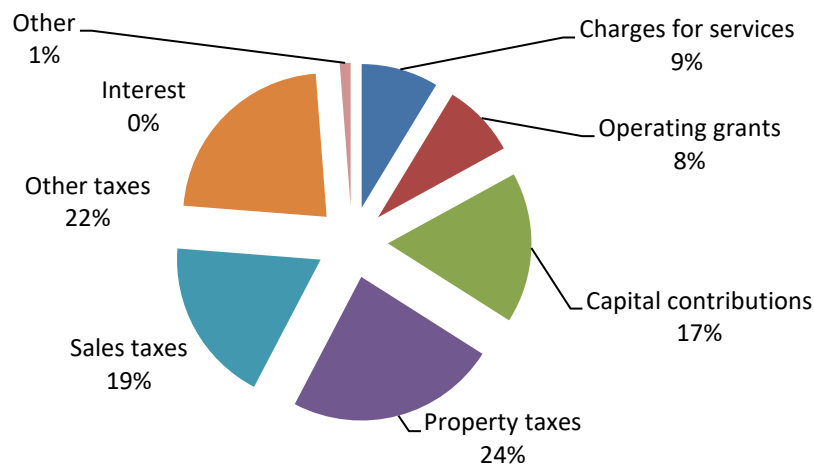
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 1,447,386	\$ 1,695,791	\$ 10,941,404	\$ 10,322,740	\$ 12,388,790	\$ 12,018,531
Operating grants	1,389,146	550,714	-	-	1,389,146	550,714
Capital contributions	2,831,693	2,720,736	232,480	597,322	3,064,173	3,318,058
General revenues:						
Property taxes	3,944,485	3,780,936	-	-	3,944,485	3,780,936
Sales taxes	3,095,590	2,921,096	-	-	3,095,590	2,921,096
Other taxes	3,758,257	3,868,420	-	-	3,758,257	3,868,420
Interest	-	-	28,698	4,090	28,698	4,090
Other	202,797	440,979	-	-	202,797	440,979
Total revenues	<u>16,669,354</u>	<u>15,978,672</u>	<u>11,202,582</u>	<u>10,924,152</u>	<u>27,871,936</u>	<u>26,902,824</u>
Expenses:						
General government	2,252,393	2,179,236	-	-	2,252,393	2,179,236
Judicial	193,567	193,179	-	-	193,567	193,179
Public safety	5,378,386	5,381,329	-	-	5,378,386	5,381,329
Public works	2,724,924	2,325,209	-	-	2,724,924	2,325,209
Health and welfare	226,466	249,168	-	-	226,466	249,168
Culture and recreation	2,435,844	2,223,989	-	-	2,435,844	2,223,989
Housing / Economic Developm.	1,338,005	1,207,817	-	-	1,338,005	1,207,817
Interest	1,309,895	1,323,039	-	-	1,309,895	1,323,039
Water and sewer	-	-	5,490,886	5,671,479	5,490,886	5,671,479
Solid waste	-	-	1,284,004	1,431,044	1,284,004	1,431,044
Stormwater	-	-	197,851	-	197,851	-
Total expenses	<u>15,859,480</u>	<u>15,082,966</u>	<u>6,972,741</u>	<u>7,102,523</u>	<u>22,832,221</u>	<u>22,185,489</u>
Increase (decrease) in net position before transfers	809,874	895,706	4,229,841	3,821,629	5,039,715	4,717,335
Gain on sale of capital assets	8,168	15,504	-	-	8,168	15,504
Transfers	3,115,291	2,313,890	(3,115,291)	(2,313,890)	-	-
Increase (decrease) in net position	3,933,333	3,225,100	1,114,550	1,507,739	5,047,883	4,732,839
Net Position, October 1	4,133,674	908,574	56,277,544	54,769,805	60,411,218	55,678,379
Net Position, September 30	<u>\$ 8,067,007</u>	<u>\$ 4,133,674</u>	<u>\$ 57,392,094</u>	<u>\$ 56,277,544</u>	<u>\$ 65,459,101</u>	<u>\$ 60,411,218</u>

Governmental Activities

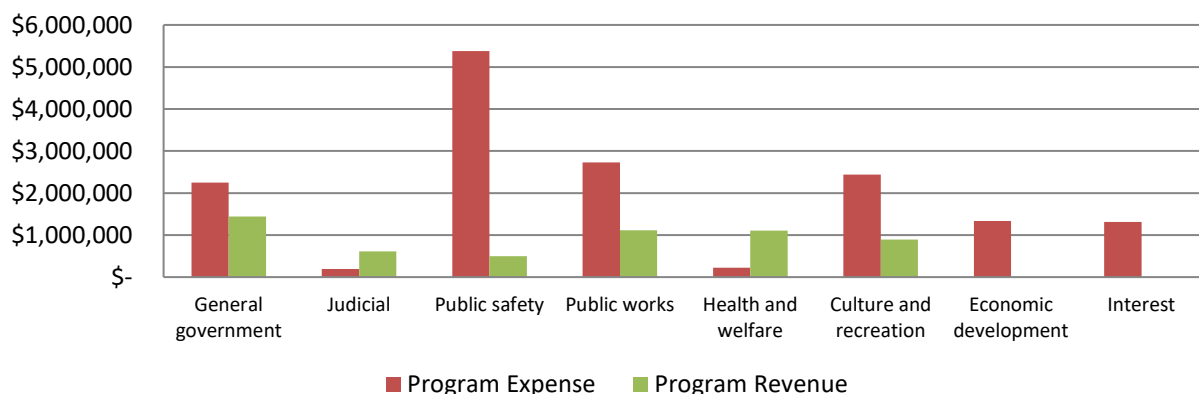
The City's governmental activities are heavily reliant on property taxes, sales taxes and other taxes to support operations. Property taxes provided 24% of revenues, sales taxes provided 19% and other taxes provided 22%. Also, program revenues cover 34% of governmental expenses. This means the government taxpayers and the City's other general revenues fund 66% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

Governmental Activities - Revenues by Source



The table below presents the cost of each of the City's programs and the related program revenues. The difference between the expenses and the program revenues show the financial burden placed on the City's taxpayers by each of these functions.

Expenses and Program Revenues - Governmental Activities



The most significant governmental expense for the City is providing Public Safety services such as the police department. This comprises 34% of the total governmental expense. The second largest City cost is for Public Works totaling \$2,724,924 or 17% of governmental expenses.

- The cost for all governmental activity for the year was \$15,859,480 compared to \$15,082,966 in the previous year.
- 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 (\$10,798,332).
- Some of the costs were paid by those benefiting directly from the programs (\$1,447,386) and subsidies from other governments and organizations through grants and/or contributions (\$4,220,829).

Business-Type Activities

The cost of all Business-Type activities in 2020 was \$6,972,741. The amounts paid by the users of the systems were \$10,941,404 and additionally the business-type activities earned \$261,178 from other revenues.

With the activity from the year, the net position at September 30, 2020 for business-type activities was \$57,392,094.

FINANCIAL ANALYSIS OF THE GOVERNMENT'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 \$11,789,182. Of this year-end total, \$5,859,892 is unassigned indicating availability for continuing 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 \$7,763,637. 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 46% total general fund expenditures. Total general fund revenues for the year ending September 30th were \$13,357,019 or a 3% increase from the prior year. The largest increase in the City's revenue was the revenue received by the City from the Coronavirus Relief Funds in fiscal year 2020. The City received \$840,599 of CRF funding in 2020, while seeing decreases in the charges for services, license and permits, and fines and fees revenues due to the pandemic. Expenditures of the general fund were up 8%, primarily due to increased expenditures in the public safety and public works functions for personnel costs.

The 2015 SPLOST Fund reported an increase in the fund balance of \$629,197 to an ending fund balance of \$1,811,979. The City continues to collect the sales tax dollars from the County and is building the fund balance to pay for future capital projects for the City. These funds are restricted fund balance as of September 30, 2020.

The 2016 SPLOST Fund reported an increase in the fund balance of \$827,620 to an ending fund balance of \$1,449,992. The City continues to collect the sales tax dollars from the County and is building the fund balance to pay for future capital projects for the City. These funds are restricted fund balance as of September 30, 2020.

The Villa Rica Public Facilities Fund is used for revenue bonds which were for the construction of the wastewater treatment plant on the Northwest side of the City. The expenditures totaled \$2,167,363 in fiscal year 2020 and were matched with a transfer from the Water and Sewer Fund.

General Fund's Net Change in Fund Balance

	2020	2019	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes	\$ 10,519,089	\$ 10,427,143	\$ 91,946	0.9%
Licenses and permits	670,512	736,444	(65,932)	-9.0%
Intergovernmental	1,221,357	444,727	776,630	174.6%
Fines and fees	504,550	515,754	(11,204)	-2.2%
Charges for services	188,537	380,998	(192,461)	-50.5%
Interest income	14,629	3,289	11,340	344.8%
Other revenue	238,345	471,507	(233,162)	-49.5%
Total revenues	13,357,019	12,979,862	377,157	2.9%
Expenses:				
General government	2,077,177	1,899,065	178,112	9.4%
Judicial	190,446	193,620	(3,174)	-1.6%
Public safety	5,029,924	4,648,175	381,749	8.2%
Public works	2,217,423	1,833,667	383,756	20.9%
Health and welfare	223,343	250,741	(27,398)	-10.9%
Culture and recreation	1,955,858	2,008,815	(52,957)	-2.6%
Economic development	1,056,758	1,030,954	25,804	2.5%
Debt service	-	-	-	
Capital outlay	-	-	-	
Total expenditures	12,750,929	11,865,037	885,892	7.5%
Other financing sources (uses)				
Transfers in	1,318,292	1,269,548	48,744	3.8%
Transfers out	(574,228)	(891,766)	317,538	-35.6%
Proceeds from sale of assets	8,168	28,880	(20,712)	
Net change in fund balance	\$ 1,358,322	\$ 1,521,487	\$ (163,165)	-10.7%
Fund Balance, beginning of year	6,405,315	4,883,828	1,521,487	31.2%
Fund Balance, end of year	7,763,637	6,405,315	1,358,322	21.2%

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 6% higher than the prior year due to a full year of rate increases in the Water and Sewer Fund. Operating expenses were 2% lower due to a reduction in maintenance expense in the Water & Sewer Fund in 2020 compared to 2019.

BUDGETARY HIGHLIGHTS

The General Fund's 2020 final approved revenue budget was \$12,840,245. The City collected \$516,774 more than the approved revenue budget. The General Fund's final approved expenditure budget was \$14,001,022. The City expended 91.1% of the final approved expenditure budget. The General Fund actual expenditures were \$1,250,093 less than budgeted. See page 19 for more information about the General Fund budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as September 30, 2020, was \$27,271,385 and \$51,368,464 respectively. The major changes to capital for 2020 were:

Governmental Activities:

- Seven patrol vehicles, radios, and camera equipment, totaling \$306,241, was purchased for the Police Department.
- \$154,540 was spent on the North Loop Roundabout project.
- The playground equipment at Gold Dust Park was replaced for \$99,598.
- Council Chambers and City Hall was renovated for \$99,098.
- The Conner Road warning signal was installed for \$74,220.
- Three vehicles were purchased for use by the Grounds Maintenance department for a cost of \$69,540.
- Parks and Recreation completed a renovation on the Civic Center for \$59,500.
- Pine Mountain Gold Museum completed the Water Wheel project at a cost of \$48,529.

Business-Type Activities:

- Water system infrastructure improvements were made at a cost of \$722,021.
- New meters were purchased for \$154,769.
- Maintainer service body crane was purchased at for \$67,334.
- Lift station infrastructure improvements were made for \$53,809.
- \$50,000 was spent on Hydrant improvements.
- Distribution and collection completed building improvements at a cost of \$49,768.

At September 30, 2020, the depreciable capital assets for governmental activities were 43% depreciated. The business-type activities were 32% depreciated.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,707,048	\$ 2,633,281	\$ 2,101,972	\$ 2,101,972	\$ 4,809,020	\$ 4,735,253
Construction in progress	1,739,742	1,558,028	832,191	497,561	2,571,933	2,055,589
Site Improvements	5,460,156	5,495,368	11,785	13,455	5,471,941	5,508,823
Infrastructure	10,123,589	10,215,933	18,619,037	18,063,136	28,742,626	28,279,069
Buildings	5,424,035	5,475,614	28,000,334	28,685,524	33,424,369	34,161,138
Machinery and equipment	1,816,815	1,772,050	1,803,145	1,853,091	3,619,960	3,625,141
Total	\$ 27,271,385	\$ 27,150,274	\$ 51,368,464	\$ 51,214,739	\$ 78,639,849	\$ 78,365,013

For more information on the changes in capital assets, see Note 6.

Debt Administration

At the end of the fiscal year, the City had total bonded debt outstanding of \$34,858,855. The 2015 Series bond is a revenue bond, but is backed by the ad valorem tax revenues of the General Fund.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds Payable	\$ 31,640,000	\$ 32,375,000	\$ -	\$ -	\$ 31,640,000	\$ 32,375,000
Plus: Premiums	3,218,855	3,503,694	-	-	3,218,855	3,503,694
Compensated absences	310,746	262,767	73,046	61,726	383,792	324,493
Net Pension Liability	1,834,618	915,096	562,221	301,706	2,396,839	1,216,802
Notes payable	-	-	-	118,835	-	118,835
Total Outstanding Debt	<u>\$ 37,004,219</u>	<u>\$ 37,056,557</u>	<u>\$ 635,267</u>	<u>\$ 482,267</u>	<u>\$ 37,639,486</u>	<u>\$ 37,538,824</u>

For more information on the long-term debt, see Note 8 to the financial statements.

ECONOMIC FACTORS

The City's elected and appointed officials considered many factors when adopting the 2021 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 growth in the economy as the City is seeing a steady flow of new residential housing permit applications. There are several companies contacting the City about relocating or expanding their footprint in Villa Rica.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the City of Villa Rica's finances for all those with an interest in the City's finances. If you have any questions about this report or need any additional information, contact the Finance Department at 571 W. Bankhead Highway, Villa Rica, Georgia 30180, or call 770-459-7000. A copy of this document is available on the City's website at www.villarica.org.

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION SEPTEMBER 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 11,674,524	\$ 4,158,068	\$ 15,832,592	\$ 177,563	\$ 63,789
Investments	-	2,089,876	2,089,876	891,356	-
Receivables (net of allowance for uncollectibles)	2,910,702	1,044,974	3,955,676	-	-
Taxes receivable	52,745	-	52,745	-	-
Due from component units	281,100	-	281,100	-	-
Inventories	10,512	168,199	178,711	-	-
Prepaid items	255,058	-	255,058	-	-
Capital assets, nondepreciable	4,446,790	2,934,163	7,380,953	154,172	-
Capital assets, depreciable, net of accumulated depreciation	22,824,595	48,434,301	71,258,896	140,109	69,883
Total assets	42,456,026	58,829,581	101,285,607	1,363,200	133,672
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	3,119,962	-	3,119,962	-	-
Pension related items	917,851	281,277	1,199,128	-	-
Total deferred outflows of resources	4,037,813	281,277	4,319,090	-	-
LIABILITIES					
Accounts payable	879,802	373,759	1,253,561	35,175	123
Accrued liabilities	385,657	22,047	407,704	-	-
Customer deposits payable	-	666,078	666,078	-	-
Claims payable	86,627	-	86,627	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	156,328	4,088	160,416	-	-
Bonds payable	855,000	-	855,000	-	-
Noncurrent liabilities due in more than one year					
Due to primary government	-	-	-	157,100	124,000
Compensated absences payable	154,418	68,958	223,376	-	-
Bonds payable	34,003,855	-	34,003,855	-	-
Net pension liability	1,834,618	562,221	2,396,839	-	-
Total liabilities	38,356,305	1,697,151	40,053,456	192,275	124,123
DEFERRED INFLOWS OF RESOURCES					
Pension related items	70,527	21,613	92,140	-	-
Total deferred inflows of resources	70,527	21,613	92,140	-	-
NET POSITION					
Net investment in capital assets	27,271,385	51,368,464	46,900,956	294,281	-
Restricted for:					
Economic development	78,517	-	78,517	876,644	-
Capital projects	3,309,274	-	3,309,274	-	-
Public safety	346,022	-	346,022	-	-
Unrestricted	(22,938,191)	6,023,630	14,824,332	-	9,549
Total net position	\$ 8,067,007	\$ 57,392,094	\$ 65,459,101	\$ 1,170,925	\$ 9,549

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

CITY OF VILLA RICA, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,252,393	\$ 103,973	\$ 1,006,017	\$ 328,897
Judicial	193,567	614,184	-	-
Public safety	5,378,386	26,527	143,240	328,897
Public works	2,724,924	19,790	236,935	858,309
Health and welfare	226,466	114,796	2,954	986,693
Culture and recreation	2,435,844	568,116	-	328,897
Housing and economic development	1,338,005	-	-	-
Interest on long-term debt	1,309,895	-	-	-
Total governmental activities	15,859,480	1,447,386	1,389,146	2,831,693
Business-type activities:				
Water and sewer	5,490,886	9,595,927	-	92,149
Solid waste	1,284,004	1,345,477	-	-
Stormwater	197,851	-	-	140,331
Total business-type activities	6,972,741	10,941,404	-	232,480
Total primary government	\$ 22,832,221	\$ 12,388,790	\$ 1,389,146	\$ 3,064,173
Component units:				
Villa Rica Industrial Development Authority	\$ 44,153	\$ -	\$ -	\$ -
Villa Rica Downtown Development Authority	8,907	-	-	-
Total component units	\$ 53,060	\$ -	\$ -	\$ -
General revenues:				
Property taxes				
Sales and use taxes				
Franchise taxes				
Hotel/motel taxes				
Alcohol taxes				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
\$ (813,506)	\$ -	\$ (813,506)	\$ -	\$ -
420,617	-	420,617	-	-
(4,879,722)	-	(4,879,722)	-	-
(1,609,890)	-	(1,609,890)	-	-
877,977	-	877,977	-	-
(1,538,831)	-	(1,538,831)	-	-
(1,338,005)	-	(1,338,005)	-	-
(1,309,895)	-	(1,309,895)	-	-
(10,191,255)	-	(10,191,255)	-	-
-	4,197,190	4,197,190	-	-
-	61,473	61,473	-	-
-	(57,520)	(57,520)	-	-
-	4,201,143	4,201,143	-	-
(10,191,255)	4,201,143	(5,990,112)	-	-
-	-	-	(44,153)	-
-	-	-	-	(8,907)
\$ -	\$ -	\$ -	\$ (44,153)	\$ (8,907)
\$ 3,944,485	\$ -	\$ 3,944,485	\$ -	\$ -
3,095,590	-	3,095,590	-	-
1,344,327	-	1,344,327	-	-
288,410	-	288,410	-	-
308,100	-	308,100	-	-
1,128,055	-	1,128,055	-	-
689,365	-	689,365	-	-
-	28,698	28,698	-	-
202,797	-	202,797	14,405	120
8,168	-	8,168	-	-
3,115,291	(3,115,291)	-	-	-
14,124,588	(3,086,593)	11,037,995	14,405	120
3,933,333	1,114,550	5,047,883	(29,748)	(8,787)
4,133,674	56,277,544	60,411,218	1,200,673	18,336
\$ 8,067,007	\$ 57,392,094	\$ 65,459,101	\$ 1,170,925	\$ 9,549

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

ASSETS	General	2015 SPLOST Fund	2016 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 6,609,629	\$ 1,870,986	\$ 1,486,391	\$ 125	\$ 777,686	\$ 10,744,817
Receivables (net of allowance for uncollectibles)	1,560,090	592,072	711,310	-	47,230	2,910,702
Taxes receivable, net	52,745	-	-	-	-	52,745
Due from component unit	281,100	-	-	-	-	281,100
Due from other funds	3,304	-	-	-	-	3,304
Inventories	10,512	-	-	-	-	10,512
Prepaid items	255,058	-	-	-	-	255,058
Total assets	<u>\$ 8,772,438</u>	<u>\$ 2,463,058</u>	<u>\$ 2,197,701</u>	<u>\$ 125</u>	<u>\$ 824,916</u>	<u>\$ 14,258,238</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 726,122	\$ 59,007	\$ 36,399	\$ -	\$ 58,274	\$ 879,802
Accrued liabilities	267,212	-	-	-	-	267,212
Due to other funds	-	-	-	-	3,193	3,193
Total liabilities	<u>993,334</u>	<u>59,007</u>	<u>36,399</u>	<u>-</u>	<u>61,467</u>	<u>1,150,207</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	15,467	-	-	-	-	15,467
Unavailable revenue - intergovernmental	-	592,072	711,310	-	-	1,303,382
Total deferred inflows of resources	<u>15,467</u>	<u>592,072</u>	<u>711,310</u>	<u>-</u>	<u>-</u>	<u>1,318,849</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	255,058	-	-	-	-	255,058
Inventories	10,512	-	-	-	-	10,512
Restricted:						
Public safety	-	-	-	-	346,022	346,022
Capital projects	-	1,811,979	1,449,992	-	47,303	3,309,274
Economic development	-	-	-	-	78,517	78,517
Committed for promissory note - DDA	1,000,000	-	-	-	8,354	1,008,354
Assigned:						
Rise N Shine	2,112	-	-	-	-	2,112
Vest Fundraiser	15,668	-	-	-	-	15,668
Project improvement fees	476,476	-	-	-	-	476,476
General government	56,808	-	-	-	-	56,808
Public safety	59,101	-	-	-	-	59,101
Public works	5,656	-	-	-	-	5,656
Culture and recreation	17,790	-	-	-	-	17,790
Economic development	4,564	-	-	125	-	4,689
Roads	-	-	-	-	283,253	283,253
Unassigned	5,859,892	-	-	-	-	5,859,892
Total fund balances	<u>7,763,637</u>	<u>1,811,979</u>	<u>1,449,992</u>	<u>125</u>	<u>763,449</u>	<u>11,789,182</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,772,438</u>	<u>\$ 2,463,058</u>	<u>\$ 2,197,701</u>	<u>\$ 125</u>	<u>\$ 824,916</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.						27,271,385
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the governmental funds.						1,318,849
Internal service funds are used by management to charge the costs of providing self-funded insurance to individual governmental funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.						842,969
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.						(32,168,084)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.						(987,294)
Net position of governmental activities						<u>\$ 8,067,007</u>

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	2015 SPLOST Fund	2016 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	\$ 10,519,089	\$ -	\$ -	\$ -	\$ 288,410	\$ 10,807,499
Licenses and permits	670,512	-	-	-	-	670,512
Intergovernmental	1,221,357	1,491,021	1,140,155	-	172,623	4,025,156
Fines and forfeitures	504,550	-	-	-	20,838	525,388
Charges for services	188,537	-	-	-	62,948	251,485
Investment earnings	14,629	6,400	5,860	229	777	27,895
Contributions	35,548	-	-	-	-	35,548
Miscellaneous	202,797	-	-	-	-	202,797
Total revenues	<u>13,357,019</u>	<u>1,497,421</u>	<u>1,146,015</u>	<u>229</u>	<u>545,596</u>	<u>16,546,280</u>
Expenditures:						
Current:						
General government	2,077,177	-	-	-	-	2,077,177
Judicial	190,446	-	-	-	-	190,446
Public safety	5,029,924	-	-	-	-	5,029,924
Public works	2,217,423	-	-	-	46,199	2,263,622
Health and welfare	223,343	-	-	-	-	223,343
Culture and recreation	1,955,858	-	-	-	-	1,955,858
Economic development	1,056,758	-	-	-	201,847	1,258,605
Capital outlay	-	868,224	318,395	-	481,482	1,668,101
Debt service:						
Principal	-	-	-	735,000	-	735,000
Interest and fiscal charges	-	-	-	1,432,363	-	1,432,363
Total expenditures	<u>12,750,929</u>	<u>868,224</u>	<u>318,395</u>	<u>2,167,363</u>	<u>729,528</u>	<u>16,834,439</u>
Excess (deficiency) of revenues over expenditures	606,090	629,197	827,620	(2,167,134)	(183,932)	(288,159)
Other financing sources (uses):						
Proceeds from sale of capital assets	8,168	-	-	-	-	8,168
Transfers in	1,318,292	-	-	2,166,650	329,481	3,814,423
Transfers out	(574,228)	-	-	-	(108,154)	(682,382)
Total other financing sources (uses)	<u>752,232</u>	<u>-</u>	<u>-</u>	<u>2,166,650</u>	<u>221,327</u>	<u>3,140,209</u>
Net change in fund balances	1,358,322	629,197	827,620	(484)	37,395	2,852,050
Fund balances, beginning of year	<u>6,405,315</u>	<u>1,182,782</u>	<u>622,372</u>	<u>609</u>	<u>726,054</u>	<u>8,937,132</u>
Fund balances, end of year	<u>\$ 7,763,637</u>	<u>\$ 1,811,979</u>	<u>\$ 1,449,992</u>	<u>\$ 125</u>	<u>\$ 763,449</u>	<u>\$ 11,789,182</u>

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

CITY OF VILLA RICA, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total governmental funds	\$ 2,852,050
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year.	137,861
The net effect of transfers from capital assets of governmental activities to business-type activities is to decrease net position.	(16,750)
Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	250,658
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	123,074
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the debt service payments on the long-term debt and related items.	735,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(148,560)
Change in net position - governmental activities	\$ 3,933,333

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

**CITY OF VILLA RICA, GEORGIA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 10,526,000	\$ 10,526,000	\$ 10,519,089	\$ (6,911)
Licenses and permits	477,770	500,970	670,512	169,542
Intergovernmental	387,000	447,000	1,221,357	774,357
Fines and forfeitures	572,750	572,750	504,550	(68,200)
Charges for services	467,175	467,175	188,537	(278,638)
Investment earnings	3,000	3,000	14,629	11,629
Contributions	27,300	27,300	35,548	8,248
Miscellaneous	266,050	296,050	202,797	(93,253)
Total revenues	12,727,045	12,840,245	13,357,019	516,774
Expenditures:				
Current:				
General government:				
General administration	428,461	417,651	281,355	136,296
City manager	224,107	229,107	217,721	11,386
City administration	113,142	125,804	111,756	14,048
Finance	468,741	483,841	473,886	9,955
Legal	100,000	100,000	90,827	9,173
IT	248,893	248,893	209,026	39,867
Human resources	262,414	263,813	246,847	16,966
Customer service	462,466	462,466	445,759	16,707
Total general government	2,308,224	2,331,575	2,077,177	254,398
Judicial	219,786	220,181	190,446	29,735
Public safety:				
Police department	5,228,631	5,179,054	5,023,449	155,605
Custody of prisoners	11,500	11,500	6,475	5,025
Total public safety	5,240,131	5,190,554	5,029,924	160,630
Public works:				
Public works department	1,225,402	1,305,805	1,162,830	142,975
Garage	420,366	435,366	416,064	19,302
Administrative community services	589,735	634,735	638,529	(3,794)
Total public works	2,235,503	2,375,906	2,217,423	158,483
Health and welfare	257,866	257,866	223,343	34,523
Culture and recreation:				
Recreation	1,439,486	1,429,941	1,025,846	404,095
Mountain gold museum	452,771	452,771	439,848	12,923
Library	500,120	500,120	490,164	9,956
Total health and welfare	2,392,377	2,382,832	1,955,858	426,974

(continued)

**CITY OF VILLA RICA, GEORGIA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Housing and economic development:				
Protective inspection	135,283	135,283	119,148	16,135
Planning and zoning	408,176	509,024	478,988	30,036
Code enforcement	143,703	143,703	109,467	34,236
Economic development	64,625	64,625	62,370	2,255
Main street	389,473	389,473	286,785	102,688
Total housing and economic development	<u>1,141,260</u>	<u>1,242,108</u>	<u>1,056,758</u>	<u>185,350</u>
Total expenditures	<u>13,795,147</u>	<u>14,001,022</u>	<u>12,750,929</u>	<u>1,250,093</u>
Excess (deficiency) of revenues over expenditures	(1,068,102)	(1,160,777)	606,090	1,766,867
Other financing sources (uses):				
Proceeds from sale of capital assets	30,000	30,000	8,168	(21,832)
Transfers in	1,312,885	1,312,885	1,318,292	5,407
Transfers out	(274,783)	(643,511)	(574,228)	69,283
Total other financing sources (uses)	<u>1,068,102</u>	<u>699,374</u>	<u>752,232</u>	<u>52,858</u>
Net change in fund balances	-	(461,403)	1,358,322	1,819,725
Fund balance, beginning	<u>6,405,315</u>	<u>6,405,315</u>	<u>6,405,315</u>	<u>-</u>
Fund balance, ending	<u>\$ 6,405,315</u>	<u>\$ 5,943,912</u>	<u>\$ 7,763,637</u>	<u>\$ 1,819,725</u>

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

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2020

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,948,923	\$ 44,608	\$ 164,537	\$ 4,158,068	\$ 929,707
Investments	2,089,876	-	-	2,089,876	-
Receivables (net of allowance for uncollectibles)	893,486	151,488	-	1,044,974	-
Inventory	168,199	-	-	168,199	-
Total current assets	7,100,484	196,096	164,537	7,461,117	929,707
Noncurrent assets:					
Capital assets:					
Capital assets, not being depreciated	2,934,163	-	-	2,934,163	-
Capital assets, being depreciated	70,927,426	515,444	157,482	71,600,352	-
Less accumulated depreciation	(22,938,173)	(225,044)	(2,834)	(23,166,051)	-
Total noncurrent assets	50,923,416	290,400	154,648	51,368,464	-
Total assets	58,023,900	486,496	319,185	58,829,581	929,707
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	222,060	44,413	14,804	281,277	-
Total deferred outflows of resources	222,060	44,413	14,804	281,277	-
LIABILITIES					
Current liabilities:					
Accounts payable	275,609	81,094	17,056	373,759	-
Accrued expenses	17,817	2,610	1,620	22,047	-
Customer deposits payable	666,078	-	-	666,078	-
Due to other funds	-	-	-	-	111
Claims payable	-	-	-	-	86,627
Compensated absences, current	4,088	-	-	4,088	-
Total current liabilities	963,592	83,704	18,676	1,065,972	86,738
Long-term liabilities:					
Compensated absences, long term	56,023	7,331	5,604	68,958	-
Net pension liability	443,858	88,772	29,591	562,221	-
Total long-term liabilities	499,881	96,103	35,195	631,179	-
Total liabilities	1,463,473	179,807	53,871	1,697,151	86,738
DEFERRED INFLOWS OF RESOURCES					
Pension related items	17,063	3,412	1,138	21,613	-
Total deferred inflows of resources	17,063	3,412	1,138	21,613	-
NET POSITION					
Net investment in capital assets	50,923,416	290,400	154,648	51,368,464	-
Unrestricted	5,842,008	57,290	124,332	6,023,630	842,969
Total net position	\$ 56,765,424	\$ 347,690	\$ 278,980	\$ 57,392,094	\$ 842,969

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 9,391,639	\$ 1,345,477	\$ -	\$ 10,737,116	\$ 1,646,134
Other fees	200,178	-	-	200,178	-
Miscellaneous	4,110	-	-	4,110	-
Total operating revenues	9,595,927	1,345,477	-	10,941,404	1,646,134
OPERATING EXPENSES					
Personnel services and benefits	1,833,903	290,133	151,525	2,275,561	-
Purchased contract services	497,446	897,215	-	1,394,661	438,992
Supplies and maintenance	1,568,402	33,561	43,492	1,645,455	-
Depreciation	1,583,069	63,095	2,834	1,648,998	-
Claims	-	-	-	-	931,126
Other services and charges	-	-	-	-	25,635
Total operating expenses	5,482,820	1,284,004	197,851	6,964,675	1,395,753
Operating income (loss)	4,113,107	61,473	(197,851)	3,976,729	250,381
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	28,698	-	-	28,698	277
Interest expense	(8,066)	-	-	(8,066)	-
Total nonoperating revenues (expenses)	20,632	-	-	20,632	277
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,133,739	61,473	(197,851)	3,997,361	250,658
Capital contributions	108,899	-	140,331	249,230	-
Transfers in	-	35,000	209,747	244,747	-
Transfers out	(3,283,879)	(92,909)	-	(3,376,788)	-
Change in net position	958,759	3,564	152,227	1,114,550	250,658
NET POSITION, beginning of year	55,806,665	344,126	126,753	56,277,544	592,311
NET POSITION, end of year	\$ 56,765,424	\$ 347,690	\$ 278,980	\$ 57,392,094	\$ 842,969

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 9,577,626	\$ 1,330,988	\$ -	\$ 10,908,614	\$ 1,653,092
Payments to suppliers and service providers	(2,287,307)	(935,375)	(32,698)	(3,255,380)	(1,586,451)
Payments to employees	(1,772,204)	(293,096)	(148,473)	(2,213,773)	-
Net cash provided by (used in) operating activities	5,518,115	102,517	(181,171)	5,439,461	66,641
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(1,529,291)	-	(17,151)	(1,546,442)	-
Payments on long-term liabilities	(118,835)	-	-	(118,835)	-
Interest and fiscal charges paid	(8,066)	-	-	(8,066)	-
Net cash used in capital and related financing activities	(1,656,192)	-	(17,151)	(1,673,343)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(21,857)	-	-	(21,857)	-
Interest	28,698	-	-	28,698	277
Net cash provided by investing activities	6,841	-	-	6,841	277
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	35,000	209,747	244,747	-
Transfers out	(3,283,879)	(92,909)	-	(3,376,788)	-
Net cash provided by (used in) noncapital financing activities	(3,283,879)	(57,909)	209,747	(3,132,041)	-
Increase in cash	584,885	44,608	11,425	640,918	66,918
Cash:					
Beginning of year	3,364,038	-	153,112	3,517,150	862,789
End of year	\$ 3,948,923	\$ 44,608	\$ 164,537	\$ 4,158,068	\$ 929,707
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,113,107	61,473	\$ (197,851)	\$ 3,976,729	\$ 250,381
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	1,583,069	63,095	2,834	1,648,998	-
Increase in accounts receivable	(109,746)	(14,489)	-	(124,235)	6,958
Increase in inventories	(30,526)	-	-	(30,526)	-
Increase in pension related deferred outflows of resources	(108,419)	(13,659)	(5,912)	(127,990)	-
Increase (decrease) in accounts payable	(142,282)	5,049	14,935	(122,298)	-
Increase in accrued expenses	(48,651)	(9,648)	(4,141)	(62,440)	-
Decrease in due to other funds	-	-	-	-	(89,619)
Increase in customer deposits payable	91,445	-	-	91,445	-
Decrease in claims payable	-	-	-	-	(101,079)
Increase in net pension liability	220,316	28,276	11,923	260,515	-
Decrease in pension related deferred outflows of resources	(59,749)	(17,375)	(4,933)	(82,057)	-
Increase in compensated absences	9,551	(205)	1,974	11,320	-
Net cash provided by (used in) operating activities	\$ 5,518,115	\$ 102,517	\$ (181,171)	\$ 5,439,461	\$ 66,641
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Donated capital assets	\$ 108,899	\$ -	\$ 140,331	\$ 249,230	\$ -
Transfer of Capital Assets from Governmental Activities to Business-Type Activities	\$ 16,750	\$ -	\$ -	\$ 16,750	\$ -

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

CITY OF VILLA RICA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Villa Rica, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

The City of Villa Rica operates under a council - manager form of government and provides the following services to its citizens: public safety, judicial, public works, planning and zoning, culture and recreation, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The 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 Villa Rica Industrial Development Authority. Management has determined that due to the nature and significance of the relationship with the City and the Industrial Development Authority, to report the Industrial Development Authority as a component unit. The Industrial Development Authority has purchased land and built industrial buildings that were leased to such companies as Lowe’s, Flowers Bakery, and Print Pack. The Industrial Development Authority does not issue separate financial statements.

The Villa Rica Downtown Development Authority (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 and has the ability to significantly impose the Council’s will on the programs and services 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 garage. The Downtown Development Authority does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units

The Villa Rica Public Facilities Authority (the “Public Facilities Authority”) is a public body which was created upon the adoption and approval of the Development Authority Law of the State of Georgia. The Mayor and City Council serve as members of the Public Facilities Authority Board and appoint three additional members. The Public Facilities Authority provides services entirely to the City of Villa Rica and the debt of the Public Facilities Authority is secured by the City’s ad valorem levy. The Public Facilities Authority is therefore reported as a blended component unit of the City. There are no separately issued financial statements for the Public Facilities Authority.

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 of the organizations does not extend beyond making appointments. The Mayor and Council appoint the board members for the Villa Rica Housing Authority, the Planning and Zoning Commission, Cemetery Commission, Historic Preservation Commission, the Main Street Advisory Board, the Library Board, and the Recreation Advisory Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City’s capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **2015 SPLOST Fund** accounts for the Carroll County sales tax proceeds received by the City and the related project expenditures associated with the approved referendum.

The **2016 SPLOST Fund** accounts for the Douglas County sales tax proceeds received by the City and the related project expenditures associated with the approved referendum.

The **Villa Rica Public Facilities Authority 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.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities of the City's water system and the billing on behalf of Douglas County's sewer system as it applies to City residents, which renders those services to the residents and businesses located within the City.

The **Solid Waste Fund** accounts for the activities of the City's solid waste collection and disposal services.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The **Capital Project Funds** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Enterprise Fund** is used to account for the revenues and maintenance of the City's storm-water infrastructure.

The **Internal Service Fund** is used to finance and account for the City's partial self-funded Health Insurance Plan provided to other departments and agencies of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Budget

Annual appropriated budgets are adopted for all funds. The Capital Projects Fund and SPLOST Fund did not adopt and operate under a balanced budget for the year ended September 30, 2020. The governmental fund budgets are adopted on the GAAP basis. All appropriations lapse at fiscal period-end. Encumbered appropriations are carried forward to the subsequent fiscal period automatically with no formal action required by the City Council. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is employed by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget (Continued)

There were \$3,925,070 in outstanding encumbrances at September 30, 2020. The City reports open encumbrances in the following funds as of September 30, 2020:

Fund	Amount
Water and Sewer Fund	\$ 1,473,298
2015 SPLOST Fund	1,089,441
2016 SPLOST Fund	713,967
Nonmajor Governmental Funds	493,505
General Fund	143,919
Nonmajor Enterprise Funds	8,116
Solid Waste Fund	2,824
Total	<u>\$ 3,925,070</u>

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's only investments are certificates of deposit which are considered nonparticipating interest earning investment contracts. These items are recorded at cost.

Increases or decreases in fair value during the fiscal year are recognized as a component of interest income.

F. Receivables and Payables

Activity between funds that are representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal period as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two fiscal periods. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Machinery and equipment	5 - 30
Vehicles	8
Infrastructure	10 - 65

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. That item is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

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

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the fiscal period of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five fiscal period. Additionally, any contributions made by the City to the pension plan before fiscal period end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These contributions will offset the pension liability in the next period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the fiscal period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e. resolution) of the City Council. Further the limitation that has been placed on the resources can only be removed by Mayor and Council with reversal of the action which committed the resources in the fund balance.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council, through resolution, has delegated to the City Manager the authority to assign funds for a particular purpose.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used or restricted fund balance as described in the section above. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Villa Rica Retirement Plan (the “Plan”) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$32,168,084 difference are as follows:

Bonds payable	\$ (31,640,000)
Unamortized premiums	(3,218,855)
Unamortized deferred charges	3,119,962
Accrued interest	(118,445)
Compensated absences	<u>(310,746)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (32,168,084)</u></u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and, therefore, are not reported in the governmental funds.” The details of this \$987,294 difference are as follows:

Net pension liability	\$ (1,834,618)
Deferred outflows of resources	917,851
Deferred inflows of resources	<u>(70,527)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (987,294)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL (CONTINUED)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$137,861 difference are as follows:

Capital outlay	\$ 1,519,758
Depreciation expense	<u>(1,381,897)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ 137,861</u>

Another element of that reconciliation states that “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.” The details of this \$148,560 difference are as follows:

Compensated absences	\$ (47,979)
Amortization	120,631
Accrued interest	1,837
Pension expense	<u>(223,049)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (148,560)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

1. Prior to October 1, the City Manager submits the proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the City.
3. The budget is then legally enacted through passage of a resolution by the City Council at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the City Council in a regular meeting.

Budgeted amounts are as originally adopted, or as amended by the City Council. The supplementary budgetary appropriations made are reflected in the final budget amounts.

Deficit Fund Equity

As of September 30, 2020, the Villa Rica Downtown Development Authority had a deficit fund balance of \$60,334. This deficit will be eliminated in futures fiscal years through transfers from other funds or as resources begin to generate after the construction of various projects around the City.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of September 30, 2020, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of September 30, 2020, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Investments: As of September 30, 2020, the City had \$2,089,876 of investments, all of which were held in certificates of deposit at a local financial institution as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	One (1) year	5/7/2021	\$ 2,089,876
Total Investments			<u>\$ 2,089,876</u>

As of September 30, 2020, the Villa Rica Industrial Development Authority had \$891,356 of investments, all of which were held in certificates of deposit at a local financial institution as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	One (1) year	5/23/2021	\$ 263,016
Certificate of deposit	Two (2) year	12/16/2021	265,698
Certificate of deposit	Three (3) year	3/17/2021	160,469
Certificate of deposit	Five (5) year	12/2/2022	202,173
Total Investments			<u>\$ 891,356</u>

These certificates of deposit are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at September 30, 2020, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	2015 SPLOST	2016 SPLOST
Receivables:			
Taxes	\$ 89,149	\$ -	\$ -
Other governments	-	592,072	711,310
Accounts	2,023,983	-	-
Gross receivables	2,113,132	592,072	711,310
Less allowances	(500,297)	-	-
Net receivables	<u>\$ 1,612,835</u>	<u>\$ 592,072</u>	<u>\$ 711,310</u>

	Nonmajor Governmental	Water & Sewer Fund	Solid Waste Fund
Receivables:			
Other governments	\$ 47,230	\$ -	\$ -
Accounts	-	930,837	160,306
Gross receivables	47,230	930,837	160,306
Less allowances	-	(37,351)	(8,818)
Net receivables	<u>\$ 47,230</u>	<u>\$ 893,486</u>	<u>\$ 151,488</u>

Douglas County Property taxes for the 2020 fiscal year were levied in September 2019, with property values assessed as of January 1, 2019. Bills are payable on or before November 19, 2019, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1.

Carroll County Property taxes for the 2020 fiscal year were levied August 29, 2019, with property values assessed as of January 1, 2019. Bills are payable on or before December 1, 2019, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,633,281	\$ 73,767	\$ -	\$ -	\$ 2,707,048
Construction in progress	1,558,028	212,300	-	(30,586)	1,739,742
Total capital assets, not being depreciated	4,191,309	286,067	-	(30,586)	4,446,790
Capital assets, being depreciated:					
Buildings and improvements	10,852,621	285,482	-	-	11,138,103
Site improvements	8,178,867	188,704	-	586	8,368,157
Machinery and equipment	6,717,026	569,441	(49,920)	-	7,236,547
Infrastructure	13,384,338	190,064	-	30,000	13,604,402
Total capital assets, being depreciated	39,132,852	1,233,691	(49,920)	30,586	40,347,209
Less accumulated depreciation for:					
Buildings and improvements	(5,377,007)	(337,061)	-	-	(5,714,068)
Site improvements	(2,683,499)	(224,502)	-	-	(2,908,001)
Machinery and equipment	(4,944,976)	(507,926)	33,170	-	(5,419,732)
Infrastructure	(3,168,405)	(312,408)	-	-	(3,480,813)
Total accumulated depreciation	(16,173,887)	(1,381,897)	33,170	-	(17,522,614)
Total capital assets, being depreciated, net	22,958,965	(148,206)	(16,750)	30,586	22,824,595
Governmental activities capital assets, net	\$ 27,150,274	\$ 137,861	\$ (16,750)	\$ -	\$ 27,271,385

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,101,972	\$ -	\$ -	\$ -	\$ 2,101,972
Construction in progress	497,561	525,033	-	(190,403)	832,191
Total capital assets, not being depreciated	2,599,533	525,033	-	(190,403)	2,934,163
Capital assets, being depreciated:					
Site improvements	34,598	-	-	-	34,598
Infrastructure	31,148,079	1,071,950	-	190,403	32,410,432
Buildings	33,753,916	-	-	-	33,753,916
Equipment	5,189,043	212,363	-	-	5,401,406
Total capital assets, being depreciated	70,125,636	1,284,313	-	190,403	71,600,352
Less accumulated depreciation for:					
Site improvements	(21,143)	(1,670)	-	-	(22,813)
Infrastructure	(13,084,943)	(706,452)	-	-	(13,791,395)
Buildings	(5,068,392)	(685,190)	-	-	(5,753,582)
Equipment	(3,342,575)	(255,686)	-	-	(3,598,261)
Total accumulated depreciation	(21,517,053)	(1,648,998)	-	-	(23,166,051)
Total capital assets, being depreciated, net	48,608,583	(364,685)	-	190,403	48,434,301
Business-type activities capital assets, net	\$ 51,208,116	\$ 160,348	\$ -	\$ -	\$ 51,368,464

The beginning balance of the accumulated depreciation for equipment was increased by \$6,623 to reflect the accumulated depreciation on the asset transferred to Water & Sewer Fund from governmental activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:

General government	\$ 163,431
Public safety	286,254
Public works	453,341
Culture and recreation	427,950
Economic Development	50,921
Total depreciation expense - governmental activities	<u>\$ 1,381,897</u>

Business-type activities:

Water and Sewer Fund	\$ 1,583,069
Solid Waste Fund	63,095
Stormwater Fund	2,834
Total depreciation expense - business-type activities	<u>\$ 1,648,998</u>

B. Discretely Presented Component Unit – Villa Rica Development Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 154,172	\$ -	\$ -	\$ 154,172
Total	<u>154,172</u>	<u>-</u>	<u>-</u>	<u>154,172</u>
Capital assets, being depreciated:				
Infrastructure	157,000	-	-	157,000
Total capital assets, being depreciated	<u>157,000</u>	<u>-</u>	<u>-</u>	<u>157,000</u>
Less accumulated depreciation for:				
Infrastructure	(11,658)	(5,233)	-	(16,891)
Total accumulated depreciation	<u>(11,658)</u>	<u>(5,233)</u>	<u>-</u>	<u>(16,891)</u>
Total capital assets, being depreciated, net	<u>145,342</u>	<u>(5,233)</u>	<u>-</u>	<u>140,109</u>
Governmental activities capital assets, net	<u>\$ 299,514</u>	<u>\$ (5,233)</u>	<u>\$ -</u>	<u>\$ 294,281</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Villa Rica Downtown Development Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Infrastructure	\$ 76,934	\$ -	\$ -	\$ 76,934
Total capital assets, being depreciated	<u>76,934</u>	<u>-</u>	<u>-</u>	<u>76,934</u>
Less accumulated depreciation for:				
Infrastructure	(4,487)	(2,564)	-	(7,051)
Total accumulated depreciation	<u>(4,487)</u>	<u>(2,564)</u>	<u>-</u>	<u>(7,051)</u>
Total capital assets, being depreciated, net	<u>72,447</u>	<u>(2,564)</u>	<u>-</u>	<u>69,883</u>
Governmental activities capital assets, net	<u>\$ 72,447</u>	<u>\$ (2,564)</u>	<u>\$ -</u>	<u>\$ 69,883</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,193
General Fund	Internal Service Fund	111
		<u>\$ 3,304</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and the actual reimbursements.

Interfund transfers for the fiscal year ended September 30, 2020 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 1,117,229
General Fund	Solid Waste Fund	92,909
General Fund	Nonmajor Governmental Funds	108,154
		<u>\$ 1,318,292</u>
Villa Rica Public Authorities Facility Fund	Water and Sewer Fund	<u>\$ 2,166,650</u>
Solid Waste Fund	General Fund	<u>\$ 35,000</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 329,481</u>
Nonmajor Enterprise Fund	General Fund	<u>\$ 209,747</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them.

In addition to the fund level transfers noted above, the governmental activities transferred \$16,750 of capital assets to the business-type activities which are reported as transfers only at the government-wide statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Direct placement -					
Bonds payable	\$ 32,375,000	\$ -	\$ (735,000)	\$ 31,640,000	\$ 855,000
Plus: Premiums	3,503,694	-	(284,839)	3,218,855	-
Total bonds payable	35,878,694	-	(1,019,839)	34,858,855	855,000
Compensated absences	262,767	180,170	(132,191)	310,746	156,328
Net pension liability	915,096	1,259,115	(339,593)	1,834,618	-
Governmental activities long-term liabilities	<u>\$ 37,056,557</u>	<u>\$ 1,439,285</u>	<u>\$ (1,491,623)</u>	<u>\$ 37,004,219</u>	<u>\$ 1,011,328</u>
Business-type Activities:					
Direct borrowings -					
Note payable	\$ 118,835	\$ -	\$ (118,835)	\$ -	\$ -
Compensated absences	61,726	44,183	(32,863)	73,046	4,088
Net pension liability	301,706	385,876	(125,361)	562,221	-
Business-type activities long-term liabilities	<u>\$ 482,267</u>	<u>\$ 430,059</u>	<u>\$ (277,059)</u>	<u>\$ 635,267</u>	<u>\$ 4,088</u>

For governmental and business-type activities, compensated absences are liquidated in the funds from which the employees' salaries are paid, which include the General Fund, Nonmajor Governmental Funds, Water & Sewer Fund, and Solid Waste Fund, as applicable. The net pension liability is primarily liquidated by the General Fund for governmental activities. For business-type activities, the net pension liability will be liquidated by all enterprise funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Direct Placement - Revenue Bonds, Series 2008. During the fiscal period 2008, the Public Facilities Authority (PFA) issued \$10,000,000 of revenue bonds for the purpose of construction of a new 2.15 million gallon wastewater treatment plant including (a) a portion of the financing costs for the acquisition of land, construction and equipping the wastewater treatment plant on the west side of the City, (b) paying capitalized interest on the bonds, and (c) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 4.4% – 4.9% per annum and mature March 1, 2028. During 2015 these bonds were defeased through the issuance of the 2015 Series Revenue Bonds. As part of the refunding, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2020, the outstanding amount of Series 2008 general obligation bonds considered legally defeased is \$9,170,000.

Direct Placement - Revenue Bonds, Series 2009. During the fiscal period 2009, the Public Facilities Authority issued \$24,905,000 of revenue bonds for the purpose of construction of a new 2.15 million gallon wastewater treatment plant including (a) a portion of the financing costs for the acquisition of land, construction and equipping the wastewater treatment plant on the west side of the City, (b) paying capitalized interest on the bonds, and (c) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 4.625% - 4.875% per annum and mature March 1, 2039. During 2015 these bonds were defeased through the issuance of the 2015 Series Revenue Bonds. As part of the refunding, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of September 30, 2020, the outstanding amount of Series 2009 general obligation bonds considered legally defeased is \$24,905,000.

The total cash flow savings of the refunding of the Series 2008 and 2009 is \$6,370,734 with a present value, or economic gain, of \$4,525,794.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Direct Placement - Revenue Bonds, Series 2015. During the fiscal period 2015, the PFA issued \$33,860,000 City of Villa Rica Public Facilities Authority (Georgia) Revenue Bonds (City of Villa Rica Water and Sewerage Project), Series 2015 revenue bonds for the purpose of (a) refunding all of Series 2008 and Series 2009 bonds of the Authority, and (b) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 2.0% – 5.0% per annum and mature March 1, 2039. The bonds are payable solely from the City through a lease agreement with the Authority, whereby the City agrees to make rental payments in an amount sufficient to enable the Authority to make the semi-annual principal and interest payments. The City has unconditionally agreed to levy ad valorem property tax, without limitation as to rate or amount, as necessary to meet its obligation under this agreement.

The City's debt service requirements to maturity on the revenue bonds are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 855,000	\$ 1,408,513	\$ 2,263,513
2022	880,000	1,382,488	2,262,488
2023	920,000	1,346,288	2,266,288
2024	965,000	1,299,163	2,264,163
2025	1,025,000	1,249,413	2,274,413
2026-2030	6,880,000	5,359,188	12,239,188
2031-2035	10,205,000	3,304,213	13,509,213
2036-2039	9,910,000	837,294	10,747,294
Total	<u>\$ 31,640,000</u>	<u>\$ 16,186,560</u>	<u>\$ 47,826,560</u>

Notes Payable.

In November 2014, the City entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of the installment of various water lines in an amount of \$425,000. Interest on the unpaid principal balance accrued at a rate of 3% per annum. The note was secured by the City's taxing authority. Principal and interest were paid monthly in installments of \$1,761, with an original maturity date in 2025. During the year ended September 30, 2020, the City paid off the remaining balance of \$118,835.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION 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 multiple-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 publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions 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 benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one fiscal period. Benefits vest after five fiscal periods of service. A City employee who retires at age 65 with five fiscal periods of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 fiscal periods total credited service to receive full benefits, otherwise early retirement may be elected after only 10 fiscal periods of service for reduced benefits. Elected officials are entitled to \$14 for each fiscal period of service after reaching normal retirement age.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Plan Membership. At January 1, 2020, the date of the most recent actuarial valuation, there were 256 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	68
Terminated vested participants not yet receiving benefits	58
Active employees - vested	47
Active employees - nonvested	83
Total	<u>256</u>

Contributions. 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 the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution described below. For 2020, the actuarially determined contribution rate was 5.58% of covered payroll. The City makes all contributions to the plan. For fiscal year 2020, the City's contribution to the Plan was \$335,973.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%, including inflation
Investment rate of return	7.375%, net of pension expense, including inflation

Mortality rates for the January 1, 2020 valuation were based on the Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The Pri-2012 Mortality Tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period July 1, 2015 to June 30, 2019. Mortality experience will be reviewed periodically and updated if necessary.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Domestic Fixed income	20%	1.96
Real estate	10%	5.10
Global Fixed income	5%	3.06
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.375%, which was a decrease from the 7.50% rate utilized in the previous valuation. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/19	\$ 7,568,711	\$ 6,351,909	\$ 1,216,802
Changes for the year:			
Service cost	237,027	-	237,027
Interest	571,853	-	571,853
Differences between expected and actual experience	396,883	-	396,883
Contributions—employer	-	278,227	(278,227)
Net investment income	-	186,708	(186,708)
Benefit payments, including refunds of employee contributions	(362,066)	(362,066)	-
Administrative expense	-	(23,725)	23,725
Other	415,484	-	415,484
Net changes	1,259,181	79,144	1,180,037
Balances at 9/30/20	\$ 8,827,892	\$ 6,431,053	\$ 2,396,839

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-fiscal period trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 3,614,329	\$ 2,396,839	\$ 1,390,587

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of \$610,640. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,785	\$ 92,140
Changes in assumptions	388,091	-
Net difference between projected and actual earnings on pension plan investments	11,279	-
City contributions subsequent to the measurement date	<u>335,973</u>	<u>-</u>
Total	<u><u>\$ 1,199,128</u></u>	<u><u>\$ 92,140</u></u>

City contributions subsequent to the measurement date of \$335,973 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:		
2021	\$	201,632
2022		166,663
2023		197,737
2024		<u>204,983</u>
Total	<u><u>\$</u></u>	<u><u>771,015</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED CONTRIBUTION PLAN

The City of Villa Rica's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by John Hancock for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At September 30, 2020, there were 65 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Mayor and Council have established the plan to make matching contributions to all employees who elect to contribute to the plan. Total employer and employee contributions for the year ended September 30, 2020 were \$76,227 and \$182,416 respectively.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft 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 Inter-local Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, 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 workers' 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.

Settled claims have not exceeded the coverage in the past three fiscal periods.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Effective September 1, 2017 the City created a high deductible self-insurance program for the City's employees. Under the program the City will pay for the first \$50,000 of claims on an individual basis and \$1.2 million in aggregate. After the initial claim the City pays annual premiums for stop-loss insurance coverage. The City's policies cover all individual claims in excess of \$50,000; additionally the City's aggregate annual exposures is limited to \$1,200,000. The following describes the claims activity for the year ended September 30, 2020 and the fiscal year ended September 30, 2018:

Fiscal Year-End	Beginning Balance	Current Year Claims and Change in Estimate	Claims Paid	End of Period Claims Liability
2020	\$ 187,706	\$ 812,087	\$ (913,166)	\$ 86,627
2019	108,849	1,109,049	(1,030,192)	187,706

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at September 30, 2020, the City has contractual commitments on uncompleted contracts of approximately \$2,461,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Three Rivers Regional Commission (TRRC) and the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Douglas County. Membership in the TRRC and ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the TRRC and ARC in Georgia. The TRRC and ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the TRRC and ARC. Separate financial statements may be obtained from the following:

Three Rivers Regional Commission
Highway 34
Franklin, Georgia 30217

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

NOTE 14. HOTEL/MOTEL TAX

The City levied an occupancy tax of 8% beginning August 1, 2018 for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(b). Local governments imposing a tax under this code section are required to expend, in each fiscal period, an amount equal to not less than 50% of the total amount of taxes collected that exceed the amount of taxes that would have been collected at the rate of 5% for promoting tourism, conventions, and trade shows by the destination marketing organization designated by the municipality levying the tax (for the City, the Downtown Development Authority or Industrial Development Authority). The remaining amount of taxes collected that exceed the amount of taxes that would be collected at the rate of 5% which are not otherwise expended above shall be expended for tourism product development. For the year ended September 30, 2020, the City collected \$288,410 in hotel/motel tax revenues of which \$108,154 were transferred to the City's General Fund and \$153,183 were disbursed to the Villa Rica Convention and Visitors Bureau.

NOTE 15. TAX ABATEMENTS

For the year ended September 30, 2020, City property tax revenues were reduced by \$78,960 under agreements entered into by Carroll County. Under the agreements, assessed values on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. CORRECTION OF ERROR AND PRIOR PERIOD RESTATEMENT

Management has determined that a restatement of the beginning fund balance for the Villa Rica Development Authority (Development Authority) is necessary to record a previously omitted liability to the City. During 2015, the City created a revolving loan fund to benefit the Development Authority with excess cash and investments for \$157,100. As of September 30, 2019 the cash advance was still owed to the City but was omitted from the Development Authority's fund-level financial statements in the prior year. The City has recorded the following adjustment to recognize the liability and decrease beginning fund balance as of September 30, 2019:

Development Authority fund balance, as previously reported	\$ 1,058,259
Reduction for previously omitted liability of amounts due to the City of Villa Rica	<u>(157,100)</u>
Beginning fund balance, Development Authority, restated	<u><u>\$ 901,159</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF VILLA RICA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 237,027	\$ 118,425	\$ 221,290	\$ 200,256	\$ 213,374	\$ 137,078
Interest on total pension liability	571,853	279,114	505,365	488,754	433,897	423,997
Differences between expected and actual experience	396,883	(69,314)	220,211	(145,396)	361,719	(165,517)
Changes of assumptions	-	-	-	-	-	8,549
Benefit payments, including refunds of employee contributions	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)	(268,317)
Other expenses	415,484	-	111,406	-	-	-
Net change in total pension liability	1,259,181	159,952	717,578	225,731	724,575	135,790
Total pension liability - beginning	7,568,711	7,408,759	6,691,181	6,465,450	5,740,875	5,605,085
Total pension liability - ending (a)	\$ 8,827,892	\$ 7,568,711	\$ 7,408,759	\$ 6,691,181	\$ 6,465,450	\$ 5,740,875
Plan fiduciary net position						
Contributions - employer	\$ 278,227	\$ 138,539	\$ 277,095	\$ 256,886	\$ 229,947	\$ 250,587
Net investment income	186,708	304,455	680,462	620,185	13,608	445,016
Benefit payments, including refunds of member contributions	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)	(268,317)
Administrative expenses	(23,725)	(12,538)	(22,997)	(23,126)	(15,103)	(14,685)
Net change in plan fiduciary net position	79,144	262,183	593,866	536,062	(55,963)	412,601
Plan fiduciary net position - beginning	6,351,909	6,089,726	5,495,860	4,959,798	5,015,761	4,603,160
Plan fiduciary net position - ending (b)	\$ 6,431,053	\$ 6,351,909	\$ 6,089,726	\$ 5,495,860	\$ 4,959,798	\$ 5,015,761
City's net pension liability - ending (a) - (b)	\$ 2,396,839	\$ 1,216,802	\$ 1,319,033	\$ 1,195,321	\$ 1,505,652	\$ 725,114
Plan fiduciary net position as a percentage of the total pension liability	72.85%	83.92%	82.20%	82.14%	76.71%	87.37%
Covered payroll	\$ 5,197,012	\$ 4,670,988	\$ 4,595,373	\$ 4,619,244	\$ 4,525,595	\$ 3,966,501
City's net pension liability as a percentage of covered payroll	46.12%	26.05%	28.70%	25.88%	33.27%	18.28%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City changed the measurement period of the plan with the change of the City's fiscal year end. The Plan years 2015 - 2018 were measured as of March 31, while Plan years 2019 and 2020 are measured as of September 30.

CITY OF VILLA RICA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN

SCHEDULE OF CITY CONTRIBUTIONS

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 334,362	\$ 353,457	\$ 207,808	\$ 277,101	\$ 250,148	\$ 225,696
Contributions in relation to the actuarially determined contribution	335,973	277,077	138,539	277,095	245,098	235,107
Contribution deficiency (excess)	<u>\$ (1,611)</u>	<u>\$ 76,380</u>	<u>\$ 69,269</u>	<u>\$ 6</u>	<u>\$ 5,050</u>	<u>\$ (9,411)</u>
Covered payroll	\$ 4,984,730	\$ 5,197,012	\$ 3,522,169	\$ 4,595,274	\$ 3,966,501	\$ 3,093,925
Contributions as a percentage of covered payroll	5.58%	6.03%	6.03%	6.03%	6.18%	7.60%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

(2) The schedule will present 10 years of information once it is accumulated.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Federal Seizures Fund – to account for funds awarded to the City of Villa Rica from joint seizures with various Federal agencies.

Narcotics Enforcement Fund – accounts for the City's local seizure activity. Revenues are restricted by State law to be used for drug prevention and trafficking.

Hotel/Motel Tax Fund – to account for the collection of hotel/motel taxes within the City which are restricted for the promotion of tourism via a contract with the Villa Rica Tourism Board.

Cemetery Fund – accounts for the committed resources provided for the operation and maintenance of the cemeteries.

Technology Fund – accounts for the restricted revenues generated from court fines which are to be used for expenditures related to technology needs in the municipal court of the City and any ancillary financial technology needs of the municipal court of the City.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the City's capital assets other than those financed by enterprise funds.

Capital Projects Fund – to account for the acquisition and construction of major capital projects.

Public Roads Fund – to account for capital projects which are funded through State grants that are used specifically for road resurfacing.

SPLOST Fund – to account for the proceeds of the 1998 and 2008 special purpose local option sales tax for the various improvement projects as approved by voter referendum.

CITY OF VILLA RICA, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

Special Revenue Funds					
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel and Motel Tax Fund	Cemetery Fund	Technology Fund
ASSETS					
Cash and cash equivalents	\$ 119,899	\$ 167,372	\$ 53,324	\$ 8,687	\$ 58,751
Receivables	-	-	47,230	-	-
Total assets	<u>\$ 119,899</u>	<u>\$ 167,372</u>	<u>\$ 100,554</u>	<u>\$ 8,687</u>	<u>\$ 58,751</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 21,271	\$ 328	\$ -
Due to other funds	-	-	766	5	-
Total liabilities	<u>-</u>	<u>-</u>	<u>22,037</u>	<u>333</u>	<u>-</u>
FUND BALANCES					
FUND BALANCES					
Restricted:					
Public safety	119,899	167,372	-	-	58,751
Capital projects	-	-	-	-	-
Economic development	-	-	78,517	-	-
Committed for cemetery improvement	-	-	-	8,354	-
Assigned for roads	-	-	-	-	-
Total fund balances	<u>119,899</u>	<u>167,372</u>	<u>78,517</u>	<u>8,354</u>	<u>58,751</u>
Total liabilities and fund balances	<u>\$ 119,899</u>	<u>\$ 167,372</u>	<u>\$ 100,554</u>	<u>\$ 8,687</u>	<u>\$ 58,751</u>

Capital Projects Funds			
Capital Projects Fund	Public Roads Fund	SPLOST Fund	Total Nonmajor Governmental Funds
\$ 27,341	\$ 283,253	\$ 59,059	\$ 777,686
-	-	-	47,230
<u>\$ 27,341</u>	<u>\$ 283,253</u>	<u>\$ 59,059</u>	<u>\$ 824,916</u>
\$ 27,341	\$ -	\$ 9,334	\$ 58,274
-	-	2,422	3,193
<u>27,341</u>	<u>-</u>	<u>11,756</u>	<u>61,467</u>
-	-	-	346,022
-	-	47,303	47,303
-	-	-	78,517
-	-	-	8,354
-	283,253	-	283,253
-	<u>283,253</u>	<u>47,303</u>	<u>763,449</u>
<u>\$ 27,341</u>	<u>\$ 283,253</u>	<u>\$ 59,059</u>	<u>\$ 824,916</u>

CITY OF VILLA RICA, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds				
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel and Motel Tax Fund	Cemetery Fund	Technology Fund
Revenues:					
Taxes	\$ -	\$ -	\$ 288,410	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	19,790	43,158
Fines and forfeitures	16,559	4,279	-	-	-
Investment earnings	-	-	136	2	89
Total revenues	16,559	4,279	288,546	19,792	43,247
Expenditures:					
Current:					
Public works	-	-	-	-	-
Economic development	-	-	153,183	20,717	27,947
Capital outlay	-	-	-	-	-
Total expenditures	-	-	153,183	20,717	27,947
Excess (deficiency) of revenues over expenditures	16,559	4,279	135,363	(925)	15,300
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(108,154)	-	-
Total other financing sources (uses):	-	-	(108,154)	-	-
Net change in fund balances	16,559	4,279	27,209	(925)	15,300
Fund balances, beginning of year	103,340	163,093	51,308	9,279	43,451
Fund balances, end of year	<u>\$ 119,899</u>	<u>\$ 167,372</u>	<u>\$ 78,517</u>	<u>\$ 8,354</u>	<u>\$ 58,751</u>

Capital Projects Funds			
Capital Projects Fund	Public Roads Fund	SPLOST Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 288,410
-	172,623	-	172,623
-	-	-	62,948
-	-	-	20,838
-	496	54	777
-	173,119	54	545,596
-	-	46,199	46,199
-	-	-	201,847
328,529	-	152,953	481,482
328,529	-	199,152	729,528
(328,529)	173,119	(199,098)	(183,932)
329,481	-	-	329,481
-	-	-	(108,154)
329,481	-	-	221,327
952	173,119	(199,098)	37,395
(952)	110,134	246,401	726,054
\$ -	\$ 283,253	\$ 47,303	\$ 763,449

CITY OF VILLA RICA, GEORGIA
VILLA RICA PUBLIC FACILITIES AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Investment earnings	\$ -	\$ -	\$ 229	\$ 229
Total revenues	-	-	229	229
Expenditures:				
Debt service:				
Principal	735,000	735,000	735,000	-
Interest and fiscal charges	1,443,388	1,443,388	1,432,363	11,025
Total expenditures	2,178,388	2,178,388	2,167,363	11,025
Deficiency of revenues over expenditures	(2,178,388)	(2,178,388)	(2,167,134)	(10,796)
Other financing sources:				
Transfers in	2,178,388	2,178,388	2,166,650	(11,738)
Total other financing sources	2,178,388	2,178,388	2,166,650	(11,738)
Net change in fund balance	-	-	(484)	484
Fund balance, beginning of year	609	609	609	-
Fund balance, end of year	\$ 609	\$ 609	\$ 125	\$ (484)

CITY OF VILLA RICA, GEORGIA
FEDERAL SEIZURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 16,559	\$ 15,559
Total revenues	1,000	1,000	16,559	15,559
Expenditures:				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balance	-	-	16,559	16,559
Fund balance, beginning of year	103,340	103,340	103,340	-
Fund balance, end of year	\$ 103,340	\$ 103,340	\$ 119,899	\$ 16,559

**CITY OF VILLA RICA, GEORGIA
NARCOTICS ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 4,279	\$ 3,279
Total revenues	1,000	1,000	4,279	3,279
Expenditures:				
Current:				
Public safety		1,000	-	1,000
Total expenditures	-	1,000	-	1,000
Net change in fund balance	1,000	-	4,279	4,279
Fund balance, beginning of year	163,093	163,093	163,093	-
Fund balance, end of year	<u>\$ 164,093</u>	<u>\$ 163,093</u>	<u>\$ 167,372</u>	<u>\$ 4,279</u>

CITY OF VILLA RICA, GEORGIA
HOTEL AND MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 300,000	\$ 300,000	\$ 288,410	\$ (11,590)
Investment earnings	-	-	136	136
Total revenues	300,000	300,000	288,546	(11,454)
Expenditures:				
Economic development	187,500	187,500	153,183	34,317
Total expenditures	187,500	187,500	153,183	34,317
Excess of revenues over expenditures	112,500	112,500	135,363	22,863
Other financing uses:				
Transfers out	(112,500)	(112,500)	(108,154)	4,346
Total other financing uses	(112,500)	(112,500)	(108,154)	4,346
Net change in fund balance	-	-	27,209	27,209
Fund balance, beginning of year	51,308	51,308	51,308	-
Fund balance, end of year	<u>\$ 51,308</u>	<u>\$ 51,308</u>	<u>\$ 78,517</u>	<u>\$ 27,209</u>

**CITY OF VILLA RICA, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 5,500	\$ 19,240	\$ 19,790	\$ 550
Investment earnings	-	-	2	2
Total revenues	5,500	19,240	19,792	552
Expenditures:				
Current:				
Economic development	14,685	28,425	20,717	7,708
Total expenditures	14,685	28,425	20,717	7,708
Net change in fund balance	(9,185)	(9,185)	(925)	8,260
Fund balance, beginning of year	9,279	9,279	9,279	-
Fund balance, end of year	\$ 94	\$ 94	\$ 8,354	\$ 8,260

**CITY OF VILLA RICA, GEORGIA
TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 42,000	\$ 42,000	\$ 43,158	\$ 1,158
Investment earnings	-	-	89	89
Total revenues	42,000	42,000	43,247	1,247
Expenditures:				
Current:				
Economic development	42,000	42,000	27,947	14,053
Total expenditures	42,000	42,000	27,947	14,053
Net change in fund balance	-	-	15,300	15,300
Fund balance, beginning of year	43,451	43,451	43,451	-
Fund balance, end of year	<u>\$ 43,451</u>	<u>\$ 43,451</u>	<u>\$ 58,751</u>	<u>\$ 15,300</u>

**CITY OF VILLA RICA, GEORGIA
2015 SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,441,077	\$ 1,441,077	\$ 1,491,021	\$ 49,944
Investment earnings	-	-	6,400	6,400
Total revenues	1,441,077	1,441,077	1,497,421	56,344
Expenditures:				
Capital outlays	1,441,077	2,586,751	868,224	1,718,527
Total expenditures	1,441,077	2,586,751	868,224	1,718,527
Net change in fund balance	-	(1,145,674)	629,197	(1,662,183)
Fund balance, beginning of year	1,182,782	1,182,782	1,182,782	-
Fund balance, end of year	\$ 1,182,782	\$ 37,108	\$ 1,811,979	\$ (1,662,183)

CITY OF VILLA RICA, GEORGIA
2016 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,175,488	\$ 1,175,488	\$ 1,140,155	\$ (35,333)
Investment earnings	-	-	5,860	5,860
Total revenues	1,175,488	1,175,488	1,146,015	(29,473)
Expenditures:				
Capital outlays	1,175,488	1,779,417	318,395	1,461,022
Total expenditures	1,175,488	1,779,417	318,395	1,461,022
Net change in fund balance	-	(603,929)	827,620	1,431,549
Fund balance, beginning of year	622,372	622,372	622,372	-
Fund balance, end of year	\$ 622,372	\$ 18,443	\$ 1,449,992	\$ 1,431,549

CITY OF VILLA RICA, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Contributions	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlays	61,237	463,693	328,529	135,164
Total expenditures	61,237	463,693	328,529	135,164
Deficiency of revenues over expenditures	(61,237)	(463,693)	(328,529)	135,164
Other financing sources:				
Transfers in	61,237	449,693	329,481	(120,212)
Total other financing sources	61,237	449,693	329,481	(120,212)
Net change in fund balance	-	(14,000)	952	14,952
Fund balance, beginning of year	(952)	(952)	(952)	-
Fund balance, end of year	<u>\$ (952)</u>	<u>\$ (14,952)</u>	<u>\$ -</u>	<u>\$ 14,952</u>

**CITY OF VILLA RICA, GEORGIA
PUBLIC ROADS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 172,623	\$ (2,377)
Investment earnings	-	-	496	496
Total revenues	175,000	175,000	173,119	(1,881)
Expenditures:				
Capital outlays	175,000	285,134	-	285,134
Total expenditures	175,000	285,134	-	285,134
Net change in fund balance	-	(110,134)	173,119	283,253
Fund balance, beginning of year	110,134	110,134	110,134	-
Fund balance, end of year	\$ 110,134	\$ -	\$ 283,253	\$ 283,253

**CITY OF VILLA RICA, GEORGIA
SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Investment earnings	\$ -	\$ -	\$ 54	\$ 54
Total revenues	-	-	54	54
Expenditures:				
Current:				
Public works	-	46,962	46,199	763
Capital outlays	272,157	285,998	152,953	133,045
Total expenditures	272,157	332,960	199,152	133,808
Net change in fund balance	(272,157)	(332,960)	(199,098)	133,862
Fund balance, beginning of year	246,401	246,401	246,401	-
Fund balance, end of year	\$ (25,756)	\$ (86,559)	\$ 47,303	\$ 133,862

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2008 Issue					
Administrative facilities and equipment	\$ 1,013,895	\$ 1,183,302	\$ 1,103,303	\$ 80,000	\$ 1,183,303
Sewer and water	3,041,685	1,920,791	1,920,791	-	1,920,791
Streets and sidewalks	1,757,418	2,177,625	2,162,784	14,841	2,177,625
Library	473,151	425,667	409,467	16,200	425,667
Recreation	473,151	693,627	548,833	88,111	636,944
Total 2008 SPLOST	<u>\$ 6,759,300</u>	<u>\$ 6,401,012</u>	<u>\$ 6,145,178</u>	<u>\$ 199,152</u>	<u>\$ 6,344,330</u>

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2015 Issue					
Water and sewer facilities and equipment including debt service for WWRF capital improvements	\$ 2,024,000	\$ 871,066	\$ 771,066	\$ -	\$ 771,066
Public safety facilities and equipment	-	421,106	69,777	206,040	275,817
Roads, streets, bridges and sidewalks	2,465,490	2,382,882	1,048,766	230,717	1,279,483
Library facilities and equipment	1,398,435	1,375,999	1,375,999	-	1,375,999
Recreational facilities and equipment	1,379,075	2,054,576	698,692	220,384	919,076
Administration facilities and equipment	181,372	344,667	143,633	129,129	272,762
Economic development	375,000	129,029	47,075	81,954	129,029
Total 2015 SPLOST	<u>\$ 7,267,000</u>	<u>\$ 7,267,000</u>	<u>\$ 4,155,008</u>	<u>\$ 868,224</u>	<u>\$ 5,023,232</u>

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2016 Issue					
Transportation and streets	\$ 2,179,408	\$ 2,179,408	\$ 230,000	\$ 74,220	\$ 304,220
Water and sewerage	1,851,472	1,851,472	424,358	92,149	516,507
Public safety	804,810	804,810	527,602	40,546	568,148
Fire and EMS	944,182	944,182	167,798	43,442	211,240
Parks and recreation	1,052,128	1,052,128	40,315	68,038	108,353
Total 2016 SPLOST	<u>\$ 6,832,000</u>	<u>\$ 6,832,000</u>	<u>\$ 1,390,073</u>	<u>\$ 318,395</u>	<u>\$ 1,708,468</u>

CITY OF VILLA RICA, GEORGIA
BALANCE SHEET
COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2020

ASSETS	Villa Rica Industrial Development Authority
Cash	\$ 177,563
Investments	<u>891,356</u>
Total assets	<u><u>\$ 1,068,919</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 35,175
Due to City of Villa Rica	<u>157,100</u>
Total liabilities	<u>192,275</u>
FUND BALANCES	
Restricted:	
Economic development	<u>876,644</u>
Total fund balance	<u>876,644</u>
Total liabilities and fund balance	<u><u>\$ 1,068,919</u></u>

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Villa Rica Industrial Development Authority
Revenues:	
Investment earnings	\$ 14,405
Total revenues	<u>14,405</u>
Expenditures:	
Current:	
Economic development	<u>38,920</u>
Total expenditures	<u>38,920</u>
Net change in fund balance	(24,515)
Fund balance, beginning of period, as restated	<u>901,159</u>
Fund balance, end of period	<u>\$ 876,644</u>

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET
COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2020

	Villa Rica Downtown Development Authority
ASSETS	
Cash and cash equivalents	\$ 63,789
Total assets	<u>\$ 63,789</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 123
Due to primary government	<u>124,000</u>
Total liabilities	<u>124,123</u>
FUND BALANCES (DEFICIT)	
Unassigned	<u>(60,334)</u>
Total fund balance (deficit)	<u>(60,334)</u>
Total liabilities and fund balance	<u>\$ 63,789</u>

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Villa Rica Downtown Development Authority
Revenues:	
Investment earnings	\$ 120
Total revenues	<u>120</u>
Expenditures:	
Current:	
Economic development	<u>6,343</u>
Total expenditures	<u>6,343</u>
Net change in fund balance	(6,223)
Fund balance (deficit), beginning of period	<u>(54,111)</u>
Fund balance (deficit), end of period	<u><u>\$ (60,334)</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of The City of Villa Rica's comprehensive 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 City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of Villa Rica, Georgia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	3/2011	3/2012	3/2013 (1)	12/2013 (1)	12/2014
Governmental Activities					
Net Investment in capital assets	\$ 20,288,828	\$ 16,821,558	\$ 17,947,001	\$ 18,144,707	\$ 23,064,667
Restricted	1,819,156	4,027,037	3,338,842	3,059,914	2,326,672
Unrestricted	3,493,761	4,638,447	5,470,546	5,272,470	(27,917,223)
Total governmental activities net position	<u>\$ 25,601,745</u>	<u>\$ 25,487,042</u>	<u>\$ 26,756,389</u>	<u>\$ 26,477,091</u>	<u>\$ (2,525,884)</u>
Business-type activities					
Net Investment in capital assets	\$ 20,174,037	\$ 21,377,935	\$ 23,667,285	\$ 23,335,348	\$ 54,026,341
Restricted	245,661				
Unrestricted	5,540,017	4,666,193	1,980,851	2,198,191	988,995
Total business-type activities net position	<u>\$ 25,959,715</u>	<u>\$ 26,044,128</u>	<u>\$ 25,648,136</u>	<u>\$ 25,533,539</u>	<u>\$ 55,015,336</u>
Primary government					
Net Investment in capital assets	\$ 40,462,865	\$ 38,199,493	\$ 41,614,286	\$ 41,480,055	\$ 77,091,008
Restricted	2,064,817	4,027,037	3,338,842	3,059,914	2,326,672
Unrestricted	9,033,778	9,304,640	7,451,397	7,470,661	(26,928,228)
Total primary government net position	<u>\$ 51,561,460</u>	<u>\$ 51,531,170</u>	<u>\$ 52,404,525</u>	<u>\$ 52,010,630</u>	<u>\$ 52,489,452</u>

Notes:

- (1) There are two 2013 columns listed. The first runs from 4/1/2012 to 3/31/2013. The second item listed is from 4/1/2013 to 12/31/2013. This is due to a change in Fiscal Year End.
- (2) Fiscal Year 2018 is only for 9 Months, running from 1/1/2018 - 9/30/2018. This is due to the change in Fiscal Year End.

Updated from the Summary of Net Position, Invested in Capital Assets, Net of Debt

12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020
\$ 23,376,912	\$ 24,631,631	\$ 25,581,609	\$ 27,495,408	\$ 27,150,274	\$ 27,271,385
2,946,353	1,796,702	2,263,462	820,694	2,369,296	3,733,813
(27,955,224)	(27,862,880)	(27,531,954)	(27,407,528)	(25,385,896)	(22,938,191)
\$ (1,631,959)	\$ (1,434,547)	\$ 313,117	\$ 908,574	\$ 4,133,674	\$ 8,067,007

\$ 53,535,243	\$ 52,711,362	\$ 51,730,520	\$ 51,111,546	\$ 51,095,904	\$ 51,368,464
1,289,168	2,097,521	3,436,108	3,658,259	5,181,640	6,023,630
\$ 54,824,411	\$ 54,808,883	\$ 55,166,628	\$ 54,769,805	\$ 56,277,544	\$ 57,392,094

\$ 42,820,242	\$ 43,618,398	\$ 43,958,887	\$ 45,628,831	\$ 45,651,654	\$ 46,900,956
2,946,353	1,796,702	2,263,462	820,694	2,369,296	3,733,813
7,425,857	7,959,236	9,257,396	9,302,027	12,390,268	14,824,332
\$ 53,192,452	\$ 53,374,336	\$ 55,479,745	\$ 55,678,379	\$ 60,411,218	\$ 65,459,101

City of Villa Rica, Georgia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	3/2011	3/2012	3/2013 (1)	12/2013 (1)
Expenses				
Governmental Activities:				
General government	\$ 1,589,991	\$ 750,917	\$ 708,402	\$ 566,169
Judicial	215,884	305,148	275,246	193,686
Public safety	2,970,777	3,034,279	3,059,519	2,323,774
Public works	1,140,594	1,269,585	1,537,280	1,854,052
Housing and development	-	387,520	415,639	402,967
Health and Welfare	-	174,500	181,044	138,624
Culture and recreation	2,083,146	2,255,994	2,256,113	1,658,092
Interest on long-term debt	1,754,960	2,348,443	1,828,657	874,838
Total governmental activities expenses	9,755,352	10,526,386	10,261,900	8,012,202
Business-type activities:				
Water and Sewer	4,162,020	4,277,787	4,867,430	3,502,699
Solid Waste	747,599	762,889	796,965	552,633
Stormwater	-	-	-	-
Total business-type activities expenses	4,909,619	5,040,676	5,664,395	4,055,332
Total primary government expenses	\$ 14,664,971	\$ 15,567,062	\$ 15,926,295	\$ 12,067,534
Component Units:				
Villa Rica Industrial Development Authority	28,411	30,940	55,284	34,411
Villa Rica Downtown Development Authority	17,105	15,800	8,365	10,275
Tourism Board	47,116	-	-	-
Total Component Unit expenses	92,632	46,740	63,649	44,686
Program Revenues				
Governmental Activities:				
Charges for service:				
General government	\$ 551,547	\$ 384,612	\$ 75	\$ 30
Judicial	-	894,816	656,253	-
Public safety	763,839	-	8,705	438,520
Public works	-	-	-	2,935
Health and Welfare	-	-	-	138,624
Culture and recreation	390,743	-	340,869	296,272
Housing and development	-	-	764	158,584
Operating grants and contributions	439,962	398,231	457,789	203,247
Capital grants and contributions	1,246,610	1,364,303	373,641	799,239
Total governmental activities program revenues	3,392,701	3,041,962	1,838,096	2,037,451
Business-type activities:				
Charges for services:				
Water and Sewer	4,550,302	4,638,804	4,567,275	3,741,855
Solid Waste	730,565	758,834	747,813	566,063
Operating grants and contributions	-	45,240	-	-
Capital grants and contributions	170,000	-	489,117	-
Total business-type activities program revenues	5,450,867	5,442,878	5,804,205	4,307,918
Total primary government program revenues	\$ 8,843,568	\$ 8,484,840	\$ 7,642,301	\$ 6,345,369

12/2014	12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020
\$ 846,657	\$ 2,240,151	\$ 1,889,057	\$ 1,970,169	\$ 881,397	\$ 2,179,236	\$ 2,252,393
219,206	118,003	126,958	155,784	109,652	193,179	193,567
3,228,101	3,598,334	4,136,348	4,319,969	3,294,224	5,381,329	5,378,386
2,490,499	2,136,417	1,911,665	2,378,939	1,899,343	2,325,209	2,724,924
522,374	434,965	685,524	921,503	179,681	249,168	226,466
197,633	195,254	202,580	227,141	1,972,259	2,223,989	2,435,844
2,207,497	2,228,525	2,293,240	2,731,102	1,002,085	1,207,817	1,338,005
1,728,076	1,326,673	1,344,470	1,333,151	964,520	1,323,039	1,309,895
11,440,043	12,278,322	12,589,842	14,037,758	10,303,161	15,082,966	15,859,480
4,824,998	4,438,097	5,050,925	4,719,234	3,833,639	5,671,479	5,490,886
859,068	778,358	839,843	947,077	925,278	1,224,268	1,284,004
-	-	-	-	-	206,776	197,851
5,684,066	5,216,455	5,890,768	5,666,311	4,758,917	7,102,523	6,972,741
\$ 17,124,109	\$ 17,494,777	\$ 18,480,610	\$ 19,704,069	\$ 15,062,078	\$ 22,185,489	\$ 22,832,221
28,357	28,783	40,872	42,960	42,960	43,401	44,153
8,958	7,580	8,530	96,162	96,162	11,613	8,907
-	-	-	-	-	-	-
37,315	36,363	49,402	139,122	139,122	55,014	53,060
\$ 494	\$ 81,819	\$ 61,807	\$ 440,433	\$ 9,945	\$ 72,023	\$ 103,973
551,956	470,045	527,344	656,508	479,575	617,117	614,184
6,130	2,402	9,331	13,810	23,585	19,646	26,527
8,990	1,605	1,285	5,525	5,023	4,670	19,790
-	438,871	403,467	439,047	385,036	316,497	114,796
461,688	131,056	168,401	475,577	267,036	665,838	568,116
195,729	-	-	-	-	-	-
478,226	699,582	302,692	1,202,322	414,040	550,714	1,389,146
1,170,507	1,175,651	1,422,653	2,233,372	1,978,565	2,720,736	2,831,693
2,873,720	3,001,031	2,896,980	5,466,594	3,562,805	4,967,241	5,668,225
4,821,054	5,207,284	5,653,759	5,857,818	5,732,545	9,058,890	9,595,927
743,515	831,768	862,475	867,805	843,581	1,263,850	1,345,477
-	-	-	-	-	-	-
500,000	264,443	322,793	144,031	259,724	597,322	232,480
6,064,569	6,303,495	6,839,027	6,869,654	6,835,850	10,920,062	11,173,884
\$ 8,938,289	\$ 9,304,526	\$ 9,736,007	\$ 12,336,248	\$ 10,398,655	\$ 15,887,303	\$ 16,842,109

continued

City of Villa Rica, Georgia

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	3/2011	3/2012	3/2013 (1)	12/2013 (1)
Component Units:				
Charges for services:				
Villa Rica Industrial Development Authority	16,869	-	-	67,960
Villa Rica Downtown Development Authority	-	13,424	17,500	7,976
Total Component Unit program revenues	16,869	13,424	17,500	75,936
Net (Expense)/Revenue				
Governmental activities	\$ (6,362,651)	\$ (7,484,424)	\$ (8,423,804)	\$ (6,113,375)
Business-type activities	541,248	402,202	139,810	252,586
Total primary government net expense	\$ (5,821,403)	\$ (7,082,222)	\$ (8,283,994)	\$ (5,860,789)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,646,496	\$ 3,598,148	\$ 3,055,908	\$ 2,924,486
Sales taxes	1,215,902	1,124,689	2,854,597	1,554,878
Other taxes and miscellaneous	1,321,621	2,047,895	2,499,135	1,545,385
Unrestricted investment earnings	180,764	27,531	55,217	13,344
Miscellaneous	17,876	98,263	53,048	90,811
Gain on sale of capital assets	9,058	21,600	30,775	127,062
Transfers	(122,674)	451,595	1,142,121	574,056
Total governmental activities	\$ 6,269,043	\$ 7,369,721	\$ 9,690,801	\$ 6,830,022
Business-type activities				
Investment earnings	\$ 28,820	\$ 41,632	\$ 17,358	\$ -
Miscellaneous	34,540	154,306	171,557	386,135
Gain on sale of capital assets	-	4,844	468,404	(179,262)
Transfers	122,674	(451,595)	(1,142,121)	(574,056)
Total business-type activities	186,034	(250,813)	(484,802)	(367,183)
Total primary government	\$ 6,455,077	\$ 7,118,908	\$ 9,205,999	\$ 6,462,839
Change in Net Position				
Governmental activities	\$ (93,608)	\$ (114,703)	\$ 1,269,347	\$ 716,647
Business-type activities	727,282	151,389	(344,992)	(114,597)
Total primary government	\$ 633,674	\$ 36,686	\$ 924,355	\$ 602,050

Notes:

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(2) Fiscal Year 2018 is only for 9 Months, running from 1/1/2018 - 9/30/2018. This is due to the change in Fiscal Year End.

12/2014	12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020
87,750	11,338	-	-	-	-	-
7,498	53	1,025	72,206	72,206	500	-
95,248	11,391	1,025	72,206	72,206	500	-
\$ (8,566,323)	\$ (9,277,291)	\$ (9,692,862)	\$ (8,571,164)	\$ (6,740,357)	\$ (10,115,725)	\$ (10,191,255)
380,503	1,087,040	948,259	1,203,343	2,076,933	3,817,539	4,201,143
\$ (8,185,820)	\$ (8,190,251)	\$ (8,744,603)	\$ (7,367,821)	\$ (4,663,424)	\$ (6,298,186)	\$ (5,990,112)
\$ 4,176,958	\$ 3,113,639	\$ 3,348,369	\$ 3,771,161	\$ 631,999	\$ 3,780,936	\$ 3,944,485
2,739,884	2,288,460	2,328,688	2,405,569	1,992,836	2,921,096	3,095,590
1,144,511	2,829,722	3,028,918	3,118,313	2,042,776	3,868,420	3,758,257
11,738	37,827	9,698	2,967	2,592	-	-
84,253	-	-	9,528	189,060	440,979	202,797
16,964	614,828	211,087	162,920	-	15,504	8,168
1,443,352	1,286,740	963,514	848,370	2,476,551	2,313,890	3,115,291
\$ 9,617,660	\$ 10,171,216	\$ 9,890,274	\$ 10,318,828	\$ 7,335,814	\$ 13,340,825	\$ 14,124,588
\$ 1,692	\$ 875	\$ 2,457	\$ 2,772	\$ 2,795	\$ 4,090	\$ 28,698
314,391	7,900	(2,730)	-	-	-	-
1,425	-	-	-	-	-	-
(1,443,352)	(1,286,740)	(963,514)	(848,370)	(2,476,551)	(2,313,890)	(3,115,291)
(1,125,844)	(1,277,965)	(963,787)	(845,598)	(2,473,756)	(2,309,800)	(3,086,593)
\$ 8,491,816	\$ 8,893,251	\$ 8,926,487	\$ 9,473,230	\$ 4,862,058	\$ 11,031,025	\$ 11,037,995
\$ 1,051,337	\$ 893,925	\$ 197,412	\$ 1,747,664	\$ 595,457	\$ 3,225,100	\$ 3,933,333
(745,341)	(190,925)	(15,528)	357,745	(396,823)	1,507,739	1,114,550
\$ 305,996	\$ 703,000	\$ 181,884	\$ 2,105,409	\$ 198,634	\$ 4,732,839	\$ 5,047,883

City of Villa Rica, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	3/2011	3/2012	3/2013 (1)	12/2013 (1)
General Fund				
Unreserved	\$ 3,460,426	\$ -	\$ -	\$ -
Nonspendable	-	64,637	67,196	-
Committed	-	-	47,000	-
Assigned	-	24,845	-	-
Unassigned	-	4,857,630	5,457,490	5,718,887
Total general fund	\$ 3,460,426	\$ 4,947,112	\$ 5,571,686	\$ 5,718,887
All Other Governmental Funds				
Reserved	\$ 2,937,406	\$ -	\$ -	\$ -
Restricted	-	1,441,487	3,326,438	819,114
Committed	-	1,761,021	41,196	-
Assigned	-	31,831	100	2,240,800
Unassigned	-	(3,997)	(3,930)	-
Total all other governmental funds	\$ 2,937,406	\$ 3,230,342	\$ 3,363,804	\$ 3,059,914
Total all governmental funds	\$ 6,397,832	\$ 8,177,454	\$ 8,935,490	\$ 8,778,801

Notes:

- (1) There are two 2013 columns listed. The first runs from 4/1/2012 to 3/31/2013. The second item listed is from 4/1/2013 to 12/31/2013. This is due to a change in Fiscal Year End.
- (2) Fiscal Year 2018 is only for 9 Months, running from 1/1/2018 - 9/30/2018. This is due to the change in Fiscal Year End.

12/2014	12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
135,245	306,723	588,642	98,234	236,815	331,987	265,570
-	-	450,000	500,000	950,000	950,000	1,000,000
-	337,134	600,483	1,087,658	79,688	19,192	638,175
6,290,536	6,523,603	5,220,018	5,069,864	3,617,325	5,104,136	5,859,892
\$ 6,425,781	\$ 7,167,460	\$ 6,859,143	\$ 6,755,756	\$ 4,883,828	\$ 6,405,315	\$ 7,763,637
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2,326,672	2,983,880	1,796,702	2,263,462	820,694	2,369,296	3,733,813
1,102,889	-	24,472	27,689	15,508	52,730	8,354
-	-	199,227	48,748	-	609	283,378
-	-	-	-	(951)	109,182	-
\$ 3,429,561	\$ 2,983,880	\$ 2,020,401	\$ 2,339,899	\$ 835,251	\$ 2,531,817	\$ 4,025,545
\$ 9,855,342	\$ 10,151,340	\$ 8,879,544	\$ 9,095,655	\$ 5,719,079	\$ 8,937,132	\$ 11,789,182

City of Villa Rica, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	3/2011	3/2012	3/2013	12/2013	12/2014
Revenues					
Taxes	\$ 6,261,463	\$ 6,974,531	\$ 7,132,663	\$ 5,972,779	\$ 8,136,232
Licenses and permits	473,499	109,161	103,712	158,584	195,729
Intergovernmental	1,652,918	1,737,165	2,081,192	1,002,486	1,611,154
Fines and forfeitures	468,791	358,192	335,810	307,822	477,302
Charges for service	763,839	894,816	670,856	429,935	551,956
Interest Income	214,471	58,118	55,217	13,343	39,329
Other Revenues	47,256	123,242	90,073	90,811	121,437
Total revenues	9,882,237	10,255,225	10,469,523	7,975,760	11,133,139
Expenditures					
General government	1,481,553	593,397	611,130	543,329	753,957
Judicial	-	305,148	275,246	193,686	216,681
Public safety	2,799,230	2,762,379	2,872,255	2,231,925	3,058,533
Public works	889,233	958,589	928,320	1,131,782	1,423,163
Health and Welfare	215,884	168,299	182,496	144,304	197,314
Culture and recreation	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
Capital outlay	8,563,596	580,003	2,148,664	1,611,268	1,672,916
Debt service					
Interest	2,011,830	1,743,596	1,828,657	867,051	2,006,099
Principal	-	266,903	218,970	189,609	
Total expenditures	17,766,263	9,691,278	11,441,466	8,761,704	11,712,756
Excess of revenues over (under) expenditures	(7,884,026)	563,947	(971,943)	(785,944)	(579,617)
Other Financing Sources (Uses)					
Transfers in	-	1,963,752	2,347,396	1,579,308	2,789,659
Transfers out	(122,674)	(1,512,157)	(627,525)	(1,005,251)	(1,346,308)
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Sale of capital assets	9,058	21,600	10,108	55,199	16,964
Total other financing sources (uses)	(113,616)	473,195	1,729,979	629,256	1,460,315
Net change in fund balances	\$ (7,997,642)	\$ 1,037,142	\$ 758,036	\$ (156,688)	\$ 880,698
Debt service as a percentage of noncapital expenditures	27.98%	28.31%	28.26%	17.34%	24.97%

	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020
\$	8,202,400	\$ 8,710,240	\$ 9,236,397	\$ 4,680,351	\$ 10,756,673	\$ 10,807,499
	211,314	229,187	537,327	275,853	736,444	670,512
	1,808,598	1,710,806	3,256,165	1,381,676	3,098,476	4,025,156
	261,061	359,854	466,094	356,566	530,235	525,388
	653,423	582,594	650,065	537,781	429,112	251,485
	38,196	10,115	3,323	3,086	4,313	27,895
	656,893	248,410	234,151	212,755	534,181	238,345
	11,831,885	11,851,206	14,383,522	7,448,068	16,089,434	16,546,280
	2,153,213	1,773,868	1,616,466	1,330,555	1,899,096	2,077,177
	118,330	125,679	154,686	111,680	193,620	190,446
	3,607,660	3,887,115	4,055,900	3,294,805	4,649,375	5,029,924
	1,159,921	1,375,220	1,895,374	1,704,649	1,896,409	2,263,622
	195,735	200,007	224,809	177,939	250,741	223,343
	1,874,565	1,914,100	2,303,076	1,711,620	2,008,815	1,955,858
	436,596	679,225	918,015	1,040,035	1,213,665	1,258,605
	1,755,468	2,417,914	2,190,317	2,224,974	1,395,142	1,668,101
	1,416,133	1,473,388	1,461,138	1,454,938	1,447,288	735,000
	556,302	240,000	245,000	250,000	260,000	1,432,363
	13,273,923	14,086,516	15,064,781	13,301,195	15,214,151	16,834,439
	(1,442,038)	(2,235,310)	(681,259)	(5,853,127)	875,283	(288,159)
	2,717,354	3,813,500	3,419,736	2,866,579	3,329,235	3,814,423
	(1,430,614)	(2,849,986)	(2,571,366)	(390,028)	(1,015,345)	(682,382)
	33,860,000	-	-	-	-	-
	4,835,048	-	-	-	-	-
	(38,434,806)	-	-	-	-	-
	-	-	49,000	-	28,880	8,168
	1,546,982	963,514	897,370	2,476,551	2,342,770	3,140,209
\$	104,944	\$ (1,271,796)	\$ 216,111	\$ (3,376,576)	\$ 3,218,053	\$ 2,852,050
	20.66%	17.21%	15.28%	18.19%	14.10%	14.15%

City of Villa Rica, Georgia

Tax Revenue by Source, Governmental Funds Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Excise Tax	Franchise Tax	Insurance Premium Tax	Hotel & Motel Tax	Other	Total
3/2011	\$ 3,220,518	\$ 1,135,191	\$ 265,147	\$ 1,099,080	\$ 222,541	\$ 80,711	\$ 160,831	\$ 6,184,019
3/2012	2,813,469	1,124,689	269,877	1,132,790	654,595	78,581	696,732	6,770,732
3/2013 (1)	2,835,268	1,594,620	267,310	1,055,989	695,289	75,587	1,885,576	8,409,640
12/2013 (1)	2,584,977	1,554,878	219,260	390,143	719,906	78,627	476,958	6,024,749
12/2014	2,672,243	2,214,750	282,875	1,177,178	752,714	121,130	840,464	8,061,353
12/2015	3,113,639	2,288,460	288,093	1,177,544	804,151	109,438	450,496	8,231,821
12/2016	3,348,369	2,328,688	296,599	1,238,834	871,052	130,506	491,927	8,705,975
12/2017	3,771,161	2,405,569	299,585	1,151,519	933,311	179,033	554,865	9,295,043
9/2018 (2)	631,999	1,992,836	224,312	161,639	1,006,675	252,081	398,069	4,667,611
9/2019	3,780,936	2,921,096	328,438	1,352,028	1,069,008	329,530	789,416	10,570,452
9/2020	3,953,652	3,095,590	308,100	1,344,327	1,128,055	288,410	689,365	10,807,499

Notes:

(1) There are two 2013 columns listed. The first runs from 4/1/2012 to 3/31/2013. The second item listed is from 4/1/2013 to 12/31/2013.

This is due to a change in Fiscal Year End.

(2) Fiscal Year 2018 is only for 9 Months, running from 1/1/2018 - 9/30/2018. This is due to the change in Fiscal Year End.

(3) The Hotel & Motel Tax rate increased from 5% to 8% in 2017.

City of Villa Rica, Georgia

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years-Carroll County

Fiscal Year	Digest Year	Real Property	Personal Property	Public Utilities Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
3/2011	2010	\$ 227,219,432	\$ 82,097,250	\$ 6,077,002	\$ 16,565,142	\$ (19,661,796)	\$ 312,297,030	\$ 780,742,575	40.00
3/2012	2011	202,361,724	109,763,315	5,911,138	16,815,196	(48,355,085)	286,496,288	716,240,720	40.00
3/2013	2012	190,182,883	90,634,525	5,233,408	17,778,570	(33,023,376)	270,806,010	677,015,025	40.00
12/2013	2013	185,214,423	90,241,140	5,471,104	20,102,435	(33,225,010)	267,804,092	669,510,230	40.00
12/2014	2014	185,080,187	88,699,984	5,646,388	17,942,723	(39,214,037)	258,155,245	645,388,113	40.00
12/2015	2015	188,912,127	89,264,678	5,756,077	11,042,923	(43,032,866)	251,942,939	629,857,348	40.00
12/2016	2016	216,666,769	130,867,680	5,918,751	8,745,216	(59,783,393)	302,415,023	756,037,558	40.00
12/2017	2017	241,551,697	110,788,455	6,988,845	7,181,755	(48,165,421)	318,345,331	795,863,328	40.00
9/2018	n/a								
9/2019	2018	259,642,495	120,790,187	6,280,258	6,204,882	(55,086,068)	337,831,754	844,579,385	40.00
9/2020	2019	294,575,301	148,490,299	6,536,732	3,573,372	(61,068,593)	392,107,111	980,267,778	40.00

Notes: Property in the county is reassessed each year. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value. The fiscal year change in 2018 caused a skip in property taxes. Digest Year 2017 was recorded in FY 2017. Digest Year 2018 was recorded in FY2019.

Source: Georgia Department of Revenue

Source: <https://apps.dor.ga.gov/digestconsolidation/DisplayDigest.aspx>

City of Villa Rica, Georgia

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years-Douglas County

Fiscal Year	Digest Year	Real Property	Personal Property	Public Utilities Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
3/2011	2010	\$ 168,000,800	\$ 16,734,208	\$ 1,059,969	\$ 12,304,450	\$ (10,214,898)	\$ 187,884,529	\$ 469,711,323	40.00
3/2012	2011	160,141,737	18,105,932	1,051,485	12,141,190	(9,022,322)	182,418,022	456,045,055	40.00
3/2013	2012	152,306,923	17,588,011	1,051,431	12,673,520	(1,401,623)	182,218,262	455,545,655	40.00
12/2013	2013	147,182,235	18,740,938	982,341	14,237,550	(11,335,479)	169,807,585	424,518,963	40.00
12/2014	2014	151,545,511	23,373,304	1,631,422	11,792,520	(21,667,475)	166,675,282	416,688,205	40.00
12/2015	2015	162,632,635	22,803,179	2,226,719	7,851,060	(18,900,819)	176,612,774	441,531,935	40.00
12/2016	2016	177,273,269	37,110,555	1,649,637	5,463,070	(34,176,077)	187,320,454	468,301,135	40.00
12/2017	2017	189,158,214	42,456,261	1,864,397	3,922,340	(29,028,185)	208,373,027	520,932,568	40.00
9/2018	n/a								
9/2019	2018	212,209,120	55,298,431	1,865,361	2,705,670	(29,609,513)	242,469,069	606,172,673	40.00
9/2020	2019	232,835,760	74,194,141	2,597,521	2,279,320	(69,253,162)	242,653,580	606,633,950	40.00

Notes: Property in the county is reassessed each year. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value. The fiscal year change in 2018 caused a skip in property taxes. Digest Year 2017 was recorded in FY 2017. Digest Year 2018 was recorded in FY2019.

Source: Georgia Department of Revenue

Source: <https://apps.dor.ga.gov/digestconsolidation/DisplayDigest.aspx>

City of Villa Rica, Georgia

Direct and Overlapping Sales Tax Rates Last Ten Years

<u>Fiscal Year</u>		<u>County/BOE</u>	<u>SPLOST Sales Tax</u>	<u>State of Georgia Sales Tax</u>	<u>Total Direct & Overlapping Rates</u>
2011	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	-	4.00	6.00
2012	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	-	4.00	6.00
2013	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	-	4.00	6.00
2014	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	-	4.00	6.00
2015	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	-	4.00	6.00
2016	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	1.00	4.00	7.00
2017	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	1.00	4.00	7.00
2018	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	1.00	4.00	7.00
2019	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	1.00	4.00	7.00
2020	Carroll	2.00	1.00	4.00	7.00
	Douglas	2.00	1.00	4.00	7.00

Source: Georgia Department of Revenue

City of Villa Rica, Georgia

Direct and Overlapping Property Tax Rates Last Ten Tax Years (rate per \$1,000 of assessed value)

Tax Year	County	Direct Rates			Overlapping Rates Douglas County			Overlapping Rates Carroll County			Total Direct & Overlapping Rates
		City of Villa Rica	Bond City of Villa Rica	Total Direct	Douglas County	Board of Education	State of Georgia	Carroll County	Board of Education	State of Georgia	
2010	Carroll	6.775	-	6.775	-	-	-	8.500	18.100	0.250	33.63
	Douglas	6.775	-	6.775	9.900	20.000	0.250	-	-	-	36.93
2011	Carroll	6.775	-	6.775	-	-	-	8.500	19.600	0.250	35.13
	Douglas	6.775	-	6.775	9.900	22.950	0.250	-	-	-	39.88
2012	Carroll	6.775	-	6.775	-	-	-	8.500	19.500	0.200	34.98
	Douglas	6.775	-	6.775	9.900	21.950	0.200	-	-	-	38.83
2013	Carroll	6.775	-	6.775	-	-	-	8.500	19.500	0.150	34.93
	Douglas	6.775	-	6.775	12.250	21.650	0.150	-	-	-	40.83
2014	Carroll	6.630	-	6.630	-	-	-	8.482	19.500	0.100	34.71
	Douglas	6.630	-	6.630	12.153	21.350	0.100	-	-	-	40.23
2015	Carroll	6.500	-	6.500	-	-	-	8.414	19.500	0.050	34.46
	Douglas	6.500	-	6.500	11.809	21.100	0.050	-	-	-	39.46
2016	Carroll	6.500	-	6.500	-	-	-	8.349	18.001	-	32.85
	Douglas	6.500	-	6.500	11.267	21.000	-	-	-	-	38.77
2017	Carroll	6.365	-	6.365	-	-	-	8.342	17.998	-	32.71
	Douglas	6.365	-	6.365	10.768	20.950	-	-	-	-	38.08
2018	Carroll	6.056	-	6.056	-	-	-	8.261	17.998	-	32.32
	Douglas	6.056	-	6.056	10.213	20.900	-	-	-	-	37.17
2019	Carroll	5.743	-	5.743	-	-	-	7.880	17.998	-	31.62
	Douglas	5.743	-	5.743	10.213	19.650	-	-	-	-	35.61

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Villa Rica.

Source: Georgia Department of Revenue

City of Villa Rica, Georgia

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended	Tax Year	County	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
3/31/2011	2010	Carroll	\$ 2,115,812					
		Douglas	1,272,918					
			<u>3,388,730</u>	\$ 3,002,689	88.61%	\$ 385,797	\$ 3,388,485	99.99%
3/31/2012	2011	Carroll	1,941,012					
		Douglas	1,235,882					
			<u>3,176,894</u>	2,813,469	88.56%	363,159	3,176,628	99.99%
3/31/2013	2012	Carroll	1,834,711					
		Douglas	1,234,529					
			<u>3,069,239</u>	2,606,220	84.91%	462,753	3,068,973	99.99%
12/31/2013	2013	Carroll	1,814,373					
		Douglas	1,150,446					
			<u>2,964,819</u>	2,399,845	80.94%	564,708	2,964,553	99.99%
12/31/2014	2014	Carroll	1,711,569					
		Douglas	1,105,057					
			<u>2,816,626</u>	2,539,192	90.15%	277,156	2,816,348	99.99%
12/31/2015	2015	Carroll	1,637,629					
		Douglas	1,147,983					
			<u>2,785,612</u>	2,504,073	89.89%	281,257	2,785,330	99.99%
12/31/2016	2016	Carroll	1,965,698					
		Douglas	1,217,583					
			<u>3,183,281</u>	2,806,135	88.15%	374,639	3,180,774	99.92%
12/31/2017	2017	Carroll	2,026,268					
		Douglas	1,326,294					
			<u>3,352,562</u>	3,210,822	95.77%	141,007	3,351,829	99.98%
9/30/2018	n/a							
9/30/2019	2018	Carroll	2,045,909					
		Douglas	1,468,393					
			<u>3,514,302</u>	3,363,024	95.70%	143,718	3,506,741	99.78%
9/30/2020	2019	Carroll	2,251,871					
		Douglas	1,393,560					
			<u>3,645,431</u>	3,407,834	93.48%	205,957	3,613,791	99.13%

Notes:

The fiscal year change in 2018 caused a skip in property taxes. Digest Year 2017 was recorded in FY 2017. Digest Year 2018 was recorded in FY2019.

City of Villa Rica, Georgia

Principal Property Taxpayers Current Year and Nine Years Ago

2019				
Taxpayer	Taxable Assessed Value	County	Rank	Percentage of Total Taxable Assessed Value
Southwire Company	\$ 47,475,217	Douglas	1	2.99%
Printpack Inc	31,925,036	Carroll	2	2.01%
Sugar Foods Corp	9,438,638	Carroll	3	0.59%
Villa Rica Dev Authority	8,747,881	Carroll	4	0.55%
Wilkinson Villa Rica I LLC	6,140,096	Carroll	5	0.39%
Flower Foods Inc	6,072,064	Carroll	6	0.38%
3101 Place Owners LLC	5,978,030	Carroll	7	0.38%
Hawthorne-Midway Mirror Lake, LLC	5,053,399	Douglas	8	0.32%
SPG Vvilla Rica LLC	4,588,566	Carroll	9	0.29%
Four Plus Villa Rica LLC	4,462,011	Carroll	10	0.28%
Total	<u>\$ 129,880,938</u>			<u>8.18%</u>

2010				
Taxpayer	Taxable Assessed Value	County	Rank	Percentage of Total Taxable Assessed Value
Printpack Inc	\$ 14,049,666	Carroll	1	1.12%
Flowers Foods Inc	10,914,610	Carroll	2	0.87%
Southwire Company	10,144,572	Carroll	3	0.81%
Sugar Foods	6,288,827	Carroll	4	0.50%
SPG Villa Rica	5,241,228	Carroll	5	0.42%
Preserve at Mirror Lake LLC	4,030,480	Douglas	6	0.32%
Sequoia Golf Mirror Lake LLC	3,572,280	Douglas	7	0.29%
Villa Rica Ascot	3,370,516	Carroll	8	0.27%
Ingles Market	3,261,506	Carroll	9	0.26%
Village Mirror LLC	3,240,440	Douglas	10	0.26%
	<u>\$ 64,114,125</u>			<u>5.13%</u>

Sources: Carroll and Douglas County Tax Commissioner's Offices
Total Gross City Tax Digest

City of Villa Rica, Georgia

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita
	Note Payable	Capital Leases	Revenue Bonds	GO Bonds		
3/2011	- \$	989,469 \$	34,905,000 \$	- \$	35,894,469 \$	2,572
3/2012	-	755,888	34,905,000	-	35,660,888	2,555
3/2013	-	513,347	34,905,000	-	35,418,347	2,538
12/2013	-	325,357	34,905,000	-	35,230,357	2,524
12/2014	-	66,302	34,905,000	-	34,971,302	2,379
12/2015	-	-	38,032,917	-	38,032,917	2,587
12/2016	-	-	37,501,391	-	37,501,391	2,551
12/2017	-	-	36,965,830	-	36,965,830	2,515
9/2018	-	-	36,426,501	-	36,426,501	2,478
9/2019	-	-	35,878,694	-	35,878,694	2,234
9/2020	-	-	34,858,855	-	34,858,855	2,171

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Villa Rica, Georgia

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for GO Debt Service	Total	Percentage of Actual Taxable Value of Property	Per Capita
3/2011	\$	\$	- \$	0.00%	-
3/2012	-	-	-	0.00%	-
3/2013	-	-	-	0.00%	-
12/2013	-	-	-	0.00%	-
12/2014	-	-	-	0.00%	-
12/2015	-	-	-	0.00%	-
12/2016	-	-	-	0.00%	-
12/2017	-	-	-	0.00%	-
9/2018	-	-	-	0.00%	-
9/2019	-	-	-	0.00%	-
9/2020	-	-	-	0.00%	-

Note 1: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note 2: Amounts shown above as restricted for GO Debt Service are amounts reported as restricted in the Statement of Net Position as these amounts represent the remainder of the restricted fund balance from the Debt Service Fund minus accrued interest payable and are considered to represent the amount available to pay principal on the City's outstanding bonds.

Source: Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Schedule of Assessed Value for estimated actual taxable value.

City of Villa Rica, Georgia

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year											
	3/2011	3/2012	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020	
Assessed Property Value	\$ 500,181,559	\$ 468,914,310	\$ 453,024,272	\$ 437,611,677	\$ 424,830,527	\$ 428,555,713	\$ 489,735,477	\$ 526,718,358	n/a	\$ 580,300,823	\$ 634,760,691	
Debt limit	\$ 500,181,559	\$ 468,914,310	\$ 453,024,272	\$ 437,611,677	\$ 424,830,527	\$ 428,555,713	\$ 489,735,477	\$ 526,718,358	n/a	\$ 580,300,823	\$ 634,760,691	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-	
Legal debt margin	\$ 500,181,559	\$ 468,914,310	\$ 453,024,272	\$ 437,611,677	\$ 424,830,527	\$ 428,555,713	\$ 489,735,477	\$ 526,718,358	n/a	\$ 580,300,823	\$ 634,760,691	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a	0.00%	0.00%

City of Villa Rica, Georgia

Demographic and Economic Statistics Last Ten Years

Fiscal Year	Population	Median Income	Median Property Value	Persons Over 65	Persons Under 18	Percent of Population in Civilian Labor Force	Unemployment Rate
2011	13,956	\$ 46,000	\$ 117,000	---	---	---	10.87%
2012	13,956	50,000	129,000	---	---	---	9.60%
2013	13,956	50,675	132,200	---	---	---	8.61%
2014	14,700	50,759	124,000	---	---	---	7.36%
2015	14,700	48,268	119,500	---	---	---	6.35%
2016	14,700	48,519	127,700	---	---	---	5.54%
2017	14,700	50,222	139,700	---	---	---	4.87%
2018	14,700	55,958	157,900	---	---	---	4.13%
2019	16,058	63,241	168,000	---	---	---	3.53%
2020	16,058	63,241	182,000	8.9%	30.5%	70.1%	7.14%

Sources: U.S. Census Bureau, DataUSA, Neighborhood Scout, Freddie Mac, and Home Facts

Notes: 10 year data not available for Persons Over 65, Persons Under 18, and Percent Population in Civilian Labor Force.

City of Villa Rica, Georgia

Principal Employers Current Year and Ten Years Ago

2020			
Employer	Employees	Rank	Percentage of Total City Employment
Tanner Medical Center	1,000	1	8.9%
PrintPack	550	2	4.9%
Flowers Baking Co	500	3	4.4%
Southwire	411	4	3.7%
Sugar Foods	400	5	3.6%
Carroll County Board of Education	244	6	2.2%
Turano Bread Co	200	7	1.8%
Walmart	200	8	1.8%
City of Villa Rica	180	9	1.6%
Home Depot	175	10	1.6%
Total	3,860		34.3%

2010			
Employer	Employees	Rank	Percentage of Total City Employment
Tanner Medical Center	750	1	7.7%
PrintPack	468	2	4.8%
Flowers Baking Co	425	3	4.4%
Sugar Foods	340	4	3.5%
Carroll County Board of Education	207	5	2.1%
Walmart	170	6	1.7%
Home Depot	149	7	1.5%
McNeilus Truck & Manufacturing	128	8	1.3%
City of Villa Rica	124	9	1.3%
Publix	68	10	0.7%
Total	2,828		28.9%

Sources: Carroll County Chamber of Commerce & Douglas County Chamber of Commerce

City of Villa Rica, Georgia

Budgeted Full-Time Equivalent City Employees, by Function Last Ten Fiscal Years

Function	3/2011	3/2012	3/2013 ⁽¹⁾	12/2013 ⁽¹⁾	12/2014	12/2015	12/2016	12/2017	9/2018 ⁽²⁾	9/2019	9/2020
Governmental activities:											
General government	12.0	11.0	11.0	10.0	9.0	9.0	9.0	12.5	13.0	15.5	16.0
Municipal court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Public Safety	41.0	42.0	44.0	45.0	45.0	45.0	49.0	51.4	51.7	57.3	58.3
Public Works	9.5	11.5	9.5	10.0	10.0	9.0	10.0	10.0	13.5	20.7	21.7
Culture and recreation	25.5	24.3	25.0	26.7	26.7	26.7	27.2	29.9	30.0	28.9	28.9
Community development	4.0	4.0	3.5	3.5	4.5	5.0	6.0	9.5	10.5	12.2	12.0
Total - Governmental activities	<u>93.0</u>	<u>93.8</u>	<u>94.0</u>	<u>96.2</u>	<u>96.2</u>	<u>95.7</u>	<u>102.2</u>	<u>114.3</u>	<u>119.7</u>	<u>136.6</u>	<u>138.9</u>
Business activities:											
Water and Sewer Fund	26.0	19.0	2.0 ⁽³⁾	- ⁽³⁾	20.0	22.0	23.0	23.0	25.0	30.0	31.0
Solid Waste Fund	4.0	4.0	4.0	4.0	4.0	4.0	4.0	7.0	7.0	6.0	6.0
Stormwater Fund	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Total - business-type activities	<u>31.0</u>	<u>24.0</u>	<u>7.0</u>	<u>5.0</u>	<u>25.0</u>	<u>27.0</u>	<u>29.0</u>	<u>32.0</u>	<u>34.0</u>	<u>38.0</u>	<u>39.0</u>
Total City	<u>124.0</u>	<u>117.8</u>	<u>101.0</u>	<u>101.2</u>	<u>121.2</u>	<u>122.7</u>	<u>131.2</u>	<u>146.3</u>	<u>153.7</u>	<u>174.6</u>	<u>177.9</u>

Notes:

(1) There are two 2013 columns listed. The first runs from 4/1/2012 to 3/31/2013. The second item listed is from 4/1/2013 to 12/31/2013. This is due to a change in Fiscal Year End.

(2) Fiscal Year 2018 is only for 9 Months, running from 1/1/2018 - 9/30/2018. This is due to the change in Fiscal Year End.

(3) In 2013, the City outsourced the water and sewer functions. In 2014, they were brought back in-house.

City of Villa Rica, Georgia

Operating Indicators by Function Last Ten Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Arrests	152	143	129	120	137	142	173	197	173	222
Incident Reports	2,115	1,939	1,960	2,107	2,241	2,116	2,260	2,199	2,060	1,897
Citations	4,403	2,924	3,050	3,343	4,019	4,208	5,254	4,235	5,140	3,956
Public Works										
Stormwater Infrastructure Repairs	50	44	19	22	28	50	42	28	35	29
Community Development										
Building permits issued	11	19	20	29	34	49	94	207	277	281
Water and Sewer										
Number of residential customers, water	5,447	5,446	5,409	5,503	5,488	5,488	5,528	5,632	5,875	6,071
Number of residential customers, sewer	3,934	3,963	4,019	4,123	4,137	4,200	4,246	4,374	4,604	4,793
Solid Waste										
Number of residential customers	3,574	3,584	3,611	3,633	3,670	3,665	3,697	4,365	4,574	4,843

Sources: Various city departments.

City of Villa Rica, Georgia

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	3/2011	3/2012	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020
Public Safety											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Number of police officers positions	33	34	35	36	37	38	40	43	46	47	52
Public Works											
Miles of streets	84	84	84	84	84	84	84	84	84	84	84
Number of traffic lights	12	12	12	12	12	12	12	12	12	12	12
Number of street lights	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,081	1,119
Recreation and Culture:											
Number of parks	8	8	8	8	8	9	9	9	9	9	9
Park acreage	284.08	284.08	284.08	284.08	284.08	443.33	443.33	443.33	443.33	443.33	443.33
Water and Sewer											
Miles of water mains	137	137	137	137	137	137	137	137	137	137	137
Miles of sewer mains	89	89	89	89	89	89	89	89	89	89	89

Sources: Various city departments.

COMPLIANCE SECTION



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

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

We have audited, in accordance with the 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 (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit 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.

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 a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-002.

City's Responses to Findings

The City'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 in 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 the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 7, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Villa Rica's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 September 30, 2020.

Report on Internal Control over Compliance

Management of the City 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the City's internal control over compliance.

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 a 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 a combination of 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 to 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 7, 2021

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Award Number	Total Expenditures
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Three Rivers Regional Commission:			
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	SFY2020	\$ 24,808
Social Services Block Grant - SSBG-HCBS	93.667	SFY2020	4,182
NSIP - Administration for Community Living (ACL)	93.053	SFY2020	21,338
Total U.S. Department of Health and Human Services			<u>50,328</u>
U. S. DEPARTMENT OF THE TREASURY			
Passed through the Office of the Governor of the State of Georgia			
Coronavirus Relief Fund	21.019	2020 CARES	840,599
Total U. S. Department of the Treasury			<u>840,599</u>
Total Expenditures of Federal Awards			<u><u>\$ 890,927</u></u>

CITY OF VILLA RICA, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The City did not utilize the 10% de minimis indirect cost rate.

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial
statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

Federal Awards

Internal Control over major programs:

Material weakness (es) identified? ☐ yes ☒ no

Significant deficiency (ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for
Major federal programs

Unmodified

Any audit findings disclosed that are required to
Be reported in accordance with
2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major federal programs:

CFDA Number
21.019

Name of Federal Program or Cluster
Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2020-001 Expenditure and Liability Recognition

Criteria: Internal controls should be in place to ensure that all amounts reported within the financial statements are accurate and have been reconciled to subsidiary ledgers and underlying account records.

Condition: During the current year, the Development Authority required several audit adjustments to correct errors in the reporting of the Authority's liabilities and related expenditures. Due to the lack of a general ledger being properly maintained throughout the course of the year, the accounting occurs all at year-end close out.

Context/Cause: Audit adjustments were required to correct the understated liabilities for (1) the \$157,100 prior year cash advanced from the City which was not reported as a liability, and (2) understated liabilities and related expenditures of \$35,175 for goods and services received as of September 30, 2020.

Effects: Adjustments in the amount of \$192,275 were required to record liabilities as of September 30, 2020. Of this amount, \$157,100 resulted in a restatement for liabilities omitted as of September 30, 2019 and \$35,175 resulted in increased expenditures for the year ended September 30, 2020.

Recommendation: We recommend the City's Finance Department closely monitor the Development Authority's year end balances to ensure that all amounts are being recorded and properly accounted for as of year-end.

Auditee's Response: The City will work with the Development Authority as noted above to improve the financial accounting and reporting.

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-002 Governmental Fund Budgets

Criteria: State of Georgia law (OCGA 36-81-3) states:

- a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article;
- b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Condition: State law requires local governments to adopt and operate under an annual appropriated balanced budgets for all governmental funds. Management did not adopt and operate under a balanced budget for the SPLOST Fund and Capital Projects Fund. Each of the funds' budget was amended to utilize additional fund balance, however the budgeted utilization exceeded available balances.

Context/Cause: The City did not adopt or operate under a balanced budget for the above funds.

Effects: The City failed to operate under a balanced budget for the SPLOST Fund and Capital Projects Fund, which has resulted in a compliance violation with State law. The SPLOST Fund and Capital Project Fund utilized fund balance in excess of available amounts by \$86,559 and \$14,952, respectively.

Recommendation: We recommend the City timely adopt and operate under balanced budgets for all governmental funds reported in the financial statements.

Auditee's Response: The City will reflect these in the fiscal year 2021 budgets.

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF VILLA RICA, GEORGIA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I
FINANCIAL STATEMENT FINDINGS

2019-001 Timely Reporting of Accurate Financial Information

Criteria: Timely and accurate financial reporting of all funds included in the financial statements for the City to facilitate informed financial decisions by the City's management and those with oversight of management in imperative.

Status: Resolved.

2019-002 Governmental Fund Budgets

Criteria: State of Georgia law (OCGA 36-81-3) states:

- a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article;
- b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Status: Repeat finding see 2020-002.



MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED SEPTEMBER 30, 2020

2020-001 Expenditure and Liability Recognition

Contact Person Responsible for the Corrective Action Plan: Jennifer Hallman, Finance Director

Corrective Action Plan: The City will work with the Development Authority as noted above to improve the financial accounting and reporting.

Anticipated Completion Date: September 30, 2021

2020-002 Governmental Fund Budgets

Contact Person Responsible for the Corrective Action Plan: Jennifer Hallman, Finance Director

Corrective Action Plan: The City will reflect these in the fiscal year 2021 budgets.

Anticipated Completion Date: September 30, 2021