



*Photo Credit: Michael Valentine*

# Villa Rica

**CITY OF VILLA RICA, GEORGIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended September 30, 2021**



**CITY OF VILLA RICA, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**SEPTEMBER 30, 2021**

**Prepared By:**  
**The City of Villa Rica Finance Department**

## INTRODUCTORY SECTION

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**CITY OF VILLA RICA, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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March 4, 2022

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") Annual Comprehensive Financial Report (ACFR) for the fiscal year-ended September 30, 2021. 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, 2021. 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 57% of the population is located in the northeastern corner of Carroll County, while the other 43% is located in the northwestern corner of Douglas County. The City is estimated to be the 70<sup>th</sup> 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 and industrial properties comprise more than 49% 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 brought unprecedented challenges to our community, neighborhoods, businesses, and economy in 2020. However, our City overcame many of the “pandemic” challenges in 2021. With thoughtful planning and preparation, we resumed several programs/events such as spring & summer sports, summer camps, July 3<sup>rd</sup> Fireworks and summer concerts. Also, community and recreational facilities like Pine Mountain Gold Museum, Library and Senior Center reopened. Several capital projects and new developments launched in 2021 which are summarized below.

## **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** The City completed a new and improved playground, a pavilion, and a restroom complex; all projects that have been on the drawing board for several years but were delayed by the pandemic, the weather, and shipping issues. 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. The City anticipates to open the splash pad over Memorial Day weekend 2022. This water feature is sure to be a hit with kids, and for parents seeking a fun activity to share with their children.

**Utilities** For some time the City has had water pressure issues in the southeastern part of town. In 2021, we made some major improvements by completing a 12-inch water line extension from Edge Road to Liberty/Poole Road. The utilities department also renovated and upgraded the Connors Road booster pump station, which had been inactive for about 13 years. On the western part of town, the department completed an 8-inch water line extension on Highway 78 from the Dairy Queen to the Dollar Tree. Also, the City repaired or replaced numerous lift station pumps or pump controllers.

## **ECONOMIC DEVELOPMENT**

**New Development** Our city is growing fast and we can expect to add new residences and developments over the next few years. One of these projects is a mixed-use development that will be anchored by a grocery store and be built on Punkintown Road, just west of Shoreline and the Mirror Lake community. This project doesn’t have a name yet, but it is being built by Fuqua Development, one of the largest retail developers in the Southeast. Along with the supermarket, we can expect to see many new shops, some restaurants, and 255 townhomes and 208 apartments.

Another major development is south toward the V-Plex off Goldworth Road. Avemore Village will be a 220-acre community designed to primarily cater to seniors. This “suburban village” will include 161 single-family homes and 328 multi-family units for independent seniors and some families. There will be a retail component and a section for seniors in need of assisted care.

There is another major project underway for senior living. On the Dallas Highway, across from the hospital, Walton Communities is replacing some of the Old Town Homes subsidized housing units with a modern

multi-story structure. This project will have 90 rental units reserved for those aged 55 and over who are earning at or below a percentage of the area median income. Another 27 units will continue to benefit from rental assistance provided through the Villa Rica Housing Authority.

And almost across the road from this project, Southeastrans, a non-emergency ambulance service, is completing its new corporate headquarters.

The city has many projects in various stages of development, both commercial and residential. This is a vast change over last year and if all of these projects are completed, we can expect our town of 17,000 residents to become a city of over 25,000 by the end of this decade.

## **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 provide 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 29, 2020, City Council adopted the fiscal year 2021 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 30<sup>th</sup>, 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.

## **AWARDS**

As demonstrated by the statements and schedules included in the financial and required supplemental information sections of this report, the City continues meeting its responsibility for sound financial management.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to City of Villa Rica, Georgia for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

#### **ACKNOWLEDGEMENTS**

This is second Annual Comprehensive Financial Report that the City has prepared. 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', with a long, sweeping horizontal line extending to the right.

Sarah Andrews, CPA  
Deputy City Manager/  
Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Jennifer Hallman', with a long, sweeping horizontal line extending to the right.

Jennifer Hallman, CPFO  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Villa Rica  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

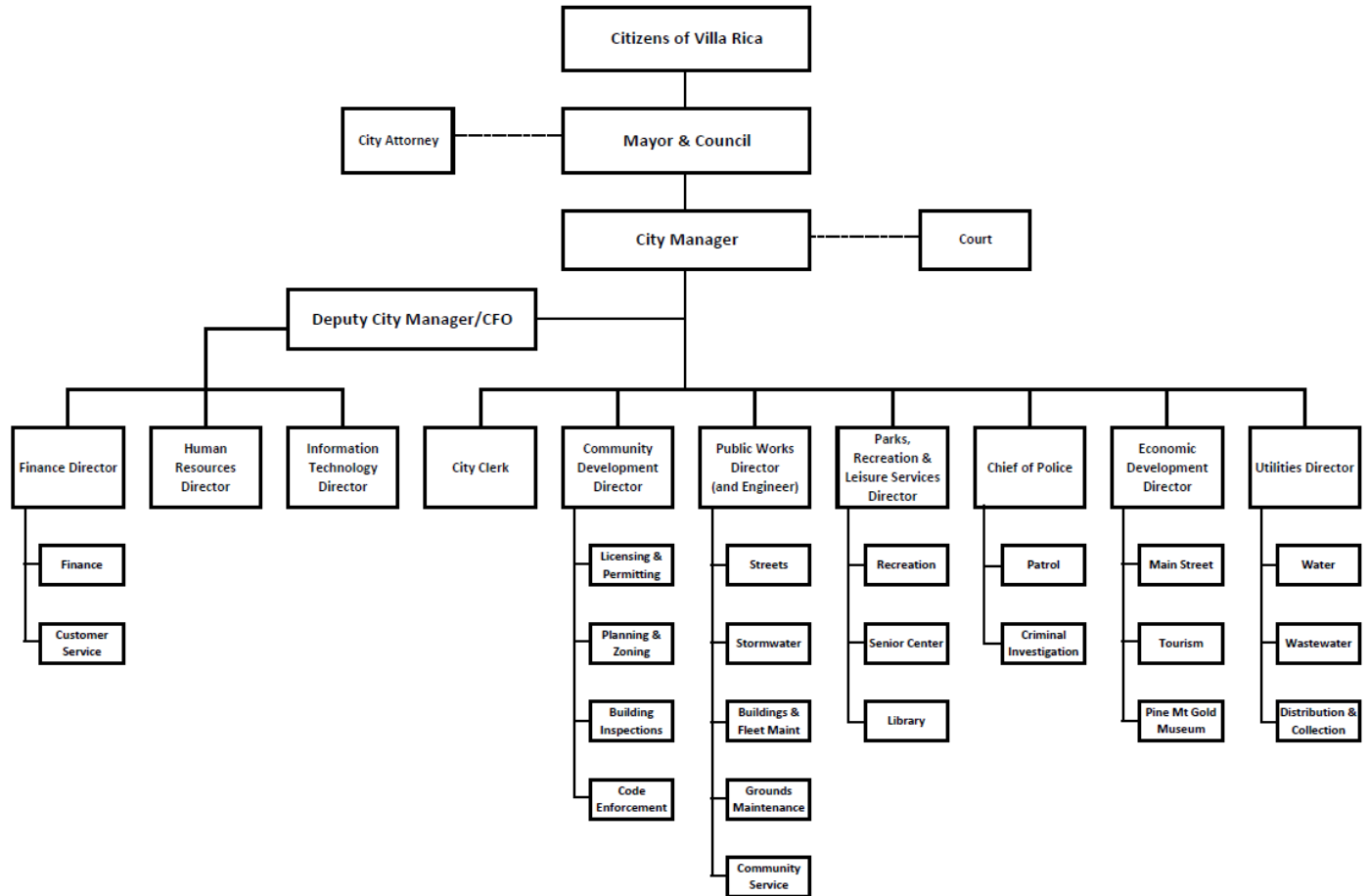
*Christopher P. Morrell*

Executive Director/CEO

# CITY OF VILLA RICA, GEORGIA

## ORGANIZATIONAL CHART FOR THE YEAR ENDED SEPTEMBER 30, 2021

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**CITY OF VILLA RICA, GEORGIA**

**ELECTED OFFICIALS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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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

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## INDEPENDENT AUDITOR'S REPORT

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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, 2021, 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.

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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, 2021, 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 15, 59, and 60 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.

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### *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, 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 and the schedules of expenditures of special purpose local options sales taxes 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, and the schedules of expenditures of special purpose local option sales taxes 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 March 4, 2022 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  
March 4, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 period ended September 30, 2021. 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 2021 by \$70,933,842 (net position). Of this amount, the unrestricted portion is \$13,868,411.
- The City's total net position increased by \$5,474,741 compared to the prior year. The City's operations increased the governmental activities by \$5,533,351 and decreased the business-type activities by \$58,610.
- At the close of fiscal year 2021, the City of Villa Rica's governmental funds reported combined ending fund balances of \$17,358,843.
- At the end of fiscal year 2021, the unassigned fund balance for the General Fund was \$6,458,485 or 48% of the total General Fund expenditures.
- At the end of fiscal year 2021, unrestricted net position for the Enterprise Funds was \$6,072,458 or 78.5% of the total Proprietary Fund expenditures, excluding the transfer for the bond payment.
- Overall, the City continues to maintain a strong financial position.

### **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 City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. They 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 inflows, with the difference reported as *net position*. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

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, and stormwater.

The government-wide statements financial statements are presented on pages 16 and 17 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 fourteen (14) 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, American Rescue Plan Fund, 2021 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 18-22 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, sewer, stormwater and solid waste 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 23-25 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 26-58 of this report.

**Required Supplementary Information** – In addition to the basic financial statements and accompanying notes, this section presents required supplementary information concerning the City's retirement plan. This information can be found on pages 59 and 60 of this report.

**Component Units** – The City's two discretely presented component units are the Villa Rica Industrial Development Authority and Villa Rica Downtown Development Authority. Financial information about these component units can be found on pages 79-82 of this report.

## **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

The City's net position at the close of fiscal year 2021 increased 12.9% from \$65,459,101 at September 30, 2020 to \$70,933,842 at September 30, 2021.

The largest portion of the City's net position at September 30, 2021 (\$48,065,012) 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 (\$9,000,419) represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position is \$13,868,411.

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

*(This page is continued on the subsequent page)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**As of and For the Year Ended September 30, 2021**

**City of Villa Rica, Georgia**

Condensed Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 22,835,176	\$ 15,403,717	\$ 7,520,048	\$ 10,472,700	\$ 30,355,224	\$ 25,876,417
Capital assets	27,864,990	27,271,385	51,342,391	48,434,300	79,207,381	75,705,685
Total Assets	50,700,166	42,675,102	58,862,439	58,907,000	109,562,605	101,582,102
Deferred outflows of resources	3,871,197	4,037,813	260,967	281,277	4,132,164	4,319,090
Total deferred outflows of resources	3,871,197	4,037,813	260,967	281,277	4,132,164	4,319,090
Current liabilities	5,994,357	1,571,162	1,104,147	1,139,303	7,098,504	2,710,465
Long-term liabilities	34,871,269	37,004,219	655,734	635,267	35,527,003	37,639,486
Total Liabilities	40,865,626	38,575,381	1,759,881	1,774,570	42,625,507	40,349,951
Deferred inflows of resources	105,379	70,527	30,041	21,613	135,420	92,140
Total deferred inflows of resources	105,379	70,527	30,041	21,613	135,420	92,140
Net Position:						
Net investment in capital assets	27,571,991	27,271,385	51,261,026	51,368,464	48,065,012	46,900,956
Restricted	9,000,419	3,733,813	-	-	9,000,419	3,733,813
Unrestricted	(22,972,052)	(22,938,191)	6,072,458	6,023,630	13,868,411	14,824,332
Total Net Position	\$ 13,600,358	\$ 8,067,007	\$ 57,333,484	\$ 57,392,094	\$ 70,933,842	\$ 65,459,101

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**As of and For the Year Ended September 30, 2021**

**City of Villa Rica, Georgia**

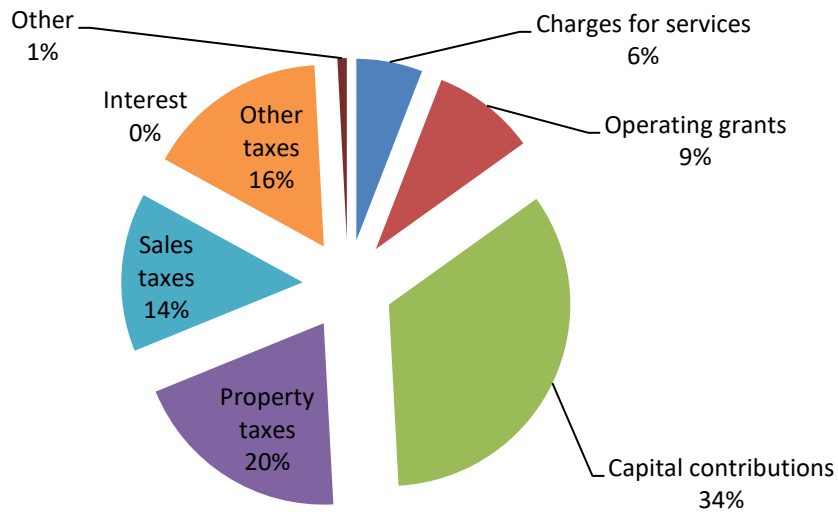
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 1,454,079	\$ 1,447,386	\$ 10,480,940	\$ 10,941,404	\$ 11,935,019	\$ 12,388,790
Operating grants	567,721	1,389,146	-	-	567,721	1,389,146
Capital contributions	7,098,628	2,831,693	331,465	232,480	7,430,093	3,064,173
General revenues:						
Property taxes	4,854,855	3,944,485	-	-	4,854,855	3,944,485
Sales taxes	3,486,976	3,095,590	-	-	3,486,976	3,095,590
Other taxes	3,989,267	3,758,257	-	-	3,989,267	3,758,257
Interest	387	-	19,164	28,698	19,551	28,698
Other	218,085	210,965	34,400	-	252,485	210,965
Total revenues	21,669,998	16,677,522	10,865,969	11,202,582	32,535,967	27,880,104
Expenses:						
General government	3,155,094	2,252,393	-	-	3,155,094	2,252,393
Judicial	201,785	193,567	-	-	201,785	193,567
Public safety	5,923,904	5,378,386	-	-	5,923,904	5,378,386
Public works	3,428,048	2,724,924	-	-	3,428,048	2,724,924
Health and welfare	227,328	226,466	-	-	227,328	226,466
Culture and recreation	3,451,869	2,435,844	-	-	3,451,869	2,435,844
Housing / Economic Developm.	1,651,512	1,338,005	-	-	1,651,512	1,338,005
Interest	1,290,487	1,309,895	-	-	1,290,487	1,309,895
Water and sewer	-	-	6,193,250	5,490,886	6,193,250	5,490,886
Solid waste	-	-	1,318,076	1,481,855	1,318,076	1,481,855
Stormwater	-	-	219,873	-	219,873	-
Total expenses	19,330,027	15,859,480	7,731,199	6,972,741	27,061,226	22,832,221
Increase (decrease) in net position before transfers	2,339,971	818,042	3,134,770	4,229,841	5,474,741	5,047,883
Transfers	3,193,380	3,115,291	(3,193,380)	(3,115,291)	-	-
Increase (decrease) in net position	5,533,351	3,933,333	(58,610)	1,114,550	5,474,741	5,047,883
Net Position, October 1	8,067,007	4,133,674	57,392,094	56,277,544	65,459,101	60,411,218
Net Position, September 30	\$ 13,600,358	\$ 8,067,007	\$ 57,333,484	\$ 57,392,094	\$ 70,933,842	\$ 65,459,101

**Governmental Activities**

The City's governmental activities are heavily reliant on property taxes, sales taxes and other taxes to support operations. Property taxes provided 20% of revenues, sales taxes provided 14% and other taxes provided 16%. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues cover 63% of governmental expenses with capital contributions being the largest revenue in this category at 34%.

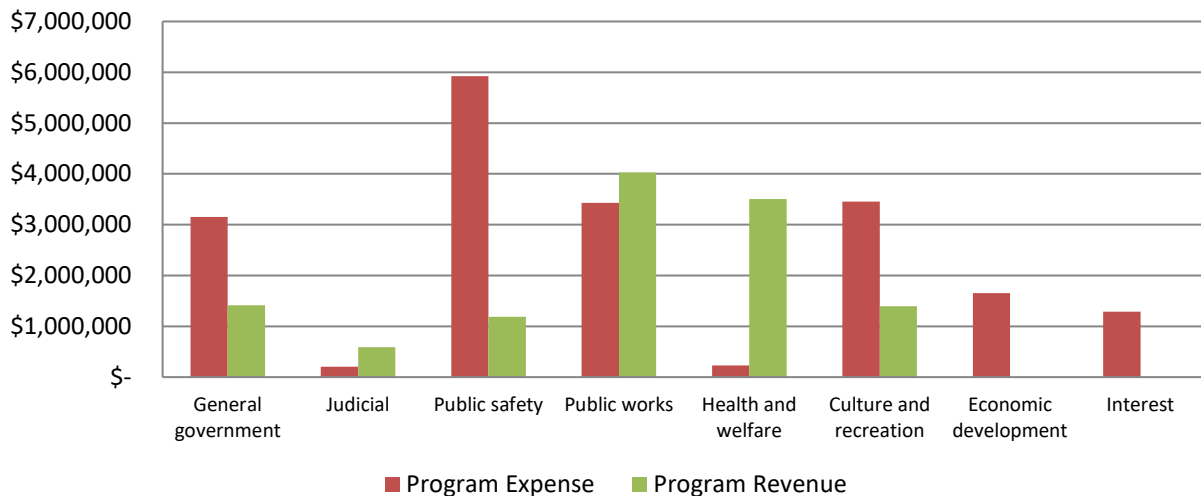


### Governmental Activities - Revenues by Source



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 shows 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 \$5,923,904 (30.6%) of the total governmental expense. The next two significant governmental expenses are Culture & Recreation totaling \$3,451,869 (17.8%) and Public Works totaling \$3,428,048 (17.7%) of governmental expenses.

- The cost for all governmental activity for the year was \$19,330,027 compared to \$15,859,480 in the previous year.
- The revenue amount paying for most of these activities came from the general revenues of the City such as property taxes, sales taxes and business taxes (\$12,331,098).
- Some of the costs were paid by those benefiting directly from the programs (\$1,454,079) and subsidies from other governments and organizations through grants and/or contributions (\$7,666,349).

#### **Business-Type Activities**

The cost of all Business-Type activities in 2021 was \$7,731,199. The amounts paid by the users of the systems were \$10,480,940 and additionally the business-type activities earned \$385,029 from other revenues.

With the activity from the year, the net position at September 30, 2021 for business-type activities was \$57,333,484.

### **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 \$17,358,843. Of this year-end total, \$6,454,885 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 \$8,642,069. 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 44% total General Fund expenditures & uses. Total General Fund revenues for the period ending September 30<sup>th</sup> were \$14,128,045 or a 5.8% increase from the prior year.

Total revenues increased by \$771,026 (5.8%) compared to 2020. General property taxes increased \$668,191 (20%) compared to 2020 due to digest growth and maintaining the millage rate at 6.25 mills. Local Option Sales Tax (LOST) increased \$391,151 (13%). In 2013, the State of Georgia implemented a title ad valorem tax (TAVT) which replaced sales tax on vehicle purchases and became a one-time tax as an alternative to the "birthday" tax for vehicle tag purchases. TAVT experienced an increase of \$233,818 (50%) compared to 2020.

License and permit fees decreased in 2021 compared to 2020 by \$250,824 (37%). This was due to the reduction of development during the pandemic. Intergovernmental revenue experienced a \$708,619 (58%) decrease due to Coronavirus Aid, Relief, and Economic Security (CARES) Act funding received in 2020 but not in 2021. Charges for services realized an increase because of sidewalk fees, park programs, museum fees and library fees.

Total expenditures increased by \$607,772 (4.8%). General government experienced an increase of \$302,218 (14.5%). This was primarily due to professional services and additional personnel. Economic Development increased \$194,169 due to additional personnel and reorganization of all related departments.

American Rescue Plan Act (ARPA) Fund was created in 2021 to accept grant proceeds under the Coronavirus Relief Fund. The City received and deferred \$2.9 million of grant revenues in 2021. The remaining \$2.9 million will be received July 2022. The City plans on using the funds for water & sewer infrastructure improvements.

2021 Carroll SPLOST Fund was created in May 2021. The City entered into an intergovernmental agreement with Carroll County to participate in the issuance of General Obligation Sales Tax Bonds, Series 2021 in the amount of \$40,000,000. The City's portion of the debt was \$4,000,000 which will be paid first from the City's share of sales and use tax proceeds. The City received \$4.5 million in bond proceeds (including bond premium). Additional sales tax proceeds totaling \$148,567 were received after the annual debt service was fully funded. The City continues to collect the sales tax dollars from the County and is building the fund balance to pay for future road, park and economic development capital projects. These funds are in restricted fund balance as of September 30, 2021.

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 \$2,263,512 in 2021 and were matched with an operating transfer from the Water and Sewer Fund.

*(This page is continued on the subsequent page)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**As of and For the Year Ended September 30, 2021**

**City of Villa Rica, Georgia**

General Fund's Net Change in Fund Balance				
	2021	2020	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes	\$ 11,948,040	\$ 10,519,089	\$ 1,428,951	13.6%
Licenses and permits	419,688	670,512	(250,824)	-37.4%
Intergovernmental	512,738	1,221,357	(708,619)	-58.0%
Fines and fees	479,893	504,550	(24,657)	-4.9%
Charges for services	493,670	188,537	305,133	161.8%
Interest income	13,788	14,629	(841)	-5.7%
Other revenue	260,228	238,345	21,883	9.2%
Total revenues	14,128,045	13,357,019	771,026	5.8%
Expenses:				
General government	2,379,395	2,077,177	302,218	14.5%
Judicial	199,153	190,446	8,707	4.6%
Public safety	5,042,877	5,029,924	12,953	0.3%
Public works	2,217,967	2,217,423	544	0.0%
Health and welfare	224,808	223,343	1,465	0.7%
Culture and recreation	2,043,574	1,955,858	87,716	4.5%
Economic development	1,250,927	1,056,758	194,169	18.4%
Debt service	-	-	-	
Capital outlay	-	-	-	
Total expenditures	13,358,701	12,750,929	607,772	4.8%
Other financing sources (uses)				
Transfers in	1,473,220	1,318,292	154,928	11.8%
Transfers out	(1,376,972)	(574,228)	(802,744)	139.8%
Proceeds from sale of assets	12,840	8,168	4,672	
Net change in fund balance	\$ 878,432	\$ 1,358,322	\$ (479,890)	-35.3%
Fund Balance, beginning of year	7,763,637	6,405,315	1,358,322	21.2%
Fund Balance, end of year	8,642,069	7,763,637	878,432	11.3%

***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 3.9% lower than the prior year due to a reduction in water/sewer tap revenues from new developments. Operating expenses were 11% higher due to an increase in maintenance expenses, professional services and landfill tipping fees in 2021 compared to 2020.

**BUDGETARY HIGHLIGHTS**

The General Fund's 2021 final approved revenue budget was \$14,064,802. The City collected \$63,243 more than the approved revenue budget. Actual tax revenue was \$454,679 more than budgeted. Local Option Sales Tax (LOST) and Title Ad Valorem Tax (TAVT) revenues were the main contributors to this increase at \$330,880 and \$253,230 respectively. These revenues, along with additional Federal and State grant revenue, helped offset License & Permits revenue being under budget by \$516,512. This was due a reduction in building permits issued during the pandemic.

The General Fund's final approved expenditure budget was \$14,090,318. The City expended 94.8% of the final approved expenditure budget. The General Fund actual expenditures were \$731,617 less than budgeted. Public Safety was under budget by \$303,237 primarily due to staff vacancies as well as timing of equipment purchases/payments because of delayed shipping. Public Works was under budget by \$193,619 due to a staff vacancy and unused professional service funds for a landscape architect project. Staff reorganization/vacancies and lower operating expenses were reasons Culture and Recreation was under budget by \$140,999. See page 21 for more information about the General Fund budget.

General Fund's Budget & Actual Comparison				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,312,500	\$ 11,493,361	\$ 11,948,040	\$ 454,679
Licenses and permits	936,200	936,200	419,688	(516,512)
Intergovernmental	430,500	435,700	512,738	77,038
Fines and fees	560,000	560,000	479,893	(80,107)
Charges for services	443,575	476,075	493,670	17,595
Interest income	20,000	20,000	13,788	(6,212)
Other revenue	119,050	143,466	260,228	116,762
Total revenues	13,821,825	14,064,802	14,128,045	63,243
Expenses:				
General government	2,388,356	2,448,964	2,379,395	\$ 69,569
Judicial	198,166	199,153	199,153	-
Public safety	5,315,941	5,346,204	5,042,877	303,327
Public works	2,392,348	2,411,586	2,217,967	193,619
Health and welfare	258,658	247,232	224,808	22,424
Culture and recreation	2,136,823	2,184,573	2,043,574	140,999
Economic development	1,200,868	1,252,606	1,250,927	1,679
Total expenditures	13,891,160	14,090,318	13,358,701	731,617
Other financing sources (uses)				
Transfers in	1,429,582	1,472,116	1,473,220	1,104
Transfers out	(1,375,247)	(1,911,381)	(1,376,972)	534,409
Proceeds from sale of assets	15,000	15,000	12,840	(2,160)
Net change in fund balance	\$ -	\$ (449,781)	\$ 878,432	\$ 1,328,213
Fund Balance, beginning of year	7,763,637	7,763,637	7,763,637	
Fund Balance, end of year	7,763,637	7,313,856	8,642,069	1,328,213

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

The City's investment in capital assets, net of accumulated depreciation and related debt, for governmental and business-type activities as September 30, 2021, was \$27,864,990 and \$51,342,391 respectively. The major changes to capital for 2021 were:

**Governmental Activities:**

- The Splash Pad was completed at a cost of \$817,347.
- The City purchased 6 Patrol Explorers and fitted them with the necessary equipment for a cost of \$353,229.
- The City purchased 4 trucks for Public Works, Fleet Maintenance, and Building Inspectors. The cost was \$139,640.
- The City purchased several requested items for Public Safety that included a drone, new portable emergency radios, and cell phone forensic equipment. The total cost was \$47,142.
- Several improvements were made at the VPLEX including a playground renovation with new drainage (\$24,714) and a new Audio Visual System (\$25,050).
- The Avanti Welcome Center bathrooms were renovated at a cost of \$34,550.

**Business-Type Activities:**

- Three vehicles were purchased totaling \$100,836.
- New meters were purchased for \$160,442.
- The Edge Rd water main extension was completed at a total cost of \$479,897.
- The Hwy 78 water main expansion from Dollar Tree to Dairy Queen was completed at a cost of \$191,863.

At September 30, 2021, the depreciable capital assets for governmental activities were 45% depreciated. The business-type activities were 34% depreciated.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,707,048	\$ 2,707,048	\$ 2,101,972	\$ 2,101,972	\$ 4,809,020	\$ 4,809,020
Construction in progress	2,076,979	1,739,742	1,154,533	832,191	3,231,512	2,571,933
Site Improvements	5,567,921	5,460,156	31,948	11,785	5,599,869	5,471,941
Infrastructure	9,820,987	10,123,589	18,809,889	18,619,037	28,630,876	28,742,626
Buildings	5,565,107	5,424,035	27,548,553	28,000,334	33,113,660	33,424,369
Machinery and equipment	2,126,948	1,816,815	1,695,496	1,803,145	3,822,444	3,619,960
<b>Total</b>	<b>\$ 27,864,990</b>	<b>\$ 27,271,385</b>	<b>\$ 51,342,391</b>	<b>\$ 51,368,464</b>	<b>\$ 79,207,381</b>	<b>\$ 78,639,849</b>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**As of and For the Year Ended September 30, 2021**

**City of Villa Rica, Georgia**

***Debt Administration***

At the end of the fiscal year, the City had total bonded debt outstanding of \$33,723,759. 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	
	2021	2020	2021	2020	2021	2020
Bonds Payable	\$ 30,785,000	\$ 31,640,000	\$ -	\$ -	\$ 30,785,000	\$ 31,640,000
Plus: Premiums	2,938,759	3,218,855	-	-	2,938,759	3,218,855
Compensated absences	274,908	310,746	54,671	73,046	329,579	383,792
Net Pension Liability	1,946,545	1,834,618	554,904	562,221	2,501,449	2,396,839
Capital lease agreement	-	-	-	-	-	-
Notes payable	-	-	81,365	-	81,365	-
Total Outstanding Debt	\$ 35,945,212	\$ 37,004,219	\$ 690,940	\$ 635,267	\$ 36,636,152	\$ 37,639,486

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 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](http://www.villarica.org).

# CITY OF VILLA RICA, GEORGIA

## STATEMENT OF NET POSITION SEPTEMBER 30, 2021

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
Cash and cash equivalents	\$ 20,011,422	\$ 4,347,700	\$ 24,359,122	\$ 139,780	\$ 61,255
Investments	-	2,103,333	2,103,333	902,036	-
Receivables (net of allowance for uncollectibles)	2,209,468	966,666	3,176,134	4,863	-
Taxes receivable	18,945	-	18,945	-	-
Due from component units	281,100	-	281,100	-	-
Inventories	8,921	102,349	111,270	-	-
Prepaid items	305,320	-	305,320	-	-
Capital assets, nondepreciable	4,784,027	3,256,505	8,040,532	154,172	-
Capital assets, depreciable, net of accumulated depreciation	23,080,963	48,085,886	71,166,849	134,876	67,319
Total assets	50,700,166	58,862,439	109,562,605	1,335,727	128,574
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	2,955,754	-	2,955,754	-	-
Pension related items	915,443	260,967	1,176,410	-	-
Total deferred outflows of resources	3,871,197	260,967	4,132,164	-	-
<b>LIABILITIES</b>					
Accounts payable	1,149,852	340,714	1,490,566	16,840	-
Accrued liabilities	325,682	33,659	359,341	-	-
Retainage payable	292,999	-	292,999	-	-
Customer deposits payable	-	694,568	694,568	-	-
Unearned revenue	2,998,321	-	2,998,321	-	-
Claims payable	153,560	-	153,560	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	193,943	35,206	229,149	-	-
Bonds payable	880,000	-	880,000	-	-
Noncurrent liabilities due in more than one year					
Due to primary government	-	-	-	157,100	124,000
Compensated absences payable	80,965	19,465	100,430	-	-
Notes payable	-	81,365	81,365	-	-
Bonds payable	32,843,759	-	32,843,759	-	-
Net pension liability	1,946,545	554,904	2,501,449	-	-
Total liabilities	40,865,626	1,759,881	42,625,507	173,940	124,000
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	105,379	30,041	135,420	-	-
Total deferred inflows of resources	105,379	30,041	135,420	-	-
<b>NET POSITION</b>					
Net investment in capital assets	27,571,991	51,261,026	48,065,012	289,048	67,319
Restricted for:					
Economic development	92,440	-	92,440	872,739	-
Capital projects	8,550,255	-	8,550,255	-	-
Public safety	357,724	-	357,724	-	-
Unrestricted	(22,972,052)	6,072,458	13,868,411	-	(62,745)
Total net position	\$ 13,600,358	\$ 57,333,484	\$ 70,933,842	\$ 1,161,787	\$ 4,574

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, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,155,094	\$ 51,901	\$ 334,451	\$ 1,026,995
Judicial	201,785	587,542	-	-
Public safety	5,923,904	9,375	150,129	1,026,995
Public works	3,428,048	13,790	80,277	936,656
Health and welfare	227,328	421,641	2,864	3,080,987
Culture and recreation	3,451,869	369,830	-	1,026,995
Housing and economic development	1,651,512	-	-	-
Interest on long-term debt	1,290,487	-	-	-
Total governmental activities	<u>19,330,027</u>	<u>1,454,079</u>	<u>567,721</u>	<u>7,098,628</u>
Business-type activities:				
Water and sewer	6,193,250	9,065,232	-	331,465
Solid waste	1,318,076	1,415,708	-	-
Stormwater	219,873	-	-	-
Total business-type activities	<u>7,731,199</u>	<u>10,480,940</u>	<u>-</u>	<u>331,465</u>
Total primary government	<u>\$ 27,061,226</u>	<u>\$ 11,935,019</u>	<u>\$ 567,721</u>	<u>\$ 7,430,093</u>
<b>Component units:</b>				
Villa Rica Industrial Development Authority	\$ 25,134	\$ -	\$ -	\$ -
Villa Rica Downtown Development Authority	5,149	-	-	-
Total component units	<u>\$ 30,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
\$ (1,741,747)	\$ -	\$ (1,741,747)	\$ -	\$ -
385,757	-	385,757	-	-
(4,737,405)	-	(4,737,405)	-	-
(2,397,325)	-	(2,397,325)	-	-
3,278,164	-	3,278,164	-	-
(2,055,044)	-	(2,055,044)	-	-
(1,651,512)	-	(1,651,512)	-	-
(1,290,487)	-	(1,290,487)	-	-
(10,209,599)	-	(10,209,599)	-	-
-	3,203,447	3,203,447	-	-
-	97,632	97,632	-	-
-	(219,873)	(219,873)	-	-
-	3,081,206	3,081,206	-	-
(10,209,599)	3,081,206	(7,128,393)	-	-
-	-	-	(25,134)	-
-	-	-	-	(5,149)
\$ -	\$ -	\$ -	\$ (25,134)	\$ (5,149)
\$ 4,854,855	\$ -	\$ 4,854,855	\$ -	\$ -
3,486,976	-	3,486,976	-	-
1,316,112	-	1,316,112	-	-
379,580	-	379,580	-	-
336,384	-	336,384	-	-
1,166,067	-	1,166,067	-	-
791,124	-	791,124	-	-
387	19,164	19,551	-	-
205,245	34,400	239,645	15,996	174
12,840	-	12,840	-	-
3,193,380	(3,193,380)	-	-	-
15,742,950	(3,139,816)	12,603,134	15,996	174
5,533,351	(58,610)	5,474,741	(9,138)	(4,975)
8,067,007	57,392,094	65,459,101	1,170,925	9,549
\$ 13,600,358	\$ 57,333,484	\$ 70,933,842	\$ 1,161,787	\$ 4,574

# CITY OF VILLA RICA, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2021

ASSETS	General	American Rescue Plan Fund	2021 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 7,781,523	\$ 2,998,321	\$ 4,544,656	\$ 277	\$ 3,945,960	\$ 19,270,737
Receivables (net of allowance for uncollectibles)	1,740,068	-	148,567	-	309,038	2,197,673
Taxes receivable, net	18,945	-	-	-	-	18,945
Due from component unit	281,100	-	-	-	-	281,100
Due from other funds	-	-	-	-	441,684	441,684
Inventories	8,921	-	-	-	-	8,921
Prepaid items	296,859	-	-	-	8,461	305,320
Total assets	<u>\$ 10,127,416</u>	<u>\$ 2,998,321</u>	<u>\$ 4,693,223</u>	<u>\$ 277</u>	<u>\$ 4,705,143</u>	<u>\$ 22,524,380</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 760,982	\$ -	\$ -	\$ -	\$ 388,870	\$ 1,149,852
Retainage payable	-	-	-	-	292,999	292,999
Accrued liabilities	209,375	-	-	-	-	209,375
Unearned revenue	-	2,998,321	-	-	-	2,998,321
Due to other funds	488,288	-	-	-	-	488,288
Total liabilities	<u>1,458,645</u>	<u>2,998,321</u>	<u>-</u>	<u>-</u>	<u>681,869</u>	<u>5,138,835</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - taxes	18,945	-	-	-	-	18,945
Unavailable revenue - intergovernmental	7,757	-	-	-	-	7,757
Total deferred inflows of resources	<u>26,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,702</u>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable:						
Prepaid items	296,859	-	-	-	8,461	305,320
Inventories	8,921	-	-	-	-	8,921
Restricted:						
Public safety	-	-	-	-	357,724	357,724
Capital projects	-	-	4,693,223	-	3,564,033	8,257,256
Economic development	-	-	-	-	87,579	87,579
Committed for promissory note - DDA	1,000,000	-	-	-	-	1,000,000
Committed for cemetery improvements	-	-	-	-	9,077	9,077
Assigned:						
Rise N Shine	3,716	-	-	-	-	3,716
Vest Fundraiser	8,260	-	-	-	-	8,260
Project improvement fees	44,340	-	-	-	-	44,340
Sidewalk fees	19,944	-	-	-	-	19,944
General government	39,589	-	-	-	-	39,589
Public safety	91,258	-	-	-	-	91,258
Public works	62,702	-	-	-	-	62,702
Culture and recreation	100,114	-	-	-	-	100,114
Economic development	490,530	-	-	277	-	490,807
Community development	17,351	-	-	-	-	17,351
Unassigned (deficit)	6,458,485	-	-	-	(3,600)	6,454,885
Total fund balances	<u>8,642,069</u>	<u>-</u>	<u>4,693,223</u>	<u>277</u>	<u>4,023,274</u>	<u>17,358,843</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,127,416</u>	<u>\$ 2,998,321</u>	<u>\$ 4,693,223</u>	<u>\$ 277</u>	<u>\$ 4,705,143</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.	27,864,990
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the governmental funds.	26,702
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.	645,524
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(31,159,220)
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.	(1,136,481)
Net position of governmental activities	<u>\$ 13,600,358</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, 2021**

	General	American Rescue Plan Fund	2021 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
<b>Revenues:</b>						
Taxes	\$ 11,948,040	\$ -	\$ -	\$ -	\$ 379,580	\$ 12,327,620
Licenses and permits	419,688	-	-	-	-	419,688
Intergovernmental	512,738	-	4,717,067	-	3,651,161	8,880,966
Fines and forfeitures	479,893	-	-	-	3,586	483,479
Charges for services	493,670	-	-	-	57,242	550,912
Investment earnings	13,788	-	4,274	153	8,197	26,412
Contributions	54,983	-	-	-	-	54,983
Miscellaneous	205,245	-	-	-	-	205,245
Total revenues	14,128,045	-	4,721,341	153	4,099,766	22,949,305
<b>Expenditures:</b>						
Current:						
General government	2,379,395	-	-	-	-	2,379,395
Judicial	199,153	-	-	-	-	199,153
Public safety	5,042,877	-	-	-	-	5,042,877
Public works	2,217,967	-	-	-	435,698	2,653,665
Health and welfare	224,808	-	-	-	-	224,808
Culture and recreation	2,043,574	-	-	-	-	2,043,574
Economic development	1,250,927	-	-	-	276,972	1,527,899
Capital outlay	-	-	28,118	-	4,277,924	4,306,042
Debt service:						
Principal	-	-	-	855,000	-	855,000
Interest and fiscal charges	-	-	-	1,408,513	-	1,408,513
Total expenditures	13,358,701	-	28,118	2,263,513	4,990,594	20,640,926
Excess (deficiency) of revenues over expenditures	769,344	-	4,693,223	(2,263,360)	(890,828)	2,308,379
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	12,840	-	-	-	-	12,840
Transfers in	1,473,220	-	-	2,263,512	1,031,025	4,767,757
Transfers out	(1,376,972)	-	-	-	(142,343)	(1,519,315)
Total other financing sources (uses)	109,088	-	-	2,263,512	888,682	3,261,282
Net change in fund balances	878,432	-	4,693,223	152	(2,146)	5,569,661
<b>Fund balances, beginning of year</b>	<u>7,763,637</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>4,025,420</u>	<u>11,789,182</u>
<b>Fund balances, end of year</b>	<u>\$ 8,642,069</u>	<u>\$ -</u>	<u>\$ 4,693,223</u>	<u>\$ 277</u>	<u>\$ 4,023,274</u>	<u>\$ 17,358,843</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, 2021**

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

Net change in fund balances - total governmental funds	\$ 5,569,661
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.	593,605
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.	(197,445)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(1,292,147)
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.	855,000
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.	<u>4,677</u>
Change in net position - governmental activities	<u>\$ 5,533,351</u>

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, 2021**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 11,312,500	\$ 11,493,361	\$ 11,948,040	\$ 454,679
Licenses and permits	936,200	936,200	419,688	(516,512)
Intergovernmental	430,500	435,700	512,738	77,038
Fines and forfeitures	560,000	560,000	479,893	(80,107)
Charges for services	443,575	476,075	493,670	17,595
Investment earnings	20,000	20,000	13,788	(6,212)
Contributions	22,000	46,416	54,983	8,567
Miscellaneous	97,050	97,050	205,245	108,195
Total revenues	13,821,825	14,064,802	14,128,045	63,243
<b>Expenditures:</b>				
Current:				
General government:				
General administration	422,596	385,545	383,141	2,404
City manager	231,868	343,223	343,223	-
City administration	130,820	152,477	152,477	-
Finance	513,195	503,653	480,236	23,417
Legal	95,000	95,000	78,129	16,871
IT	244,574	233,027	211,967	21,060
Human resources	253,817	256,117	250,300	5,817
Customer service	496,486	479,922	479,922	-
Total general government	2,388,356	2,448,964	2,379,395	69,569
Judicial	198,166	199,153	199,153	-
Public safety:				
Police department	5,304,441	5,334,704	5,037,872	296,832
Custody of prisoners	11,500	11,500	5,005	6,495
Total public safety	5,315,941	5,346,204	5,042,877	303,327
Public works:				
Public works department	1,269,276	1,305,664	1,151,356	154,308
Garage	473,986	458,486	428,167	30,319
Administrative community services	649,086	647,436	638,444	8,992
Total public works	2,392,348	2,411,586	2,217,967	193,619
Health and welfare	258,658	247,232	224,808	22,424
Culture and recreation:				
Recreation	1,234,377	1,278,657	1,157,970	120,687
Mountain gold museum	393,372	396,842	390,426	6,416
Library	509,074	509,074	495,178	13,896
Total health and welfare	2,136,823	2,184,573	2,043,574	140,999
				(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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Housing and economic development:				
Protective inspection	\$ 163,310	\$ 188,827	\$ 188,827	\$ -
Planning and zoning	528,339	537,417	536,549	868
Code enforcement	143,832	144,463	144,463	-
Economic development	12,500	12,500	12,451	49
Main street	352,887	369,399	368,637	762
Total housing and economic development	<u>1,200,868</u>	<u>1,252,606</u>	<u>1,250,927</u>	<u>1,679</u>
Total expenditures	<u>13,891,160</u>	<u>14,090,318</u>	<u>13,358,701</u>	<u>731,617</u>
Excess (deficiency) of revenues over expenditures	(69,335)	(25,516)	769,344	794,860
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	15,000	15,000	12,840	(2,160)
Transfers in	1,429,582	1,472,116	1,473,220	1,104
Transfers out	(1,375,247)	(1,911,381)	(1,376,972)	534,409
Total other financing sources (uses)	<u>69,335</u>	<u>(424,265)</u>	<u>109,088</u>	<u>533,353</u>
Net change in fund balances	-	(449,781)	878,432	1,328,213
<b>Fund balance, beginning</b>	<u>7,763,637</u>	<u>7,763,637</u>	<u>7,763,637</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 7,763,637</u>	<u>\$ 7,313,856</u>	<u>\$ 8,642,069</u>	<u>\$ 1,328,213</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, 2021**

	Business-type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,984,144	\$ 363,556	\$ 4,347,700	\$ 740,685
Investments	2,103,333	-	2,103,333	-
Receivables (net of allowance for uncollectibles)	824,505	142,161	966,666	11,795
Due from other funds	-	-	-	46,604
Inventory	102,349	-	102,349	-
Total current assets	<u>7,014,331</u>	<u>505,717</u>	<u>7,520,048</u>	<u>799,084</u>
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	3,247,785	8,720	3,256,505	-
Capital assets, being depreciated	72,211,733	717,083	72,928,816	-
Less accumulated depreciation	<u>(24,538,243)</u>	<u>(304,687)</u>	<u>(24,842,930)</u>	-
Total noncurrent assets	<u>50,921,275</u>	<u>421,116</u>	<u>51,342,391</u>	-
Total assets	<u>57,935,606</u>	<u>926,833</u>	<u>58,862,439</u>	<u>799,084</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	218,105	42,862	260,967	-
Total deferred outflows of resources	<u>218,105</u>	<u>42,862</u>	<u>260,967</u>	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	250,185	90,529	340,714	-
Accrued expenses	28,856	4,803	33,659	-
Customer deposits payable	694,568	-	694,568	-
Claims payable	-	-	-	153,560
Compensated absences, current	35,206	-	35,206	-
Total current liabilities	<u>1,008,815</u>	<u>95,332</u>	<u>1,104,147</u>	<u>153,560</u>
Long-term liabilities:				
Compensated absences, long term	9,165	10,300	19,465	-
Notes payable	81,365	-	81,365	-
Net pension liability	<u>463,766</u>	<u>91,138</u>	<u>554,904</u>	-
Total long-term liabilities	<u>554,296</u>	<u>101,438</u>	<u>655,734</u>	-
Total liabilities	<u>1,563,111</u>	<u>196,770</u>	<u>1,759,881</u>	<u>153,560</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	25,107	4,934	30,041	-
Total deferred inflows of resources	<u>25,107</u>	<u>4,934</u>	<u>30,041</u>	-
<b>NET POSITION</b>				
Net investment in capital assets	50,839,910	421,116	51,261,026	-
Unrestricted	<u>5,725,583</u>	<u>346,875</u>	<u>6,072,458</u>	<u>645,524</u>
Total net position	<u>\$ 56,565,493</u>	<u>\$ 767,991</u>	<u>\$ 57,333,484</u>	<u>\$ 645,524</u>

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, 2021**

	Business-type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 8,751,774	\$ 1,415,708	\$ 10,167,482	\$ 1,658,116
Other fees	313,458	-	313,458	-
Miscellaneous	18,464	15,936	34,400	-
Total operating revenues	9,083,696	1,431,644	10,515,340	1,658,116
<b>OPERATING EXPENSES</b>				
Personnel services and benefits	1,839,742	378,848	2,218,590	-
Purchased contract services	580,034	981,945	1,561,979	490,309
Supplies and maintenance	2,168,904	100,347	2,269,251	-
Depreciation	1,600,070	76,809	1,676,879	-
Claims	-	-	-	1,301,724
Other services and charges	-	-	-	8,766
Total operating expenses	6,188,750	1,537,949	7,726,699	1,800,799
Operating income (loss)	2,894,946	(106,305)	2,788,641	(142,683)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	19,164	-	19,164	300
Interest expense and fiscal charges	(4,500)	-	(4,500)	-
Total nonoperating revenues (expenses)	14,664	-	14,664	300
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	2,909,610	(106,305)	2,803,305	(142,383)
Capital contributions	331,465	-	331,465	-
Transfers in	7,651	348,474	356,125	-
Transfers out	(3,448,657)	(100,848)	(3,549,505)	(55,062)
Change in net position	(199,931)	141,321	(58,610)	(197,445)
<b>NET POSITION, beginning of year</b>	56,765,424	626,670	57,392,094	842,969
<b>NET POSITION, end of year</b>	\$ 56,565,493	\$ 767,991	\$ 57,333,484	\$ 645,524

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, 2021**

	Business-type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 9,181,167	\$ 1,440,971	\$ 10,622,138	\$ 1,646,321
Payments to suppliers and service providers	(2,690,422)	(1,089,340)	(3,779,762)	(1,780,581)
Payments to employees	(1,823,575)	(391,969)	(2,215,544)	-
Net cash provided by (used in) operating activities	4,667,170	(40,338)	4,626,832	(134,260)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(1,273,515)	(52,877)	(1,326,392)	-
Proceeds from long-term debt	81,365	-	81,365	-
Interest and fiscal charges paid	(4,500)	-	(4,500)	-
Net cash used in capital and related financing activities	(1,196,650)	(52,877)	(1,249,527)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(13,457)	-	(13,457)	-
Interest	19,164	-	19,164	300
Net cash provided by investing activities	5,707	-	5,707	300
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	7,651	348,474	356,125	-
Transfers out	(3,448,657)	(100,848)	(3,549,505)	(55,062)
Net cash provided by (used in) noncapital financing activities	(3,441,006)	247,626	(3,193,380)	(55,062)
Increase in cash	35,221	154,411	189,632	(189,022)
<b>Cash:</b>				
Beginning of year	3,948,923	209,145	4,158,068	929,707
End of year	<u>\$ 3,984,144</u>	<u>\$ 363,556</u>	<u>\$ 4,347,700</u>	<u>\$ 740,685</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 2,894,946	\$ (106,305)	\$ 2,788,641	\$ (142,683)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,600,070	76,809	1,676,879	-
(Increase) decrease in accounts receivable	68,981	9,327	78,308	(11,795)
Decrease in inventories	65,850	-	65,850	-
Decrease in pension related deferred outflows of resources	3,955	16,355	20,310	-
Increase in due from other funds	-	-	-	(46,604)
Decrease in accounts payable	(18,373)	(7,621)	(25,994)	-
Increase in accrued expenses	11,039	573	11,612	-
Decrease in due to other funds	-	-	-	(111)
Increase in customer deposits payable	28,490	-	28,490	-
Increase in claims payable	-	-	-	66,933
Increase (decrease) in net pension liability	19,908	(27,225)	(7,317)	-
Increase in pension related deferred outflows of resources	8,044	384	8,428	-
Decrease in compensated absences	(15,740)	(2,635)	(18,375)	-
Net cash provided by (used in) operating activities	<u>\$ 4,667,170</u>	<u>\$ (40,338)</u>	<u>\$ 4,626,832</u>	<u>\$ (134,260)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Donated capital assets	<u>\$ 331,465</u>	<u>\$ -</u>	<u>\$ 331,465</u>	<u>\$ -</u>

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

**CITY OF VILLA RICA, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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**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

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### 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

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### 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

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### 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 **American Rescue Plan Fund** accounts for the American Rescue Plan Act grant activity of the City.

The **2021 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 **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 fund:

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.

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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Enterprise Funds** account for the revenues and maintenance of the City's solid waste and stormwater 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 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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Budget (Continued)

There were \$642,242 in outstanding encumbrances at September 30, 2021. The City reports open encumbrances in the following funds as of September 30, 2021:

Fund	Amount
Water and Sewer Fund	\$ 128,585
2021 SPLOST Fund	2,058
Nonmajor Governmental Funds	388,182
General Fund	123,417
Total	<u>\$ 642,242</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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Inventories and Prepaid Items

All inventories are valued at cost assuming a first-in, first-out (FIFO) consumption pattern. 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

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### 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

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### 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

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### 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

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### 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

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### 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 \$31,159,220 difference are as follows:

Bonds payable	\$ (30,785,000)
Unamortized premiums	(2,938,759)
Unamortized deferred charges	2,955,754
Accrued interest	(116,307)
Compensated absences	<u>(274,908)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (31,159,220)</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 \$1,136,481 difference are as follows:

Net pension liability	\$ (1,946,545)
Deferred outflows of resources	915,443
Deferred inflows of resources	<u>(105,379)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (1,136,481)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### 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 \$593,605 difference are as follows:

Capital outlay	\$ 2,050,366
Depreciation expense	<u>(1,456,761)</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>\$ 593,605</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 \$4,677 difference are as follows:

Compensated absences	\$ 35,838
Amortization	115,888
Accrued interest	2,138
Pension expense	<u>(149,187)</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>\$ 4,677</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2021, the Villa Rica Downtown Development Authority had a deficit fund balance of \$62,745. This deficit will be eliminated in future 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, 2021, 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, 2021, 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, 2021, the City had \$2,103,333 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	1/22/2022	\$ 2,103,333
Total Investments			<u>\$ 2,103,333</u>

As of September 30, 2021, the Villa Rica Industrial Development Authority had \$902,036 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	5/23/2022	\$ 265,424
Certificate of deposit	Two (2) years	12/16/2021	271,426
Certificate of deposit	Three (3) years	3/17/2024	161,989
Certificate of deposit	Five (5) years	12/2/2022	203,197
Total Investments			<u>\$ 902,036</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, 2021, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<b>General Fund</b>	<b>2021 SPLOST</b>	<b>Nonmajor Governmental</b>
Receivables:			
Taxes	\$ 51,566	\$ -	\$ -
Other governments	-	148,567	308,589
Accounts	2,166,262	-	449
Gross receivables	2,217,828	148,567	309,038
Less allowances	(458,815)	-	-
Net receivables	<u>\$ 1,759,013</u>	<u>\$ 148,567</u>	<u>\$ 309,038</u>

	<b>Water &amp; Sewer Fund</b>	<b>Nonmajor Enterprise</b>	<b>Internal Service</b>
Receivables:			
Other governments	\$ -	\$ -	\$ -
Accounts	877,409	153,407	11,795
Gross receivables	877,409	153,407	11,795
Less allowances	(52,904)	(11,246)	-
Net receivables	<u>\$ 824,505</u>	<u>\$ 142,161</u>	<u>\$ 11,795</u>

Douglas and Carroll County Property taxes for the 2021 fiscal year were levied in September 2020, with property values assessed as of January 1, 2020. Bills are payable on or before November 19, 2020, 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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,707,048	\$ -	\$ -	\$ -	\$ 2,707,048
Construction in progress	1,739,742	371,542	-	(34,305)	2,076,979
Total capital assets, not being depreciated	4,446,790	371,542	-	(34,305)	4,784,027
Capital assets, being depreciated:					
Buildings and improvements	11,138,103	498,796	-	-	11,636,899
Site improvements	8,368,157	308,073	-	16,905	8,693,135
Machinery and equipment	7,236,547	871,955	(115,150)	17,400	8,010,752
Infrastructure	13,604,402	-	-	-	13,604,402
Total capital assets, being depreciated	40,347,209	1,678,824	(115,150)	34,305	41,945,188
Less accumulated depreciation for:					
Buildings and improvements	(5,714,068)	(357,724)	-	-	(6,071,792)
Site improvements	(2,908,001)	(217,213)	-	-	(3,125,214)
Machinery and equipment	(5,419,732)	(579,222)	115,150	-	(5,883,804)
Infrastructure	(3,480,813)	(302,602)	-	-	(3,783,415)
Total accumulated depreciation	(17,522,614)	(1,456,761)	115,150	-	(18,864,225)
Total capital assets, being depreciated, net	22,824,595	222,063	-	34,305	23,080,963
Governmental activities capital assets, net	\$ 27,271,385	\$ 593,605	\$ -	\$ -	\$ 27,864,990

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,101,972	\$ -	\$ -	\$ -	\$ 2,101,972
Construction in progress	832,191	643,897	-	(321,555)	1,154,533
Total capital assets, not being depreciated	2,934,163	643,897	-	(321,555)	3,256,505
Capital assets, being depreciated:					
Site improvements	34,598	22,323	-	-	56,921
Infrastructure	32,410,432	633,630	-	273,273	33,317,335
Buildings	33,753,916	190,352	-	48,282	33,992,550
Equipment	5,401,406	160,604	-	-	5,562,010
Total capital assets, being depreciated	71,600,352	1,006,909	-	321,555	72,928,816
Less accumulated depreciation for:					
Site improvements	(22,813)	(2,160)	-	-	(24,973)
Infrastructure	(13,791,395)	(716,051)	-	-	(14,507,446)
Buildings	(5,753,582)	(690,415)	-	-	(6,443,997)
Equipment	(3,598,261)	(268,253)	-	-	(3,866,514)
Total accumulated depreciation	(23,166,051)	(1,676,879)	-	-	(24,842,930)
Total capital assets, being depreciated, net	48,434,301	(669,970)	-	321,555	48,085,886
Business-type activities capital assets, net	\$ 51,368,464	\$ (26,073)	\$ -	\$ -	\$ 51,342,391

## 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	\$ 175,964
Public safety	324,777
Public works	474,132
Culture and recreation	426,593
Economic Development	55,295
Total depreciation expense - governmental activities	<u>\$ 1,456,761</u>

Business-type activities:

Water and Sewer Fund	\$ 1,600,070
Solid Waste Fund	63,094
Stormwater Fund	13,715
Total depreciation expense - business-type activities	<u>\$ 1,676,879</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	(16,891)	(5,233)	-	(22,124)
Total accumulated depreciation	<u>(16,891)</u>	<u>(5,233)</u>	<u>-</u>	<u>(22,124)</u>
Total capital assets, being depreciated, net	<u>140,109</u>	<u>(5,233)</u>	<u>-</u>	<u>134,876</u>
Governmental activities capital assets, net	<u>\$ 294,281</u>	<u>\$ (5,233)</u>	<u>\$ -</u>	<u>\$ 289,048</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	(7,051)	(2,564)	-	(9,615)
Total accumulated depreciation	<u>(7,051)</u>	<u>(2,564)</u>	<u>-</u>	<u>(9,615)</u>
Total capital assets, being depreciated, net	<u>69,883</u>	<u>(2,564)</u>	<u>-</u>	<u>67,319</u>
Governmental activities capital assets, net	<u>\$ 69,883</u>	<u>\$ (2,564)</u>	<u>\$ -</u>	<u>\$ 67,319</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, 2021, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 441,684
Internal Service Fund	General Fund	46,604
		<u>\$ 488,288</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. The amount due to the nonmajor governmental funds from the General Fund represents the amount that the General Fund will reimburse the SPLOST Fund for allowable SPLOST expenditures for which another revenue source subsequently became available. The City decided to use the new revenue source to cover the expenditures, and replace the SPLOST funds originally used for those expenditures.

Interfund transfers for the fiscal year ended September 30, 2021 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise	\$ 100,848
General Fund	Water and Sewer Fund	1,185,145
General Fund	Nonmajor Governmental	142,343
Villa Rica Public Facilities Authority Fund	Water and Sewer Fund	2,263,512
Nonmajor Governmental	General Fund	1,031,025
Nonmajor Enterprise	Internal Service Fund	2,527
General Fund	Internal Service Fund	44,884
Water and Sewer Fund	Internal Service Fund	7,651
Nonmajor Enterprise	General Fund	345,947
		<u>\$ 5,123,882</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.

## 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, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Direct placement -					
Bonds payable	\$ 31,640,000	\$ -	\$ (855,000)	\$ 30,785,000	\$ 880,000
Plus: Premiums	<u>3,218,855</u>	<u>-</u>	<u>(280,096)</u>	<u>2,938,759</u>	<u>-</u>
Total bonds payable	34,858,855	-	(1,135,096)	33,723,759	880,000
Compensated absences	310,746	183,388	(219,226)	274,908	193,943
Net pension liability	<u>1,834,618</u>	<u>840,658</u>	<u>(728,731)</u>	<u>1,946,545</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 37,004,219</u>	<u>\$ 1,024,046</u>	<u>\$ (2,083,053)</u>	<u>\$ 35,945,212</u>	<u>\$ 1,073,943</u>
<b>Business-type Activities:</b>					
Direct borrowings -					
Note payable	\$ -	\$ 81,365	\$ -	\$ 81,365	\$ -
Compensated absences	73,046	39,548	(57,923)	54,671	35,206
Net pension liability	<u>562,221</u>	<u>239,647</u>	<u>(246,964)</u>	<u>554,904</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 635,267</u>	<u>\$ 360,560</u>	<u>\$ (304,887)</u>	<u>\$ 690,940</u>	<u>\$ 35,206</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 Nonmajor Enterprise Funds, 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

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### 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, 2021, the outstanding amount of Series 2008 general obligation bonds considered legally defeased is \$8,205,000.

**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, 2021, 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
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	1,075,000	1,196,913	2,271,913
2027-2031	7,680,000	4,995,188	12,675,188
2032-2036	10,660,000	2,831,725	13,491,725
2037-2039	7,580,000	476,869	8,056,869
Total	<u>\$ 30,785,000</u>	<u>\$ 14,778,047</u>	<u>\$ 45,563,047</u>

#### Notes Payable.

In August 2021, the city executed an agreement with the Georgia Environmental Finance Authority (GEFA) for the construction of a new water main, hydrant and valve installations, and related appurtenances. The agreement for construction of the water main has been executed for \$2,500,000 with an interest rate of .13%. As of September 30, 2021, the City had made draws totaling \$81,365 on the note payable to GEFA. Currently there is no payment schedule for the debt as the project is in the construction phase, thus the entire payable is reported as due in more than one year.

## NOTES TO FINANCIAL STATEMENTS

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### 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](http://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

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### NOTE 9. PENSION PLAN (CONTINUED)

#### Plan Description (Continued)

*Plan Membership.* At January 1, 2021, the date of the most recent actuarial valuation, there were 282 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	70
Terminated vested participants not yet receiving benefits	63
Active employees - vested	48
Active employees - nonvested	101
Total	<u>282</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 2021, the actuarially determined contribution rate was 6.06% of covered payroll. The City makes all contributions to the plan. For fiscal year 2021, the City's contribution to the Plan was \$470,367.

#### **Net Pension Liability of the City**

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

*Actuarial assumptions.* The total pension liability in the January 1, 2021 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, 2021 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, 2020 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.05
Domestic Fixed income	20%	1.15
Real estate	10%	4.50
Global Fixed income	5%	1.25
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%. 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, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 9/30/20</b>	\$ 8,827,892	\$ 6,431,053	\$ 2,396,839
<b>Changes for the year:</b>			
Service cost	252,306	-	252,306
Interest	655,468	-	655,468
Differences between expected and actual experience	148,918	-	148,918
Contributions—employer	-	355,973	(355,973)
Net investment income	-	619,722	(619,722)
Benefit payments, including refunds of employee contributions	(384,981)	(384,981)	-
Administrative expense	-	(23,613)	23,613
<b>Net changes</b>	<u>671,711</u>	<u>567,101</u>	<u>104,610</u>
<b>Balances at 9/30/21</b>	<u>\$ 9,499,603</u>	<u>\$ 6,998,154</u>	<u>\$ 2,501,449</u>

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%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 3,798,024	\$ 2,501,449	\$ 1,428,679

## 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, 2020 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, 2021, the City recognized pension expense of \$660,975. At September 30, 2021, 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	\$ 423,330	\$ 49,198
Changes in assumptions	282,713	-
Net difference between projected and actual earnings on pension plan investments	-	86,222
City contributions subsequent to the measurement date	470,367	-
Total	<u>\$ 1,176,410</u>	<u>\$ 135,420</u>

City contributions subsequent to the measurement date of \$470,367 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, 2022. 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:		
2022	\$	166,973
2023		198,047
2024		205,293
2025		310
Total	<u>\$</u>	<u>570,623</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2021, there were 64 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, 2021 were \$77,544 and \$178,526 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, 2021 and the fiscal year ended September 30, 2020:

<b>Fiscal Year-End</b>	<b>Beginning Balance</b>	<b>Current Year Claims and Change in Estimate</b>	<b>Claims Paid</b>	<b>End of Period Claims Liability</b>
2021	\$ 86,627	\$ 1,021,653	\$ (954,720)	\$ 153,560
2020	187,706	812,087	(913,166)	86,627

### 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, 2021, the City has contractual commitments on uncompleted contracts of approximately \$1,144,915.

## NOTES TO FINANCIAL STATEMENTS

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### 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  
229 Peachtree St NE, STE 100  
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 but 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, 2021, the City collected \$379,580 in hotel/motel tax revenues of which \$142,343 was transferred to the City's General Fund and \$223,449 was disbursed to the Villa Rica Convention and Visitors Bureau.

### NOTE 15. TAX ABATEMENTS

For the year ended September 30, 2021, City property tax revenues were reduced by \$172,820 under agreements entered into by Carroll County and Douglas 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

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### **NOTE 16. NONEXCHANGE FINANCIAL GUARANTEES**

In May 2021, the City entered into an intergovernmental agreement with Carroll County to participate in the issuance of General Obligation Sales Tax Bonds, Series 2021 in the amount of \$40,000,000 at an interest rate of 4%. The City's portion of the debt is \$4,000,000 which shall be paid first from the borrowing entity's (i.e. the City) share of sales and use tax proceeds. The City has a guarantee in the intergovernmental agreement that requires the City to cover any debt service in which annual sales and use tax proceeds do not cover debt service, however, the likelihood of that occurring is remote, and therefore, the City has no liability to report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>							
Service cost	\$ 252,306	\$ 237,027	\$ 118,425	\$ 221,290	\$ 200,256	\$ 213,374	\$ 137,078
Interest on total pension liability	655,468	571,853	279,114	505,365	488,754	433,897	423,997
Differences between expected and actual experience	148,918	396,883	(69,314)	220,211	(145,396)	361,719	(165,517)
Changes of assumptions	-	-	-	-	-	-	8,549
Benefit payments, including refunds of employee contributions	(384,981)	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)	(268,317)
Other expenses	-	415,484	-	111,406	-	-	-
<b>Net change in total pension liability</b>	<b>671,711</b>	<b>1,259,181</b>	<b>159,952</b>	<b>717,578</b>	<b>225,731</b>	<b>724,575</b>	<b>135,790</b>
<b>Total pension liability - beginning</b>	<b>8,827,892</b>	<b>7,568,711</b>	<b>7,408,759</b>	<b>6,691,181</b>	<b>6,465,450</b>	<b>5,740,875</b>	<b>5,605,085</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 9,499,603</b>	<b>\$ 8,827,892</b>	<b>\$ 7,568,711</b>	<b>\$ 7,408,759</b>	<b>\$ 6,691,181</b>	<b>\$ 6,465,450</b>	<b>\$ 5,740,875</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 355,973	\$ 278,227	\$ 138,539	\$ 277,095	\$ 256,886	\$ 229,947	\$ 250,587
Net investment income	619,722	186,708	304,455	680,462	620,185	13,608	445,016
Benefit payments, including refunds of member contributions	(384,981)	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)	(268,317)
Administrative expenses	(23,613)	(23,725)	(12,538)	(22,997)	(23,126)	(15,103)	(14,685)
<b>Net change in plan fiduciary net position</b>	<b>567,101</b>	<b>79,144</b>	<b>262,183</b>	<b>593,866</b>	<b>536,062</b>	<b>(55,963)</b>	<b>412,601</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,431,053</b>	<b>6,351,909</b>	<b>6,089,726</b>	<b>5,495,860</b>	<b>4,959,798</b>	<b>5,015,761</b>	<b>4,603,160</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,998,154</b>	<b>\$ 6,431,053</b>	<b>\$ 6,351,909</b>	<b>\$ 6,089,726</b>	<b>\$ 5,495,860</b>	<b>\$ 4,959,798</b>	<b>\$ 5,015,761</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 2,501,449</b>	<b>\$ 2,396,839</b>	<b>\$ 1,216,802</b>	<b>\$ 1,319,033</b>	<b>\$ 1,195,321</b>	<b>\$ 1,505,652</b>	<b>\$ 725,114</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.67%</b>	<b>72.85%</b>	<b>83.92%</b>	<b>82.20%</b>	<b>82.14%</b>	<b>76.71%</b>	<b>87.37%</b>
<b>Covered payroll</b>	<b>\$ 4,984,730</b>	<b>\$ 5,197,012</b>	<b>\$ 4,670,988</b>	<b>\$ 4,595,373</b>	<b>\$ 4,619,244</b>	<b>\$ 4,525,595</b>	<b>\$ 3,966,501</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>50.18%</b>	<b>46.12%</b>	<b>26.05%</b>	<b>28.70%</b>	<b>25.88%</b>	<b>33.27%</b>	<b>18.28%</b>

**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 - 2021 are measured as of September 30.

**CITY OF VILLA RICA, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**RETIREMENT PLAN**  
**SCHEDULE OF CITY CONTRIBUTIONS**

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 363,520	\$ 334,362	\$ 353,457	\$ 207,808	\$ 277,101	\$ 250,148	\$ 225,696
Contributions in relation to the actuarially determined contribution	470,367	335,973	277,077	138,539	277,095	245,098	235,107
Contribution deficiency (excess)	<u>\$ (106,847)</u>	<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	\$ 5,999,579	\$ 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	7.84%	6.74%	5.33%	3.93%	6.03%	6.18%	7.60%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date	January 1, 2021
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**

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### **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

**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.

**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.

**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, 2021**

Special Revenue Funds					
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel and Motel Tax Fund	Cemetery Fund	Technology Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 119,884	\$ 170,526	\$ 49,206	\$ 9,483	\$ 83,094
Receivables	-	432	79,722	-	17
Prepaid items	-	-	4,861	-	-
Due from other funds	15	-	-	13	-
Total assets	<u>\$ 119,899</u>	<u>\$ 170,958</u>	<u>\$ 133,789</u>	<u>\$ 9,496</u>	<u>\$ 83,111</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 41,349	\$ 419	\$ 16,244
Retainage payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>41,349</u>	<u>419</u>	<u>16,244</u>
<b>FUND BALANCES</b>					
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	-	-	4,861	-	-
Restricted:					
Public safety	119,899	170,958	-	-	66,867
Capital projects	-	-	-	-	-
Economic development	-	-	87,579	-	-
Committed for cemetery improvement	-	-	-	9,077	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>119,899</u>	<u>170,958</u>	<u>92,440</u>	<u>9,077</u>	<u>66,867</u>
Total liabilities and fund balances	<u>\$ 119,899</u>	<u>\$ 170,958</u>	<u>\$ 133,789</u>	<u>\$ 9,496</u>	<u>\$ 83,111</u>



Capital Projects Funds					
Capital Projects Fund	Public Roads Fund	2015 SPLOST Fund	2016 SPLOST Fund	SPLOST Fund	Total Nonmajor Governmental Funds
\$ 4,065	\$ 43,570	\$ 1,299,313	\$ 2,166,819	\$ -	\$ 3,945,960
-	-	-	228,867	-	309,038
3,600	-	-	-	-	8,461
-	-	441,656	-	-	441,684
<u>\$ 7,665</u>	<u>\$ 43,570</u>	<u>\$ 1,740,969</u>	<u>\$ 2,395,686</u>	<u>\$ -</u>	<u>\$ 4,705,143</u>
\$ 7,665	\$ -	\$ 318,893	\$ 4,300	\$ -	\$ 388,870
-	43,570	182,351	67,078	-	292,999
<u>7,665</u>	<u>43,570</u>	<u>501,244</u>	<u>71,378</u>	<u>-</u>	<u>681,869</u>
3,600	-	-	-	-	8,461
-	-	-	-	-	357,724
-	-	1,239,725	2,324,308	-	3,564,033
-	-	-	-	-	87,579
-	-	-	-	-	9,077
(3,600)	-	-	-	-	(3,600)
<u>-</u>	<u>-</u>	<u>1,239,725</u>	<u>2,324,308</u>	<u>-</u>	<u>4,023,274</u>
<u>\$ 7,665</u>	<u>\$ 43,570</u>	<u>\$ 1,740,969</u>	<u>\$ 2,395,686</u>	<u>\$ -</u>	<u>\$ 4,705,143</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, 2021**

	Special Revenue Funds				
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel and Motel Tax Fund	Cemetery Fund	Technology Fund
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 379,580	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	13,790	43,452
Fines and forfeitures	-	3,586	-	-	-
Investment earnings	-	-	135	3	117
Total revenues	-	3,586	379,715	13,793	43,569
<b>Expenditures:</b>					
Current:					
Public works	-	-	-	-	-
Economic development	-	-	223,449	18,070	35,453
Capital outlay	-	-	-	-	-
Total expenditures	-	-	223,449	18,070	35,453
Excess (deficiency) of revenues over expenditures	-	3,586	156,266	(4,277)	8,116
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	5,000	-
Transfers out	-	-	(142,343)	-	-
Total other financing sources (uses):	-	-	(142,343)	5,000	-
Net change in fund balances	-	3,586	13,923	723	8,116
<b>Fund balances, beginning of year</b>	119,899	167,372	78,517	8,354	58,751
<b>Fund balances, end of year</b>	<u>\$ 119,899</u>	<u>\$ 170,958</u>	<u>\$ 92,440</u>	<u>\$ 9,077</u>	<u>\$ 66,867</u>

Capital Projects Funds					
Capital Projects Fund	Public Roads Fund	2015 SPLOST Fund	2016 SPLOST Fund	SPLOST Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,580
-	152,264	1,462,154	2,036,743	-	3,651,161
-	-	-	-	-	57,242
-	-	-	-	-	3,586
-	181	3,870	3,887	4	8,197
-	152,445	1,466,024	2,040,630	4	4,099,766
-	435,698	-	-	-	435,698
-	-	-	-	-	276,972
1,026,025	-	2,038,278	1,166,314	47,307	4,277,924
1,026,025	435,698	2,038,278	1,166,314	47,307	4,990,594
(1,026,025)	(283,253)	(572,254)	874,316	(47,303)	(890,828)
1,026,025	-	-	-	-	1,031,025
-	-	-	-	-	(142,343)
1,026,025	-	-	-	-	888,682
-	(283,253)	(572,254)	874,316	(47,303)	(2,146)
-	283,253	1,811,979	1,449,992	47,303	4,025,420
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239,725</u>	<u>\$ 2,324,308</u>	<u>\$ -</u>	<u>\$ 4,023,274</u>

**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, 2021**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 153	\$ 153
Total revenues	-	-	153	153
<b>Expenditures:</b>				
Debt service:				
Principal	855,000	855,000	855,000	-
Interest and fiscal charges	1,408,513	1,408,513	1,408,513	-
Total expenditures	2,263,513	2,263,513	2,263,513	-
Deficiency of revenues over expenditures	(2,263,513)	(2,263,513)	(2,263,360)	153
<b>Other financing sources:</b>				
Transfers in	2,263,513	2,263,513	2,263,512	(1)
Total other financing sources	2,263,513	2,263,513	2,263,512	(1)
Net change in fund balance	-	-	152	152
<b>Fund balance, beginning of year</b>	125	125	125	-
<b>Fund balance, end of year</b>	\$ 125	\$ 125	\$ 277	\$ 152

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues	1,000	1,000	-	(1,000)
<b>Expenditures:</b>				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	119,899	119,899	119,899	-
<b>Fund balance, end of year</b>	\$ 119,899	\$ 119,899	\$ 119,899	\$ -

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 3,586	\$ 2,586
Total revenues	1,000	1,000	3,586	2,586
<b>Expenditures:</b>				
Current:				
Public safety	-	1,000	-	1,000
Total expenditures	-	1,000	-	1,000
Net change in fund balance	1,000	-	3,586	3,586
Fund balance, beginning of year	167,372	167,372	167,372	-
Fund balance, end of year	\$ 168,372	\$ 167,372	\$ 170,958	\$ 3,586

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 273,125	\$ 399,882	\$ 379,580	\$ (20,302)
Investment earnings	-	-	135	135
Total revenues	273,125	399,882	379,715	(20,167)
<b>Expenditures:</b>				
Economic development	170,703	281,426	223,449	57,977
Total expenditures	170,703	281,426	223,449	57,977
Excess of revenues over expenditures	102,422	118,456	156,266	37,810
<b>Other financing uses:</b>				
Transfers out	(102,422)	(149,956)	(142,343)	7,613
Total other financing uses	(102,422)	(149,956)	(142,343)	7,613
Net change in fund balance	-	(31,500)	13,923	45,423
<b>Fund balance, beginning of year</b>	78,517	78,517	78,517	-
<b>Fund balance, end of year</b>	\$ 78,517	\$ 47,017	\$ 92,440	\$ 45,423

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 12,265	\$ 13,465	\$ 13,790	\$ 325
Investment earnings	-	-	3	3
Total revenues	12,265	13,465	13,793	328
<b>Expenditures:</b>				
Current:				
Economic development	12,265	18,465	18,070	395
Total expenditures	12,265	18,465	18,070	395
Deficiency of revenues over expenditures	-	(5,000)	(4,277)	723
<b>Other financing sources:</b>				
Transfers in	-	5,000	5,000	-
Total other financing sources	-	5,000	5,000	-
Net change in fund balance	-	-	723	723
<b>Fund balance, beginning of year</b>	8,354	8,354	8,354	-
<b>Fund balance, end of year</b>	\$ 8,354	\$ 8,354	\$ 9,077	\$ 723



**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Charges for services	\$ 42,000	\$ 42,000	\$ 43,452	\$ 1,452
Investment earnings	-	-	117	117
Total revenues	42,000	42,000	43,569	1,569
<b>Expenditures:</b>				
Current:				
Economic development	42,000	42,000	35,453	6,547
Total expenditures	42,000	42,000	35,453	6,547
Net change in fund balance	-	-	8,116	8,116
<b>Fund balance, beginning of year</b>	58,751	58,751	58,751	-
<b>Fund balance, end of year</b>	\$ 58,751	\$ 58,751	\$ 66,867	\$ 8,116

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Expenditures:</b>				
Capital outlays	\$ 1,029,300	\$ 1,770,701	\$ 1,026,025	\$ 744,676
Total expenditures	1,029,300	1,770,701	1,026,025	744,676
Deficiency of revenues over expenditures	(1,029,300)	(1,770,701)	(1,026,025)	744,676
<b>Other financing sources:</b>				
Transfers in	1,029,300	1,770,701	1,026,025	(744,676)
Total other financing sources	1,029,300	1,770,701	1,026,025	(744,676)
Net change in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

**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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 152,264	\$ (22,736)
Investment earnings	-	-	181	181
Total revenues	175,000	175,000	152,445	(22,555)
<b>Expenditures:</b>				
Public works	175,000	458,253	435,698	22,555
Total expenditures	175,000	458,253	435,698	22,555
Net change in fund balance	-	(283,253)	(283,253)	-
Fund balance, beginning of year	283,253	283,253	283,253	-
Fund balance, end of year	\$ 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, 2021**

	Budget			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 4	\$ 4	\$ -
Total revenues	-	4	4	-
<b>Expenditures:</b>				
Capital outlays	-	47,307	47,307	-
Total expenditures	-	47,307	47,307	-
Net change in fund balance	-	(47,303)	(47,303)	-
<b>Fund balance, beginning of year</b>	47,303	47,303	47,303	-
<b>Fund balance, end of year</b>	\$ 47,303	\$ -	\$ -	\$ -

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,244,660	\$ 1,344,660	\$ 1,462,154	\$ 117,494
Investment earnings	-	-	3,870	3,870
Total revenues	1,244,660	1,344,660	1,466,024	121,364
<b>Expenditures:</b>				
Capital outlays	1,244,660	2,262,925	2,038,278	224,647
Total expenditures	1,244,660	2,262,925	2,038,278	224,647
Net change in fund balance	-	(918,265)	(572,254)	346,011
<b>Fund balance, beginning of year</b>	1,811,979	1,811,979	1,811,979	-
<b>Fund balance, end of year</b>	\$ 1,811,979	\$ 893,714	\$ 1,239,725	\$ 346,011

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,184,364	\$ 1,219,364	\$ 2,036,743	\$ 817,379
Investment earnings	-	-	3,887	3,887
Total revenues	1,184,364	1,219,364	2,040,630	821,266
<b>Expenditures:</b>				
Capital outlays	1,184,364	2,379,387	1,166,314	1,213,073
Total expenditures	1,184,364	2,379,387	1,166,314	1,213,073
Net change in fund balance	-	(1,160,023)	874,316	2,034,339
<b>Fund balance, beginning of year</b>	1,449,992	1,449,992	1,449,992	-
<b>Fund balance, end of year</b>	<u>\$ 1,449,992</u>	<u>\$ 289,969</u>	<u>\$ 2,324,308</u>	<u>\$ 2,034,339</u>

**CITY OF VILLA RICA, GEORGIA**  
**2021 SPLOST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 9,008,300	\$ 4,717,067	\$ (4,291,233)
Investment earnings	-	-	4,274	4,274
Total revenues	-	9,008,300	4,721,341	(4,286,959)
<b>Expenditures:</b>				
Capital outlays	-	9,008,300	28,118	8,980,182
Total expenditures	-	9,008,300	28,118	8,980,182
Net change in fund balance	-	-	4,693,223	4,693,223
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 4,693,223	\$ 4,693,223

# CITY OF VILLA RICA, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>2008 Issue</b>					
Administrative facilities and equipment	\$ 1,013,895	\$ 1,183,302	\$ 1,183,303	\$ -	\$ 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	2,177,625	-	2,177,625
Library	473,151	425,667	425,667	-	425,667
Recreation	473,151	693,627	636,944	47,307	684,251
Total 2008 SPLOST	<u>\$ 6,759,300</u>	<u>\$ 6,401,012</u>	<u>\$ 6,344,330</u>	<u>\$ 47,307</u>	<u>\$ 6,391,637</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>
<b>2015 Issue</b>					
Water and sewer facilities and equipment including debt service for WWRF capital improvements	\$ 2,024,000	\$ 871,066	\$ 771,066	\$ 31,175	\$ 802,241
Public safety facilities and equipment	-	421,106	275,817	134,890	410,707
Roads, streets, bridges and sidewalks	2,465,490	2,382,882	1,279,483	966,047	2,245,530
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	919,076	844,331	1,763,407
Administration facilities and equipment	181,372	344,667	272,762	61,835	334,597
Economic development	375,000	129,029	129,029	-	129,029
Total 2015 SPLOST	<u>\$ 7,267,000</u>	<u>\$ 7,267,000</u>	<u>\$ 5,023,232</u>	<u>\$ 2,038,278</u>	<u>\$ 7,061,510</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>
<b>2016 Issue</b>					
Transportation and streets	\$ 2,179,408	\$ 2,179,408	\$ 304,220	\$ 706,897	\$ 1,011,117
Water and sewerage	1,851,472	1,851,472	516,507	300,288	816,795
Public safety	804,810	804,810	568,148	104,454	672,602
Fire and EMS	944,182	944,182	211,240	1,689	212,929
Parks and recreation	1,052,128	1,052,128	108,353	52,986	161,339
Total 2016 SPLOST	<u>\$ 6,832,000</u>	<u>\$ 6,832,000</u>	<u>\$ 1,708,468</u>	<u>\$ 1,166,314</u>	<u>\$ 2,874,782</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>
<b>2021 Issue</b>					
Punkintown Road	\$ 4,008,300	\$ 4,008,300	\$ -	\$ 28,118	\$ 28,118
Transportation and streets	3,000,000	3,000,000	-	-	-
Parks and recreation	1,000,000	1,000,000	-	-	-
Economic development	1,000,000	1,000,000	-	-	-
Total 2021 SPLOST	<u>\$ 9,008,300</u>	<u>\$ 9,008,300</u>	<u>\$ -</u>	<u>\$ 28,118</u>	<u>\$ 28,118</u>



## **NONMAJOR ENTERPRISE FUNDS**

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

**Stormwater Fund** – accounts for the revenues and maintenance of the City's stormwater infrastructure.

**CITY OF VILLA RICA, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2021**

	Solid Waste	Stormwater	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 126,518	\$ 237,038	\$ 363,556
Receivables (net of allowance for uncollectibles)	142,161	-	142,161
Total current assets	268,679	237,038	505,717
Noncurrent assets:			
Capital assets:			
Capital assets, not being depreciated	-	8,720	8,720
Capital assets, being depreciated	515,444	201,639	717,083
Less accumulated depreciation	(288,138)	(16,549)	(304,687)
Total noncurrent assets	227,306	193,810	421,116
Total assets	495,985	430,848	926,833
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	28,207	14,655	42,862
Total deferred outflows of resources	28,207	14,655	42,862
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	89,886	643	90,529
Accrued expenses	2,594	2,209	4,803
Total current liabilities	92,480	2,852	95,332
Long-term liabilities:			
Compensated absences, long term	6,255	4,045	10,300
Net pension liability	59,977	31,161	91,138
Total long-term liabilities	66,232	35,206	101,438
Total liabilities	158,712	38,058	196,770
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	3,247	1,687	4,934
Total deferred inflows of resources	3,247	1,687	4,934
<b>NET POSITION</b>			
Net investment in capital assets	227,306	193,810	421,116
Unrestricted	134,927	211,948	346,875
Total net position	\$ 362,233	\$ 405,758	\$ 767,991

**CITY OF VILLA RICA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Solid Waste	Stormwater	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,415,708	\$ -	\$ 1,415,708
Miscellaneous	15,936	-	15,936
Total operating revenues	<u>1,431,644</u>	<u>-</u>	<u>1,431,644</u>
<b>OPERATING EXPENSES</b>			
Personnel services and benefits	232,475	146,373	378,848
Purchased contract services	981,945	-	981,945
Supplies and maintenance	40,562	59,785	100,347
Depreciation	63,094	13,715	76,809
Total operating expenses	<u>1,318,076</u>	<u>219,873</u>	<u>1,537,949</u>
Operating income (loss)	113,568	(219,873)	(106,305)
Transfers in	1,823	346,651	348,474
Transfers out	<u>(100,848)</u>	<u>-</u>	<u>(100,848)</u>
Change in net position	14,543	126,778	141,321
<b>NET POSITION, beginning of year</b>	<u>347,690</u>	<u>278,980</u>	<u>626,670</u>
<b>NET POSITION, end of year</b>	<u>\$ 362,233</u>	<u>\$ 405,758</u>	<u>\$ 767,991</u>

**CITY OF VILLA RICA, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS**

**NONMAJOR ENTERPRISE FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Solid Waste	Stormwater	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,440,971	\$ -	\$ 1,440,971
Payments to suppliers and service providers	(1,013,731)	(75,609)	(1,089,340)
Payments to employees	(246,305)	(145,664)	(391,969)
Net cash provided by (used in) operating activities	180,935	(221,273)	(40,338)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	-	(52,877)	(52,877)
Net cash used in capital and related financing activities	-	(52,877)	(52,877)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	1,823	346,651	348,474
Transfers out	(100,848)	-	(100,848)
Net cash provided by (used in) noncapital financing activities	(99,025)	346,651	247,626
Increase in cash	81,910	72,501	154,411
<b>Cash:</b>			
Beginning of year	44,608	164,537	209,145
End of year	\$ 126,518	\$ 237,038	\$ 363,556
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 113,568	\$ (219,873)	\$ (106,305)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	63,094	13,715	76,809
Decrease in accounts receivable	9,327	-	9,327
Decrease in pension related deferred outflows of resources	16,206	149	16,355
Increase (decrease) in accounts payable	8,792	(16,413)	(7,621)
Increase (decrease) in accrued expenses	(16)	589	573
Increase (decrease) in net pension liability	(28,795)	1,570	(27,225)
Increase (decrease) in pension related deferred outflows of resources	(165)	549	384
Decrease in compensated absences	(1,076)	(1,559)	(2,635)
Net cash provided by (used in) operating activities	\$ 180,935	\$ (221,273)	\$ (40,338)

**CITY OF VILLA RICA, GEORGIA**  
**BALANCE SHEET**  
**COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY**  
**SEPTEMBER 30, 2021**

<b>ASSETS</b>	<b>Villa Rica Industrial Development Authority</b>
Cash	\$ 139,780
Investments	902,036
Accounts receivable	<u>4,863</u>
Total assets	<u><u>\$ 1,046,679</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 16,840
Due to City of Villa Rica	<u>157,100</u>
Total liabilities	<u>173,940</u>
<b>FUND BALANCES</b>	
Restricted:	
Economic development	<u>872,739</u>
Total fund balance	<u>872,739</u>
Total liabilities and fund balance	<u><u>\$ 1,046,679</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, 2021**

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	<b>Villa Rica Industrial Development Authority</b>
<b>Revenues:</b>	
Investment earnings	\$ 15,996
Total revenues	<u>15,996</u>
<b>Expenditures:</b>	
Current:	
Economic development	<u>19,901</u>
Total expenditures	<u>19,901</u>
Net change in fund balance	(3,905)
<b>Fund balance, beginning of period</b>	<u>876,644</u>
<b>Fund balance, end of period</b>	<u>\$ 872,739</u>

**CITY OF VILLA RICA, GEORGIA**

**BALANCE SHEET**  
**COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY**  
**SEPTEMBER 30, 2021**

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	Villa Rica Downtown Development Authority
<b>ASSETS</b>	
Cash and cash equivalents	\$ 61,255
Total assets	<u>\$ 61,255</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Due to primary government	\$ 124,000
Total liabilities	<u>124,000</u>
<b>FUND BALANCE (DEFICIT)</b>	
Unassigned	<u>(62,745)</u>
Total fund balance (deficit)	<u>(62,745)</u>
Total liabilities and fund balance	<u>\$ 61,255</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, 2021**

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	Villa Rica Downtown Development Authority
<b>Revenues:</b>	
Investment earnings	\$ 174
Total revenues	<u>174</u>
<b>Expenditures:</b>	
Current:	
Economic development	<u>2,585</u>
Total expenditures	<u>2,585</u>
Net change in fund balance	(2,411)
<b>Fund balance (deficit), beginning of period</b>	<u>(60,334)</u>
<b>Fund balance (deficit), end of period</b>	<u><u>\$ (62,745)</u></u>



**STATISTICAL SECTION**

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# STATISTICAL SECTION

## (Unaudited)

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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)**

	3/2012	3/2013 (1)	12/2013 (1)	12/2014 (2)	12/2015
Governmental Activities					
Net Investment in capital assets	\$ 16,821,558	\$ 17,947,001	\$ 18,144,707	\$ 23,064,667	\$ 23,376,912
Restricted	4,027,037	3,338,842	3,059,914	2,326,672	2,946,353
Unrestricted	4,638,447	5,470,546	5,272,470	(27,917,223)	(27,955,224)
Total governmental activities net position	<u>\$ 25,487,042</u>	<u>\$ 26,756,389</u>	<u>\$ 26,477,091</u>	<u>\$ (2,525,884)</u>	<u>\$ (1,631,959)</u>
Business-type activities					
Net Investment in capital assets	\$ 21,377,935	\$ 23,667,285	\$ 23,335,348	\$ 54,026,341	\$ 53,535,243
Restricted	-	-	-	-	-
Unrestricted	4,666,193	1,980,851	2,198,191	988,995	1,289,168
Total business-type activities net position	<u>\$ 26,044,128</u>	<u>\$ 25,648,136</u>	<u>\$ 25,533,539</u>	<u>\$ 55,015,336</u>	<u>\$ 54,824,411</u>
Primary government					
Net Investment in capital assets	\$ 38,199,493	\$ 41,614,286	\$ 41,480,055	\$ 77,091,008	\$ 42,820,242
Restricted	4,027,037	3,338,842	3,059,914	2,326,672	2,946,353
Unrestricted	9,304,640	7,451,397	7,470,661	(26,928,228)	7,425,857
Total primary government net position	<u>\$ 51,531,170</u>	<u>\$ 52,404,525</u>	<u>\$ 52,010,630</u>	<u>\$ 52,489,452</u>	<u>\$ 53,192,452</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) Implementation of GASB 68, *Accounting and Financial Reporting for Pensions* which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits.
- (3) 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.

12/2016	12/2017	9/2018 (3)	9/2019	9/2020	9/2021
\$ 24,631,631	\$ 25,581,609	\$ 27,495,408	\$ 27,150,274	\$ 27,271,385	\$ 27,571,991
1,796,702	2,263,462	820,694	2,369,296	3,733,813	9,000,419
(27,862,880)	(27,531,954)	(27,407,528)	(25,385,896)	(22,938,191)	(22,972,052)
\$ (1,434,547)	\$ 313,117	\$ 908,574	\$ 4,133,674	\$ 8,067,007	\$ 13,600,358

\$ 52,711,362	\$ 51,730,520	\$ 51,111,546	\$ 51,095,904	\$ 51,368,464	\$ 51,261,026
-	-	-	-	-	-
2,097,521	3,436,108	3,658,259	5,181,640	6,023,630	6,072,458
\$ 54,808,883	\$ 55,166,628	\$ 54,769,805	\$ 56,277,544	\$ 57,392,094	\$ 57,333,484

\$ 43,618,398	\$ 43,958,887	\$ 45,628,831	\$ 45,651,654	\$ 78,639,849	\$ 48,065,012
1,796,702	2,263,462	820,694	2,369,296	3,733,813	9,000,419
7,959,236	9,257,396	9,302,027	12,390,268	(16,914,561)	13,868,411
\$ 53,374,336	\$ 55,479,745	\$ 55,678,379	\$ 60,411,218	\$ 65,459,101	\$ 70,933,842

**CITY OF VILLA RICA, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	3/2012	3/2013 (1)	12/2013 (1)	12/2014
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 750,917	\$ 708,402	\$ 566,169	\$ 846,657
Judicial	305,148	275,246	193,686	219,206
Public safety	3,034,279	3,059,519	2,323,774	3,228,101
Public works	1,269,585	1,537,280	1,854,052	2,490,499
Housing and development	387,520	415,639	402,967	522,374
Health and Welfare	174,500	181,044	138,624	197,633
Culture and recreation	2,255,994	2,256,113	1,658,092	2,207,497
Interest on long-term debt	2,348,443	1,828,657	874,838	1,728,076
Total governmental activities expenses	10,526,386	10,261,900	8,012,202	11,440,043
Business-type activities:				
Water and Sewer	4,277,787	4,867,430	3,502,699	4,824,998
Solid Waste	762,889	796,965	552,633	859,068
Stormwater	-	-	-	-
Total business-type activities expenses	5,040,676	5,664,395	4,055,332	5,684,066
Total primary government expenses	\$ 15,567,062	\$ 15,926,295	\$ 12,067,534	\$ 17,124,109
Component Units:				
Villa Rica Industrial Development Authority	30,940	55,284	34,411	28,357
Villa Rica Downtown Development Authority	15,800	8,365	10,275	8,958
Total Component Unit expenses	46,740	63,649	44,686	37,315
<b>Program Revenues</b>				
Governmental Activities:				
Charges for service:				
General government	\$ 384,612	\$ 75	\$ 30	\$ 494
Judicial	894,816	656,253	-	551,956
Public safety	-	8,705	438,520	-
Public works	-	-	2,935	8,990
Health and Welfare	-	-	138,624	-
Culture and recreation	-	340,869	296,272	461,688
Housing and development	-	764	158,584	195,729
Operating grants and contributions	398,231	457,789	203,247	478,226
Capital grants and contributions	1,364,303	373,641	799,239	1,170,507
Total governmental activities program revenues	3,041,962	1,838,096	2,037,451	2,867,590
Business-type activities:				
Charges for services:				
Water and Sewer	4,638,804	4,567,275	3,741,855	4,821,054
Solid Waste	758,834	747,813	566,063	743,515
Operating grants and contributions	45,240	-	-	-
Capital grants and contributions	-	489,117	-	500,000
Total business-type activities program revenues	5,442,878	5,804,205	4,307,918	6,064,569
Total primary government program revenues	\$ 8,484,840	\$ 7,642,301	\$ 6,345,369	\$ 8,932,159

	12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021
\$	2,240,151	\$ 1,889,057	\$ 1,970,169	\$ 881,397	\$ 2,179,236	\$ 2,252,393	\$ 3,155,094
	118,003	126,958	155,784	109,652	193,179	193,567	201,785
	3,598,334	4,136,348	4,319,969	3,294,224	5,381,329	5,378,386	5,923,904
	2,136,417	1,911,665	2,378,939	1,899,343	2,325,209	2,724,924	3,428,048
	434,965	685,524	921,503	179,681	249,168	226,466	227,328
	195,254	202,580	227,141	1,972,259	2,223,989	2,435,844	3,451,869
	2,228,525	2,293,240	2,731,102	1,002,085	1,207,817	1,338,005	1,651,512
	1,326,673	1,344,470	1,333,151	964,520	1,323,039	1,309,895	1,290,487
	12,278,322	12,589,842	14,037,758	10,303,161	15,082,966	15,859,480	19,330,027
	4,438,097	5,050,925	4,719,234	3,833,639	5,671,479	5,490,886	6,193,250
	778,358	839,843	947,077	925,278	1,224,268	1,284,004	1,318,076
	-	-	-	-	206,776	197,851	219,873
	5,216,455	5,890,768	5,666,311	4,758,917	7,102,523	6,972,741	7,731,199
\$	17,494,777	\$ 18,480,610	\$ 19,704,069	\$ 15,062,078	\$ 22,185,489	\$ 22,832,221	\$ 27,061,226
	28,783	40,872	42,960	42,960	43,401	44,153	25,134
	7,580	8,530	96,162	96,162	11,613	8,907	5,149
	36,363	49,402	139,122	139,122	55,014	53,060	30,283
\$	81,819	\$ 61,807	\$ 440,433	\$ 9,945	\$ 72,023	\$ 103,973	\$ 51,901
	470,045	527,344	656,508	479,575	617,117	614,184	587,542
	2,402	9,331	13,810	23,585	19,646	26,527	9,375
	1,605	1,285	5,525	5,023	4,670	19,790	13,790
	438,871	403,467	439,047	385,036	316,497	114,796	421,641
	131,056	168,401	475,577	267,036	665,838	568,116	369,830
	-	-	-	-	-	-	-
	699,582	302,692	1,202,322	414,040	550,714	1,389,146	567,721
	1,175,651	1,422,653	2,233,372	1,978,565	2,720,736	2,831,693	7,098,628
	3,001,031	2,896,980	5,466,594	3,562,805	4,967,241	5,668,225	9,120,428
	5,207,284	5,653,759	5,857,818	5,732,545	9,058,890	9,595,927	9,065,232
	831,768	862,475	867,805	843,581	1,263,850	1,345,477	1,415,708
	-	-	-	-	-	-	-
	264,443	322,793	144,031	259,724	597,322	232,480	331,465
	6,303,495	6,839,027	6,869,654	6,835,850	10,920,062	11,173,884	10,812,405
\$	9,304,526	\$ 9,736,007	\$ 12,336,248	\$ 10,398,655	\$ 15,887,303	\$ 16,842,109	\$ 19,932,833

*continued*

**CITY OF VILLA RICA, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	3/2012	3/2013 (1)	12/2013 (1)	12/2014
Component Units:				
Charges for services:				
Villa Rica Industrial Development Authority	-	-	67,960	87,750
Villa Rica Downtown Development Authority	13,424	17,500	7,976	7,498
Total Component Unit program revenues	13,424	17,500	75,936	95,248
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (7,484,424)	\$ (8,423,804)	\$ (6,113,375)	\$ (8,566,323)
Business-type activities	402,202	139,810	252,586	380,503
Total primary government net expense	\$ (7,082,222)	\$ (8,283,994)	\$ (5,860,789)	\$ (8,185,820)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 3,598,148	\$ 3,055,908	\$ 2,924,486	\$ 4,176,958
Sales taxes	1,124,689	2,854,597	1,554,878	2,739,884
Other taxes and miscellaneous	2,047,895	2,499,135	1,545,385	1,144,511
Unrestricted investment earnings	27,531	55,217	13,344	11,738
Miscellaneous	98,263	53,048	90,811	84,253
Gain on sale of capital assets	21,600	30,775	127,062	16,964
Transfers	451,595	1,142,121	574,056	1,443,352
Total governmental activities	\$ 7,369,721	\$ 9,690,801	\$ 6,830,022	\$ 9,617,660
Business-type activities				
Investment earnings	\$ 41,632	\$ 17,358	\$ -	\$ 1,692
Miscellaneous	154,306	171,557	386,135	314,391
Gain on sale of capital assets	4,844	468,404	(179,262)	1,425
Transfers	(451,595)	(1,142,121)	(574,056)	(1,443,352)
Total business-type activities	(250,813)	(484,802)	(367,183)	(1,125,844)
Total primary government	\$ 7,118,908	\$ 9,205,999	\$ 6,462,839	\$ 8,491,816
<b>Change in Net Position</b>				
Governmental activities	\$ (114,703)	\$ 1,269,347	\$ 716,647	\$ 1,051,337
Business-type activities	151,389	(344,992)	(114,597)	(745,341)
Total primary government	\$ 36,686	\$ 924,355	\$ 602,050	\$ 305,996

**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.

	12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021
	11,338	-	-	-	-	-	-
	53	1,025	72,206	72,206	500	-	-
	11,391	1,025	72,206	72,206	500	-	-
\$	(9,277,291)	\$ (9,692,862)	\$ (8,571,164)	\$ (6,740,357)	\$ (10,115,725)	\$ (10,191,255)	\$ (10,209,599)
	1,087,040	948,259	1,203,343	2,076,933	3,817,539	4,201,143	3,081,206
\$	(8,190,251)	\$ (8,744,603)	\$ (7,367,821)	\$ (4,663,424)	\$ (6,298,186)	\$ (5,990,112)	\$ (7,128,393)
\$	3,113,639	\$ 3,348,369	\$ 3,771,161	\$ 631,999	\$ 3,780,936	\$ 3,944,485	\$ 4,854,855
	2,288,460	2,328,688	2,405,569	1,992,836	2,921,096	3,095,590	3,486,976
	2,829,722	3,028,918	3,118,313	2,042,776	3,868,420	3,758,257	3,989,267
	37,827	9,698	2,967	2,592	-	-	387
	-	-	9,528	189,060	440,979	202,797	205,245
	614,828	211,087	162,920	-	15,504	8,168	12,840
	1,286,740	963,514	848,370	2,476,551	2,313,890	3,115,291	3,193,380
\$	10,171,216	\$ 9,890,274	\$ 10,318,828	\$ 7,335,814	\$ 13,340,825	\$ 14,124,588	\$ 15,742,950
\$	875	\$ 2,457	\$ 2,772	\$ 2,795	\$ 4,090	\$ 28,698	\$ 19,164
	7,900	-	-	-	-	-	34,400
	-	-	-	-	-	-	-
	(1,286,740)	(963,514)	(848,370)	(2,476,551)	(2,313,890)	(3,115,291)	(3,193,380)
	(1,277,965)	(961,057)	(845,598)	(2,473,756)	(2,309,800)	(3,086,593)	(3,139,816)
\$	8,893,251	\$ 8,929,217	\$ 9,473,230	\$ 4,862,058	\$ 11,031,025	\$ 11,037,995	\$ 12,603,134
\$	893,925	\$ 197,412	\$ 1,747,664	\$ 595,457	\$ 3,225,100	\$ 3,933,333	\$ 5,533,351
	(190,925)	(15,528)	357,745	(396,823)	1,507,739	1,114,550	(58,610)
\$	703,000	\$ 181,884	\$ 2,105,409	\$ 198,634	\$ 4,732,839	\$ 5,047,883	\$ 5,474,741



**CITY OF VILLA RICA, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	3/2012	3/2013 (1)	12/2013 (1)	12/2014
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	64,637	67,196	-	135,245
Committed	-	47,000	-	-
Assigned	24,845	-	-	-
Unassigned	4,857,630	5,457,490	5,718,887	6,290,536
Total general fund	<u>\$ 4,947,112</u>	<u>\$ 5,571,686</u>	<u>\$ 5,718,887</u>	<u>\$ 6,425,781</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,441,487	3,326,438	819,114	2,326,672
Committed	1,761,021	41,196	-	1,102,889
Assigned	31,831	100	2,240,800	-
Unassigned (deficit)	(3,997)	(3,930)	-	-
Total all other governmental funds	<u>\$ 3,230,342</u>	<u>\$ 3,363,804</u>	<u>\$ 3,059,914</u>	<u>\$ 3,429,561</u>
Total all governmental funds	<u>\$ 8,177,454</u>	<u>\$ 8,935,490</u>	<u>\$ 8,778,801</u>	<u>\$ 9,855,342</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.

12/2015	12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
306,723	588,642	98,234	236,815	331,987	265,570	305,780
-	450,000	500,000	950,000	950,000	1,000,000	1,000,000
337,134	600,483	1,087,658	79,688	19,192	638,175	877,804
6,523,603	5,220,018	5,069,864	3,617,325	5,104,136	5,859,892	6,458,485
\$ 7,167,460	\$ 6,859,143	\$ 6,755,756	\$ 4,883,828	\$ 6,405,315	\$ 7,763,637	\$ 8,642,069
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,461
2,983,880	1,796,702	2,263,462	820,694	2,369,296	3,733,813	8,702,559
-	24,472	27,689	15,508	52,730	8,354	9,077
-	199,227	48,748	-	609	283,378	277
-	-	-	(951)	109,182	-	(3,600)
\$ 2,983,880	\$ 2,020,401	\$ 2,339,899	\$ 835,251	\$ 2,531,817	\$ 4,025,545	\$ 8,716,774
\$ 10,151,340	\$ 8,879,544	\$ 9,095,655	\$ 5,719,079	\$ 8,937,132	\$ 11,789,182	\$ 17,358,843

**CITY OF VILLA RICA, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	3/2012	3/2013	12/2013	12/2014	12/2015
<b>Revenues</b>					
Taxes	\$ 6,974,531	\$ 7,132,663	\$ 5,972,779	\$ 8,136,232	\$ 8,202,400
Licenses and permits	109,161	103,712	158,584	195,729	211,314
Intergovernmental	1,737,165	2,081,192	1,002,486	1,611,154	1,808,598
Fines and forfeitures	358,192	335,810	307,822	477,302	261,061
Charges for service	894,816	670,856	429,935	551,956	653,423
Interest Income	58,118	55,217	13,343	39,329	38,196
Other Revenues	123,242	90,073	90,811	121,437	656,893
Total revenues	10,255,225	10,469,523	7,975,760	11,133,139	11,831,885
<b>Expenditures</b>					
General government	593,397	611,130	543,329	753,957	2,153,213
Judicial	305,148	275,246	193,686	216,681	118,330
Public safety	2,762,379	2,872,255	2,231,925	3,058,533	3,607,660
Public works	958,589	928,320	1,131,782	1,423,163	1,159,921
Health and Welfare	168,299	182,496	144,304	197,314	195,735
Culture and recreation	1,925,444	1,959,000	1,444,902	1,862,430	1,874,565
Economic development	387,520	416,728	403,848	521,663	436,596
Capital outlay	580,003	2,148,664	1,611,268	1,672,916	1,755,468
Debt service					
Interest	1,743,596	1,828,657	867,051	2,006,099	1,416,133
Principal	266,903	218,970	189,609		556,302
Total expenditures	9,691,278	11,441,466	8,761,704	11,712,756	13,273,923
Excess of revenues over (under) expenditures	563,947	(971,943)	(785,944)	(579,617)	(1,442,038)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,963,752	2,347,396	1,579,308	2,789,659	2,717,354
Transfers out	(1,512,157)	(627,525)	(1,005,251)	(1,346,308)	(1,430,614)
Bonds issued	-	-	-	-	33,860,000
Premium on bonds issued	-	-	-	-	4,835,048
Payment to refunded bond escrow agent	-	-	-	-	(38,434,806)
Sale of capital assets	21,600	10,108	55,199	16,964	-
Total other financing sources (uses)	473,195	1,729,979	629,256	1,460,315	1,546,982
Net change in fund balances	\$ 1,037,142	\$ 758,036	\$ (156,688)	\$ 880,698	\$ 104,944
Debt service as a percentage of noncapital expenditures	28.31%	28.26%	17.34%	24.97%	20.66%

	12/2016		12/2017		9/2018		9/2019		9/2020		9/2021
\$	8,710,240	\$	9,236,397	\$	4,680,351	\$	10,756,673	\$	10,807,499	\$	12,327,620
	229,187		537,327		275,853		736,444		670,512		419,688
	1,710,806		3,256,165		1,381,676		3,098,476		4,025,156		8,880,966
	359,854		466,094		356,566		530,235		525,388		483,479
	582,594		650,065		537,781		429,112		251,485		550,912
	10,115		3,323		3,086		4,313		27,895		26,412
	248,410		234,151		212,755		534,181		238,345		260,228
	11,851,206		14,383,522		7,448,068		16,089,434		16,546,280		22,949,305
	1,773,868		1,616,466		1,330,555		1,899,096		2,077,177		2,379,395
	125,679		154,686		111,680		193,620		190,446		199,153
	3,887,115		4,055,900		3,294,805		4,649,375		5,029,924		5,042,877
	1,375,220		1,895,374		1,704,649		1,896,409		2,263,622		2,653,665
	200,007		224,809		177,939		250,741		223,343		224,808
	1,914,100		2,303,076		1,711,620		2,008,815		1,955,858		2,043,574
	679,225		918,015		1,040,035		1,213,665		1,258,605		1,527,899
	2,417,914		2,190,317		2,224,974		1,395,142		1,668,101		4,306,042
	1,473,388		1,461,138		1,454,938		1,447,288		735,000		855,000
	240,000		245,000		250,000		260,000		1,432,363		1,408,513
	14,086,516		15,064,781		13,301,195		15,214,151		16,834,439		20,640,926
	(2,235,310)		(681,259)		(5,853,127)		875,283		(288,159)		2,308,379
	3,813,500		3,419,736		2,866,579		3,329,235		3,814,423		4,767,757
	(2,849,986)		(2,571,366)		(390,028)		(1,015,345)		(682,382)		(1,519,315)
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		49,000		-		28,880		8,168		12,840
	963,514		897,370		2,476,551		2,342,770		3,140,209		3,261,282
\$	(1,271,796)	\$	216,111	\$	(3,376,576)	\$	3,218,053	\$	2,852,050	\$	5,569,661
	17.21%		15.28%		18.19%		14.10%		16.67%		16.09%

# 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
3/2012	\$ 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
9/2021	4,851,377	3,486,976	336,384	1,316,112	1,166,067	379,580	791,124	12,327,620

**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	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
3/2012	2011	\$ 202,361,724	\$ 109,763,315	\$ 5,911,138	\$ 16,815,196	\$ (48,355,085)	\$ 286,496,288	6.775	\$ 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	6.775	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	6.775	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	6.630	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	6.500	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	6.500	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	6.365	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	6.056	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	5.743	980,267,778	40.00
9/2021	2020	334,201,560	146,780,002	7,061,872	4,510,322	(55,888,243)	436,665,513	6.250	1,091,663,783	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	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
3/2012	2011	\$ 160,141,737	\$ 18,105,932	\$ 1,051,485	\$ 12,141,190	\$ (9,022,322)	\$ 182,418,022	6.775	\$ 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	6.775	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	6.775	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	6.630	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	6.500	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	6.500	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	6.365	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	6.056	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	5.743	606,633,950	40.00
9/2021	2020	256,703,775	69,903,991	2,597,521	2,098,664	(65,195,766)	266,108,185	6.250	665,270,463	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 FISCAL YEARS

<u>Fiscal Year</u>		<u>County/BOE</u>	<u>SPLOST Sales Tax</u>	<u>State of Georgia Sales Tax</u>	<u>Total Direct &amp; Overlapping Rates</u>
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
2021	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	
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
2020	Carroll	6.250	-	6.250	-	-	-	7.668	17.998	-	31.92
	Douglas	6.250	-	6.250	12.563	20.600	-	-	-	-	39.41

**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

## 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
3/31/2012	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%
9/30/2021	2020	Carroll	2,700,970					
		Douglas	1,637,360					
			<u>4,338,330</u>	4,198,717	96.78%	107,039	4,305,757	99.25%

**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 TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2021 (Digest Year2020)				
Taxpayer	Taxable Assessed Value	County	Rank	Percentage of Total Taxable Assessed Value
Southwire Company	\$ 48,524,764	Carroll	1	6.90%
Printpack Inc	36,615,112	Carroll	2	5.21%
Sugar Foods	22,316,868	Carroll	3	3.18%
Hawthorne-Midway Mirror Lake, LLC	10,666,145	Douglas	4	1.52%
Intercapital Villa Rica Associates LP	9,999,999	Carroll	5	1.42%
Village Mirror, LLC	3,060,000	Douglas	6	0.44%
Turano Georgia Bread, LLC	2,398,639	Carroll	7	0.34%
Tanner Medical Center, Inc.	2,302,360	Carroll	8	0.33%
Benchmark United, LLC	1,952,640	Carroll	9	0.28%
PSI Atlantic Villa Rica, GA LLC	1,362,120	Carroll	10	0.19%
Total	<u>\$ 139,198,647</u>			<u>19.81%</u>

Fiscal Year 2012 (Digest Year2011)				
Taxpayer	Taxable Assessed Value	County	Rank	Percentage of Total Taxable Assessed Value
Printpack Inc	\$ 38,189,745	Carroll	1	7.64%
Sugar Foods	14,975,946	Carroll	2	2.99%
Flowers Foods Inc.	11,590,081	Carroll	3	2.32%
Southwire Company	11,084,215	Carroll	4	2.22%
Preserve at Mirror Lake LLC	4,030,480	Carroll	5	0.81%
Village Mirror LLC	3,240,440	Douglas	6	0.65%
Fairgreen Mirror Lake LLC	3,150,147	Douglas	7	0.63%
Sequoia Golf Mirror Lake LLC	2,711,320	Carroll	8	0.54%
Chase Equipment Leasing	1,879,232	Carroll	9	0.38%
Community & Southern Bank	1,646,812	Douglas	10	0.33%
	<u>\$ 92,498,418</u>			<u>18.49%</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			Business-type Activities		Total Primary Government	Per Capita
	Capital Leases	Revenue Bonds	GO Bonds	Note Payable			
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
9/2021	-	33,723,759	-	81,365		33,723,759	1,987

**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
3/2012	\$ -	\$ -	\$ -	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%	-
9/2021	-	-	-	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										
	3/2012	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020	9/2021
Assessed Property Value	\$ 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	\$ 702,773,698
Debt limit	\$ 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	\$ 702,773,698
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 468,914,310	\$ 453,024,272	\$ 437,611,677	\$ 424,830,527	\$ 428,555,713	\$ 489,735,477	\$ 526,718,358	#VALUE!	n/a	\$ 634,760,691	\$ 702,773,698
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%	n/a	0.00%	0.00%

# CITY OF VILLA RICA, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Overlapping Debt (2)(3)</b>			
Carroll County Board of Education (June 30, 2020)			
General obligation bonds	\$ 20,885,000	8.15%	\$ 1,701,475
Capital leases	-	8.15%	-
Financed purchases	469,630	8.15%	38,260
Carroll County (June 30, 2021):			
General obligation bonds	40,000,000	8.15%	3,258,750
Capital leases	3,126,000	8.15%	254,671
Financed purchases	-	8.15%	-
Douglas County Board of Education (June 30, 2020)			
General obligation bonds	88,474,000	5.04%	4,455,173
Capital leases	-	5.04%	-
Financed purchases	2,453,823	5.04%	123,564
Douglas County (Dec 31, 2020)			
General obligation bonds	4,080,000	5.04%	205,451
Capital leases	-	5.04%	-
Financed purchases	2,728,404	5.04%	137,391
<b>Total Overlapping Debt</b>			<b>10,174,735</b>
<b>City Direct Debt</b>			
General obligation/Revenue bonds	30,785,000	100.00%	30,785,000
Capital leases	-	100.00%	-
Notes payable	81,365	100.00%	81,365
<b>Total Direct Debt</b>			<b>30,866,365</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 41,041,100</b>

**Notes:**

(1) Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's geographic boundaries and dividing it by each government's total assessed value

(2) Underlying governments are those that coincide, at least in part, with the geographic boundaries of the City.

(3) Source - Each specific government

# CITY OF VILLA RICA, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income (Dollars)	Median Property Value	Average Unemployment Rate		
					City	State - GA	U.S.
2012	13,956	\$ 4,380,426	\$ 31,387	\$ 129,000	9.60%	9.17%	8.08%
2013	13,956	4,413,083	31,621	132,200	8.61%	8.20%	7.36%
2014	14,700	4,787,672	32,569	124,000	7.36%	7.10%	6.16%
2015	14,700	4,998,706	34,005	119,500	6.35%	5.98%	5.28%
2016	14,700	5,141,501	34,976	127,700	5.54%	5.37%	4.88%
2017	14,700	5,285,414	35,955	139,700	4.87%	4.70%	4.35%
2018	14,700	5,457,551	37,126	157,900	4.13%	3.96%	3.89%
2019	16,058	6,189,363	38,544	168,000	3.53%	3.43%	3.67%
2020	16,058	6,630,375	41,290	182,000	7.14%	6.42%	8.12%
2021	16,970	NA	NA	206,000	4.83%	4.28%	6.05%

Sources: U.S. Census Bureau

Notes: Personal income and per capita income for 2021 are not available at time of publishing.



# CITY OF VILLA RICA, GEORGIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

2021		
Employer	Employees	Rank
Tanner Hospital - Villa Rica	610	1
Flowers Baking Company of Villa Rica	447	2
Print Pack, Inc.	435	3
East-West Express	311	4
Walmart Stores East, LP #2732	285	5
Sugar Foods Corporation	250	6
Royal Trucking Company	218	7
Rogers Mechanical Contractor LLC	200	8
Intex DIY, Inc.	182	9
Agape Hospice Care of Carrollton	175	10
Total	3,113	

2012		
Employer	Employees	Rank
Tanner Medical Center	750	1
PrintPack	468	2
Flowers Baking Co	425	3
Sugar Foods	340	4
Carroll County Board of Education	207	5
Walmart	170	6
Home Depot	149	7
McNeilus Truck & Manufacturing	128	8
City of Villa Rica	124	9
Publix	68	10
Total	2,828	

**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	3/2012	3/2013 <sup>(1)</sup>	12/2013 <sup>(1)</sup>	12/2014	12/2015	12/2016	12/2017	9/2018 <sup>(2)</sup>	9/2019	9/2020	9/2021
Governmental activities:											
General government	11.0	11.0	10.0	9.0	9.0	9.0	12.5	13.0	15.5	16.0	17.0
Municipal court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Public Safety	42.0	44.0	45.0	45.0	45.0	49.0	51.4	51.7	57.3	58.3	61.3
Public Works	11.5	9.5	10.0	10.0	9.0	10.0	10.0	13.5	20.7	21.7	21.7
Culture and recreation	24.3	25.0	26.7	26.7	26.7	27.2	29.9	30.0	28.9	28.9	24.2
Community development	4.0	3.5	3.5	4.5	5.0	6.0	9.5	10.5	12.2	12.0	16.7
Total - Governmental activities	<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>	<u>142.9</u>
Business activities:											
Water and Sewer Fund	19.0	2.0 <sup>(3)</sup>	- <sup>(3)</sup>	20.0	22.0	23.0	23.0	25.0	30.0	31.0	32.0
Solid Waste Fund	4.0	4.0	4.0	4.0	4.0	4.0	7.0	7.0	6.0	6.0	6.0
Stormwater Fund	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Total - business-type activities	<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>	<u>40.0</u>
Total City	<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>	<u>182.9</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.

(4) In 2021 the City reorganized Pine Mountain Gold Museum, moving it from Culture and Recreation to Community/Economic Development/Tourism.

# CITY OF VILLA RICA, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Arrests	143	129	120	137	142	173	197	173	222	227
Incident Reports	1,939	1,960	2,107	2,241	2,116	2,260	2,199	2,060	1,897	2,260
Citations	2,924	3,050	3,343	4,019	4,208	5,254	4,235	5,140	3,956	4,117
Public Works										
Stormwater Infrastructure Repairs	44	19	22	28	50	42	28	35	29	49
Community Development										
Building permits issued	19	20	29	34	49	94	207	277	281	156
Water and Sewer										
Number of residential customers, water	5,446	5,409	5,503	5,488	5,488	5,528	5,632	5,875	6,071	6,190
Number of residential customers, sewer	3,963	4,019	4,123	4,137	4,200	4,246	4,374	4,604	4,793	4,887
Solid Waste										
Number of residential customers	3,584	3,611	3,633	3,670	3,665	3,697	4,365	4,574	4,843	4,967

Sources: Various City departments

# CITY OF VILLA RICA, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	3/2012	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020	9/2021
Public Safety											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Number of police officers positions	34	35	36	37	38	40	43	46	47	52	55
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	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,652	1,690	1,779
Recreation and Culture:											
Number of parks	8	8	8	8	9	9	9	9	9	9	9
Park acreage	284.08	284.08	284.08	284.08	443.33	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	139
Miles of sewer mains	89	89	89	89	89	89	89	89	89	89	89

Sources: Various City departments

## **COMPLIANCE SECTION**

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**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**

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 4, 2022.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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  
March 4, 2022

**CITY OF VILLA RICA, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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**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**

There was not an audit of major federal award programs for the year ended September 30, 2021 due to the total amount expended being less than \$750,000.