



Photo Credit: Michael Valentine

Villa Rica

**CITY OF VILLA RICA, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended September 30, 2022**



CITY OF VILLA RICA, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2022

Prepared By:
The City of Villa Rica Finance Department

INTRODUCTORY SECTION

CITY OF VILLA RICA, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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February 28, 2023

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, 2022. 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, 2022. 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.

The City of Villa Rica was incorporated on December 24, 1842. Two small communities in the Villa Rica area, Hixtown and Cheevestown, had been formed between 1826 and 1882. When the railroad was built in 1882, Hixtown and Cheevestown moved to Villa Rica's present location. Many of the original structures were physically moved to the new site by rolling them on logs pulled by horses. Another act was passed by the State on September 13, 1883, to incorporate Villa Rica in its new location.

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 70th most populated city in the State of Georgia with roughly 17,000 citizens. Since 2010, the City's population has grown over 21% and is projected to grow by an additional 8,000 people through the year 2030.

The City's commercial 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. However, our City overcame many of these challenges. Participation in all the City's programs/events such as spring & summer sports, summer camps, July 3rd Fireworks and summer concerts is at pre-pandemic levels or higher. All the community and recreational facilities like Pine Mountain Gold Museum, Library and Senior Center are operating at or above pre-pandemic levels as well. Several capital projects and new developments launched in 2022 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 creating 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. GDOT began clearing the path for the North Loop Bypass late last year. The bypass will remove much of the truck traffic that clogs downtown and open a new commercial corridor on the east side of town. The City will be responsible for the utility relocations and possible betterments.

Downtown Development The City was approved for a \$1.7 million state Rural Downtown Development Grant that will help with road improvements. It will assist the overall plan to improve connectivity with the east and west sides of the City. Also, the City was awarded a \$1.4 million grant from the Atlanta Regional Commission as part of their Livable Cities Initiative (LCI). This grant will pay for engineering designs for making our downtown more livable and easier to navigate for pedestrians and motorists.

Utilities Much of the progress in 2022 has been hard to see because it has involved underground pipes, or it's been done in places the public seldom visits. We refurbished the Conners Road booster pump station; increased the flow capacity at Cowans Lake; and upgraded our way of remotely monitoring our water systems. We renovated the North and West Wastewater plants and replaced/rebuilt 16 lift station pumps. Altogether last year we repaired 133 service leaks, repaired 22 service lines, installed five water main valves, and replaced seven fire hydrants. And we cleared about six miles of sewer easements.

ECONOMIC DEVELOPMENT

New Development Our city is growing fast, and we can expect to add new residences and developments over the next few years. The biggest construction news for the east side is the Fuqua mixed-use development, which is underway along Mirror Lake Boulevard. This one development holds the promise of changing our City just as the Mirror Lake Community did 20 years ago. Along with over 400 new places to live, the Fuqua plan will feature a 60,000 square foot grocery store, new retail shops and new restaurants that will improve our quality of life. It will also be the anchor development for the Eastside Connector, a roadway that will provide a long-desired link between downtown and the Mirror Lake and Liberty Road communities.

Arbour Valley Communities broke ground on Cleghorn Street for its Arbours at Villa Rica development. This was the first major housing construction in the City since the pandemic.

In September, Walton Communities opened the first phase of Legacy at Walton Trail, a project that broke ground in 2021. Legacy will eventually replace Old Town Homes, a federal housing project dating back to

the time of President Harry Truman. This facility is on Dallas Highway, which is becoming a major professional and commercial corridor. It's also where Verida, formerly known as SoutheasTrans, has relocated its headquarters from Atlanta to a new building in the City.

FLEX TC's new headquarters is on Industrial Drive. This creator of pre-engineered buildings for planned and unplanned construction projects has a national presence, thanks to their relationship with the Masters Golf Tournament, Major League Baseball, and the NFL.

The city has many projects in various stages of development, both commercial and residential. This is a vast change over the past few years and if all 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, Deputy 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, Deputy City Manager and Finance Director 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 21, 2021, City Council adopted the fiscal year 2022 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 30th, or the prior year budget rolls forward into the new fiscal year. The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Finance Department). The legal level of budgetary control is approved by City Council at the individual fund and departmental level. Expenditures by department and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document.

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

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, 2021. This was the second 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 third 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", followed by a long horizontal flourish.

Sarah Andrews, CPA
Deputy City Manager/
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Jennifer Hallman", written in a cursive style.

Jennifer Hallman, CPFO
Finance Director



Government Finance Officers Association

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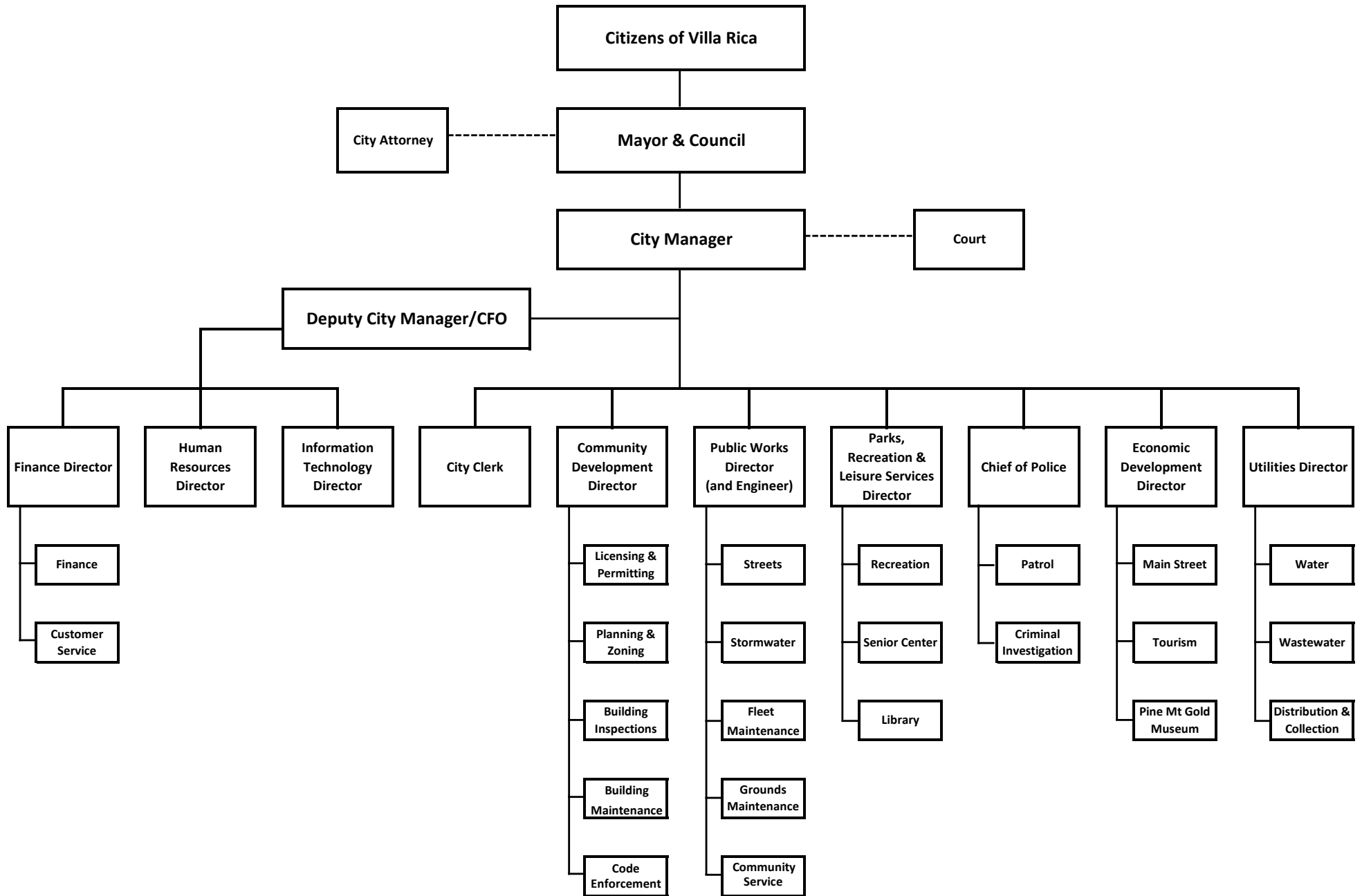
**City of Villa Rica
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrell

Executive Director/CEO



CITY OF VILLA RICA, GEORGIA
ELECTED OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2022



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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, as of September 30, 2022, and the respective changes in financial position, and where applicable, cashflows thereof, and the budgetary comparison for the General Fund, the ARPA Fund and the Villa Rica Public Facilities Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects constructed with special purpose local option sales tax proceeds as required by the Official Code of Georgia 48-8-121 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 on our consideration of the City'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 the City'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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 28, 2023

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, 2022. 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 2022 by \$80,678,968 (net position). Of this amount, the unrestricted portion is \$19,527,613.
- The City's total net position increased by \$9,745,126 compared to the prior year. The City's operations increased the governmental activities by \$3,769,834 and increased the business-type activities by \$5,975,292.
- At the close of fiscal year 2022, the City of Villa Rica's governmental funds reported combined ending fund balances of \$20,585,298.
- At the end of fiscal year 2022, the unassigned fund balance for the General Fund was \$8,309,643 or 54% of the total General Fund expenditures.
- At the end of fiscal year 2022, unrestricted net position for the Enterprise Funds was \$10,074,814 or 117% of the total Proprietary Fund expenditures, excluding the transfer for the bond payment. The increase is due to receiving the American Rescue Plan Act of 2021 grant funding in the amount of \$5,996,641.
- 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

serves 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, sanitation/solid waste, and stormwater.

The government-wide financial statements are presented on pages 17 and 18 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 thirteen (13) 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 19-23 of this report.

Proprietary Funds – The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, 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 26-28 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 29-61 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 62 and 63 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 77-80 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's net position at the close of fiscal year 2022 increased 13.74% from \$70,933,842 at September 30, 2021 to \$80,678,968 at September 30, 2022.

The largest portion of the City's net position at September 30, 2022 (\$50,068,971) 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 (\$11,082,384) represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position is \$19,527,613.

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, 2022

City of Villa Rica, Georgia

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 23,203,759	\$ 22,835,176	\$ 11,653,719	\$ 7,520,048	\$ 34,857,478	\$ 30,355,224
Capital assets	27,251,203	27,864,990	53,534,607	51,342,391	80,785,810	79,207,381
Total Assets	50,454,962	50,700,166	65,188,326	58,862,439	115,643,288	109,562,605
Deferred outflows of resources	2,468,760	3,871,197	216,919	260,967	2,685,679	4,132,164
Total deferred outflows of resources	2,468,760	3,871,197	216,919	260,967	2,685,679	4,132,164
Current liabilities	1,593,783	5,994,357	1,232,742	1,104,147	2,826,525	7,098,504
Long-term liabilities	33,160,057	34,871,269	635,975	655,734	33,796,032	35,527,003
Total Liabilities	34,753,840	40,865,626	1,868,717	1,759,881	36,622,557	42,625,507
Deferred inflows of resources	799,690	105,379	227,752	30,041	1,027,442	135,420
Total deferred inflows of resources	799,690	105,379	227,752	30,041	1,027,442	135,420
Net Position:						
Net investment in capital assets	27,007,898	27,571,991	53,233,962	51,261,026	50,068,971	48,065,012
Restricted	11,082,384	9,000,419	-	-	11,082,384	9,000,419
Unrestricted	(20,720,090)	(22,972,052)	10,074,814	6,072,458	19,527,613	13,868,411
Total Net Position	\$ 17,370,192	\$ 13,600,358	\$ 63,308,776	\$ 57,333,484	\$ 80,678,968	\$ 70,933,842

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For the Year Ended September 30, 2022

City of Villa Rica, Georgia

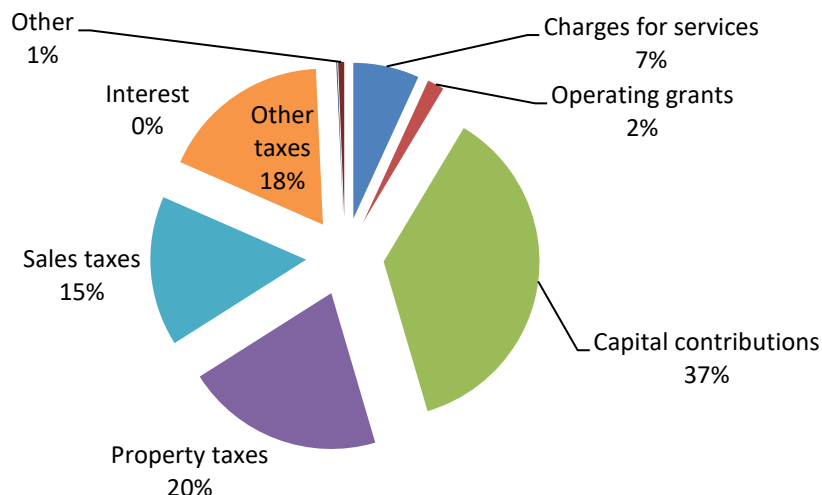
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 1,744,996	\$ 1,454,079	\$ 10,879,377	\$ 10,480,940	\$ 12,624,373	\$ 11,935,019
Operating grants	444,962	567,721	-	-	444,962	567,721
Capital contributions	9,386,858	7,098,628	585,445	331,465	9,972,303	7,430,093
General revenues:						
Property taxes	5,236,509	4,854,855	-	-	5,236,509	4,854,855
Sales taxes	3,964,238	3,486,976	-	-	3,964,238	3,486,976
Other taxes	4,510,341	3,989,267	-	-	4,510,341	3,989,267
Interest	25,554	387	71,979	19,164	97,533	19,551
Other	159,336	218,085	10,204	34,400	169,540	252,485
Total revenues	<u>25,472,794</u>	<u>21,669,998</u>	<u>11,547,005</u>	<u>10,865,969</u>	<u>37,019,799</u>	<u>32,535,967</u>
Expenses:						
General government	3,051,053	3,155,094			3,051,053	3,155,094
Judicial	211,759	201,785			211,759	201,785
Public safety	5,933,902	5,923,904			5,933,902	5,923,904
Public works	3,258,183	3,428,048			3,258,183	3,428,048
Health and welfare	256,862	227,328			256,862	227,328
Culture and recreation	2,951,829	3,451,869			2,951,829	3,451,869
Housing / Economic Developm.	1,755,540	1,651,512			1,755,540	1,651,512
Interest	1,235,216	1,290,487			1,235,216	1,290,487
Water and sewer	-	-	6,939,504	6,193,250	6,939,504	6,193,250
Solid waste	-	-	1,473,408	1,318,076	1,473,408	1,318,076
Stormwater	-	-	207,417	219,873	207,417	219,873
Total expenses	<u>18,654,344</u>	<u>19,330,027</u>	<u>8,620,329</u>	<u>7,731,199</u>	<u>27,274,673</u>	<u>27,061,226</u>
Increase (decrease) in net position before transfers	6,818,450	2,339,971	2,926,676	3,134,770	9,745,126	5,474,741
Transfers	(3,048,616)	3,193,380	3,048,616	(3,193,380)	-	-
Increase (decrease) in net position	3,769,834	5,533,351	5,975,292	(58,610)	9,745,126	5,474,741
Net Position, October 1	13,600,358	8,067,007	57,333,484	57,392,094	70,933,842	65,459,101
Net Position, September 30	<u>\$ 17,370,192</u>	<u>\$ 13,600,358</u>	<u>\$ 63,308,776</u>	<u>\$ 57,333,484</u>	<u>\$ 80,678,968</u>	<u>\$ 70,933,842</u>

Governmental Activities

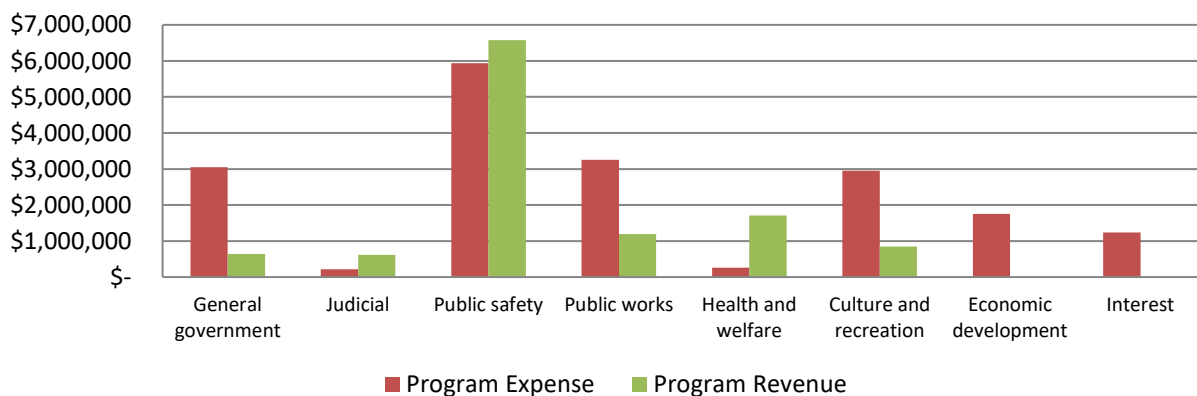
The City's governmental activities are heavily reliant on property taxes, sales taxes and other taxes to support operations. Property taxes provided 21% of revenues, sales taxes provided 16% and other taxes provided 18%. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues cover 62% of governmental expenses with capital contributions being the largest revenue in this category at 37%.

Governmental Activities - Revenues by Source



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

Expenses and Program Revenues - Governmental Activities



The most significant governmental expense for the City is providing Public Safety services such as the police department. This comprises \$5,933,902 (31.8%) of the total governmental expense. The next two significant governmental expenses are Public Works totaling \$3,258,183 (17.5%) and General Government totaling \$3,051,053 (16.4%) of governmental expenses.

- The cost for all governmental activity for the year was \$18,654,344 compared to \$19,330,027 in the previous year.
- The revenue amount that paid for most of these activities came from the general revenues of the City such as property taxes, sales taxes and business taxes (\$13,895,978).
- Some of the costs were paid by those benefiting directly from the programs (\$1,744,996) and subsidies from other governments and organizations through grants and/or contributions (\$9,831,820).

Business-Type Activities

The cost of all Business-Type activities in 2022 was \$8,620,329. The amounts paid by the users of the systems were \$10,879,377 and additionally the business-type activities earned \$585,445 from other revenues.

With the activity from the year, the net position at September 30, 2022 for business-type activities was \$63,308,776.

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 \$20,585,298. Of this year-end total, \$8,309,643 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 \$9,740,771. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance (\$8,309,643) to total fund expenditures. Unassigned fund balance represents 54% total general fund expenditures.

Total general fund revenues for the period ending September 30th were \$15,584,957 which is an increase of \$1,456,912 (10.3%) compared to 2021. General property taxes increased \$381,654 (8%) compared to 2021 due to digest growth and maintaining the millage rate at 6.25 mills. Local Option Sales Tax (LOST) increased \$477,262 (14%) due to the economy. 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 \$40,258 (5.7%) compared to 2021.

License and permit fees increased in 2022 compared to 2021 by \$106,539 (25%). This was due to an increase in development after the pandemic down-turn. Intergovernmental revenue experienced a

\$100,711 (20%) decrease due to a livable city initiative grant received in 2021 but not in 2022. Charges for services realized an increase because of sidewalk fees, park programs, museum fees and library fees.

Total expenditures increased by \$1,919,818 (14%). General government experienced an increase of \$496,264 (21%). This was primarily due to professional services and additional personnel due to the many projects the City is managing. Public Works increased \$440,777 (20%) due to some restructuring and the addition of the Sign Shop where street signs can be made in house.

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 was received in July 2022. The City transferred the funds to the water & sewer fund to aid in 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 are received after the annual debt service is fully funded. In FY22, the additional taxes were \$1,519,085. 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 now totaling (\$6,173,159) are in restricted fund balance as of September 30, 2022.

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 \$2,240,751 in 2022 and were matched with an operating transfer from the water and sewer fund.

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 5.3% higher than the prior year due to a water volume rate increase of 5% as well as a sanitation rate increase of 12%. Operating expenses were 12% higher due to an increase in maintenance expenses, professional services and landfill tipping fees in 2022 compared to 2021.

General Fund's Net Change in Fund Balance

	2022	2021	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes	\$ 13,244,402	\$ 11,948,040	\$ 1,296,362	10.8%
Licenses and permits	526,227	419,688	106,539	25.4%
Intergovernmental	412,027	512,738	(100,711)	-19.6%
Fines and fees	516,187	479,893	36,294	7.6%
Charges for services	625,827	493,670	132,157	26.8%
Interest income	68,016	13,788	54,228	393.3%
Other revenue	192,271	260,228	(67,957)	-26.1%
Total revenues	15,584,957	14,128,045	1,456,912	10.3%
Expenses:				
General government	2,875,659	2,379,395	496,264	20.9%
Judicial	221,022	199,153	21,869	11.0%
Public safety	5,559,011	5,042,877	516,134	10.2%
Public works	2,658,744	2,217,967	440,777	19.9%
Health and welfare	261,956	224,808	37,148	16.5%
Culture and recreation	2,308,615	2,043,574	265,041	13.0%
Economic development	1,393,512	1,250,927	142,585	11.4%
Debt service	-	-	-	
Capital outlay	-	-	-	
Total expenditures	15,278,519	13,358,701	1,919,818	14.4%
Other financing sources (uses)				
Transfers in	7,586,106	1,473,220	6,112,886	414.9%
Transfers out	(6,793,842)	(1,376,972)	(5,416,870)	393.4%
Proceeds from sale of assets	-	12,840	(12,840)	
Net change in fund balance	1,098,702	878,432	220,270	25.1%
Fund Balance, beginning of year	8,642,069	7,763,637	878,432	11.3%
Fund Balance, end of year	9,740,771	8,642,069	1,098,702	12.7%

BUDGETARY HIGHLIGHTS

The General Fund's 2022 final approved revenue budget was \$14,916,043. The City collected \$668,914 more than the approved revenue budget. Actual tax revenue was \$568,282 more than budgeted. Local Option Sales Tax (LOST), Real property taxes, and Title Ad Valorem Tax (TAVT) revenues were the main contributors to this increase at \$301,915, \$75,181, and \$61,487 respectively. These revenues helped offset License & Permits and Fines & Fees revenue being under budget by \$65,586.

The General Fund's final approved expenditure budget was \$16,202,800. The City expended 94.3% of the final approved expenditure budget. The General Fund actual expenditures were \$924,281 less than

budgeted. Public Safety was under budget by \$185,364 primarily due to staff vacancies as well as timing of equipment purchases/payments because of delayed shipping. Public Works was under budget by \$375,514 due to a staff vacancy and sidewalk repair projects not completed & paid by end of the fiscal year. Staff reorganization and vacancies are reasons why Culture and Recreation was under budget by \$159,512. See page 22 for more information about the General Fund budget.

General Fund's Budget & Actual Comparison

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 12,180,484	\$ 12,676,120	\$ 13,244,402	\$ 568,282
Licenses and permits	557,000	557,000	526,227	(30,773)
Intergovernmental	408,474	426,570	412,027	(14,543)
Fines and fees	551,000	551,000	516,187	(34,813)
Charges for services	505,050	526,985	625,827	98,842
Interest income	14,868	14,868	68,016	53,148
Other revenue	153,500	163,500	192,271	28,771
Total revenues	14,370,376	14,916,043	15,584,957	668,914
Expenses:				
General government	2,729,863	2,945,090	2,875,659	\$ 69,431
Judicial	229,008	229,423	221,022	8,401
Public safety	5,422,365	5,744,375	5,559,011	185,364
Public works	2,587,915	3,034,258	2,658,744	375,514
Health and welfare	279,115	288,822	261,956	26,866
Culture and recreation	2,459,654	2,468,127	2,308,615	159,512
Economic development	1,483,185	1,492,705	1,393,512	99,193
Total expenditures	15,191,105	16,202,800	15,278,519	924,281
Other financing sources (uses)				
Transfers in	1,491,299	7,582,322	7,586,106	3,784
Transfers out	(685,570)	(7,154,425)	(6,793,842)	360,583
Proceeds from sale of assets	15,000	15,000	-	(15,000)
Net change in fund balance	\$ -	\$ (843,860)	\$ 1,098,702	\$ 1,942,562
Fund Balance, beginning of year	8,642,069	8,642,069	8,642,069	
Fund Balance, end of year	8,642,069	7,798,209	9,740,771	1,942,562

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, 2022, was \$27,251,203 and \$53,534,607 respectively. The major changes to capital for 2022 were:

Governmental Activities:

- The gym at Gold Dust was air-conditioned for a cost of \$266,841.
- The City purchased 6 patrol explorer vehicles and fitted them with the necessary equipment for a cost of \$334,337.
- The bathrooms at Gold Dust and the VPLEX were renovated at a cost of \$43,550.
- Material storage bays were built at the Avanti Building for Public works at a cost of \$47,946.
- A fire pit was added to Pine Mountain Gold Museum at a cost of \$24,033.

Business-Type Activities:

- Solid Waste purchased a grapple truck for \$186,414.
- Stormwater replaced the Flower Bakery culvert at a cost of \$305,372. The City was reimbursed for a portion of the cost (\$184,523) by the Georgia Department of Transportation.
- New meters were purchased for \$110,020.
- Improvements were made to the North wastewater treatment plant totaling \$1,217,497. This included a new belt press (\$702,409), replacement of one aerator (\$167,214), and the installation of a second aerator (\$231,719).
- Wastewater spent \$635,735 on the manhole rehabilitation project that includes lining manholes with a membrane to keep stormwater from entering the wastewater treatment facilities.
- Lift station pumps and control panels at various lift stations were replaced for a total cost of \$199,914.
- The SCADA systems at all lift stations were upgraded for \$177,869.

At September 30, 2022, the depreciable capital assets for governmental activities were 48% depreciated. The business-type activities were 35% depreciated.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,782,326	\$ 2,707,048	\$ 2,157,452	\$ 2,101,972	\$ 4,939,778	\$ 4,809,020
Construction in progress	2,251,880	2,076,979	2,021,566	1,154,533	4,273,446	3,231,512
Site Improvements	5,416,153	5,567,921	29,719	31,948	5,445,872	5,599,869
Infrastructure	9,518,385	9,820,987	20,415,463	18,809,889	29,933,848	28,630,876
Buildings	5,426,504	5,565,107	27,182,057	27,548,553	32,608,561	33,113,660
Machinery and equipment	1,855,955	2,126,948	1,728,350	1,695,496	3,584,305	3,822,444
Total	<u>\$ 27,251,203</u>	<u>\$ 27,864,990</u>	<u>\$ 53,534,607</u>	<u>\$ 51,342,391</u>	<u>\$ 80,785,810</u>	<u>\$ 79,207,381</u>

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

Debt Administration

At the end of the fiscal year, the City had total bonded debt outstanding of \$31,880,000. The Public Facilities Authority issued \$31,880,000 City of Villa Rica Public Facilities Authority Revenue Bonds, Series 2022 for the purpose of refunding the Series 2015 bonds. The total cash flow savings of the refunding is \$2,839,689 with a present value savings of \$1,979,435. This is a revenue bond but is backed by the ad valorem tax revenues of the General Fund.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds Payable	\$ 31,880,000	\$ 30,785,000	\$ -	\$ -	\$ 31,880,000	\$ 30,785,000
Plus: Premiums	-	2,938,759	-	-	-	2,938,759
Compensated absences	274,858	274,908	49,048	54,671	323,906	329,579
Net Pension Liability	1,005,199	1,946,545	286,282	554,904	1,291,481	2,501,449
Capital lease agreement	-	-	-	-	-	-
Notes payable	-	-	300,645	81,365	300,645	81,365
Total Outstanding Debt	\$ 33,160,057	\$ 35,945,212	\$ 635,975	\$ 690,940	\$ 33,796,032	\$ 36,636,152

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 2022 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.gov.

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION SEPTEMBER 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 20,093,040	\$ 10,380,286	\$ 30,473,326	\$ 228,428	\$ 88,437
Investments	-	-	-	909,792	-
Receivables (net of allowance for uncollectibles)	2,439,055	1,156,629	3,595,684	1,271	-
Taxes receivable	21,128	-	21,128	-	-
Internal balances	54,284	(54,284)	-	-	-
Due from component units	206,100	-	206,100	-	-
Inventories	32,302	146,880	179,182	-	-
Prepaid items	357,850	24,208	382,058	-	-
Capital assets, nondepreciable	5,034,206	4,179,018	9,213,224	50,000	-
Capital assets, depreciable, net of accumulated depreciation	22,216,997	49,355,589	71,572,586	129,643	-
Total assets	50,454,962	65,188,326	115,643,288	1,319,134	88,437
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	1,707,111	-	1,707,111	-	-
Pension related items	761,649	216,919	978,568	-	-
Total deferred outflows of resources	2,468,760	216,919	2,685,679	-	-
LIABILITIES					
Accounts payable	967,668	460,458	1,428,126	210	-
Accrued liabilities	298,707	37,666	336,373	-	-
Retainage payable	243,305	-	243,305	-	-
Customer deposits payable	-	734,618	734,618	-	-
Claims payable	84,103	-	84,103	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	50,421	29,814	80,235	-	-
Bonds payable	1,210,000	-	1,210,000	-	-
Noncurrent liabilities due in more than one year					
Due to primary government	-	-	-	157,100	49,000
Compensated absences payable	224,437	19,234	243,671	-	-
Notes payable	-	300,645	300,645	-	-
Bonds payable	30,670,000	-	30,670,000	-	-
Net pension liability	1,005,199	286,282	1,291,481	-	-
Total liabilities	34,753,840	1,868,717	36,622,557	157,310	49,000
DEFERRED INFLOWS OF RESOURCES					
Pension related items	799,690	227,752	1,027,442	-	-
Total deferred inflows of resources	799,690	227,752	1,027,442	-	-
NET POSITION					
Net investment in capital assets	27,007,898	53,233,962	50,068,971	179,643	-
Restricted for:					
Economic development	102,372	-	102,372	982,181	-
Capital projects	10,593,725	-	10,593,725	-	-
Public safety	386,287	-	386,287	-	-
Unrestricted (deficit)	(20,720,090)	10,074,814	19,527,613	-	39,437
Total net position	\$ 17,370,192	\$ 63,308,776	\$ 80,678,968	\$ 1,161,824	\$ 39,437

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, 2022

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,051,053	\$ 64,502	\$ 199,782	\$ 379,730
Judicial	211,759	611,588	-	-
Public safety	5,933,902	8,032	146,744	6,422,661
Public works	3,258,183	30,750	92,920	1,065,555
Health and welfare	256,862	565,997	5,516	1,139,182
Culture and recreation	2,951,829	464,127	-	379,730
Housing and economic development	1,755,540	-	-	-
Interest and fiscal charges	1,235,216	-	-	-
Total governmental activities	18,654,344	1,744,996	444,962	9,386,858
Business-type activities:				
Water and sewer	6,939,504	9,319,626	-	400,922
Solid waste	1,473,408	1,559,751	-	-
Stormwater	207,417	-	-	184,523
Total business-type activities	8,620,329	10,879,377	-	585,445
Total primary government	\$ 27,274,673	\$ 12,624,373	\$ 444,962	\$ 9,972,303
Component units:				
Villa Rica Industrial Development Authority	\$ 154,529	\$ -	\$ -	\$ -
Villa Rica Downtown Development Authority	68,948	102,735	-	1,000
Total component units	\$ 223,477	\$ 102,735	\$ -	\$ 1,000
General revenues:				
Property taxes				
Sales and use taxes				
Franchise taxes				
Hotel/motel taxes				
Alcohol taxes				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
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
\$ (2,407,039)	\$ -	\$ (2,407,039)	\$ -	\$ -
399,829	-	399,829	-	-
643,535	-	643,535	-	-
(2,068,958)	-	(2,068,958)	-	-
1,453,833	-	1,453,833	-	-
(2,107,972)	-	(2,107,972)	-	-
(1,755,540)	-	(1,755,540)	-	-
(1,235,216)	-	(1,235,216)	-	-
(7,077,528)	-	(7,077,528)	-	-
-	2,781,044	2,781,044	-	-
-	86,343	86,343	-	-
-	(22,894)	(22,894)	-	-
-	2,844,493	2,844,493	-	-
(7,077,528)	2,844,493	(4,233,035)	-	-
-	-	-	(154,529)	-
-	-	-	-	34,787
\$ -	\$ -	\$ -	\$ (154,529)	\$ 34,787
\$ 5,236,509	\$ -	\$ 5,236,509	\$ -	\$ -
3,964,238	-	3,964,238	-	-
1,404,205	-	1,404,205	-	-
462,337	-	462,337	-	-
303,573	-	303,573	-	-
1,461,039	-	1,461,039	-	-
879,187	-	879,187	-	-
25,554	71,979	97,533	-	-
159,336	10,204	169,540	4,566	76
(3,048,616)	3,048,616	-	-	-
10,847,362	3,130,799	13,978,161	4,566	76
3,769,834	5,975,292	9,745,126	(149,963)	34,863
13,600,358	57,333,484	70,933,842	1,311,787	4,574
\$ 17,370,192	\$ 63,308,776	\$ 80,678,968	\$ 1,161,824	\$ 39,437

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2022

ASSETS	General	American Rescue Plan Fund	2021 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 8,097,574	\$ -	\$ 6,173,430	\$ -	\$ 4,620,318	\$ 18,891,322
Receivables (net of allowance for uncollectibles)	2,052,081	-	-	-	378,012	2,430,093
Taxes receivable, net	21,128	-	-	-	-	21,128
Due from component unit	206,100	-	-	-	-	206,100
Due from other funds	57,884	-	-	-	92	57,976
Inventories	32,302	-	-	-	-	32,302
Prepaid items	357,100	-	-	-	750	357,850
Total assets	<u>\$ 10,824,169</u>	<u>\$ -</u>	<u>\$ 6,173,430</u>	<u>\$ -</u>	<u>\$ 4,999,172</u>	<u>\$ 21,996,771</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 862,790	\$ -	\$ 271	\$ -	\$ 80,899	\$ 943,960
Retainage payable	-	-	-	-	243,305	243,305
Accrued liabilities	197,222	-	-	-	-	197,222
Due to other funds	92	-	-	-	3,600	3,692
Total liabilities	<u>1,060,104</u>	<u>-</u>	<u>271</u>	<u>-</u>	<u>327,804</u>	<u>1,388,179</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	23,294	-	-	-	-	23,294
Total deferred inflows of resources	<u>23,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,294</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	357,100	-	-	-	750	357,850
Inventories	32,302	-	-	-	-	32,302
Restricted:						
Public safety	-	-	-	-	386,287	386,287
Capital projects	-	-	6,173,159	-	4,177,261	10,350,420
Economic development	-	-	-	-	101,622	101,622
Committed for promissory note - DDA	500,000	-	-	-	-	500,000
Committed for cemetery improvements	-	-	-	-	5,448	5,448
Assigned:						
Rise N Shine	3,964	-	-	-	-	3,964
Vest Fundraiser	8,260	-	-	-	-	8,260
Project improvement fees	44,340	-	-	-	-	44,340
Sidewalk fees	19,944	-	-	-	-	19,944
General government	47,519	-	-	-	-	47,519
Public safety	247,546	-	-	-	-	247,546
Public works	45,615	-	-	-	-	45,615
Culture and recreation	80,557	-	-	-	-	80,557
Economic development	13,775	-	-	-	-	13,775
Community development	30,206	-	-	-	-	30,206
Unassigned (deficit)	8,309,643	-	-	-	-	8,309,643
Total fund balances	<u>9,740,771</u>	<u>-</u>	<u>6,173,159</u>	<u>-</u>	<u>4,671,368</u>	<u>20,585,298</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,824,169</u>	<u>\$ -</u>	<u>\$ 6,173,430</u>	<u>\$ -</u>	<u>\$ 4,999,172</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.						27,251,203
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the governmental funds.						23,294
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.						1,102,869
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.						(30,549,232)
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.						(1,043,240)
Net position of governmental activities						<u>\$ 17,370,192</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, 2022

	General	American Rescue Plan Fund	2021 SPLOST Fund	Villa Rica Public Facilities Authority Fund	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	\$ 13,244,402	\$ -	\$ -	\$ -	\$ 462,337	\$ 13,706,739
Licenses and permits	526,227	-	-	-	-	526,227
Intergovernmental	412,027	6,042,931	1,519,085	-	1,704,382	9,678,425
Fines and forfeitures	516,187	-	-	-	3,093	519,280
Charges for services	625,827	-	-	-	73,662	699,489
Investment earnings	68,016	-	49,865	-	35,890	153,771
Contributions	32,935	-	-	-	-	32,935
Miscellaneous	159,336	-	-	-	-	159,336
Total revenues	15,584,957	6,042,931	1,568,950	-	2,279,364	25,476,202
Expenditures:						
Current:						
General government	2,875,659	-	-	-	-	2,875,659
Judicial	221,022	-	-	-	-	221,022
Public safety	5,559,011	-	-	-	-	5,559,011
Public works	2,658,744	-	-	-	-	2,658,744
Health and welfare	261,956	-	-	-	-	261,956
Culture and recreation	2,308,615	-	-	-	-	2,308,615
Economic development	1,393,512	-	-	-	383,617	1,777,129
Capital outlay	-	-	89,014	-	1,604,827	1,693,841
Debt service:						
Principal	-	-	-	880,000	-	880,000
Interest and fiscal charges	-	-	-	995,533	-	995,533
Debt issuance costs	-	-	-	365,218	-	365,218
Total expenditures	15,278,519	-	89,014	2,240,751	1,988,444	19,596,728
Excess (deficiency) of revenues over expenditures	306,438	6,042,931	1,479,936	(2,240,751)	290,920	5,879,474
Other financing sources (uses):						
Proceeds from issuance of bonds	-	-	-	31,880,000	-	31,880,000
Payment to escrow agent	-	-	-	(31,484,403)	-	(31,484,403)
Transfers in	7,586,106	-	-	1,844,877	530,551	9,961,534
Transfers out	(6,793,842)	(6,042,931)	-	-	(173,377)	(13,010,150)
Total other financing sources (uses)	792,264	(6,042,931)	-	2,240,474	357,174	(2,653,019)
Net change in fund balances	1,098,702	-	1,479,936	(277)	648,094	3,226,455
Fund balances, beginning of year	8,642,069	-	4,693,223	277	4,023,274	17,358,843
Fund balances, end of year	\$ 9,740,771	\$ -	\$ 6,173,159	\$ -	\$ 4,671,368	\$ 20,585,298

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

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

Net change in fund balances - total governmental funds	\$ 3,226,455
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 depreciation exceeded capital outlay in the current year.	(531,410)
The net effect of transactions involving capital assets, i.e., gain/loss on sale. These transactions are not reported in the governmental funds.	(82,377)
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.	457,345
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(3,408)
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.	484,403
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>218,826</u>
Change in net position - governmental activities	<u>\$ 3,769,834</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, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 12,180,484	\$ 12,676,120	\$ 13,244,402	\$ 568,282
Licenses and permits	557,000	557,000	526,227	(30,773)
Intergovernmental	408,474	426,570	412,027	(14,543)
Fines and forfeitures	551,000	551,000	516,187	(34,813)
Charges for services	505,050	526,985	625,827	98,842
Investment earnings	14,868	14,868	68,016	53,148
Contributions	22,000	29,000	32,935	3,935
Miscellaneous	131,500	134,500	159,336	24,836
Total revenues	14,370,376	14,916,043	15,584,957	668,914
Expenditures:				
Current:				
General government:				
General administration	482,949	446,317	436,933	9,384
City manager	474,087	589,354	589,354	-
City administration	162,523	172,268	164,181	8,087
Finance	499,400	501,255	499,111	2,144
Legal	95,000	140,561	140,561	-
IT	262,720	322,303	300,718	21,585
Human resources	249,783	250,191	225,485	24,706
Customer service	503,401	522,841	519,316	3,525
Total general government	2,729,863	2,945,090	2,875,659	69,431
Judicial	229,008	229,423	221,022	8,401
Public safety:				
Police department	5,410,865	5,725,375	5,542,001	183,374
Custody of prisoners	11,500	19,000	17,010	1,990
Total public safety	5,422,365	5,744,375	5,559,011	185,364
Public works:				
Public works department	1,264,091	1,600,088	1,298,251	301,837
Garage	571,405	675,409	649,186	26,223
Administrative community services	752,419	758,761	711,307	47,454
Total public works	2,587,915	3,034,258	2,658,744	375,514
Health and welfare	279,115	288,822	261,956	26,866
Culture and recreation:				
Recreation	1,487,145	1,491,724	1,411,009	80,715
Mountain gold museum	467,058	468,707	405,790	62,917
Library	505,451	507,696	491,816	15,880
Total health and welfare	2,459,654	2,468,127	2,308,615	159,512

(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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Housing and economic development:				
Protective inspection	\$ 203,961	\$ 173,961	\$ 165,672	\$ 8,289
Planning and zoning	642,227	567,845	541,258	26,587
Code enforcement	239,336	240,293	212,087	28,206
Main street	397,661	510,606	474,495	36,111
Total housing and economic development	<u>1,483,185</u>	<u>1,492,705</u>	<u>1,393,512</u>	<u>99,193</u>
 Total expenditures	<u>15,191,105</u>	<u>16,202,800</u>	<u>15,278,519</u>	<u>924,281</u>
 Excess (deficiency) of revenues over expenditures	(820,729)	(1,286,757)	306,438	1,593,195
 Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	15,000	-	(15,000)
Transfers in	1,491,299	7,582,322	7,586,106	3,784
Transfers out	(685,570)	(7,154,425)	(6,793,842)	360,583
Total other financing sources (uses)	<u>820,729</u>	<u>442,897</u>	<u>792,264</u>	<u>349,367</u>
 Net change in fund balances	-	(843,860)	1,098,702	1,942,562
 Fund balance, beginning	<u>8,642,069</u>	<u>8,642,069</u>	<u>8,642,069</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,642,069</u>	<u>\$ 7,798,209</u>	<u>\$ 9,740,771</u>	<u>\$ 1,942,562</u>

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

CITY OF VILLA RICA, GEORGIA
AMERICAN RESCUE PLAN FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 2,998,321	\$ 6,045,085	\$ 6,042,931	\$ (2,154)
Total revenues	<u>2,998,321</u>	<u>6,045,085</u>	<u>6,042,931</u>	<u>(2,154)</u>
Other financing uses:				
Transfers out	<u>2,998,321</u>	<u>6,045,085</u>	<u>(6,042,931)</u>	<u>2,154</u>
Total other financing uses	<u>2,998,321</u>	<u>6,045,085</u>	<u>(6,042,931)</u>	<u>2,154</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF VILLA RICA, GEORGIA
VILLA RICA PUBLIC FACILITIES AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	880,000	880,000	880,000	-
Interest and fiscal charges	1,382,488	1,382,488	995,533	386,955
Debt Issuance costs	-	365,218	365,218	-
Total expenditures	2,262,488	2,627,706	2,240,751	386,955
Deficiency of revenues over expenditures	(2,262,488)	(2,627,706)	(2,240,751)	(386,955)
Other financing sources (uses):				
Proceeds from issuance of bonds	-	31,880,002	31,880,000	(2)
Payment to escrow agent	-	(31,514,784)	(31,484,403)	30,381
Transfers in	2,262,488	2,262,488	1,844,877	(417,611)
Total other financing sources (uses)	2,262,488	2,627,706	2,240,474	(387,232)
Net change in fund balance	-	-	(277)	(277)
Fund balance, beginning of year	277	277	277	-
Fund balance, end of year	\$ 277	\$ 277	\$ -	\$ (277)

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2022

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater Fund	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,259,288	\$ 120,998	\$ -	\$ 10,380,286	\$ 1,201,718
Receivables (net of allowance for uncollectibles)	810,069	162,037	184,523	1,156,629	8,962
Inventory	146,880	-	-	146,880	-
Prepaid items	24,208	-	-	24,208	-
Total current assets	11,240,445	283,035	184,523	11,708,003	1,210,680
Noncurrent assets:					
Capital assets:					
Capital assets, not being depreciated	4,168,474	-	10,544	4,179,018	-
Capital assets, being depreciated	74,395,502	701,858	574,676	75,672,036	-
Less accumulated depreciation	(25,926,537)	(353,451)	(36,459)	(26,316,447)	-
Total noncurrent assets	52,637,439	348,407	548,761	53,534,607	-
Total assets	63,877,884	631,442	733,284	65,242,610	1,210,680
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	181,544	23,192	12,183	216,919	-
Total deferred outflows of resources	181,544	23,192	12,183	216,919	-
LIABILITIES					
Current liabilities:					
Accounts payable	353,641	94,962	11,855	460,458	23,708
Accrued expenses	31,934	3,583	2,149	37,666	-
Customer deposits payable	734,618	-	-	734,618	-
Due to other funds	-	-	54,284	54,284	-
Claims payable	-	-	-	-	84,103
Compensated absences, current	29,814	-	-	29,814	-
Total current liabilities	1,150,007	98,545	68,288	1,316,840	107,811
Long-term liabilities:					
Compensated absences, long term	7,454	7,618	4,162	19,234	-
Notes payable	300,645	-	-	300,645	-
Net pension liability	239,596	30,608	16,078	286,282	-
Total long-term liabilities	547,695	38,226	20,240	606,161	-
Total liabilities	1,697,702	136,771	88,528	1,923,001	107,811
DEFERRED INFLOWS OF RESOURCES					
Pension related items	190,611	24,350	12,791	227,752	-
Total deferred inflows of resources	190,611	24,350	12,791	227,752	-
NET POSITION					
Net investment in capital assets	52,336,794	348,407	548,761	53,233,962	-
Unrestricted	9,834,321	145,106	95,387	10,074,814	1,102,869
Total net position	\$ 62,171,115	\$ 493,513	\$ 644,148	\$ 63,308,776	\$ 1,102,869

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, 2022

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 9,122,993	\$ 1,559,751	\$ -	\$ 10,682,744	\$ 2,139,166
Other fees	196,633	-	-	196,633	-
Miscellaneous	1,620	8,584	-	10,204	-
Total operating revenues	9,321,246	1,568,335	-	10,889,581	2,139,166
OPERATING EXPENSES					
Personnel services and benefits	2,139,943	279,212	131,897	2,551,052	-
Purchased contract services	642,993	1,066,123	-	1,709,116	552,381
Supplies and maintenance	2,514,946	62,760	55,610	2,633,316	-
Depreciation	1,639,456	65,313	19,910	1,724,679	-
Claims	-	-	-	-	1,096,052
Other services and charges	-	-	-	-	33,388
Total operating expenses	6,937,338	1,473,408	207,417	8,618,163	1,681,821
Operating income (loss)	2,383,908	94,927	(207,417)	2,271,418	457,345
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	-	-	184,523	184,523	-
Investment earnings	71,979	-	-	71,979	-
Interest expense and fiscal charges	(2,166)	-	-	(2,166)	-
Total nonoperating revenues (expenses)	69,813	-	184,523	254,336	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,453,721	94,927	(22,894)	2,525,754	457,345
Capital contributions	304,508	96,414	-	400,922	-
Transfers in	6,002,007	-	261,284	6,263,291	-
Transfers out	(3,154,614)	(60,061)	-	(3,214,675)	-
Change in net position	5,605,622	131,280	238,390	5,975,292	457,345
NET POSITION, beginning of year	56,565,493	362,233	405,758	57,333,484	645,524
NET POSITION, end of year	\$ 62,171,115	\$ 493,513	\$ 644,148	\$ 63,308,776	\$ 1,102,869

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, 2022

	Business-type Activities				Governmental Activities
	Water and Sewer	Solid Waste	Nonmajor Stormwater Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 9,375,732	\$ 1,548,459	\$ -	\$ 10,924,191	\$ 2,141,999
Payments to suppliers and service providers	(3,120,142)	(1,122,818)	(44,458)	(4,287,418)	(1,680,966)
Payments to employees	(2,169,151)	(281,100)	(133,287)	(2,583,538)	-
Net cash provided by (used in) operating activities	4,086,439	144,541	(177,745)	4,053,235	461,033
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(3,051,114)	(90,000)	(374,861)	(3,515,975)	-
Proceeds from long-term debt	219,280	-	-	219,280	-
Interest and fiscal charges paid	(2,166)	-	-	(2,166)	-
Net cash used in capital and related financing activities	(2,834,000)	(90,000)	(374,861)	(3,298,861)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	2,103,333	-	-	2,103,333	-
Interest	71,979	-	-	71,979	-
Net cash provided by investing activities	2,175,312	-	-	2,175,312	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to other funds	-	-	54,284	54,284	-
Transfers in	6,002,007	-	261,284	6,263,291	-
Transfers out	(3,154,614)	(60,061)	-	(3,214,675)	-
Net cash provided by (used in) noncapital financing activities	2,847,393	(60,061)	315,568	3,102,900	-
Increase (decrease) in cash	6,275,144	(5,520)	(237,038)	6,032,586	461,033
Cash:					
Beginning of year	3,984,144	126,518	237,038	4,347,700	740,685
End of year	\$ 10,259,288	\$ 120,998	\$ -	\$ 10,380,286	\$ 1,201,718
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 2,383,908	\$ 94,927	\$ (207,417)	\$ 2,271,418	\$ 457,345
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,639,456	65,313	19,910	1,724,679	-
(Increase) decrease in accounts receivable	14,436	(19,876)	-	(5,440)	2,833
Increase in inventories	(44,531)	-	-	(44,531)	-
Increase in prepaid assets	(24,208)	-	-	(24,208)	-
Decrease in pension related deferred outflows of resources	36,561	5,015	2,472	44,048	-
Decrease in due from other funds	-	-	-	-	46,604
Increase in accounts payable	103,456	5,076	11,212	119,744	23,708
Increase (decrease) in accrued expenses	3,080	989	(60)	4,009	-
Increase in due to other funds	-	-	-	-	-
Increase in customer deposits payable	40,050	-	-	40,050	-
Decrease in claims payable	-	-	-	-	(69,457)
Decrease in net pension liability	(224,170)	(29,369)	(15,083)	(268,622)	-
Increase in pension related deferred outflows of resources	165,504	21,103	11,104	197,711	-
Increase (decrease) in compensated absences	(7,103)	1,363	117	(5,623)	-
Net cash provided by (used in) operating activities	\$ 4,086,439	\$ 144,541	\$ (177,745)	\$ 4,053,235	\$ 461,033
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Donated capital assets	\$ 304,508	\$ 96,414	\$ -	\$ 400,922	\$ -

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

**CITY OF VILLA RICA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Units

The Villa Rica Industrial Development Authority (the “Industrial Development Authority”) is a public body, corporate and politic and was created upon the adoption and approval of the Development Authority Law of the State of Georgia. The Mayor and City Council appoint all members of the Villa Rica Industrial Development Authority. Management has determined that due to the nature and significance of the relationship with the City and the Industrial Development Authority, to report the Industrial Development Authority as a component unit. The Industrial Development Authority has purchased land and built industrial buildings that were leased to such companies as Lowe's, Flowers Bakery, and Print Pack. The Industrial Development Authority does not issue separate financial statements.

The Villa Rica Downtown Development Authority (the “Downtown Development Authority”) is a seven member public body, corporate and politic and was created in 1991 upon adoption and approval of the Development Authorities of the State of Georgia. The City Council appoints all members of the Downtown Development Authority and has the ability to significantly impose the Council's will on the programs and services of the Downtown Development Authority. The Downtown Development Authority developed plans and coordinated the use of SPLOST funds for a downtown train station park parking garage. The Downtown Development Authority does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units

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

Related Organizations

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

B. Government-wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The **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.

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

Additionally, the City reports the following fund types:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget (Continued)

There were \$3,242,236 in outstanding encumbrances at September 30, 2022. The City reports open encumbrances in the following funds as of September 30, 2022:

Fund	Amount
Water and Sewer Fund	\$ 2,681,430
Stormwater Fund	115,340
Nonmajor Governmental Funds	289,074
General Fund	156,392
Total	<u>\$ 3,242,236</u>

E. Deposits and Investments

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

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

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

F. Receivables and Payables

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

All inventories are valued at 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

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 assets 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 statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

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

K. Long-Term Obligations

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

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

L. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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

M. Pensions

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

N. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$30,549,232 difference are as follows:

Bonds payable	\$ (31,880,000)
Unamortized deferred charges	1,707,111
Accrued interest	(101,485)
Compensated absences	<u>(274,858)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (30,549,232)</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 \$1,043,240 difference are as follows:

Net pension liability	\$ (1,005,199)
Deferred outflows of resources	761,649
Deferred inflows of resources	<u>(799,690)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (1,043,240)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$531,410 difference are as follows:

Capital outlay	\$ 1,034,778
Depreciation expense	<u>(1,566,188)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (531,410)</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 \$218,826 difference are as follows:

Compensated absences	\$ (50)
Amortization of deferred charges	(110,713)
Accrued interest	(14,822)
Pension expense	<u>(93,241)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (218,826)</u>

Another element of that reconciliation states that “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.” The details of this \$484,403 difference are as follows:

Principal payments - bonds	\$ 32,364,403
Issuance of bonds	<u>(31,880,000)</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>\$ 484,403</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

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

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

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, 2022, 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, 2022, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Investments – Component Unit: As of September 30, 2022, the Villa Rica Industrial Development Authority had \$909,792 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	5/23/2023	\$ 266,001
Certificate of deposit	Two (2) years	12/6/2023	277,262
Certificate of deposit	Three (3) years	3/17/2023	162,637
Certificate of deposit	Five (5) years	12/2/2022	203,892
Total Investments			<u>\$ 909,792</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, 2022, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Nonmajor Governmental	Water & Sewer Fund
Receivables:			
Taxes	\$ 52,660	\$ -	\$ -
Other governments	-	377,767	-
Accounts	2,478,316	245	856,338
Gross receivables	2,530,976	378,012	856,338
Less allowances	(457,767)	-	(46,269)
Net receivables	<u>\$ 2,073,209</u>	<u>\$ 378,012</u>	<u>\$ 810,069</u>
	Solid Waste Fund	Nonmajor Enterprise	Internal Service
Receivables:			
Other governments	\$ -	\$ -	\$ -
Accounts	172,749	184,523	8,962
Gross receivables	172,749	184,523	8,962
Less allowances	(10,712)	-	-
Net receivables	<u>\$ 162,037</u>	<u>\$ 184,523</u>	<u>\$ 8,962</u>

Douglas and Carroll County Property taxes for the 2022 fiscal year were levied in September 2021, with property values assessed as of January 1, 2021. Bills are payable on or before November 19, 2021, 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, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,707,048	\$ -	\$ -	\$ 75,278	\$ 2,782,326
Construction in progress	2,076,979	231,339	(24,470)	(31,968)	2,251,880
Total capital assets, not being depreciated	<u>4,784,027</u>	<u>231,339</u>	<u>(24,470)</u>	<u>43,310</u>	<u>5,034,206</u>
Capital assets, being depreciated:					
Buildings and improvements	11,636,899	326,232	(72,007)	(66,756)	11,824,368
Site improvements	8,693,135	71,979	-	-	8,765,114
Machinery and equipment	8,010,752	405,228	-	-	8,415,980
Infrastructure	13,604,402	-	-	-	13,604,402
Total capital assets, being depreciated	<u>41,945,188</u>	<u>803,439</u>	<u>(72,007)</u>	<u>(66,756)</u>	<u>42,609,864</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,071,792)	(363,618)	14,100	23,446	(6,397,864)
Site improvements	(3,125,214)	(223,747)	-	-	(3,348,961)
Machinery and equipment	(5,883,804)	(676,221)	-	-	(6,560,025)
Infrastructure	(3,783,415)	(302,602)	-	-	(4,086,017)
Total accumulated depreciation	<u>(18,864,225)</u>	<u>(1,566,188)</u>	<u>14,100</u>	<u>23,446</u>	<u>(20,392,867)</u>
Total capital assets, being depreciated, net	<u>23,080,963</u>	<u>(762,749)</u>	<u>(57,907)</u>	<u>(43,310)</u>	<u>22,216,997</u>
Governmental activities capital assets, net	<u>\$ 27,864,990</u>	<u>\$ (531,410)</u>	<u>\$ (82,377)</u>	<u>\$ -</u>	<u>\$ 27,251,203</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,101,972	\$ 55,480	\$ -	\$ -	\$ 2,157,452
Construction in progress	1,154,533	1,336,178	-	(469,145)	2,021,566
Total capital assets, not being depreciated	3,256,505	1,391,658	-	(469,145)	4,179,018
Capital assets, being depreciated:					
Site improvements	56,921	675	-	-	57,596
Infrastructure	33,317,335	2,040,228	-	350,404	35,707,967
Buildings	33,992,550	214,246	-	118,741	34,325,537
Equipment	5,562,010	270,088	-	-	5,832,098
Total capital assets, being depreciated	72,928,816	2,525,237	-	469,145	75,923,198
Less accumulated depreciation for:					
Site improvements	(24,973)	(2,904)	-	-	(27,877)
Infrastructure	(14,507,446)	(785,058)	-	-	(15,292,504)
Buildings	(6,443,997)	(699,483)	-	-	(7,143,480)
Equipment	(3,866,514)	(237,234)	-	-	(4,103,748)
Total accumulated depreciation	(24,842,930)	(1,724,679)	-	-	(26,567,609)
Total capital assets, being depreciated, net	48,085,886	800,558	-	469,145	49,355,589
Business-type activities capital assets, net	\$ 51,342,391	\$ 2,192,216	\$ -	\$ -	\$ 53,534,607

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	\$ 173,895
Public safety	363,794
Public works	490,336
Culture and recreation	477,731
Economic Development	60,433
Total depreciation expense - governmental activities	<u>\$ 1,566,189</u>
Business-type activities:	
Water and Sewer Fund	\$ 1,639,456
Solid Waste Fund	65,313
Stormwater Fund	19,910
Total depreciation expense - business-type activities	<u>\$ 1,724,679</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	\$ -	\$ (104,172)	\$ 50,000
Total	<u>154,172</u>	<u>-</u>	<u>(104,172)</u>	<u>50,000</u>
Capital assets, being depreciated:				
Infrastructure	<u>157,000</u>	<u>-</u>	<u>-</u>	<u>157,000</u>
Total capital assets, being depreciated	<u>157,000</u>	<u>-</u>	<u>-</u>	<u>157,000</u>
Less accumulated depreciation for:				
Infrastructure	<u>(22,124)</u>	<u>(5,233)</u>	<u>-</u>	<u>(27,357)</u>
Total accumulated depreciation	<u>(22,124)</u>	<u>(5,233)</u>	<u>-</u>	<u>(27,357)</u>
Total capital assets, being depreciated, net	<u>134,876</u>	<u>(5,233)</u>	<u>-</u>	<u>129,643</u>
Governmental activities capital assets, net	<u>\$ 289,048</u>	<u>\$ (5,233)</u>	<u>\$ (104,172)</u>	<u>\$ 179,643</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>(76,934)</u>	<u>-</u>
Less accumulated depreciation for:				
Infrastructure	(9,615)	(2,564)	12,179	-
Total accumulated depreciation	<u>(9,615)</u>	<u>(2,564)</u>	<u>12,179</u>	<u>-</u>
Total capital assets, being depreciated, net	<u>67,319</u>	<u>(2,564)</u>	<u>(64,755)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 67,319</u>	<u>\$ (2,564)</u>	<u>\$ (64,755)</u>	<u>\$ -</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, 2022, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 3,600
General Fund	Nonmajor Enterprise Fund	54,284
Nonmajor Governmental Funds	General Fund	92
		<u>\$ 57,976</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 General Fund from the nonmajor governmental funds represents the amount that the SPLOST Fund will reimburse the General Fund for allowable SPLOST expenditures paid for by the General Fund.

Interfund transfers for the fiscal year ended September 30, 2022 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 1,309,737
General Fund	Solid Waste Fund	60,061
General Fund	Nonmajor Governmental Funds	173,377
General Fund	American Rescue Plan Fund	6,042,931
Villa Rica Public Facilities Authority	Water and Sewer Fund	1,844,877
Water and Sewer Fund	General Fund	6,002,007
Nonmajor Governmental Funds	General Fund	530,551
Nonmajor Enterprise Fund	General Fund	261,284
		<u>\$ 16,224,825</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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct placement -					
Bonds payable	\$ 30,785,000	\$ 31,880,000	\$ (30,785,000)	\$ 31,880,000	\$ 1,210,000
Plus: Premiums	2,938,759	-	(2,938,759)	-	-
Total bonds payable	33,723,759	31,880,000	(33,723,759)	31,880,000	1,210,000
Compensated absences	274,908	50,380	(50,430)	274,858	50,421
Net pension liability	1,946,545	786,822	(1,728,168)	1,005,199	-
Governmental activities long-term liabilities	<u>\$ 35,945,212</u>	<u>\$ 32,717,202</u>	<u>\$ (35,502,357)</u>	<u>\$ 33,160,057</u>	<u>\$ 1,260,421</u>
Business-type Activities:					
Direct borrowings -					
Note payable	\$ 81,365	\$ 219,280	\$ -	\$ 300,645	\$ -
Compensated absences	54,671	7,860	(13,483)	49,048	29,814
Net pension liability	554,904	224,088	(492,710)	286,282	-
Business-type activities long-term liabilities	<u>\$ 690,940</u>	<u>\$ 451,228</u>	<u>\$ (506,193)</u>	<u>\$ 635,975</u>	<u>\$ 29,814</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

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, 2022, the outstanding amount of Series 2008 general obligation bonds considered legally defeased is \$7,195,000.

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, 2022, 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 bonds 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. During 2022 these bonds were defeased through the issuance of the 2022 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, 2022, the outstanding amount of Series 2015 general obligation bonds considered legally defeased is \$29,905,000.

Direct Placement - Revenue Bonds, Series 2022. During the fiscal period 2022, the PFA issued \$31,880,000 City of Villa Rica Public Facilities Authority (Georgia) Revenue Bonds (City of Villa Rica Water and Sewerage Project), Series 2022 revenue bonds for the purpose of (a) refunding all of the Series 2015 bond of the Authority, and (b) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 2.84% – 3.82 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 total cash flow savings of the refunding of the Series 2015 bonds is \$2,839,689 with a present value, or economic gain, of \$1,979,436.

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

Year Ending September 30,	Principal	Interest	Total
2023	\$ 1,210,000	\$ 906,596	\$ 2,116,596
2024	1,325,000	1,171,594	2,496,594
2025	1,590,000	912,483	2,502,483
2026	1,635,000	788,242	2,423,242
2027	1,685,000	741,808	2,426,808
2028-2032	9,180,000	2,962,830	12,142,830
2033-2037	10,585,000	1,582,022	12,167,022
2038-2039	4,670,000	199,936	4,869,936
Total	<u>\$ 31,880,000</u>	<u>\$ 9,265,511</u>	<u>\$ 41,145,511</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

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, 2022, the City had made draws totaling \$300,645 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.

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Villa Rica Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Plan Membership. At January 1, 2022, the date of the most recent actuarial valuation, there were 299 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	72
Terminated vested participants not yet receiving benefits	72
Active employees - vested	49
Active employees - nonvested	106
Total	<u>299</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 2022, the actuarially determined contribution rate was 7.85% of covered payroll. The City makes all contributions to the plan. For fiscal year 2022, the City's contribution to the Plan was \$531,106.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions. The total pension liability in the January 1, 2022 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, 2022 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%	6.55%
International equity	20%	7.30
Domestic Fixed income	20%	0.40
Real estate	10%	3.65
Global Fixed income	5%	0.50
Cash	—%	
Total	<u>100%</u>	

* 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, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/21	\$ 9,499,603	\$ 6,998,154	\$ 2,501,449
Changes for the year:			
Service cost	276,900	-	276,900
Interest	706,213	-	706,213
Differences between expected and actual experience	(53,543)	-	(53,543)
Contributions—employer	-	470,367	(470,367)
Net investment income	-	1,696,968	(1,696,968)
Benefit payments, including refunds of employee contributions	(401,457)	(401,457)	-
Administrative expense	-	(27,797)	27,797
Net changes	<u>528,113</u>	<u>1,738,081</u>	<u>(1,209,968)</u>
Balances at 9/30/22	<u>\$ 10,027,716</u>	<u>\$ 8,736,235</u>	<u>\$ 1,291,481</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	\$ 2,643,875	\$ 1,291,481	\$ 170,869

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, 2021 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, 2022, the City recognized pension expense of \$660,975. At September 30, 2022, 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	\$ 270,127	\$ 60,953
Changes in assumptions	177,335	-
Net difference between projected and actual earnings on pension plan investments	-	966,489
City contributions subsequent to the measurement date	531,106	-
Total	<u>\$ 978,568</u>	<u>\$ 1,027,442</u>

City contributions subsequent to the measurement date of \$531,106 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:		
2023	\$	(51,207)
2024		(43,961)
2025		(248,944)
2026		(235,868)
Total	<u>\$</u>	<u>(579,980)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED CONTRIBUTION PLAN

The City of Villa Rica's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by John Hancock for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At September 30, 2022, there were 100 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, 2022 were \$103,265 and \$235,298 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, 2022 and the fiscal year ended September 30, 2021:

Fiscal Year-End	Beginning Balance	Current Year Claims and Change in Estimate	Claims Paid	End of Period Claims Liability
2022	\$ 153,560	\$ 934,190	\$ (1,003,647)	\$ 84,103
2021	86,627	1,021,653	(954,720)	153,560

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, 2022, the City has contractual commitments on uncompleted contracts of approximately \$1,392,131.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES

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

Three Rivers Regional Commission
Highway 34
Franklin, Georgia 30217

Atlanta Regional Commission
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, 2022, the City collected \$462,337 in hotel/motel tax revenues of which \$173,377 was transferred to the City's General Fund and \$279,691 was disbursed to the Villa Rica Convention and Visitors Bureau.

NOTE 15. TAX ABATEMENTS

For the year ended September 30, 2022, City property tax revenues were reduced by \$228,209 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

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

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

	2022	2021	2020	2019	2018	2017	2016
Total pension liability							
Service cost	\$ 276,900	\$ 252,306	\$ 237,027	\$ 118,425	\$ 221,290	\$ 200,256	\$ 213,374
Interest on total pension liability	706,213	655,468	571,853	279,114	505,365	488,754	433,897
Differences between expected and actual experience	(53,543)	148,918	396,883	(69,314)	220,211	(145,396)	361,719
Changes of assumptions	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(401,457)	(384,981)	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)
Other expenses	-	-	415,484	-	111,406	-	-
Net change in total pension liability	528,113	671,711	1,259,181	159,952	717,578	225,731	135,790
Total pension liability - beginning	9,499,603	8,827,892	7,568,711	7,408,759	6,691,181	6,465,450	5,740,875
Total pension liability - ending (a)	\$ 10,027,716	\$ 9,499,603	\$ 8,827,892	\$ 7,568,711	\$ 7,408,759	\$ 6,691,181	\$ 5,740,875
Plan fiduciary net position							
Contributions - employer	\$ 470,367	\$ 355,973	\$ 278,227	\$ 138,539	\$ 277,095	\$ 256,886	\$ 229,947
Net investment income	1,696,968	619,722	186,708	304,455	680,462	620,185	13,608
Benefit payments, including refunds of member contributions	(401,457)	(384,981)	(362,066)	(168,273)	(340,694)	(317,883)	(284,415)
Administrative expenses	(27,797)	(23,613)	(23,725)	(12,538)	(22,997)	(23,126)	(15,103)
Net change in plan fiduciary net position	1,738,081	567,101	79,144	262,183	593,866	536,062	412,601
Plan fiduciary net position - beginning	6,998,154	6,431,053	6,351,909	6,089,726	5,495,860	4,959,798	5,015,761
Plan fiduciary net position - ending (b)	\$ 8,736,235	\$ 6,998,154	\$ 6,431,053	\$ 6,351,909	\$ 6,089,726	\$ 5,495,860	\$ 5,015,761
City's net pension liability - ending (a) - (b)	\$ 1,291,481	\$ 2,501,449	\$ 2,396,839	\$ 1,216,802	\$ 1,319,033	\$ 1,195,321	\$ 725,114
Plan fiduciary net position as a percentage of the total pension liability	87.12%	73.67%	72.85%	83.92%	82.20%	82.14%	87.37%
Covered payroll	\$ 5,999,579	\$ 4,984,730	\$ 6,077,554	\$ 4,670,988	\$ 4,595,373	\$ 4,619,244	\$ 4,525,595
City's net pension liability as a percentage of covered payroll	21.53%	50.18%	39.44%	26.05%	28.70%	25.88%	18.28%

Notes to the Schedule:

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

The City changed the measurement period of the plan with the change of the City's fiscal year end. The Plan years 2015 - 2018 were measured as of March 31, while Plan years 2019 - 2021 are measured as of September 30.

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

	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 470,367	\$ 363,520	\$ 334,362	\$ 353,457	\$ 207,808	\$ 277,101	\$ 250,148
Contributions in relation to the actuarially determined contribution	531,106	470,367	335,973	277,077	138,539	277,095	245,098
Contribution deficiency (excess)	<u>\$ (60,739)</u>	<u>\$ (106,847)</u>	<u>\$ (1,611)</u>	<u>\$ 76,380</u>	<u>\$ 69,269</u>	<u>\$ 6</u>	<u>\$ (9,411)</u>
Covered payroll	\$ 6,765,682	\$ 5,999,579	\$ 4,984,730	\$ 5,197,012	\$ 3,522,169	\$ 4,595,274	\$ 3,966,501
Contributions as a percentage of covered payroll	7.85%	7.84%	6.74%	5.33%	3.93%	6.03%	6.18%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2022
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	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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.

NONMAJOR ENTERPRISE FUNDS

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

CITY OF VILLA RICA, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

Special Revenue Funds					
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel/Motel Tax Fund	Cemetery Fund	Technology Fund
ASSETS					
Cash and cash equivalents	\$ 119,899	\$ 173,962	\$ 49,425	\$ 5,852	\$ 92,181
Receivables	-	89	112,228	-	156
Prepaid items	-	-	750	-	-
Due from other funds	-	-	-	92	-
Total assets	<u>\$ 119,899</u>	<u>\$ 174,051</u>	<u>\$ 162,403</u>	<u>\$ 5,944</u>	<u>\$ 92,337</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 60,031	\$ 496	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>60,031</u>	<u>496</u>	<u>-</u>
FUND BALANCES					
FUND BALANCES					
Nonspendable:					
Prepaid items	-	-	750	-	-
Restricted:					
Public safety	119,899	174,051	-	-	92,337
Capital projects	-	-	-	-	-
Economic development	-	-	101,622	-	-
Committed for cemetery improvement	-	-	-	5,448	-
Total fund balances	<u>119,899</u>	<u>174,051</u>	<u>102,372</u>	<u>5,448</u>	<u>92,337</u>
Total liabilities and fund balances	<u>\$ 119,899</u>	<u>\$ 174,051</u>	<u>\$ 162,403</u>	<u>\$ 5,944</u>	<u>\$ 92,337</u>

Capital Projects Funds				
Capital Projects Fund	Public Roads Fund	2015 SPLOST Fund	2016 SPLOST Fund	Total Nonmajor Governmental Funds
\$ -	\$ 229,203	\$ 998,946	\$ 2,950,850	\$ 4,620,318
-	-	-	265,539	378,012
-	-	-	-	750
-	-	-	-	92
<u>\$ -</u>	<u>\$ 229,203</u>	<u>\$ 998,946</u>	<u>\$ 3,216,389</u>	<u>\$ 4,999,172</u>
\$ -	\$ -	\$ 11,153	\$ 9,219	\$ 80,899
-	43,570	119,549	80,186	243,305
-	-	3,600	-	3,600
-	43,570	134,302	89,405	327,804
-	-	-	-	750
-	-	-	-	386,287
-	185,633	864,644	3,126,984	4,177,261
-	-	-	-	101,622
-	-	-	-	5,448
-	185,633	864,644	3,126,984	4,671,368
<u>\$ -</u>	<u>\$ 229,203</u>	<u>\$ 998,946</u>	<u>\$ 3,216,389</u>	<u>\$ 4,999,172</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, 2022

	Special Revenue Funds				
	Federal Seizures Fund	Narcotics Enforcement Fund	Hotel/Motel Tax Fund	Cemetery Fund	Technology Fund
Revenues:					
Taxes	\$ -	\$ -	\$ 462,337	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	30,750	42,912
Fines and forfeitures	-	3,093	-	-	-
Investment earnings	-	-	663	22	679
Total revenues	-	3,093	463,000	30,772	43,591
Expenditures:					
Current:					
Economic development	-	-	279,691	85,805	18,121
Capital outlay	-	-	-	-	-
Total expenditures	-	-	279,691	85,805	18,121
Excess (deficiency) of revenues over expenditures	-	3,093	183,309	(55,033)	25,470
Other financing sources (uses):					
Transfers in	-	-	-	51,404	-
Transfers out	-	-	(173,377)	-	-
Total other financing sources (uses):	-	-	(173,377)	51,404	-
Net change in fund balances	-	3,093	9,932	(3,629)	25,470
Fund balances, beginning of year	119,899	170,958	92,440	9,077	66,867
Fund balances, end of year	\$ 119,899	\$ 174,051	\$ 102,372	\$ 5,448	\$ 92,337

Capital Projects Funds				
Capital Projects Fund	Public Roads Fund	2015 SPLOST Fund	2016 SPLOST Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 462,337
-	185,633	-	1,518,749	1,704,382
-	-	-	-	73,662
-	-	-	-	3,093
-	-	10,215	24,311	35,890
-	185,633	10,215	1,543,060	2,279,364
-	-	-	-	383,617
479,147	-	385,296	740,384	1,604,827
479,147	-	385,296	740,384	1,988,444
(479,147)	185,633	(375,081)	802,676	290,920
479,147	-	-	-	530,551
-	-	-	-	(173,377)
479,147	-	-	-	357,174
-	185,633	(375,081)	802,676	648,094
-	-	1,239,725	2,324,308	4,023,274
\$ -	\$ 185,633	\$ 864,644	\$ 3,126,984	\$ 4,671,368

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, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues	1,000	1,000	-	(1,000)
Expenditures:				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	119,899	119,899	119,899	-
Fund balance, end of year	\$ 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, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 3,093	\$ 2,093
Total revenues	1,000	1,000	3,093	2,093
Expenditures:				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balance	-	-	3,093	3,093
Fund balance, beginning of year	170,958	170,958	170,958	-
Fund balance, end of year	\$ 170,958	\$ 170,958	\$ 174,051	\$ 3,093

CITY OF VILLA RICA, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 324,000	\$ 429,001	\$ 462,337	\$ 33,336
Investment earnings	-	-	663	663
Total revenues	324,000	429,001	463,000	33,999
Expenditures:				
Economic development	202,580	323,252	279,691	43,561
Total expenditures	202,580	323,252	279,691	43,561
Excess of revenues over expenditures	121,420	105,749	183,309	77,560
Other financing uses:				
Transfers out	(121,500)	(167,438)	(173,377)	(5,939)
Total other financing uses	(121,500)	(167,438)	(173,377)	(5,939)
Net change in fund balance	(80)	(61,689)	9,932	71,621
Fund balance, beginning of year	92,440	92,440	92,440	-
Fund balance, end of year	\$ 92,360	\$ 30,751	\$ 102,372	\$ 71,621

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, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 10,700	\$ 37,986	\$ 30,750	\$ (7,236)
Investment earnings	5	5	22	17
Total revenues	10,705	37,991	30,772	(7,219)
Expenditures:				
Current:				
Economic development	13,740	92,430	85,805	6,625
Total expenditures	13,740	92,430	85,805	6,625
Deficiency of revenues over expenditures	(3,035)	(54,439)	(55,033)	(594)
Other financing sources:				
Transfers in	-	51,404	51,404	-
Total other financing sources	-	51,404	51,404	-
Net change in fund balance	(3,035)	(3,035)	(3,629)	(594)
Fund balance, beginning of year	9,077	9,077	9,077	-
Fund balance, end of year	\$ 6,042	\$ 6,042	\$ 5,448	\$ (594)

**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, 2022**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 45,000	\$ 45,000	\$ 42,912	\$ (2,088)
Investment earnings	-	-	679	679
Total revenues	45,000	45,000	43,591	(1,409)
Expenditures:				
Current:				
Economic development	45,000	60,899	18,121	42,778
Total expenditures	45,000	60,899	18,121	42,778
Net change in fund balance	-	(15,899)	25,470	41,369
Fund balance, beginning of year	66,867	66,867	66,867	-
Fund balance, end of year	<u>\$ 66,867</u>	<u>\$ 50,968</u>	<u>\$ 92,337</u>	<u>\$ 41,369</u>

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, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Expenditures:				
Capital outlays	\$ 424,707	\$ 777,402	\$ 479,147	\$ 298,255
Total expenditures	424,707	777,402	479,147	298,255
Deficiency of revenues over expenditures	(424,707)	(777,402)	(479,147)	298,255
Other financing sources:				
Transfers in	424,707	777,402	479,147	(298,255)
Total other financing sources	424,707	777,402	479,147	(298,255)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF VILLA RICA, GEORGIA
PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 185,633	\$ 185,633	\$ 185,633	\$ -
Total revenues	185,633	185,633	185,633	-
Expenditures:				
Public works	185,633	185,633	-	185,633
Total expenditures	185,633	185,633	-	185,633
Net change in fund balance	-	-	185,633	185,633
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 185,633	\$ 185,633

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 10,215	\$ 10,215
Total revenues	-	-	10,215	10,215
Expenditures:				
Capital outlays	-	1,217,127	385,296	831,831
Total expenditures	-	1,217,127	385,296	831,831
Net change in fund balance	-	(1,217,127)	(375,081)	842,046
Fund balance, beginning of year	1,239,725	1,239,725	1,239,725	-
Fund balance, end of year	\$ 1,239,725	\$ 22,598	\$ 864,644	\$ 842,046

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, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,350,000	\$ 1,350,000	\$ 1,518,749	\$ 168,749
Investment earnings	2,000	2,000	24,311	22,311
Total revenues	1,352,000	1,352,000	1,543,060	191,060
Expenditures:				
Capital outlays	1,593,693	2,756,766	740,384	2,016,382
Total expenditures	1,593,693	2,756,766	740,384	2,016,382
Net change in fund balance	(241,693)	(1,404,766)	802,676	2,207,442
Fund balance, beginning of year	2,324,308	2,324,308	2,324,308	-
Fund balance, end of year	\$ 2,082,615	\$ 919,542	\$ 3,126,984	\$ 2,207,442

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 4,286,959	\$ 1,519,085	\$ (2,767,874)
Investment earnings	-	-	49,865	49,865
Total revenues	-	4,286,959	1,568,950	(2,718,009)
Expenditures:				
Capital outlays	-	5,480,182	89,014	5,391,168
Total expenditures	-	5,480,182	89,014	5,391,168
Net change in fund balance	-	(1,193,223)	1,479,936	2,673,159
Fund balance, beginning of year	4,693,223	4,693,223	4,693,223	-
Fund balance, end of year	<u>\$ 4,693,223</u>	<u>\$ 3,500,000</u>	<u>\$ 6,173,159</u>	<u>\$ 2,673,159</u>

CITY OF VILLA RICA, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2015 Issue					
Water and sewer facilities and equipment including debt service for WWRF capital improvements	\$ 1,644,000	\$ 858,056	\$ 802,241	\$ 43,215	\$ 845,456
Library	1,375,999	1,375,999	1,375,999	-	1,375,999
Public Safety	643,725	410,707	410,707	-	410,707
Streets and sidewalks	2,224,401	3,090,430	2,245,530	56,949	2,302,479
Recreation	1,379,075	2,091,664	1,763,407	280,982	2,044,389
Administration	-	345,351	334,597	4,150	338,747
Economic development	-	129,029	129,029	-	129,029
Total 2015 SPLOST	<u>\$ 7,267,000</u>	<u>\$ 8,301,236</u>	<u>\$ 7,061,510</u>	<u>\$ 385,296</u>	<u>\$ 7,446,806</u>
<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2016 Issue					
Transportation and streets	\$ 2,179,408	\$ 2,360,011	\$ 1,011,117	\$ 229,196	\$ 1,240,313
Water and sewerage	1,851,472	2,004,900	816,795	261,293	1,078,088
Public safety	804,810	871,503	672,602	101,013	773,615
Fire and EMS	944,182	1,022,425	212,929	114,978	327,907
Parks and recreation	1,052,128	1,139,316	161,339	33,904	195,243
Total 2016 SPLOST	<u>\$ 6,832,000</u>	<u>\$ 7,398,155</u>	<u>\$ 2,874,782</u>	<u>\$ 740,384</u>	<u>\$ 3,615,166</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>
2021 Issue					
Punkintown Road	\$ 4,008,300	\$ 4,008,300	\$ 28,118	\$ 89,014	\$ 117,132
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>\$ 28,118</u>	<u>\$ 89,014</u>	<u>\$ 117,132</u>

DISCRETELY PRESENTED COMPONENT UNITS

CITY OF VILLA RICA, GEORGIA
BALANCE SHEET
COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2022

ASSETS	Villa Rica Industrial Development Authority
Cash	\$ 228,428
Investments	909,792
Accounts receivable	<u>1,271</u>
Total assets	<u><u>\$ 1,139,491</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 210
Due to City of Villa Rica	<u>157,100</u>
Total liabilities	<u>157,310</u>
FUND BALANCES	
Restricted:	
Economic development	<u>982,181</u>
Total fund balance	<u>982,181</u>
Total liabilities and fund balance	<u><u>\$ 1,139,491</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, 2022

	Villa Rica Industrial Development Authority
Revenues:	
Investment earnings	\$ 4,566
Total revenues	<u>4,566</u>
Expenditures:	
Current:	
Economic development	45,124
Total expenditures	<u>45,124</u>
Deficiency of revenues over expenditures	(40,558)
Other financing sources:	
Proceeds from sale of capital assets	150,000
Total other financing sources	<u>150,000</u>
Net change in fund balance	109,442
Fund balance, beginning of period	<u>872,739</u>
Fund balance, end of period	<u><u>\$ 982,181</u></u>

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET
COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2022

	Villa Rica Downtown Development Authority
ASSETS	
Cash and cash equivalents	\$ 88,437
Total assets	<u>\$ 88,437</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Due to primary government	\$ 49,000
Total liabilities	<u>49,000</u>
FUND BALANCE	
Unassigned	<u>39,437</u>
Total fund balance	<u>39,437</u>
Total liabilities and fund balance	<u>\$ 88,437</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, 2022

	Villa Rica Downtown Development Authority
Revenues:	
Charges for services	\$ 102,735
Investment earnings	76
Miscellaneous	1,000
Total revenues	<u>103,811</u>
Expenditures:	
Current:	
Economic development	<u>1,629</u>
Net change in fund balance	102,182
Fund deficit, beginning of period	<u>(62,745)</u>
Fund balance, end of period	<u><u>\$ 39,437</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of The City of Villa Rica's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF VILLA RICA, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>3/2013 (1)</u>		<u>12/2013 (1)</u>		<u>12/2014 (2)</u>		<u>12/2015</u>		<u>12/2016</u>	
Governmental Activities										
Net Investment in capital assets	\$	17,947,001	\$	18,144,707	\$	23,064,667	\$	23,376,912	\$	24,631,631
Restricted		3,338,842		3,059,914		2,326,672		2,946,353		1,796,702
Unrestricted		5,470,546		5,272,470		(27,917,223)		(27,955,224)		(27,862,880)
Total governmental activities net position	\$	26,756,389	\$	26,477,091	\$	(2,525,884)	\$	(1,631,959)	\$	(1,434,547)
Business-type activities										
Net Investment in capital assets	\$	23,667,285	\$	23,335,348	\$	54,026,341	\$	53,535,243	\$	52,711,362
Restricted		-		-		-		-		-
Unrestricted		1,980,851		2,198,191		988,995		1,289,168		2,097,521
Total business-type activities net position	\$	25,648,136	\$	25,533,539	\$	55,015,336	\$	54,824,411	\$	54,808,883
Primary government										
Net Investment in capital assets	\$	41,614,286	\$	41,480,055	\$	77,091,008	\$	42,820,242	\$	43,618,398
Restricted		3,338,842		3,059,914		2,326,672		2,946,353		1,796,702
Unrestricted		7,451,397		7,470,661		(26,928,228)		7,425,857		7,959,236
Total primary government net position	\$	52,404,525	\$	52,010,630	\$	52,489,452	\$	53,192,452	\$	53,374,336

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.

12/2017	9/2018 (3)	9/2019	9/2020	9/2021	9/2022
\$ 25,581,609	\$ 27,495,408	\$ 27,150,274	\$ 27,271,385	\$ 27,571,991	\$ 27,007,898
2,263,462	820,694	2,369,296	3,733,813	9,000,419	11,082,384
(27,531,954)	(27,407,528)	(25,385,896)	(22,938,191)	(22,972,052)	(20,720,090)
\$ 313,117	\$ 908,574	\$ 4,133,674	\$ 8,067,007	\$ 13,600,358	\$ 17,370,192

\$ 51,730,520	\$ 51,111,546	\$ 51,095,904	\$ 51,368,464	\$ 51,261,026	\$ 53,233,962
-	-	-	-	-	-
3,436,108	3,658,259	5,181,640	6,023,630	6,072,458	10,074,814
\$ 55,166,628	\$ 54,769,805	\$ 56,277,544	\$ 57,392,094	\$ 57,333,484	\$ 63,308,776

\$ 43,958,887	\$ 45,628,831	\$ 45,651,654	\$ 78,639,849	\$ 48,065,012	\$ 50,068,971
2,263,462	820,694	2,369,296	3,733,813	9,000,419	11,082,384
9,257,396	9,302,027	12,390,268	(16,914,561)	13,868,411	19,527,613
\$ 55,479,745	\$ 55,678,379	\$ 60,411,218	\$ 65,459,101	\$ 70,933,842	\$ 80,678,968

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

	3/2013 (1)	12/2013 (1)	12/2014	12/2015
Expenses				
Governmental Activities:				
General government	\$ 708,402	\$ 566,169	\$ 846,657	\$ 2,240,151
Judicial	275,246	193,686	219,206	118,003
Public safety	3,059,519	2,323,774	3,228,101	3,598,334
Public works	1,537,280	1,854,052	2,490,499	2,136,417
Housing and development	415,639	402,967	522,374	434,965
Health and Welfare	181,044	138,624	197,633	195,254
Culture and recreation	2,256,113	1,658,092	2,207,497	2,228,525
Interest on long-term debt	1,828,657	874,838	1,728,076	1,326,673
Total governmental activities expenses	10,261,900	8,012,202	11,440,043	12,278,322
Business-type activities:				
Water and Sewer	4,867,430	3,502,699	4,824,998	4,438,097
Solid Waste	796,965	552,633	859,068	778,358
Stormwater	-	-	-	-
Total business-type activities expenses	5,664,395	4,055,332	5,684,066	5,216,455
Total primary government expenses	\$ 15,926,295	\$ 12,067,534	\$ 17,124,109	\$ 17,494,777
Component Units:				
Villa Rica Industrial Development Authority	55,284	34,411	28,357	28,783
Villa Rica Downtown Development Authority	8,365	10,275	8,958	7,580
Total Component Unit expenses	63,649	44,686	37,315	36,363
Program Revenues				
Governmental Activities:				
Charges for service:				
General government	\$ 75	\$ 30	\$ 494	\$ 81,819
Judicial	656,253	-	551,956	470,045
Public safety	8,705	438,520		2,402
Public works	-	2,935	8,990	1,605
Health and Welfare	-	138,624	-	438,871
Culture and recreation	340,869	296,272	461,688	131,056
Housing and development	764	158,584	195,729	-
Operating grants and contributions	457,789	203,247	478,226	699,582
Capital grants and contributions	373,641	799,239	1,170,507	1,175,651
Total governmental activities program revenues	1,838,096	2,037,451	2,867,590	3,001,031
Business-type activities:				
Charges for services:				
Water and Sewer	4,567,275	3,741,855	4,821,054	5,207,284
Solid Waste	747,813	566,063	743,515	831,768
Capital grants and contributions	489,117	-	500,000	264,443
Total business-type activities program revenues	5,804,205	4,307,918	6,064,569	6,303,495
Total primary government program revenues	\$ 7,642,301	\$ 6,345,369	\$ 8,932,159	\$ 9,304,526

12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021	9/2022
\$ 1,889,057	\$ 1,970,169	\$ 881,397	\$ 2,179,236	\$ 2,252,393	\$ 3,155,094	\$ 3,051,053
126,958	155,784	109,652	193,179	193,567	201,785	211,759
4,136,348	4,319,969	3,294,224	5,381,329	5,378,386	5,923,904	5,933,902
1,911,665	2,378,939	1,899,343	2,325,209	2,724,924	3,428,048	3,258,183
685,524	921,503	179,681	249,168	226,466	227,328	256,862
202,580	227,141	1,972,259	2,223,989	2,435,844	3,451,869	2,951,829
2,293,240	2,731,102	1,002,085	1,207,817	1,338,005	1,651,512	1,755,540
1,344,470	1,333,151	964,520	1,323,039	1,309,895	1,290,487	1,235,216
12,589,842	14,037,758	10,303,161	15,082,966	15,859,480	19,330,027	18,654,344
5,050,925	4,719,234	3,833,639	5,671,479	5,490,886	6,193,250	6,939,504
839,843	947,077	925,278	1,224,268	1,284,004	1,318,076	1,473,408
-	-	-	206,776	197,851	219,873	207,417
5,890,768	5,666,311	4,758,917	7,102,523	6,972,741	7,731,199	8,620,329
\$ 18,480,610	\$ 19,704,069	\$ 15,062,078	\$ 22,185,489	\$ 22,832,221	\$ 27,061,226	\$ 27,274,673
40,872	42,960	42,960	43,401	44,153	25,134	154,529
8,530	96,162	96,162	11,613	8,907	5,149	68,948
49,402	139,122	139,122	55,014	53,060	30,283	223,477
\$ 61,807	\$ 440,433	\$ 9,945	\$ 72,023	\$ 103,973	\$ 51,901	\$ 64,502
527,344	656,508	479,575	617,117	614,184	587,542	611,588
9,331	13,810	23,585	19,646	26,527	9,375	8,032
1,285	5,525	5,023	4,670	19,790	13,790	30,750
403,467	439,047	385,036	316,497	114,796	421,641	565,997
168,401	475,577	267,036	665,838	568,116	369,830	464,127
-	-	-	-	-	-	-
302,692	1,202,322	414,040	550,714	1,389,146	567,721	444,962
1,422,653	2,233,372	1,978,565	2,720,736	2,831,693	7,098,628	9,386,858
2,896,980	5,466,594	3,562,805	4,967,241	5,668,225	9,120,428	11,576,816
5,653,759	5,857,818	5,732,545	9,058,890	9,595,927	9,065,232	9,319,626
862,475	867,805	843,581	1,263,850	1,345,477	1,415,708	1,559,751
322,793	144,031	259,724	597,322	232,480	331,465	585,445
6,839,027	6,869,654	6,835,850	10,920,062	11,173,884	10,812,405	11,464,822
\$ 9,736,007	\$ 12,336,248	\$ 10,398,655	\$ 15,887,303	\$ 16,842,109	\$ 19,932,833	\$ 23,041,638

continued

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

	Fiscal Year			
	3/2013 (1)	12/2013 (1)	12/2014	12/2015
Component Units:				
Charges for services:				
Villa Rica Industrial Development Authority	\$ -	\$ 67,960	\$ 87,750	\$ 11,338
Villa Rica Downtown Development Authority	17,500	7,976	7,498	53
Total Component Unit program revenues	\$ 17,500	\$ 75,936	\$ 95,248	\$ 11,391
Net (Expense)/Revenue				
Governmental activities	\$ (8,423,804)	\$ (6,113,375)	\$ (8,566,323)	\$ (9,277,291)
Business-type activities	139,810	252,586	380,503	1,087,040
Total primary government net expense	\$ (8,283,994)	\$ (5,860,789)	\$ (8,185,820)	\$ (8,190,251)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,055,908	\$ 2,924,486	\$ 4,176,958	\$ 3,113,639
Sales taxes	2,854,597	1,554,878	2,739,884	2,288,460
Other taxes and miscellaneous	2,499,135	1,545,385	1,144,511	2,829,722
Unrestricted investment earnings	55,217	13,344	11,738	37,827
Miscellaneous	53,048	90,811	84,253	-
Gain on sale of capital assets	30,775	127,062	16,964	614,828
Transfers	1,142,121	574,056	1,443,352	1,286,740
Total governmental activities	\$ 9,690,801	\$ 6,830,022	\$ 9,617,660	\$ 10,171,216
Business-type activities				
Investment earnings	\$ 17,358	\$ -	\$ 1,692	\$ 875
Miscellaneous	171,557	386,135	314,391	7,900
Gain on sale of capital assets	468,404	(179,262)	1,425	-
Transfers	(1,142,121)	(574,056)	(1,443,352)	(1,286,740)
Total business-type activities	(484,802)	(367,183)	(1,125,844)	(1,277,965)
Total primary government	\$ 9,205,999	\$ 6,462,839	\$ 8,491,816	\$ 8,893,251
Change in Net Position				
Governmental activities	\$ 1,269,347	\$ 716,647	\$ 1,051,337	\$ 893,925
Business-type activities	(344,992)	(114,597)	(745,341)	(190,925)
Total primary government	\$ 924,355	\$ 602,050	\$ 305,996	\$ 703,000

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.

12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021	9/2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,025	72,206	72,206	500	-	-	103,735
\$ 1,025	\$ 72,206	\$ 72,206	\$ 500	\$ -	\$ -	\$ 103,735
\$ (9,692,862)	\$ (8,571,164)	\$ (6,740,357)	\$ (10,115,725)	\$ (10,191,255)	\$ (10,209,599)	\$ (7,077,528)
948,259	1,203,343	2,076,933	3,817,539	4,201,143	3,081,206	2,844,493
\$ (8,744,603)	\$ (7,367,821)	\$ (4,663,424)	\$ (6,298,186)	\$ (5,990,112)	\$ (7,128,393)	\$ (4,233,035)
\$ 3,348,369	\$ 3,771,161	\$ 631,999	\$ 3,780,936	\$ 3,944,485	\$ 4,854,855	\$ 5,236,509
2,328,688	2,405,569	1,992,836	2,921,096	3,095,590	3,486,976	3,964,238
3,028,918	3,118,313	2,042,776	3,868,420	3,758,257	3,989,267	4,510,341
9,698	2,967	2,592	-	-	387	25,554
-	9,528	189,060	440,979	202,797	205,245	159,336
211,087	162,920	-	15,504	8,168	12,840	-
963,514	848,370	2,476,551	2,313,890	3,115,291	3,193,380	(3,048,616)
\$ 9,890,274	\$ 10,318,828	\$ 7,335,814	\$ 13,340,825	\$ 14,124,588	\$ 15,742,950	\$ 10,847,362
\$ 2,457	\$ 2,772	\$ 2,795	\$ 4,090	\$ 28,698	\$ 19,164	\$ 71,979
-	-	-	-	-	34,400	10,204
-	-	-	-	-	-	-
(963,514)	(848,370)	(2,476,551)	(2,313,890)	(3,115,291)	(3,193,380)	3,048,616
(961,057)	(845,598)	(2,473,756)	(2,309,800)	(3,086,593)	(3,139,816)	3,130,799
\$ 8,929,217	\$ 9,473,230	\$ 4,862,058	\$ 11,031,025	\$ 11,037,995	\$ 12,603,134	\$ 13,978,161
\$ 197,412	\$ 1,747,664	\$ 595,457	\$ 3,225,100	\$ 3,933,333	\$ 5,533,351	\$ 3,769,834
(15,528)	357,745	(396,823)	1,507,739	1,114,550	(58,610)	5,975,292
\$ 181,884	\$ 2,105,409	\$ 198,634	\$ 4,732,839	\$ 5,047,883	\$ 5,474,741	\$ 9,745,126

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

	3/2013 (1)	12/2013 (1)	12/2014	12/2015
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	67,196	-	135,245	306,723
Committed	47,000	-	-	-
Assigned	-	-	-	337,134
Unassigned	5,457,490	5,718,887	6,290,536	6,523,603
Total general fund	<u>\$ 5,571,686</u>	<u>\$ 5,718,887</u>	<u>\$ 6,425,781</u>	<u>\$ 7,167,460</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	3,326,438	819,114	2,326,672	2,983,880
Committed	41,196	-	1,102,889	-
Assigned	100	2,240,800	-	-
Unassigned (deficit)	(3,930)	-	-	-
Total all other governmental funds	<u>\$ 3,363,804</u>	<u>\$ 3,059,914</u>	<u>\$ 3,429,561</u>	<u>\$ 2,983,880</u>
Total all governmental funds	<u>\$ 8,935,490</u>	<u>\$ 8,778,801</u>	<u>\$ 9,855,342</u>	<u>\$ 10,151,340</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.

12/2016	12/2017	9/2018 (2)	9/2019	9/2020	9/2021	9/2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
588,642	98,234	236,815	331,987	265,570	305,780	389,402
450,000	500,000	950,000	950,000	1,000,000	1,000,000	500,000
600,483	1,087,658	79,688	19,192	638,175	877,804	541,726
5,220,018	5,069,864	3,617,325	5,104,136	5,859,892	6,458,485	8,309,643
\$ 6,859,143	\$ 6,755,756	\$ 4,883,828	\$ 6,405,315	\$ 7,763,637	\$ 8,642,069	\$ 9,740,771
\$ -	\$ -	\$ -	\$ -	\$ -	8,461	750
1,796,702	2,263,462	820,694	2,369,296	3,733,813	8,702,559	10,838,329
24,472	27,689	15,508	52,730	8,354	9,077	5,448
199,227	48,748	-	609	283,378	277	-
-	-	(951)	109,182	-	(3,600)	-
\$ 2,020,401	\$ 2,339,899	\$ 835,251	\$ 2,531,817	\$ 4,025,545	\$ 8,716,774	\$ 10,844,527
\$ 8,879,544	\$ 9,095,655	\$ 5,719,079	\$ 8,937,132	\$ 11,789,182	\$ 17,358,843	\$ 20,585,298

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

	3/2013	12/2013	12/2014	12/2015	12/2016
Revenues					
Taxes	\$ 7,132,663	\$ 5,972,779	\$ 8,136,232	\$ 8,202,400	\$ 8,710,240
Licenses and permits	103,712	158,584	195,729	211,314	229,187
Intergovernmental	2,081,192	1,002,486	1,611,154	1,808,598	1,710,806
Fines and forfeitures	335,810	307,822	477,302	261,061	359,854
Charges for service	670,856	429,935	551,956	653,423	582,594
Interest Income	55,217	13,343	39,329	38,196	10,115
Other Revenues	90,073	90,811	121,437	656,893	248,410
Total revenues	10,469,523	7,975,760	11,133,139	11,831,885	11,851,206
Expenditures					
General government	611,130	543,329	753,957	2,153,213	1,773,868
Judicial	275,246	193,686	216,681	118,330	125,679
Public safety	2,872,255	2,231,925	3,058,533	3,607,660	3,887,115
Public works	928,320	1,131,782	1,423,163	1,159,921	1,375,220
Health and Welfare	182,496	144,304	197,314	195,735	200,007
Culture and recreation	1,959,000	1,444,902	1,862,430	1,874,565	1,914,100
Economic development	416,728	403,848	521,663	436,596	679,225
Capital outlay	2,148,664	1,611,268	1,672,916	1,755,468	2,417,914
Debt service					
Interest	1,828,657	867,051	2,006,099	1,416,133	1,473,388
Principal	218,970	189,609	-	556,302	240,000
Bond Issuance Cost	-	-	-	-	-
Total expenditures	11,441,466	8,761,704	11,712,756	13,273,923	14,086,516
Excess of revenues over (under) expenditures	(971,943)	(785,944)	(579,617)	(1,442,038)	(2,235,310)
Other Financing Sources (Uses)					
Transfers in	2,347,396	1,579,308	2,789,659	2,717,354	3,813,500
Transfers out	(627,525)	(1,005,251)	(1,346,308)	(1,430,614)	(2,849,986)
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	10,108	55,199	16,964	-	-
Total other financing sources (uses)	1,729,979	629,256	1,460,315	1,546,982	963,514
Net change in fund balances	\$ 758,036	\$ (156,688)	\$ 880,698	\$ 104,944	\$ (1,271,796)
Debt service as a percentage of noncapital expenditures	28.26%	17.34%	24.97%	20.66%	17.21%

12/2017	9/2018	9/2019	9/2020	9/2021	9/2022
\$ 9,236,397	\$ 4,680,351	\$ 10,756,673	\$ 10,807,499	\$ 12,327,620	\$ 13,706,739
537,327	275,853	736,444	670,512	419,688	526,227
3,256,165	1,381,676	3,098,476	4,025,156	8,880,966	9,678,425
466,094	356,566	530,235	525,388	483,479	519,280
650,065	537,781	429,112	251,485	550,912	699,489
3,323	3,086	4,313	27,895	26,412	153,771
234,151	212,755	534,181	238,345	260,228	192,271
14,383,522	7,448,068	16,089,434	16,546,280	22,949,305	25,476,202
1,616,466	1,330,555	1,899,096	2,077,177	2,379,395	2,875,659
154,686	111,680	193,620	190,446	199,153	221,022
4,055,900	3,294,805	4,649,375	5,029,924	5,042,877	5,559,011
1,895,374	1,704,649	1,896,409	2,263,622	2,653,665	2,658,744
224,809	177,939	250,741	223,343	224,808	261,956
2,303,076	1,711,620	2,008,815	1,955,858	2,043,574	2,308,615
918,015	1,040,035	1,213,665	1,258,605	1,527,899	1,777,129
2,190,317	2,224,974	1,395,142	1,668,101	4,306,042	1,693,841
1,461,138	1,454,938	1,447,288	735,000	855,000	880,000
245,000	250,000	260,000	1,432,363	1,408,513	995,533
-	-	-	-	-	365,218
15,064,781	13,301,195	15,214,151	16,834,439	20,640,926	19,596,728
(681,259)	(5,853,127)	875,283	(288,159)	2,308,379	5,879,474
3,419,736	2,866,579	3,329,235	3,814,423	4,767,757	9,961,534
(2,571,366)	(390,028)	(1,015,345)	(682,382)	(1,519,315)	(13,010,150)
-	-	-	-	-	31,880,000
-	-	-	-	-	-
-	-	-	-	-	(31,484,403)
49,000	-	28,880	8,168	12,840	-
897,370	2,476,551	2,342,770	3,140,209	3,261,282	(2,653,019)
\$ 216,111	\$ (3,376,576)	\$ 3,218,053	\$ 2,852,050	\$ 5,569,661	\$ 3,226,455
15.28%	18.19%	14.10%	16.67%	12.18%	12.07%

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
3/2013 (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	4,854,855	3,486,976	336,384	1,316,112	1,166,067	379,580	791,124	12,331,098
9/2022	5,236,509	3,964,238	303,573	1,404,205	1,461,039	462,337	879,187	13,711,088

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
3/2013	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
9/2022	2021	355,978,833	145,574,445	7,115,716	3,783,788	(62,598,473)	449,854,309	6.250	1,124,635,773	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
3/2013	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
9/2022	2021	270,119,972	57,964,486	3,094,811	1,527,170	(55,454,136)	277,252,303	6.250	693,130,758	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 & Overlapping Rates</u>
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
2022	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	
2012	Carroll Douglas	6.775	-	6.775	-	-	-	8.500	19.500	0.200	34.98
		6.775	-	6.775	9.900	21.950	0.200	-	-	-	38.83
2013	Carroll Douglas	6.775	-	6.775	-	-	-	8.500	19.500	0.150	34.93
		6.775	-	6.775	12.250	21.650	0.150	-	-	-	40.83
2014	Carroll Douglas	6.630	-	6.630	-	-	-	8.482	19.500	0.100	34.71
		6.630	-	6.630	12.153	21.350	0.100	-	-	-	40.23
2015	Carroll Douglas	6.500	-	6.500	-	-	-	8.414	19.500	0.050	34.46
		6.500	-	6.500	11.809	21.100	0.050	-	-	-	39.46
2016	Carroll Douglas	6.500	-	6.500	-	-	-	8.349	18.001	-	32.85
		6.500	-	6.500	11.267	21.000	-	-	-	-	38.77
2017	Carroll Douglas	6.365	-	6.365	-	-	-	8.342	17.998	-	32.71
		6.365	-	6.365	10.768	20.950	-	-	-	-	38.08
2018	Carroll Douglas	6.056	-	6.056	-	-	-	8.261	17.998	-	32.32
		6.056	-	6.056	10.213	20.900	-	-	-	-	37.17
2019	Carroll Douglas	5.743	-	5.743	-	-	-	7.880	17.998	-	31.62
		5.743	-	5.743	10.213	19.650	-	-	-	-	35.61
2020	Carroll Douglas	6.250	-	6.250	-	-	-	7.668	17.998	-	31.92
		6.250	-	6.250	12.563	20.600	-	-	-	-	39.41
2021	Carroll Douglas	6.25	-	6.250	-	-	-	7.639	17.998	-	31.89
		6.25	-	6.250	12.563	20.050	-	-	-	-	38.86

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
3/31/2013	2012	Carroll	1,834,711	2,606,220	84.91%	462,753	3,068,973	99.99%
		Douglas	1,234,529					
			<u>3,069,239</u>					
12/31/2013	2013	Carroll	1,814,373	2,399,845	80.94%	564,708	2,964,553	99.99%
		Douglas	1,150,446					
			<u>2,964,819</u>					
12/31/2014	2014	Carroll	1,711,569	2,539,192	90.15%	277,156	2,816,348	99.99%
		Douglas	1,105,057					
			<u>2,816,626</u>					
12/31/2015	2015	Carroll	1,637,629	2,504,073	89.89%	281,257	2,785,330	99.99%
		Douglas	1,147,983					
			<u>2,785,612</u>					
12/31/2016	2016	Carroll	1,965,698	2,806,135	88.15%	374,639	3,180,774	99.92%
		Douglas	1,217,583					
			<u>3,183,281</u>					
12/31/2017	2017	Carroll	2,026,268	3,210,822	95.77%	141,007	3,351,829	99.98%
		Douglas	1,326,294					
			<u>3,352,562</u>					
9/30/2018	n/a							
9/30/2019	2018	Carroll	2,045,909	3,363,024	95.70%	143,718	3,506,741	99.78%
		Douglas	1,468,393					
			<u>3,514,302</u>					
9/30/2020	2019	Carroll	2,251,871	3,407,834	93.48%	205,957	3,613,791	99.13%
		Douglas	1,393,560					
			<u>3,645,431</u>					
9/30/2021	2020	Carroll	2,700,970	4,198,717	96.78%	107,039	4,305,757	99.25%
		Douglas	1,637,360					
			<u>4,338,330</u>					
9/30/2022	2021	Carroll	2,787,871	4,453,388	99.04%	21,228	4,474,616	99.51%
		Douglas	1,708,789					
			<u>4,496,660</u>					

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 2022 (Digest Year 2021)

Taxpayer	Taxable Assessed		County	Rank	Percentage of Total Taxable Assessed
	Value				Value
Printpack Inc	\$ 52,604,133		Carroll	1	3.74%
Development Authority of Douglas Co	20,622,301		Douglas	2	2.87%
Sugar Foods Corp	26,453,019		Carroll	3	2.06%
Hawthorn-Midway Mirror Lake LLC	12,500,000		Douglas	4	1.70%
Intercapital Villa Rica Associates LP	10,000,000		Carroll	5	1.39%
Flowers Foods Inc	9,811,694		Carroll	6	1.23%
3101 Place Owner LLC	8,457,682		Carroll	7	1.18%
Four Plus Villa Rica LLC	7,139,967		Carroll	8	0.99%
AMH Development LLC	6,071,720		Douglas	9	0.84%
Sams East Inc	4,896,738		Carroll	10	0.68%
Total	<u>\$ 158,557,254</u>				<u>16.68%</u>

Fiscal Year 03/2012 (Digest Year 2011)

Taxpayer	Taxable Assessed		County	Rank	Percentage of Total Taxable Assessed
	Value				Value
Printpack Inc	\$36,849,104		Carroll	1	8.47%
Flowers Foods Inc	10,704,922		Carroll	2	3.32%
Sugar Foods Corp	10,229,190		Carroll	3	2.57%
Sony Computer Entertainment of America	33,512,853		Carroll	4	0.02%
SPG Villa Rica, LLC	5,241,228		Carroll	5	0.89%
The Preserve at Mirror Lake, LLC	4,030,480		Douglas	6	0.72%
Villa Rica Development Authority	4,635,784		Carroll	7	0.70%
Hickory Falls Apartments	3,883,205		Carroll	8	0.60%
Southwire Company	11,084,215		Douglas	9	0.42%
Village Mirror, LLC	3,240,440		Douglas	10	0.37%
Total	<u>\$ 123,411,421</u>				<u>18.08%</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				Business-type Activities	Total Primary Government	Per Capita
	Capital Leases	Revenue Bonds	GO Bonds	Note Payable		
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	33,805,124	1,992
9/2022	-	31,880,000	-	300,645	32,180,645	1,805

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
3/2013	\$ -	\$ -	\$ -	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%	-
9/2022	-	-	-	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										
	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020	9/2021	9/2022
Assessed Property Value	\$ 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	\$ 727,106,612
Debt limit	\$ 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	\$ 727,106,612
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 453,024,272	\$ 437,611,677	\$ 424,830,527	\$ 428,555,713	\$ 489,735,477	\$ 526,718,358	n/a	n/a	\$ 634,760,691	\$ 702,773,698	\$ 727,106,612
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%	n/a	0.00%	0.00%	0.00%

CITY OF VILLA RICA, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping Debt (2)(3)			
Carroll County Board of Education (June 30, 2021)			
General obligation bonds	\$ 56,235,000	8.36%	\$ 4,702,277
Capital leases	-	8.36%	-
Financed purchases	469,630	8.36%	39,270
Carroll County (June 30, 2022):			
General obligation bonds	33,980,000	8.36%	2,841,351
Capital leases	-	8.36%	-
Financed purchases	2,829,000	8.36%	236,556
Douglas County Board of Education (June 30, 2022)			
General obligation bonds	105,300,000	5.23%	5,510,922
Capital leases	-	5.23%	-
Financed purchases	-	5.23%	-
Douglas County (Dec 31, 2021)			
General obligation bonds	4,080,000	5.23%	213,529
Capital leases	-	5.23%	-
Financed purchases	2,728,404	5.23%	142,792
Total Overlapping Debt			13,686,696
City Direct Debt			
General obligation/Revenue bonds	31,880,000	100.00%	31,880,000
Capital leases	-	100.00%	-
Notes payable	300,645	100.00%	300,645
Total Direct Debt			32,180,645
Total Direct and Overlapping Debt			\$ 45,867,341

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.
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	7,814,779	46,051	206,000	4.32%	3.83%	5.36%
2022	17,830	N/A	N/A	281,250	3.30%	3.05%	3.68%

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 NINE YEARS AGO

2022			
Employer		Employees	Rank
Flowers Baking Company of Villa Rica	447	610	1
Walmart Stores East LP	366	447	2
East-West Express	311	435	3
Children's Healthcare of Atlanta	298	311	4
Sugar Foods Corporation	250	285	5
Printpack, Inc.	223	250	6
Royal Trucking Company	218	218	7
Martin's Restaurant	210	200	8
Verida, Inc.	210	182	9
Print Pack, Inc.	199	175	10
Total		<u>3,113</u>	

2013			
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		<u>2,828</u>	

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	3/2013 ⁽¹⁾	12/2013 ⁽¹⁾	12/2014	12/2015	12/2016	12/2017	9/2018 ⁽²⁾	9/2019	9/2020	9/2021	9/2022
Governmental activities:											
General government	11.0	10.0	9.0	9.0	9.0	12.5	13.0	15.5	16.0	17.0	19.0
Municipal court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Public Safety	44.0	45.0	45.0	45.0	49.0	51.4	51.7	57.3	58.3	61.3	57.0
Public Works	9.5	10.0	10.0	9.0	10.0	10.0	13.5	20.7	21.7	21.7	25.0
Culture and recreation	25.0	26.7	26.7	26.7	27.2	29.9	30.0	28.9	28.9	24.2	23.9
Community development	3.5	3.5	4.5	5.0	6.0	9.5	10.5	12.2	12.0	16.7	18.8
Total - Governmental activities	<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>	<u>145.7</u>
Business activities:											
Water and Sewer Fund	2.0 ⁽³⁾	- ⁽³⁾	20.0	22.0	23.0	23.0	25.0	30.0	31.0	32.0	35.0
Solid Waste Fund	4.0	4.0	4.0	4.0	4.0	7.0	7.0	6.0	6.0	6.0	7.0
Stormwater Fund	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total - business-type activities	<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>	<u>44.0</u>
Total City	<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>	<u>189.7</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Arrests	129	120	137	142	173	197	173	222	227	182
Incident Reports	1,960	2,107	2,241	2,116	2,260	2,199	2,060	1,897	2,260	2,135
Citations	3,050	3,343	4,019	4,208	5,254	4,235	5,140	3,956	4,117	3,697
Public Works										
Stormwater Infrastructure Repairs	19	22	28	50	42	28	35	29	49	37
Community Development										
Building permits issued	20	29	34	49	94	207	277	281	156	160
Water and Sewer										
Number of residential customers, water	5,409	5,503	5,488	5,488	5,528	5,632	5,875	6,071	6,190	6,275
Number of residential customers, sewer	4,019	4,123	4,137	4,200	4,246	4,374	4,604	4,793	4,887	4,964
Solid Waste										
Number of residential customers	3,611	3,633	3,670	3,665	3,697	4,365	4,574	4,843	4,967	5,073

Sources: Various City departments

CITY OF VILLA RICA, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	3/2013	12/2013	12/2014	12/2015	12/2016	12/2017	9/2018	9/2019	9/2020	9/2021	9/2022
Public Safety											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Number of police officers positions	35	36	37	38	40	43	46	47	52	55	55
Public Works											
Miles of streets	84	84	84	84	84	84	84	84	84	84	85
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	1,652	1,690	1,779	1,795
Recreation and Culture:											
Number of parks	8	8	8	9	9	9	9	9	9	9	9
Park acreage	284.08	284.08	284.08	443.33	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	139	139
Miles of sewer mains	89	89	89	89	89	89	89	89	89	89	89

Sources: Various City departments

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 28, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report 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
February 28, 2023

CITY OF VILLA RICA, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 X no

Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

There was not an audit of major federal award programs for the year ended September 30, 2022 due to the City electing to have an Alternative Compliance Examination Engagement for the Coronavirus State and Local Fiscal Recovery Funds.