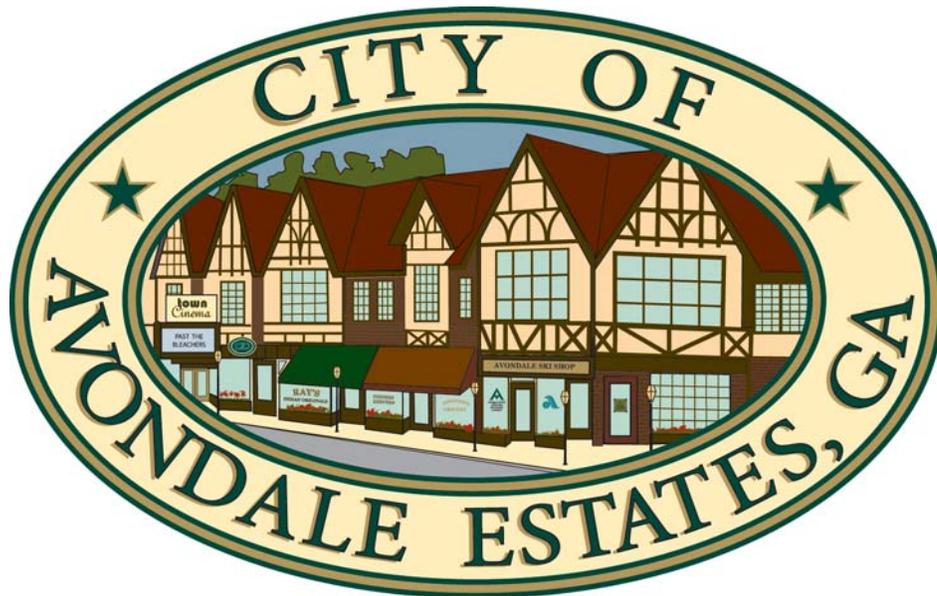


# **CITY OF AVONDALE ESTATES GEORGIA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

CITY OF  
AVONDALE ESTATES,  
GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2020

PREPARED BY:

Paul Hanebuth  
Finance Director

CITY OF AVONDALE ESTATES, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2020

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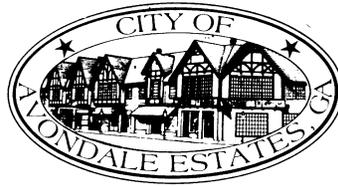
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## **INTRODUCTORY SECTION**

**BOARD OF MAYOR AND  
COMMISSIONERS**



Jonathan Elmore  
Mayor

Brian Fisher  
Mayor Pro Tem

Lionel Laratte  
Commissioner

Dee Merriam  
Commissioner

Lisa Shortell  
Commissioner

Patrick Bryant  
City Manager

Robert E. Wilson  
City Attorney

Stephen W. Nicholas  
City Judge

August 13, 2021

To the Citizens of Avondale Estates and the Board of Mayor and Commissioners:

The Comprehensive Annual Financial Report of the City of Avondale Estates for the year ending December 31, 2020, is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Readers should consult Management's Discussion and Analysis, beginning on page 12 of this report, to provide context and explanation for the financial statements and other information.

There were no accounting policy changes during 2020 that had a significant impact on the current period's financial statements.

The financial reporting entity includes all the funds of the primary government. The City provides a limited range of municipal government services to an estimated 3,144 citizens. Included in these services are traditional City functions, such as public works, public safety, sanitation, parks, courts, and inherent support activities.

**MAJOR INITIATIVES AND ECONOMIC OUTLOOK**

**Initiatives:**

**Complete Street:** During 2020, the City continued work with the Georgia Department of Transportation and a consultant to develop and receive initial approvals for the US 278 Complete Streets project construction plans. Various community meetings and stakeholder interviews took place to identify community wants and needs. The scope consists of completing and widening the sidewalk system from Ashton Place to Sams Crossing, along with a mixed-mode (bike/pedestrian) path and refuge islands throughout the corridor to increase safety and make a more aesthetically pleasing multi-use thoroughfare that is enjoyable for residents and visitors.

The initial estimate of the total project cost was \$5.5 million; the City received federal funding approval for 80% of this estimated cost. The City has also received a \$1.5 million grant from the Georgia Transportation Infrastructure Bank (GTIB). The City is in the process of acquiring the necessary right of way and anticipates breaking ground in the 3rd quarter of 2022.

**Stormwater Master Plan:** During 2020, the City undertook a stormwater master plan to assess the condition of existing stormwater infrastructure throughout the City including the downtown. The consultants were charged with ranking identified issues and developing concept plans for the top five most pressing stormwater problems. One of the top five issues is on Pine Street in the Downtown. Concepts plans are underway, and repairs are expected within the next 12 to 24 months depending on the availability of money in the enterprise fund.

**Urban Design Study and City-Wide Zoning:** In late 2019, the Board of Mayor and Commissioners (BOMC) adopted a downtown street layout plan. During 2020, the City worked with consultant Lord Aeck Sargent to develop more detailed plans for each downtown street type, including locations of on-street parking, bike facilities and travel lanes, allowable development height and massing for underdeveloped properties, and public parking solutions. This urban design study, along with the Downtown Master Plan and the Comprehensive Development Plan, informed Citywide re-zoning efforts and other development plans. This important initiative will provide the regulatory framework to implement the City's vision. The City undertook an extensive public engagement and review process in 2020 to draft a new zoning code, with final adoption anticipated in 2021.

**Preservation Design Guidelines:** In 2020, the City revised the historic design guidelines to be more objective and protect the integrity of our historic district while also allowing for the necessary modern-day changes to our older homes.

**Permitting Process:** The City modified its permitting process to streamline review and approvals for home renovations and added additional online tools for doing business with the City.

**Tree-City Designation:** In 2020, the City celebrated 36 years as a Tree City USA through the National Arbor Day Foundation. To become a Tree City USA, a community must meet four standards: have a tree board, have a community tree care ordinance, participate in a comprehensive community forestry program, have an Arbor Day observance, and issue a proclamation. Every year in celebration of Arbor Day, the City plants a tree to honor a community member who has passed. The City of Avondale Estates was the first Tree City USA in DeKalb County.

**Public Works Renovations:** The City authorized renovation of our Public Works facility to improve the working conditions for our staff and create a more efficient workspace. The work is expected to be completed in 2021.

### **Business:**

**Increase in Permits:** The City received 225 permit applications during 2020, a 23% increase from the previous year.

**Added Businesses and Jobs:** An estimated 41 new jobs were created in 11 new businesses downtown. Citywide 26 new businesses opened their doors or announced plans to open in 2020. The City continues to attract independent specialty retailers and remains dedicated to being business-friendly while maintaining high standards.

**Rising Commercial Tax Base:** The commercial tax base increased substantially over the last couple of years; between 2018 and 2020, the appraised value of commercial properties has increased from about 25 million dollars to over 100 million.

**Mainstreet Promotions and Events:** The City continued its commitment to its Classic Main Street status by the Department of Community Affairs for the 2020 calendar year. The website and Facebook page of the Downtown Development Authority/Main Street Board (the “DDA”) continued to engaged people in surrounding neighborhoods and regionally. Due to limitations caused by the Covid-19 pandemic, the City canceled in-person events and introduced promotions to attract customers into the downtown businesses. Additionally, the DDA/Main Street Board participated in the American Express Initiative “Small Business Saturday”. This campaign begins the Saturday after Thanksgiving and runs throughout the holiday season, encouraging the community to shop local.

**Business Association:** In 2020, the Avondale Estates Business Association (AEBA) canceled their regular meetings due to Covid. They anticipate re-starting their meeting schedule in 2021.

**Parking Solutions:** The DDA added an 80+ space public parking lot to serve downtown businesses. In 2021, the DDA will add new trees and 5 state-of-the-art solar lights to create a more environmentally sensitive and attractive lot.

### **Community Promotion Program:**

**Events:** The Community Promotion Program (CPP), funded by the City and administered by the DDA, is a grant fund intended to catalyze downtown events. The program was put on hold in 2020 due to the pandemic. The City typically hosts many community events throughout the year. All festivals were canceled in 2020 due to Covid-19 but are expected to resume in 2021 and 2022 as the situation allows.

**Personal Protective Equipment (PPE):** To stabilize our local businesses, the DDA purchased over \$4K in Personal Protective Equipment (PPE) and delivered it to those that wanted it.

**Banners:** The DDA redesigned and hung new banners reminding people that our businesses were open. The word “open” had double meaning during this tumultuous year. It was used to signal that we were open for business and that we were open to everyone – particularly those that may have felt excluded in the past.

### **Recreation and Greenspace:**

**Town Green:** The City acquired a four (4) acre site in the Central Business District for a new Town Green via capital leasing beginning in 2014; lease payments concluded in 2018. The Downtown Development Authority and the City hosted six (6) months of meetings to determine the community preferred design for a Town Green and mixed-use development on this property. Local professionals submitted ten (10) design concepts, and through online and in-person surveying one (1) concept was selected, Concept 9. The City and contracted designer Site Solutions executed an award-winning community engagement process to refine the concept plan for the Town Green. The BOMC adopted the plan in late spring of 2020, and the design team continued with the production of construction plans. In 2021, the City intends to bid construction of the park portion and anticipates completion in the first quarter of 2022.

**Northwoods Trails and Raingardens:** The North Woods area of Lake Avondale is a safety hazard. The Lake Master Plan (2008) identified projects in this area that can mitigate the erosion and sedimentation issues while enhancing the area as a passive, usable portion of the park. The City budgeted funds for design and construction in 2020. The City also received a state grant to supplement the project cost. The design will be completed in 2021.

## **Economic Outlook:**

Avondale Estates is located approximately 6.5 miles east of the Atlanta City limits and approximately nine (9) miles west of Stone Mountain, GA. The City encompasses 790 acres - approximately 1.25 square miles - with an estimated population of 3,144, according to the 2019 American Community Survey (ACS) estimate.

According to the U.S. Bureau of Census, approximately 99 percent of the residents have at least a high school education. The median household income is \$110,000 (ACS). Most residents are well-compensated, successful professionals.

Redevelopment continued through 2020. Avondale's historic movie theater was renovated into a music performance venue called 37 Main. Three older buildings – at 120 Olive Street, 2855 Washington Street, and 2869 Washington Street - were renovated to provide modern retail and office space. A large mixed-use apartment development, Alexan Avondale, was started in 2020 and will add 270 units and 7,700 square feet of retail beginning in 2021.

The most significant influence on the economy of the City in 2020 was the redevelopment of the downtown commercial area. This redevelopment is accelerating and will propel the City's economy for the foreseeable future. The Board of Mayor and Commissioners and Downtown Development Authority are working to facilitate new development that meets the vision established in the 2014 Downtown Master Plan.

## **FINANCIAL INFORMATION**

### **General:**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. It is further incumbent upon management to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are accomplished. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be received, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

### **Budgetary Controls:**

The City maintains budgetary controls to ensure compliance with the legal provision embodied in the annual appropriated budget as approved by the Board of Mayor and Commissioners. Activities of the general and capital project funds, as well as the Dottie Holmes Memorial Trust Fund, are included in the annual appropriated budget. The legal level of budget control (the level on which expenditures may not legally exceed appropriations) has been established at the department level. Administrative transfers of appropriations within a department may be authorized by the City Manager to satisfy unforeseen needs without Commission action.

### **Enterprise Operations:**

The City currently has two enterprise funds: stormwater utility and sanitation. The Sanitation Fund is self-supporting but pools cash with the General Fund to facilitate cash flow. The Stormwater Fund has historically funded only maintenance to the system, but the City began implementing major infrastructure projects in 2020.

### **Retirement Plan:**

The recommended contribution rate for the City Retirement Plan increased due to relatively weaker investment performance in 2019, as well as a change in actuarial assumptions. Information concerning the City's Plan is found on Page 55-59 and Pages 64-69 of this financial report. The Plan's investment portfolio reflects a reasonably conservative mix of investment vehicles. The annual actuarial valuation indicates compliance with state-mandated funding requirements.

**Independent Audit:**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Clifton, Lipford, Hardison & Parker, LLC, was selected by the Board of Mayor and Commissioners. The audit has been designed to meet all applicable requirements and standards. The auditor's report on the general-purpose financial statements and the combined and individual fund statements and schedules are included in the financial section of this report.

**Awards:**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Avondale Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the twenty-third consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only; the 2020 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will be submitted to GFOA to determine its eligibility for another certificate.

**Acknowledgments:**

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the City administrative department, and the auditors for the City. I extend my sincere appreciation to everyone who contributed to the preparation of this report. Without the leadership and support of the Board of Mayor and Commissioners and the residents of Avondale Estates, preparation of this report would not have been possible.

Respectfully submitted,



Paul Hanebuth  
Finance Director  
Deputy City Manager  
City of Avondale Estates



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

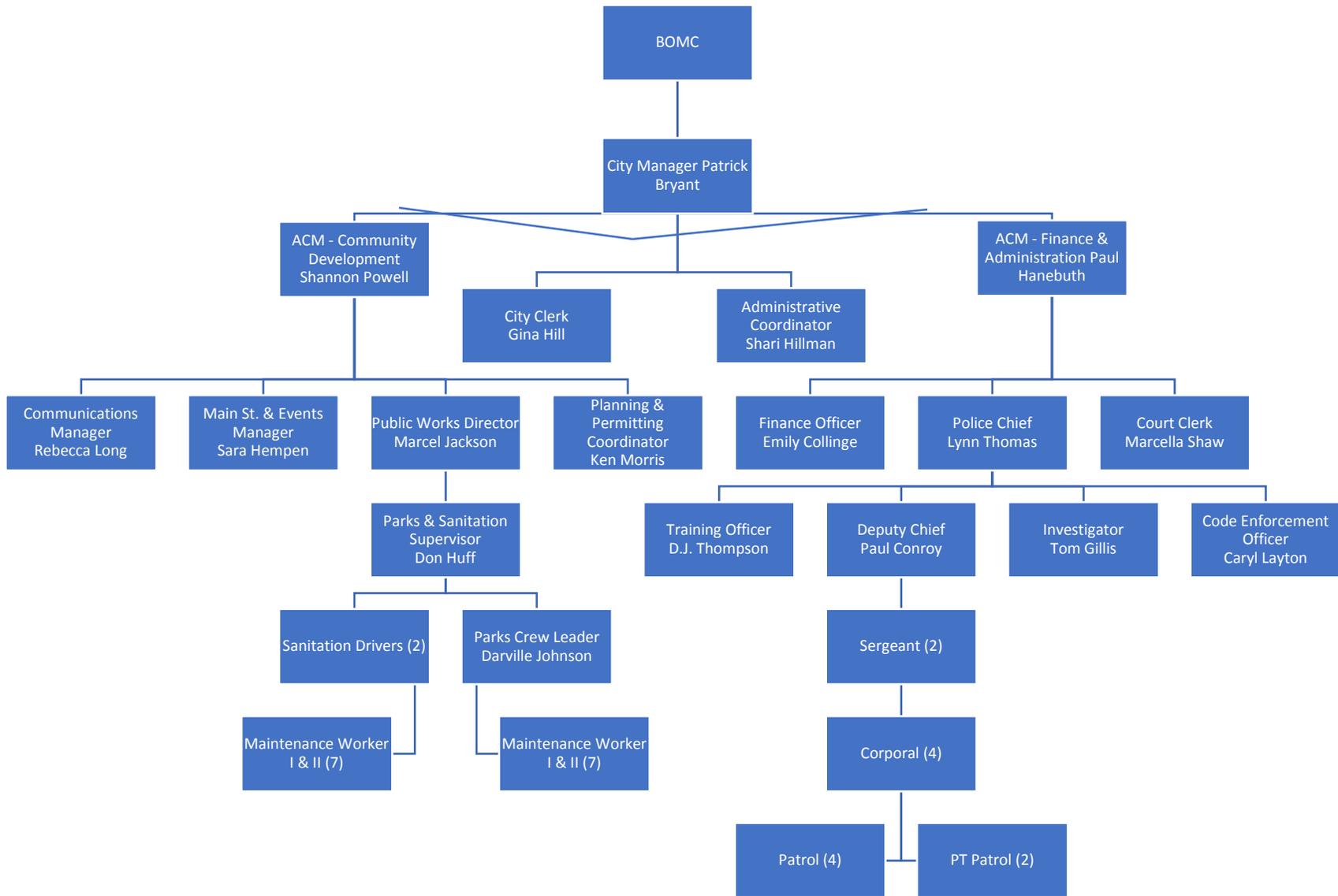
**City of Avondale Estates  
Georgia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL OFFICIALS

DECEMBER 31, 2020

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CITY COMMISSION

Jonathan Elmore	Mayor
Brian Fisher	Mayor Pro-Tem
Lionel Laratte	Commissioner
Dee Merriam	Commissioner
Lisa Shortell	Commissioner

ADMINISTRATION OFFICIALS

Patrick Bryant	City Manager
Robert E. Wilson	City Attorney
Paul Hanebuth	Assistant City Manager, Finance & Administration
Shannon Powell	Assistant City Manager, Economic & Community Development
Gina Hill	City Clerk
Lynn Thomas	Chief of Police
Marcel Jackson	Public Works Director
Emily Collinge	Finance Officer
Ken Morris	Permit & Planning Coordinator
Marcella Shaw	Municipal Court Clerk
Rebecca Long	Communications Manager
Shari Hillman	Administrative Assistant

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of City Council  
City of Avondale Estates, Georgia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Avondale Estates, Georgia (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Avondale Estates, Georgia, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 12 through 21, the schedule of changes in the City's net pension liability and related ratios on pages 64-65, the schedule of City contributions on page 66, and the notes to the required supplementary information on page 67-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Avondale Estates, Georgia's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the schedule of project expenditures with special sales tax proceeds, statistical tables, and the Downtown Development Authority statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of project expenditures with special sales tax proceeds, and the Downtown Development Authority statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of project expenditures with special sales tax proceeds, and the Downtown Development Authority statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2021 on our consideration of the City of Avondale Estates, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Avondale Estates, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Avondale Estates, Georgia's internal control over financial reporting and compliance.

Macon, Georgia  
August 13, 2021



## **MANAGEMENT'S DISCUSSION & ANALYSIS**

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

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As management of the City of Avondale Estates (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of financial activity for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements and footnotes.

### **Financial Highlights**

The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$12,958,890. Of this amount, \$5,881,040 (unrestricted net position) may be used to meet the government's ongoing obligations.

The City's net position from governmental activities increased approximately 26% (\$2.35 million) when compared to the previous year, while business-type activities' net position increased by approximately 1.5% (\$23,000) when compared to the previous year.

General Fund Revenues decreased by about \$240,000 (5%) compared to 2019, as a \$300,000 increase in taxes and \$340,000 increase in intergovernmental revenue was more than offset by a \$670,000 decrease in permit revenue and \$180,000 decrease in fines and forfeitures. In 2019 the City received a permit fee for a multi-family development that resulted in about \$600,000 more in permit revenues than the historical average, so 2020 permit revenues represented a return to the mean. While General Fund expenses were significantly (22%) lower than 2019, the Coronavirus Relief Special Revenue Fund picked up much of the difference; combined with about \$870,000 more in capital investment, expenditures for governmental funds increased by about 3.7% (\$158,000) overall, while total governmental fund revenues increased by 5.1% (\$278,000).

At the close of 2020, the City's governmental funds reported combined ending fund balances of \$7,843,655, an increase of \$1,610,568. Unassigned fund balance for the General Fund was \$3,686,984, or 116.3% of total General Fund expenditures. The City's reserves policy stipulates maintaining a balance of at least 25% of expenditures; while this requirement was far exceeded in 2020, the City anticipates expending the excess by the end of 2022 as major capital projects are fully implemented.

### **Overview of the Financial Statements**

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances similar to statements produced for a private-sector business.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (CONTINUED)

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal 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 government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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, public safety, public works, culture and recreation, and housing and development. The business-type activities of the City are the Storm Water utility and Sanitation.

The government-wide financial statements include not only the City itself (known as the primary government), but also a discretely presented component unit, the Downtown Development Authority (DDA), for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The Urban Redevelopment Agency (URA) is a blended component unit of the City; URA financial information is reported as a non-major Capital Project fund.

The government-wide financial statements can be found on pages 22-25 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. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 near-term inflows and outflows 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 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

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (CONTINUED)

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fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual 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, 2018 SPLOST, and Capital Project Funds, which are reported as major funds. Data from the other four governmental funds are combined into a single, aggregated presentation, but supplementary information on the individual non-major funds may be found beginning on page 66 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-30 of this report.

**Proprietary Funds.** The City maintains two enterprise funds in the proprietary fund group. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Avondale Estates uses enterprise funds to account for its Storm Water and Sanitation functions.

The basic proprietary fund financial statements can be found on pages 31-34 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35 and 36 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 37-63 of this report.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020  
(CONTINUED)

**Government-wide Financial Analysis**

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Following is a description of the City’s net position (in thousands) as compared to the previous year.

**City of Avondale Estates Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current assets	\$ 8,093	\$ 6,665	\$ 970	\$ 1,513	\$ 9,063	\$ 8,178
Capital assets	4,546	3,349	784	223	5,329	3,572
Total assets	12,639	10,014	1,754	1,736	14,393	11,750
Deferred outflows-Pension	453	121	80	29	533	150
<b>Liabilities</b>						
Non-current liabilities	1,459	648	177	120	1,637	768
Other liabilities	230	407	38	41	268	448
Total liabilities	1,689	1,055	215	161	1,904	1,216
Deferred inflows-Pension	53	77	9	18	62	95
<b>Net Position</b>						
<b>Net Investment in</b>						
capital assets	4,113	3,231	784	223	4,897	3,454
Restricted	2,181	1,930	-	-	2,181	1,930
Unrestricted	5,055	3,842	826	1,363	5,881	5,204
Total net position	\$ 11,349	\$ 9,003	\$ 1,610	\$ 1,586	\$ 12,959	\$ 10,589

The City’s investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding, represents about 36% of its total net position. The City uses these capital assets to provide services; consequently, these assets are not currently available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portions of the City’s net position are either restricted (\$2.181 million) or unrestricted (\$5.881 million). Unrestricted net position may be used to meet the government’s ongoing obligations. At the end of the current fiscal year, the City is able to report positive balances in all categories, for both the government as a whole and its business-type activities.

During fiscal 2020, the City's total primary government net position increased by \$2.37 million.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020  
 (CONTINUED)

**Changes in Net Position**

The following schedule presents a summary of changes in net position for the fiscal year ending December 31, 2020 (in thousands).

	<b>City of Avondale Estates Changes in Net Position</b>					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 550	\$ 1,427	\$ 960	\$ 965	\$ 1,511	\$ 2,392
Operating grants & contributions	972	58	-	-	972	58
Capital grants & contributions	606	696	-	-	606	696
General revenues:						
Property taxes	2,653	2,498	-	-	2,653	2,498
Franchise taxes	361	228	-	-	361	228
Insurance Premium taxes	237	225	-	-	237	225
Other taxes	241	225	-	-	241	225
Other revenues	65	56	-	-	65	56
Investment earnings	18	41	3	3	20	44
Total revenues	<u>5,703</u>	<u>5,454</u>	<u>963</u>	<u>968</u>	<u>6,666</u>	<u>6,422</u>
Expenses						
General government	1,209	1,799	-	-	1,209	1,799
Public safety	1,317	1,261	-	-	1,317	1,261
Public works	343	432	-	-	343	432
Recreation	476	472	-	-	476	472
Housing & Development	8	15	-	-	8	15
Interest	4	1	-	-	4	1
Sanitation	-	-	770	799	770	799
Stormwater	-	-	170	-	170	-
Total expenses	<u>3,357</u>	<u>3,980</u>	<u>940</u>	<u>799</u>	<u>4,296</u>	<u>4,779</u>
Change in net position	2,346	1,474	23	169	2,370	1,643
Net Position beginning of year	9,003	7,530	1,586	1,417	10,590	8,947
Net Position end of year	<u>\$ 11,350</u>	<u>\$ 9,003</u>	<u>\$ 1,610</u>	<u>\$ 1,586</u>	<u>\$ 12,959</u>	<u>\$ 10,590</u>

Governmental charges for services decreased by over \$850,000 primarily because permit fees reverted to the historical norm after the extraordinarily large fee collected in 2019; fines and forfeitures also decreased

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (CONTINUED)

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by about \$180,000 because enforcement actions were curtailed due to the COVID-19 pandemic. Operating grants and contributions were much higher in 2020 because the City received about \$573,000 from its component unit, the Downtown Development Authority (DDA): \$500,000 as a payment in lieu of taxes related to the sale of a DDA-owned building, and the remainder as reimbursement for services rendered by city-paid staff. The City also received about \$332,000 in operating grants from the CARES act, reported in the Coronavirus Relief Special Revenue Fund.

Total Primary Government expenses decreased approximately \$623,000 in 2020. General Government saw the largest decrease; the large 2019 permit fee noted above had an associated large inspection expense which was not repeated in 2020. Public Works expenses decreased by about \$90,000 as roadway and sidewalk projects were deferred due to staff turnover and the COVID-19 pandemic. Salary expenses in the Police Department were about \$100,000 higher in 2020 than in 2019 as higher-level positions were filled and the department remained fully staffed; this increase was partially offset by lower health insurance costs for a net Public Safety increase of about \$56,000.

Reporting of business-type activities includes operations of the Storm Water utility and Sanitation Department. Business-type activities increased the City of Avondale Estates' net position by \$23,000 as an increase of about \$59,000 in the Sanitation Fund was partially offset by a \$36,000 decrease in the Storm Water Fund. Reduction in health insurance costs drove an overall reduction in Sanitation expenses during 2020; conversely, operating expenses outpaced revenues in the Storm Water Fund as the City developed a Storm Water Master Plan and completed various maintenance projects. The City expects to spend down Storm Water reserves by 2023 as high-priority projects identified in the plan are completed. Both Storm Water and Sanitation fees are billed with annual property tax bills; the Sanitation Fund requires significant transfers from the General Fund early in the year and then transfers monies back to the General Fund as fee revenues are collected near the end of the year.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance, especially, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year or for use during the fiscal year to balance cash flow needs.

As of the end of the current fiscal year, the City of Avondale Estates, Georgia's governmental funds reported combined ending fund balances of \$7,843,655, an increase of \$1,610,568 in comparison with the prior year. Of that total, \$3,686,984 constitutes unassigned General Fund balance, which is available for spending at the government's discretion. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned General Fund balance at the end of 2020 represents 116.3% of total General Fund expenditures for the year.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020  
 (CONTINUED)

Of the total governmental fund balance, \$1,137,047 is non-spendable, with \$1,116,409 of that amount representing an asset held for resale, and the remainder being prepaid expenses. \$2,180,613 (consisting of \$1,125,075 in HOST collections, \$864,426 in SPLOST collections, and \$177,517 from Tax Allocation District collections) is restricted for capital outlay projects, and \$13,595 is restricted for law enforcement outlays. The final \$840,864 has been assigned by the Board of Mayor and Commissioners to specific purposes: \$26,902 for expenditures on technological equipment and \$813,962 to be spent on approved capital outlay projects.

The table below compares general fund revenues and expenditures for 2020 and 2019 (in thousands).

	<b>General Fund</b>		
	2020	2019	\$ Increase (Decrease)
<b>Revenues</b>			
Taxes	\$ 3,402	\$ 3,102	\$ 300
Licenses & permits	90	759	(669)
Intergovernmental	640	300	341
Fines & forfeitures	457	636	(179)
Charges for services	4	20	(16)
Interest income	17	41	(24)
Other revenues	65	56	8
Total revenues	<u>4,675</u>	<u>4,914</u>	<u>(239)</u>
<b>Expenditures</b>			
General government	1,494	2,004	(510)
Public safety	990	1,210	(220)
Public works	231	399	(168)
Recreation	449	448	1
Housing & Development	6	15	(9)
Total expenditures	<u>3,170</u>	<u>4,076</u>	<u>(906)</u>
Excess of revenues over expenditures	<u>1,505</u>	<u>838</u>	<u>667</u>
Transfers to/from other funds (Net)	<u>(2,012)</u>	<u>(41)</u>	<u>(1,971)</u>
Net change in fund balances	<u>(507)</u>	<u>797</u>	<u>(1,304)</u>
Fund balances, beginning of year	<u>5,358</u>	<u>4,561</u>	<u>797</u>
Fund balances, end of year	<u>\$ 4,851</u>	<u>\$ 5,358</u>	<u>\$ (508)</u>

Real property tax collections were about \$147,000 higher than in 2019, with total tax receipts about \$300,000 higher due to a change in timing of the annual Georgia Power franchise fee payment so that both 2019 and 2020 franchise fees accrued in 2020. Revenue from Licenses & Permits decreased \$670,000 because of the large 2019 development noted earlier which was not repeated in 2020. Intergovernmental revenues were far higher than in 2019 because of the revenues from the DDA described earlier, though federal grant revenue previously reported in the General Fund is now reported in the newly created Capital Projects Fund. Fines and forfeitures decreased by about \$186,000 due to restriction of enforcement efforts during the pandemic. Other revenues and expenses were in line with expectations, with the exceptions noted above in the discussion of governmental activities.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (CONTINUED)

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**Proprietary Funds.** The Statement of Revenues, Expenses, and Changes in Net Position for the City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Storm Water Fund and Sanitation Fund that are operated similarly to for-profit businesses, i.e., expenses incurred in providing services to residents are generally recouped through fees charged.

Revenue from Storm Water fees decreased \$377 compared to 2019. After accounting for interest income of \$1,705 and operating expenses of \$169,449, the Storm Water net position decreased by \$35,969 for total net position of \$1,516,563 at the end of the fiscal year. The City's stormwater assets are fully depreciated; however, the City anticipates strong infrastructure spending in 2021 and 2022.

Sanitation revenues decreased \$4,382. In 2019 the Board of Mayor and Commissioners adjusted commercial fees to tie fees more closely to usage. In 2020 this had the desired effect of reducing both fees and service requirements, and the pandemic forced some businesses to close for at least part of the year. The combination led to a significant drop in commercial sanitation fees which more than offset an increase of approximately \$35,000 in residential fees. After accounting for operating expenses of \$734,694 and depreciation of \$35,584, Sanitation had an operating income of \$59,174. Expenses decreased by about \$29,000 year-on-year; primarily from reduced costs of health insurance for employees.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The primary fiduciary fund is the Dottie Holmes Memorial Trust Fund that holds assets to be used for replanting certain flora around the City. The Dottie Holmes Memorial Trust Fund had a net increase of \$39 to net position during 2020 for a total of \$12,529 at year end.

### **General Fund Budgetary Highlights**

The original 2020 budget anticipated no change in fund balance, but the final budget envisioned a transfer of about \$850,000 in excess revenue as well as funds already restricted for capital outlay to create a Capital Projects Fund. The actual amount of excess revenue was about \$1.5M, so the net decrease in the General Fund balance was a little over \$500,000 rather than the \$1.2 million budgeted. The City's General Fund balance as of December 31, 2020, is \$4,850,933, or about 153% of the City's actual General Fund expenditures for calendar year 2020.

Actual General Fund revenues for 2020 were 17.2% higher than the original budget and 8.8% higher than the final amended budget because of higher – but slower – property tax revenues and the intergovernmental revenue from the DDA not expected at the beginning of the year. Actual expenditures were 16.3% lower than the original budget, because a significant portion of expenses usually paid from the General Fund were instead paid from the Coronavirus Relief Fund. Actual expenditures were about 8% lower than the final amended budget as spending slowed in the last quarter of the year due to staff turnover and pandemic-related delays in service procurement.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020  
(CONTINUED)

**Capital Asset and Debt Administration**

**Capital Assets.** The City’s investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$5,328,781 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixtures, improvements, machinery and equipment, vehicles, and infrastructure. Governmental capital assets increased approximately 36% for the current calendar year; major additions included repaving and lighting the Lake Street parking lot (\$420,000), design of Town Green, Complete Streets, and Street Grid projects (\$510,000) and four police vehicles (\$240,000). Business-type activities saw an even more dramatic increase in capital assets (on a percentage basis) as the City completed a storm water detention pond worth approximately \$604,000. The City anticipates completing more significant capital projects, including the Town Green and Complete Streets projects, during 2021 and 2022. Additional information on the City’s capital assets can be found in Note 8 on pages 50-51 of this report. The following table summarizes the capital assets (net of depreciation) for governmental activities, business-type activities, and the total for the primary government (in thousands).

**Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	Restated 2019	2020	2019	2020	Restated 2019
	Land	\$ 1,899	\$ 1,859	\$ 102	\$ 102	\$ 2,001
Land Improvements	1,093	700	-	-	1,093	700
Infrastructure	80	94	-	-	80	94
Construction in Progress	1,086	576	605	69	1,692	645
Building & improvements	98	55	-	-	98	55
Furniture, Equipment & Vehicles	289	64	78	53	367	117
Total	<u>\$ 4,545</u>	<u>\$ 3,349</u>	<u>\$ 785</u>	<u>\$ 224</u>	<u>\$ 5,330</u>	<u>\$ 3,572</u>

**Long-term Debt**

At the end of 2020, the City directly held long-term liabilities of \$136,236 for compensated absences and \$1,068,773 for net pension liability. Of these amounts, \$119,233 and \$908,457, respectively, were related to governmental activities with the remainder related to business-type activities.

The Urban Redevelopment Agency of the City drew \$314,100 on a bond anticipation note, which was issued during 2019 to provide funding for various urban redevelopment projects, bringing the total bond payable to \$431,544 at the end of the year.

Additional information on the City’s long-term debt can be found in Note 9 on pages 52-53 of this report.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020 (CONTINUED)

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### **Economic and Demographic Factors**

According to the American Community Survey estimates, the City is somewhat older and more educated than the whole country. The median age in Avondale Estates is 48.5 compared to a US median of 37.9, and virtually every adult resident has a high school degree, as opposed to 87.7% of U.S. citizens. Median household income is \$110,000 compared to the U.S. median household income of \$68,703. There are on-going development and redevelopment efforts occurring throughout the City.

### **Next Year's Budget**

The 2021 budget anticipates General Fund revenues of \$3,990,600, which is over \$900,000 less than actual 2020 revenues. The City expects that permit revenue will revert to the historical mean and intends to create a dedicated capital projects fund; virtually all intergovernmental revenue will accrue to that fund rather than the General Fund. The 2021 budgeted sanitation revenue amounts to \$860,000, an increase of about \$15,000 over 2020 due to expected increases in commercial usage and sanitation fees. General Fund expenditures are projected to decrease slightly compared to 2020, as increased personnel costs are expected to be offset by a significant decrease in building inspection expenditures, which were abnormally high in 2020.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Avondale Estates' finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, 21 North Avondale Plaza, City of Avondale Estates, Avondale Estates, Georgia 30002.

## **FINANCIAL STATEMENTS**

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 3,156,750	\$ 1,558,014	\$ 4,714,764	\$ 9,625,106
Investments	2,845,113	-	2,845,113	-
Receivables, net of allowance				
Taxes	53,938	-	53,938	-
Accounts	190,419	29,036	219,455	8,300
Due from other governments	84,860	-	84,860	-
Due from component unit	8,120	-	8,120	-
Internal balances	617,248	(617,248)	-	-
Asset held for resale	1,116,409	-	1,116,409	-
Land deposits	-	-	-	436
Prepays	20,638	-	20,638	-
Noncurrent Assets:				
Non depreciable	2,985,656	706,019	3,691,675	633,602
Depreciable, net	1,559,356	77,750	1,637,106	717,434
Total Assets	12,638,507	1,753,571	14,392,078	10,984,878
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	453,230	79,982	533,212	-
Total deferred outflows of resources	453,230	79,982	533,212	-

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION  
 DECEMBER 31, 2020  
 (CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b><u>LIABILITIES</u></b>				
Accounts payable	204,468	33,193	237,661	72,243
Accrued payables	25,757	3,997	29,754	-
Due to primary government	-	-	-	8,120
Noncurrent liabilities				
Due within one year				
Compensated absences	71,075	17,003	88,078	-
Due in more than one year				
Bonds payable	431,544	-	431,544	-
Compensated absences	48,158	-	48,158	-
Net pension liability	908,457	160,316	1,068,773	-
Total Liabilities	1,689,459	214,509	1,903,968	80,363
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred inflows of resources related to pensions	53,067	9,365	62,432	-
Total Deferred Inflows of Resources	53,067	9,365	62,432	-
<b><u>NET POSITION</u></b>				
Net investment in capital assets	4,113,468	783,769	4,897,237	1,351,036
Restricted for				
Capital outlay	2,167,018	-	2,167,018	-
Law enforcement	13,595	-	13,595	-
Unrestricted	5,055,130	825,910	5,881,040	9,553,479
Total Net Position	\$ 11,349,211	\$ 1,609,679	\$ 12,958,890	\$ 10,904,515

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities				
General government	\$ 1,208,591	\$ 93,414	\$ 654,391	\$ 23,000
Public safety	1,316,673	457,007	282,185	-
Public works	343,468	-	35,634	583,036
Culture and recreation	476,037	-	-	-
Housing and development	8,329	-	-	-
Interest expense	3,574	-	-	-
Total governmental activities	<u>3,356,672</u>	<u>550,421</u>	<u>972,210</u>	<u>606,036</u>
Business-Type Activities				
Stormwater Utility	169,449	131,770	-	-
Sanitation	770,278	828,655	-	-
Total business-type activities	<u>939,727</u>	<u>960,425</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 4,296,399</u>	<u>\$ 1,510,846</u>	<u>\$ 972,210</u>	<u>\$ 606,036</u>
<b>Component Unit:</b>				
Downtown Development Authority	\$ 3,967,629	\$ 1,808,038	\$ -	\$ -
Total Component Unit	<u>\$ 3,967,629</u>	<u>\$ 1,808,038</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Property tax

Franchise tax

Insurance premium tax

Other tax

Investment earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ (437,786)	\$ -	\$ (437,786)	\$ -
(577,481)	-	(577,481)	-
275,202	-	275,202	-
(476,037)	-	(476,037)	-
(8,329)	-	(8,329)	-
(3,574)	-	(3,574)	-
(1,228,005)	-	(1,228,005)	-
-	(37,679)	(37,679)	-
-	58,377	58,377	-
-	20,698	20,698	-
(1,228,005)	20,698	(1,207,307)	-
			(2,159,591)
			(2,159,591)
2,652,977	-	2,652,977	-
360,508	-	360,508	-
237,401	-	237,401	-
241,005	-	241,005	-
17,868	2,502	20,370	22,592
64,685	-	64,685	8,715
3,574,444	2,502	3,576,946	31,307
(5)	5	-	-
3,574,439	2,507	3,576,946	31,307
2,346,434	23,205	2,369,639	(2,128,284)
9,002,777	1,586,474	10,589,251	13,032,799
\$ 11,349,211	\$ 1,609,679	\$ 12,958,890	\$ 10,904,515

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

<u>ASSETS</u>	General Fund	2018 SPLOST Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and cash equivalent	\$1,153,267	\$ 863,566	\$ 941,381	\$ 198,536	\$ 3,156,750
Investments	1,870,368	-	974,745	-	2,845,113
Receivables, net of allowance					
Taxes	51,600	-	-	2,338	53,938
Accounts	190,419	-	-	-	190,419
Due from other governments	13,153	46,127	25,580	-	84,860
Due from component unit	8,120	-	-	-	8,120
Due from other funds	631,073	-	22,911	-	653,984
Asset held for resale	1,116,409	-	-	-	1,116,409
Prepays	20,638	-	-	-	20,638
<b>Total Assets</b>	<b>\$5,055,047</b>	<b>\$ 909,693</b>	<b>\$ 1,964,617</b>	<b>\$ 200,874</b>	<b>\$ 8,130,231</b>
 <u>LIABILITIES</u>					
Accounts payable	\$ 135,831	\$ 43,057	\$ 25,580	\$ -	\$ 204,468
Accrued liabilities	25,757	-	-	-	25,757
Due to other funds	22,911	2,210	-	11,615	36,736
<b>Total Liabilities</b>	<b>184,499</b>	<b>45,267</b>	<b>25,580</b>	<b>11,615</b>	<b>266,961</b>
 <u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	19,615	-	-	-	19,615
<b>Total Deferred Inflows of Resources</b>	<b>19,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,615</b>
 <u>FUND BALANCES</u>					
Nonspendable	1,137,047	-	-	-	1,137,047
Restricted	-	864,426	1,125,075	191,112	2,180,613
Assigned	26,902	-	813,962	-	840,864
Unassigned (Deficit)	3,686,984	-	-	(1,853)	3,685,131
<b>Total Fund Balances</b>	<b>4,850,933</b>	<b>864,426</b>	<b>1,939,037</b>	<b>189,259</b>	<b>7,843,655</b>
<b>Total Liabilities, Deferred inflows of Resources, and Fund Balances</b>	<b>\$5,055,047</b>	<b>\$ 909,693</b>	<b>\$ 1,964,617</b>	<b>\$ 200,874</b>	<b>\$ 8,130,231</b>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

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

Total fund balances - governmental funds	\$ 7,843,655
 Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	6,313,716
Accumulated depreciation	(1,768,704)
 Deferred outflows of resources	
Related to pensions	453,230
 Long-term Liabilities	
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Bonds payable	(431,544)
Compensated absences	(119,233)
Net pension liability	(908,457)
 Deferred Inflows of resources	
Related to pensions	(53,067)
 Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	<u>19,615</u>
Net Position of Governmental Activities	<u>\$ 11,349,211</u>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	2018 SPLOST Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 3,401,706	\$ -	\$ -	\$ 96,275	\$ 3,497,981
License and permits	89,771	-	-	-	89,771
Intergovernmental	640,319	440,409	142,059	354,891	1,577,678
Fines and forfeitures	457,007	-	-	-	457,007
Charges for Services	3,643	-	-	-	3,643
Interest earnings	17,466	568	134	268	18,436
Other revenues	64,685	-	-	-	64,685
<b>Total Revenues</b>	<b>4,674,597</b>	<b>440,977</b>	<b>142,193</b>	<b>451,434</b>	<b>5,709,201</b>
<u>Expenditures</u>					
Current:					
General government	1,494,495	-	10,334	14,116	1,518,945
Public safety	989,693	-	-	282,185	1,271,878
Public works	230,893	6,790	-	35,634	273,317
Culture and recreation	448,923	-	-	-	448,923
Housing and development	6,000	-	-	-	6,000
Capital outlay	-	333,977	217,076	339,038	890,091
Debt service					
Interest	-	-	-	3,574	3,574
<b>Total Expenditures</b>	<b>3,170,004</b>	<b>340,767</b>	<b>227,410</b>	<b>674,547</b>	<b>4,412,728</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,504,593	100,210	(85,217)	(223,113)	1,296,473
<u>Other Financing Sources (Uses)</u>					
Transfers from other funds	-	-	2,008,048	3,574	2,011,622
Transfers to other funds	(2,011,627)	-	-	-	(2,011,627)
Issuance of debt	-	-	-	314,100	314,100
<b>Total other financing sources (uses)</b>	<b>(2,011,627)</b>	<b>-</b>	<b>2,008,048</b>	<b>317,674</b>	<b>314,095</b>
Net change in fund balances	(507,034)	100,210	1,922,831	94,561	1,610,568
Fund Balance, beginning of year	5,357,967	764,216	16,206	94,698	6,233,087
<b>Fund Balance, end of year</b>	<b>\$ 4,850,933</b>	<b>\$ 864,426</b>	<b>\$ 1,939,037</b>	<b>\$ 189,259</b>	<b>\$ 7,843,655</b>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net Change in Fund Balances - total governmental funds	\$ 1,610,568
<b>Capital Assets</b>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Total capital outlays	1,303,921
Total depreciation	(107,341)
Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.	
Change in deferred outflows of resources related to pensions	332,725
<b>Long-Term Debt</b>	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Bonds payable	(314,100)
Compensated absences	(36,033)
Net pension liability	(460,774)
Deferred inflows of resources related to pensions is not available during the current period and therefore is not reported in the funds	
Change in deferred inflows of resources related to pensions	23,558
<b>Revenues</b>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	<u>(6,090)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,346,434</u></u>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ 3,227,300	\$ 3,128,300	\$ 3,401,706	\$ 273,406
Licenses and permits	118,300	63,900	89,771	25,871
Intergovernmental	12,000	591,000	640,319	49,319
Fines and forfeitures	554,600	428,000	457,007	29,007
Charges for services	20,500	3,100	3,643	543
Interest income	30,000	19,000	17,466	(1,534)
Miscellaneous	27,400	59,600	64,685	5,085
Total Revenue	3,990,100	4,292,900	4,674,597	381,697
<u>Expenditures:</u>				
Current:				
General government	1,537,580	1,580,381	1,494,495	85,886
Public safety	1,389,000	1,081,515	989,693	91,822
Public works	282,300	251,589	230,893	20,696
Culture and recreation	561,600	516,150	448,923	67,227
Housing and development	15,000	15,000	6,000	9,000
Total Expenditures	3,785,480	3,444,635	3,170,004	274,631
Excess Revenue Over (Under) Expenditures	204,620	848,265	1,504,593	656,328
<u>Other Financing Sources (Uses):</u>				
Transfer to other funds	(204,620)	(2,065,732)	(2,011,627)	54,105
Total Other Financing Sources (Uses)	(204,620)	(2,065,732)	(2,011,627)	54,105
Net change in fund balance	-	(1,217,467)	(507,034)	710,433
Fund balance, beginning of year	5,357,967	5,357,967	5,357,967	-
Fund balance, end of year	\$ 5,357,967	\$ 4,140,500	\$ 4,850,933	\$ 710,433

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2020

	Business-type Activities- Enterprise Funds		
	Stormwater Utility Fund	Sanitation Fund	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 834,412	\$ 723,602	\$ 1,558,014
Accounts receivable, net	5,472	23,564	29,036
Total current assets	839,884	747,166	1,587,050
Noncurrent assets:			
Capital assets:			
Non depreciable	706,019	-	706,019
Depreciable, net	-	77,750	77,750
Total noncurrent assets	706,019	77,750	783,769
Total Assets	1,545,903	824,916	2,370,819
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows of resources related to pensions	-	79,982	79,982
Total Deferred outflows of resources	-	79,982	79,982
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	24,678	8,515	33,193
Accrued salaries	-	3,997	3,997
Compensated absences	-	17,003	17,003
Due to other funds	4,662	612,586	617,248
Total current liabilities	29,340	642,101	671,441
Long-term liabilities:			
Net pension liability	-	160,316	160,316
Total noncurrent liabilities	-	160,316	160,316
Total Liabilities	29,340	802,417	831,757
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources related to pensions	-	9,365	9,365
Total Deferred inflows of resources	-	9,365	9,365
<b><u>NET POSITION</u></b>			
Investment in Capital Assets	706,019	77,750	783,769
Unrestricted	810,544	15,366	825,910
Total Net Position	\$ 1,516,563	\$ 93,116	\$ 1,609,679

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities- Enterprise Funds		
	Stormwater Utility Fund	Sanitation Fund	Total
<u>Operating revenues:</u>			
Charges and fees	\$ 131,770	\$ 828,655	\$ 960,425
Total operating revenues	131,770	828,655	960,425
<u>Operating expenses:</u>			
Salaries and benefits	-	498,753	498,753
Cost of sales	169,449	142,149	311,598
Other operating expenses	-	55,534	55,534
Repairs and maintenance	-	38,258	38,258
Depreciation	-	35,584	35,584
Total operating expenses	169,449	770,278	939,727
Operating income	(37,679)	58,377	20,698
<u>Nonoperating revenues (expenses):</u>			
Interest income	1,705	797	2,502
Total nonoperating revenues (expenses)	1,705	797	2,502
Net income before transfers	(35,974)	59,174	23,200
Transfers in	5	-	5
Change in net position	(35,969)	59,174	23,205
Total Net Position - Beginning of Year	1,552,532	33,942	1,586,474
Total Net Position - Ending of Year	\$ 1,516,563	\$ 93,116	\$ 1,609,679

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities- Enterprise Funds		
	Stormwater Utility Fund	Sanitation Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash received from customers	\$ 130,483	\$ 827,007	\$ 957,490
Cash paid to employees	-	(498,404)	(498,404)
Cash paid to suppliers for goods and services	(175,895)	454,442	278,547
Net Cash Flows Provided by (Used for) Operating Activities	(45,412)	783,045	737,633
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers from General Fund	5	-	5
Net Cash Provided by Noncapital Financing Activities	5	-	5
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Purchases of capital assets	(535,248)	(60,240)	(595,488)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(535,248)	(60,240)	(595,488)
<u>Cash Flows from Investing Activities:</u>			
Interest income	1,705	797	2,502
Net Cash Flows Provided by (Used for) Investing Activities	1,705	797	2,502
Net Increase (Decrease) in Cash and Cash Equivalents	(578,950)	723,602	144,652
Cash and Cash Equivalents, Beginning of Year	1,413,362	-	1,413,362
Cash and Cash Equivalents, End of Year	\$ 834,412	\$ 723,602	\$ 1,558,014

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 (CONTINUED)

	Business-type Activities- Enterprise Funds		
	Stormwater		
	Utility Fund	Sanitation Fund	Total
<u>Cash Flows From Operating Activities:</u>			
Operating income	\$ (37,679)	\$ 58,377	\$ 20,698
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	-	35,584	35,584
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(1,287)	(1,648)	(2,935)
(Increase) decrease in due from other funds	-	73,140	73,140
(Increase) decrease in deferred outflows of resources	-	(50,903)	(50,903)
Increase (decrease) in accounts payable	(11,108)	4,657	(6,451)
Increase (decrease) in accrued liabilities	-	2,587	2,587
Increase (decrease) in due to other funds	4,662	612,586	617,248
Increase (decrease) in compensated absences	-	5,505	5,505
Increase (decrease) in deferred inflows of resources	-	(9,125)	(9,125)
Increase (decrease) in net pension liability	-	52,285	52,285
Total Adjustments	(7,733)	724,668	716,935
Net Cash Provided by (Used for) Operating Activities	\$ (45,412)	\$ 783,045	\$ 737,633

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2020

	<u>Dottie Holmes Memorial Private-Purpose Trust</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 12,529
Total Assets	<u>\$ 12,529</u>
<u>NET POSITION</u>	
Held in trust	\$ 12,529
Total net position	<u>\$ 12,529</u>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF AVONDALE ESTATES, GEORGIA  
 STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Dottie Holmes Memorial Private-Purpose Trust
<u>ADDITIONS</u>	
Interest earnings	\$ 39
Total additions	39
Change in net position	39
Total net position, beginning of year	12,490
Total net position, end of year	\$ 12,529

The notes to the financial statements are an integral part of the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Avondale Estates, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City operates under a modified commission/manager form of government and provides the following services as authorized by its charter to its citizens: public safety (police), public works (highways, streets, and sanitation), public improvements, planning and zoning, and general and administrative services. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Avondale Estates (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the City's reporting entity because of the significance of their operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationships with other governments and agencies have been examined. The financial statements of each component unit have been included as a discretely presented component unit. The component unit column in the combined financial statements includes the financial data for the Avondale Estates Downtown Development Authority, as of December 31, 2020. The financial information for the component unit is reported in columns separate from the City's financial information to emphasize that it is legally separate from the City.

The Avondale Estates Downtown Development Authority (the "DDA") has been included as a discretely presented component unit in the accompanying financial statements. The DDA was created in 2001 by local legislation enacted by the Georgia General Assembly. The members (7) of the DDA are appointed by the Mayor and Board of Commissioners and each member serves a 4-year term. The City provides significant operating subsidies to the DDA. The DDA's mission is to encourage redevelopment activities and to provide assistance to private and public partners for the purpose of improving the downtown area. The DDA is empowered under state law to borrow money, enter into contracts, receive grants and gifts, sell revenue bonds, purchase property and provide loans. The Avondale Estates Downtown Development Authority is

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

presented as a governmental fund type and only maintains a General Fund. Separate financial statements for the Avondale Estates Downtown Development Authority are not prepared.

**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 of the non-fiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers 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 activities demonstrates the degree to which the direct expenses of a given function or segment are 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 considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

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.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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 the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, insurance premium taxes, occupational taxes, other taxes licenses, intergovernmental grants, and interest 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.

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 revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expense, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City reports the following major governmental funds:

General Fund – 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.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

2018 SPLOST Fund – The 2018 SPLOST Fund was established to account for the proceeds and various projects associated with the 2018 SPLOST.

Capital Projects Fund – (Formerly reported as the “Lake Avondale Fund”) Capital Project Fund was established to account for the financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities, other capital assets, and the maintenance and upkeep of the lake.

Additionally, the City reports the following fund types within the nonmajor governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds – Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets.

The City reports the following major proprietary funds:

Stormwater Utility Fund – The Stormwater Utility Fund accounts for the collection of fees for upgrades to stormwater drains and related expenses.

Sanitation Fund – The Sanitation Fund accounts for the collection of garbage fees and related expenses.

The City also reports the following fund type:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net positions and the changes in net positions and is reported using accounting principles similar to proprietary funds. These funds are not incorporated into the government-wide statements.

The City's only fiduciary fund is named the Dottie Holmes Memorial Trust Fund and is used to account for the operations for purposes of maintaining the rhododendron plant thicket and abelia plant hedge at Lake Avondale. Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

**D. Budgets**

The annual budget document is the financial plan for the operation of the City. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial position of the City.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue Funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Mayor and Commissioners. Individual amendments are not material in relation to the original appropriations.

**E. Deposits and Investments**

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is 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."

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditure recognition occurs during the benefiting period.

**H. Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
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constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Machinery and equipment	5 - 10
Vehicles	5
Land improvements	15 - 20
Infrastructure	10 - 20
Buildings and improvements	20-50

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, sidewalks, and similar items. The City implemented the provisions of GASB Statement 34 for the year ended December 31, 2003. The City was not required to retroactively report infrastructure assets in governmental activities.

**I. Compensated Absences**

**Annual Leave (Vacation)**

Annual Leave (Vacation) - An employee's annual leave (vacation) is credited as it is accrued from the employee's date of full-time employment in accordance with the following schedule:

<u>Years of Service</u>	<u>Annual Leave Accrual Rate</u>
Less than 1 year of service	6 days (4 hours/month)
At least 1 year completed service but less than 5	12 days (8 hours/month)
At least 5 years completed service but less than 10	15 days (10 hours/month)
At least 10 years completed service but no less than 20	18 days (12 hours/month)
At least 20 years service	21 day (14 hours/month)

An employee may choose to have the City buy back accrued, unused annual leave during the last pay period in December of each year, provided funds have been budgeted for such purposes. The employee shall notify the City Clerk, on or before December 15<sup>th</sup> of each year that he/she desires to sell back accrued, unused annual leave; the employee may sell back at least eight (8) hours but no more than forty (40) hours of accrued, unused annual leave; unused, accrued annual leave may be carried forward in a particular year but shall not exceed thirty (30) days (240 hours); any employee may convert up to forty (40) hours accrued, unused annual leave to sick leave credits instead of selling these hours to the city as long as notice is given to the City Clerk before December 15<sup>th</sup> of each year; employees whose annual leave exceeds the maximum carryover at the end of the year after the buy-back of the maximum amount accrued, unused annual leave may

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convert up to an additional twenty (20) hours of accrued, unused annual leave to sick leave credits; checks for accrued, unused annual leave sold to the City shall be issued on the last payday of the year. Annual leave in excess of thirty (30) days or 240 hours are forfeited on the first day of the new calendar or fiscal year.

**Sick Leave**

Each full-time career status employee will accrue sick leave at the rate of eight (8) hours per month. Sick leave may be accumulated up to a maximum of one hundred and eighty (180) days (1,440 hours). When an employee has accumulated the maximum hours of sick leave, no additional hours of sick leave shall be credited until such time as enough of the accrued sick leave has been used to bring the employee below the maximum accumulation. Part-time employees who work at least twenty-five (25) hours per week shall earn sick leave on a pro-rated basis. Career status employees who terminate their employment with the City (other than retirement) may be granted and paid for one (1) day for each fifteen (15) days of unused sick leave not to exceed twelve (12) days. At retirement, any accumulated sick leave shall be converted into credited service. Each twenty (20) days (160 hours) of sick leave will equal one month (1/12 year) of service. The maximum conversion shall be nine (9) months of credited service. Conversion of accumulated sick leave may not qualify an employee for vesting in retirement.

All vacation and sick pay, if expected to be paid out, is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**J. 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 positions. Bond premiums and discounts are amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium.

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.

**K. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expenses / expenditures) until then. The City has one item that qualifies for reporting in this category. The deferred outflow of resources related to the pension plans. This amount

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is deferred and will be recognized as a reduction of the net pension liability in future years.

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 net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflow that arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has one type of deferred inflow that arises under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *deferred inflows of resources* related to pensions, is reported only in the governmental activities and proprietary funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**L. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**M. Fund Equity**

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Mayor and Commissioners through adoption of a resolution. The Board of Mayor and Commissioners also may modify or rescind the commitment.

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NOTES TO THE FINANCIAL STATEMENTS  
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- Assigned – amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Mayor and Commissioners has authorized the City Manager or designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

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:

- Committed
- Assigned
- Unassigned

The following is a summary of the fund balance classifications as of December 31, 2020:

	General Fund	2018 SPLOST Fund	Capital Projects Fund	Nonmajor Governmental	Total
<b>Fund Balances:</b>					
<b>Nonspendable</b>					
Prepays	\$ 20,638	\$ -	\$ -	\$ -	\$ 20,638
Assets held for resale	1,116,409	-	-	-	1,116,409
<b>Restricted for:</b>					
Capital outlay	-	864,426	1,125,075	177,517	2,167,018
Law enforcement	-	-	-	13,595	13,595
<b>Assigned to:</b>					
Capital outlay	26,902	-	813,962	-	840,864
Unassigned	3,686,984	-	-	(1,853)	3,685,131
<b>Total fund balances</b>	<b>\$ 4,850,933</b>	<b>\$ 864,426</b>	<b>\$ 1,939,037</b>	<b>\$ 189,259</b>	<b>\$ 7,843,655</b>

**N. Minimum Fund Balance Policy**

The Board of Mayor and Commissioners has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at 25% of current budgeted operating expenditures. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a

CITY OF AVONDALE ESTATES, GEORGIA

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“revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level.

**O. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

**NOTE 2 – LEGAL COMPLIANCE – BUDGETS**

As set forth in the City Charter, the Board of Mayor and Commissioners adopt an annual budget for all funds. The annual budget is prepared in accordance with the basis of accounting utilized by each fund. The City of Avondale Estates, Georgia employs the following procedures in establishing its annual budget:

1. The City Manager submits to the Board of Mayor and Commissioners proposed operating budgets for the fiscal year commencing the following January 1. The operating budgets for adoption include proposed expenditures and the means of financing them for all governmental funds.
2. Public meetings are held to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. Budgeted amounts as stated in the financial statements are as originally adopted or as amended by the Board of Mayor and Commissioners.
4. The legal level of control (the level at which expenditures may not exceed appropriations) for each of the above legally adopted budgets is at the department level. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the recommendation of the City Manager and approval of the Mayor and Commission. The City Manager may authorize transfers of appropriations between line items within any departmental budget without Commission approval. Appropriations that are not expended or encumbered by year end are allowed to lapse.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Custodial Credit Risk — Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than federal or state

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government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, the City had no bank balances that were exposed to custodial credit risk.

**B. Investments**

	<u>Credit Rating</u>	<u>Investment Value</u>	<u>Weighted Average Maturity</u>
Georgia Fund 1	AAAf / S1+	\$ 2,845,113	60 days or less

*Custodial credit risk.* For an investment, the custodial risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Georgia Fund 1 is not required to disclose custodial credit risk. The City had no such investments with such risk as of December 31, 2020.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

*Credit risk.* Georgia law allows investments in obligation of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements, other political subdivisions of Georgia and the State Georgia Fund 1 investment pool. The Georgia Fund 1 is not registered with the SEC. Georgia Fund 1 is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAf rated money market funds. The City has no investment policy that would further limit its investment choices.

**NOTE 4 – PROPERTY TAXES**

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Dekalb County Board of Tax Assessors.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

CITY OF AVONDALE ESTATES, GEORGIA

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The property tax calendar is as follows:

	Real / Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment Date	January 1st	January 1st
Levy Date	July 1st	January 1st
Due Date and Collection Date	October 1st and November 15th	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

Enterprise fund storm water fees were billed on August 15th along with the property taxes and are due and payable in two installments. The first installment is due October 1st and the second installment is due November 15th. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

**NOTE 5 – RECEIVABLES**

Receivables at December 31, 2020, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts (if any) are as follows:

<b>Receivables:</b>	<b>Nonmajor</b>				<b>Total</b>
	<b>General Fund</b>	<b>Governmental Funds</b>	<b>Stormwater Utility</b>	<b>Sanitation Fund</b>	
Taxes	\$ 54,465	\$ 2,338	\$ -	\$ -	\$ 56,803
Accounts	190,419	-	5,472	23,564	219,455
Gross receivables	244,884	2,338	5,472	23,564	276,258
Less: allowance for uncollectibles	(2,865)	-	-	-	(2,865)
Net total receivables	<u>\$ 242,019</u>	<u>\$ 2,338</u>	<u>\$ 5,472</u>	<u>\$ 23,564</u>	<u>\$ 273,393</u>

**NOTE 6 – ASSET HELD FOR RESALE**

During 2013 the City purchased 4.09 acres of land for resale. The City's total investment in asset held for resale is \$1,116,409.

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**NOTE 7 – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at December 31, 2020, are as follows:

	Federal	State	Other	Total
Fund:				
General Fund	\$ -	\$ 12,553	\$ 600	\$ 13,153
2018 SPLOST Fund	-	46,127	-	46,127
Capital Projects Fund	25,580	-	-	25,580
Total	\$ 25,580	\$ 58,680	\$ 600	\$ 84,860

The amounts due from the federal government are grant funds and the amounts due from the state government are for sale tax collections.

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**NOTE 8 – CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the year ended December 31, 2020, is as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,859,463	\$ 40,000	\$ -	\$ 1,899,463
Construction in Progress	575,987	510,206	-	1,086,193
Total	<u>2,435,450</u>	<u>550,206</u>	<u>-</u>	<u>2,985,656</u>
Capital assets, being depreciated:				
Land improvements	724,516	419,244	-	1,143,760
Buildings and improvements	887,022	50,373	-	937,395
Infrastructure and improvements	327,493	-	-	327,493
Vehicles	689,204	239,648	(171,308)	757,544
Machinery and equipment	117,418	44,450	-	161,868
Total	<u>2,745,653</u>	<u>753,715</u>	<u>(171,308)</u>	<u>3,328,060</u>
Less accumulated depreciation for:				
Land improvements	(24,151)	(26,479)	-	(50,630)
Buildings and improvements	(832,036)	(7,739)	-	(839,775)
Infrastructure and improvements	(233,689)	(14,239)	-	(247,928)
Vehicles	(638,321)	(52,915)	171,308	(519,928)
Machinery and equipment	(104,474)	(5,969)	-	(110,443)
Total	<u>(1,832,671)</u>	<u>(107,341)</u>	<u>171,308</u>	<u>(1,768,704)</u>
Total capital assets, being depreciated, net	<u>912,982</u>	<u>646,374</u>	<u>-</u>	<u>1,559,356</u>
Governmental activities capital assets, net	<u>\$ 3,348,432</u>	<u>\$ 1,196,580</u>	<u>\$ -</u>	4,545,012
				<u>(431,544)</u>
				<u>\$ 4,113,468</u>

CITY OF AVONDALE ESTATES, GEORGIA

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 101,505	\$ -	\$ -	\$ -	\$ 101,505
Construction in Progress	69,266	535,248	-	-	604,514
Total	<u>170,771</u>	<u>535,248</u>	<u>-</u>	<u>-</u>	<u>706,019</u>
Capital assets, being depreciated:					
Infrastructure and improvements	135,004	-	-	-	135,004
Machinery and equipment	541,646	60,240	-	135,112	736,998
Total	<u>676,650</u>	<u>60,240</u>	<u>-</u>	<u>135,112</u>	<u>872,002</u>
Less accumulated depreciation for:					
Infrastructure and improvements	(135,004)	-	-	-	(135,004)
Machinery and equipment	(488,552)	(35,584)	-	(135,112)	(659,248)
Total	<u>(623,556)</u>	<u>(35,584)</u>	<u>-</u>	<u>(135,112)</u>	<u>(794,252)</u>
Total capital assets, being depreciated, net	<u>53,094</u>	<u>24,656</u>	<u>-</u>	<u>-</u>	<u>77,750</u>
Business-type activities capital assets, net	<u>\$ 223,865</u>	<u>\$ 559,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 783,769</u>

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

Governmental activities:	
General government	\$ 8,366
Public safety	44,795
Public works	24,738
Culture and recreation	27,114
Housing and development	2,328
Total depreciation expense - governmental activities	<u>\$ 107,341</u>
Business-type activities:	
Sanitation	\$ 35,584
Total depreciation expense - business-type activities	<u>\$ 35,584</u>

CITY OF AVONDALE ESTATES, GEORGIA

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**Downtown Development Authority of Avondale Estates**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,233,602	\$ -	\$ (600,000)	\$ 633,602
Total	<u>1,233,602</u>	<u>-</u>	<u>(600,000)</u>	<u>633,602</u>
Capital assets, being depreciated:				
Buildings	14,823,906	-	(14,057,508)	766,398
Total	<u>14,823,906</u>	<u>-</u>	<u>(14,057,508)</u>	<u>766,398</u>
Less accumulated depreciation for:				
Buildings	(4,923,370)	(169,651)	5,044,057	(48,964)
Total	<u>(4,923,370)</u>	<u>(169,651)</u>	<u>5,044,057</u>	<u>(48,964)</u>
Total capital assets, being depreciated, net	<u>9,900,536</u>	<u>(169,651)</u>	<u>(9,013,451)</u>	<u>717,434</u>
Downtown Development Authority capital assets, net	<u>\$ 11,134,138</u>	<u>\$ (169,651)</u>	<u>\$ (9,613,451)</u>	<u>\$ 1,351,036</u>

**NOTE 9 – LONG-TERM DEBT**

**Primary Government**

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 117,444	\$ 314,100	\$ -	\$ 431,544	\$ -
Compensated absences	83,200	107,108	(71,075)	119,233	71,075
Net pension liability	447,683	460,774	-	908,457	-
Governmental activity Long-term liabilities	<u>\$ 648,327</u>	<u>\$ 881,982</u>	<u>\$ (71,075)</u>	<u>\$ 1,459,234</u>	<u>\$ 71,075</u>
<b>Business-type activities</b>					
Compensated absences	\$ 11,498	\$ 28,857	\$ (23,352)	\$ 17,003	\$ 17,003
Net pension liability	108,031	52,285	-	160,316	-
Business-type activities Long-term liabilities	<u>\$ 119,529</u>	<u>\$ 81,142</u>	<u>\$ (23,352)</u>	<u>\$ 177,319</u>	<u>\$ 17,003</u>

For governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund. For business-type activities, compensated absences and net pension liability are liquidated by the Sanitation Fund.

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**Bonds Payable:**

**2019 Revenue Bonds**

On September 17, 2019, the Urban Redevelopment Agency of the City of Avondale Estates entered into a contract with PNC Bank, National Association for the issuance of \$8,400,000 in drawdown bond anticipation note, series 2019 to provide financing for the acquisition, construction and equipping of the 2019 Urban Redevelopment Projects. The City may draw down funds up to \$8,400,000. The total amount of drawdowns on this contract as of December 31, 2020 was \$431,544. Interest expense for 2020 was \$3,574.

**Component Unit**

Long-term liability activity for the year ended December 31, 2020 for the Downtown Development Authority of Avondale Estates was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit:					
2018 Revenue Bonds	\$ 1,445,586	\$ -	\$ (1,445,586)	\$ -	\$ -
Discretely Presented Component Unit					
Long-term liabilities	\$ 1,445,586	\$ -	\$ (1,445,586)	\$ -	\$ -

**2018 Revenue Bonds**

On December 28, 2018, the Downtown Development Authority of Avondale Estates (DDA) entered into a contract with Piedmont Bank for the Downtown Development Authority of Avondale Estates Taxable Revenue Bonds, Series 2018 to provide financing for the cost of the acquisition, construction, installation, modification, renovation, or rehabilitation of a commercial retail building and related improvements, building fixtures and other building equipment located on an approximately 0.7 acre site. The DDA may draw down funds up to \$1,800,000. Interest expense for the 2018 Revenue Bonds for 2020 was \$29,732. The 2018 Revenue Bonds was paid in full as of December 31, 2020.

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**NOTE 10 – OPERATING LEASES**

**Lessor Agreements**

The City of Avondale Estates leases certain parcels of land for use by others (cell towers) for varying terms. The leases are accounted for as operating leases and revenues are recorded when earned. Revenue derived from these leases during the current year amounted to \$40,508 and is reported as other revenue in the City's General Fund.

The following is a schedule of minimum future rentals to be received under the operating leases at December 31, 2020:

<u>Fiscal Year Ending December 31,</u>	<u>General Fund</u>
2021	\$ 37,473
2022	37,907
2023	38,353
2024	38,813
2025	39,286
2026-2030	185,200
2031-2035	115,155
2036-2039	92,124
Total minimum future rentals	<u>\$ 584,311</u>

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2020, is as follows:

Due to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2018 SPLOST Fund	\$ 2,210
	Nonmajor Governmental Funds	11,615
	Sanitation Fund	612,586
	Stormwater Fund	4,662
	Capital Projects Fund	22,911
	General Fund	<u>\$ 653,984</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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Interfund transfers:

Transfer In	Transfer Out	Amount
Capital Projects Fund	General Fund	\$ 2,008,048
Stormwater Fund	General Fund	5
Nonmajor Governmental Fund	General Fund	3,574
		\$ 2,011,627

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**NOTE 12 – RETIREMENT BENEFITS**

*Plan Description*

The City, as authorized by the Mayor and Commission, has established a defined benefit pension plan (The City of Avondale Estates Retirement Plan) covering all full-time employees. Between January 1, 1989 and December 31, 2012, employees did not contribute to the fund; employees hired or rehired on or after January 1, 2013 are required to contribute 4% of gross income. 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 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 by the respective employers. As authorized by City Mayor and Commission, the plan provides pension benefits and death and disability benefits for all full-time employees. Regular, full time employees who work at least 30 hours per week are enrolled in the plan. Elected officials are not eligible. Benefits vest after 7 years of service. City employees who retire at age 65 with five (5) years of service are entitled to a monthly retirement benefit based upon average earnings and years credited service. Early retirement is permitted provided the participant is at least 55 years of age and has completed ten (10) years of service.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

***Plan Membership***

As of July 1, 2020, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	19
Terminated vested participants not yet receiving benefits	18
Active vested employees	13
Active nonvested employees	<u>25</u>
 Total	 <u><u>75</u></u>

***Contributions***

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 5.07% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the City reported a net pension liability. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2020.

For the year ended December 31, 2020, the City recognized pension expense relative to GMEBS in the amount of \$202,416. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,570	\$ 62,432
Changes of assumptions	46,626	-
Net difference between projected and actual earnings on pension plan investments	244,762	-
Employer contributions subsequent to the measurement date	79,254	-
	<u>\$ 533,212</u>	<u>\$ 62,432</u>

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

City contributions subsequent to the measurement date of March 31, 2020, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended December 31:

2021	\$ 87,519
2022	102,248
2023	140,981
2024	60,778

**Actuarial Assumptions:** The total pension liability as of December 31, 2020 was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary increase	2.25%, plus service based merit increases
Investment rate of return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates:

- Healthy retirees and beneficiaries: Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- Disabled participants: Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- Active participants, terminated vested participants, and deferred beneficiaries: Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

**Net Pension Liability:**

Changes in the Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	\$ 2,694,831	\$ 2,139,117	\$ 555,714
Changes for the year:			
Service cost	88,685	-	88,685
Interest	201,889	-	201,889
Difference between expected and actual experience	186,407	-	186,407
Contributions - employer	-	109,189	(109,189)
Contributions - employee	-	55,462	(55,462)
Net investment income	-	(144,793)	144,793
Benefit payments	(183,315)	(183,315)	-
Administrative expense	-	(16,992)	16,992
Other	38,944	-	38,944
Net changes	332,610	(180,449)	513,059
Balance at December 31, 2020	\$ 3,027,441	\$ 1,958,668	\$ 1,068,773

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of \$908,457 and \$160,316 respectively.

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 weighing 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 is summarized in the following table:

Asset class	Target allocation	Expected real rate of return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	0%	
Total	100%	

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

**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 employer contributions will be made at the actuarially determined contribution rates. 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 periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount rate:** The following presents the City's net pension liability calculated using the discount rate of 7.375%, 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%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current discount rate (7.375%)	1% Increase (8.375%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 1,401,240	\$ 1,068,773	\$ 789,125

**Pension plan fiduciary net position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at [www.gmanet.com](http://www.gmanet.com).

**NOTE 13 – DEFINED CONTRIBUTION PENSION PLANS**

The City of Avondale Estate's Internal Revenue Code Section 457 Plan and 401 Plan (the "Plans") are deferred compensation plans and qualify as defined contribution pension plans. The Plans are administered by Newport Group for all full time employees. Plan provisions and contribution requirements are established and may be amended by the Mayor and City Commission.

The Plans allow for employee contributions, and, after the employee's first six months of participation, the City makes a matching contribution for each employee equal to the lesser of \$25 or 50% of the employee contribution. During 2020, employees contributed \$30,212 to the Plans while the City contributed \$14,178. As of December 31, 2020, there were 39 participants in the 457 Plan and 28 participants in the 401A Plan, and the fair value was \$724,833 for the 457 Plan and \$207,159 for the 401A Plan.

The City of Avondale Estate's has an inactive 457 deferred compensation plan that is administered by Nationwide. As of December 31, 2020, there were 8 participants in this plan, and the fair value of the plan was \$55,310.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

**NOTE 14 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLAN**

**Peace Officers' Annuity and Benefit Fund of Georgia**

The City's Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Avondale Estates's financial statements.

**NOTE 15 – JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by DeKalb County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The 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 ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

**NOTE 16 – RISK MANAGEMENT**

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Inter-local Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

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 pools' 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 or loss.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all costs 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. Settlements have not exceeded insurance coverage in the last three years.

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(CONTINUED)

**NOTE 17 – 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, management of the City believes such disallowances, if any, will not be significant.

**NOTE 18 – TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses under the Georgia Development Authority Law, adopted in 1969, for the purpose of attracting or retaining businesses within the City. The abatements may be granted to any business located within or promising to relocate to the City and meeting the eligibility criteria to “develop and promote trade, commerce, industry and employment opportunities for the public good and general welfare and to promote the general welfare of the state” (OCGA 36-62-9). The Downtown Development Authorities Law (O.C.G.A. 36-42-1) provides that the Downtown Development Authority of Avondale Estates is created to revitalize and redevelop the central business district so as to develop and promote trade, commerce, industry and employment opportunities and promote the general welfare of the State of Georgia by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade and commerce within the corporate limits of the City and is authorized by the Downtown Development Authority of Avondale Estates to issue its revenue obligations, in accordance with the applicable provisions of the Revenue Bond Law of the State of Georgia (O.C.G.A. 36-82-60), for the purpose of acquiring, constructing and installing any project which includes the acquisition, construction, installation, modification, renovation, or rehabilitation of land, interest in land, buildings, structures, facilities, or other improvements located or to be located within the downtown development area of the City.

The City offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Downtown Development Authority of Avondale Estates, a tax exempt public organization created independently from the City, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in the City of Avondale Estates. These agreements involve a bond issuance and sale-leaseback transaction, whereby the Downtown Development Authority takes title to property and leases it back to the company. The company is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase. Following completion of

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (CONTINUED)

construction, the company pays property taxes on its leasehold interest in the project of 35% of the fair market value of the real and/or personal property in the first year, with a 6.5% increase each year over a 10 year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company’s leasehold interest in the property over the designated ramp-up period.

Tax abatement information for FY 2020 is included below:

<b>Purpose</b>	<b>Description</b>	<b>Amount of City Taxes</b>	
		<b>Abated during the Fiscal Year</b>	<b>Abatement Ends</b>
Revitalize and Redevelop the Central Business District	100% real property taxes with PILOT	\$ 224,104	2030

The City has not made additional commitments as part of the agreement.

**NOTE 19 – CONDUIT DEBT – DOWNTOWN DEVELOPMENT AUTHORITY OF AVONDALE ESTATES (COMPONENT UNIT)**

The Authority has issued Taxable Revenue Bonds to provide financial assistance to a private sector entity for the acquisition, construction, and equipping of commercial facilities to promote trade, commerce, industry and employment opportunities within the City and serve to revitalize and redevelop the central business district of the City. The bonds are secured by the property, property improvements, and equipment financed with the bond proceeds and are payable solely from rents, revenues and receipts derived from the lease agreement with the private sector entity. Upon repayment of the bonds, ownership of the acquired property, property improvements, and equipment transfers to the private-sector entity served by the bond issuance. The Authority, the City, the State, or any political subdivision, thereof, is not obligated in any manner for repayment of the bonds. Accordingly, they are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, there were two series of Taxable Revenue Bonds outstanding, as follows:

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (CONTINUED)

	<u>Face Amount</u>	<u>Outstanding</u>
Downtown Development Authority of Avondale Estates Taxable Revenue Bonds (SCP Avondale Owener, LLC Project Series 2017)	\$ 42,000,000	\$ 27,300,000
Downtown Development Authority of Avondale Estates Taxable Revenue Bonds (Maple Multi-Family Land SE, L.P., Series 2018)	65,000,000	65,000,000
Total Conduit Debt	<u>\$ 107,000,000</u>	<u>\$ 92,300,000</u>

**NOTE 20 – EVALUATION OF SUBSEQUENT EVENTS**

During March 2020, the City modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the City’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined.

The City has evaluated subsequent events through August 13, 2021, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF AVONDALE ESTATES, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS

	2020	2019
<b>Total pension liability</b>		
Service cost	\$ 88,685	\$ 64,294
Interest on total pension liability	201,889	189,403
Difference between expected and actual experience	186,407	37,941
Changes of assumptions	-	-
Change of benefit terms	-	-
Benefit payments, including refunds of employee contributions	(183,315)	(115,784)
Other	38,944	-
<b>Net change in total pension liability</b>	332,610	175,854
<b>Total pension liability - beginning of year</b>	2,694,831	2,518,977
<b>Total pension liability - end of year</b>	<u>\$ 3,027,441</u>	<u>\$ 2,694,831</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 109,189	\$ 114,558
Contributions - employee	55,462	41,989
Net investment income	(144,793)	72,670
Benefit payments, including refunds of member contributions	(183,315)	(115,784)
Administrative expenses	(16,992)	(16,019)
<b>Net change in plan fiduciary net position</b>	(180,449)	97,414
<b>Plan fiduciary net position - beginning of year</b>	2,139,117	2,041,703
<b>Plan fiduciary net position - end of year</b>	<u>\$ 1,958,668</u>	<u>\$ 2,139,117</u>
<b>City's net pension liability (asset) - end of year</b>	<u>\$ 1,068,773</u>	<u>\$ 555,714</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	64.70%	79.38%
<b>Covered payroll</b>	1,868,807	2,055,295
<b>Net pension liability as a percentage of covered payroll</b>	57.19%	27.04%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule

CITY OF AVONDALE ESTATES, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS

2018	2017	2016	2015
\$ 80,361	\$ 72,663	\$ 73,516	\$ 62,436
182,289	175,205	163,670	149,093
(98,621)	(68,950)	1,470	43,086
-	-	-	(8,799)
-	-	-	26,800
(81,427)	(93,599)	(86,034)	(83,009)
43,547	-	-	-
126,149	85,319	152,622	189,607
2,392,828	2,307,509	2,154,887	1,965,280
\$ 2,518,977	\$ 2,392,828	\$ 2,307,509	\$ 2,154,887
\$ 144,663	\$ 154,645	\$ 146,523	\$ 142,543
28,157	22,901	18,911	10,067
219,434	191,557	5,556	121,731
(81,427)	(93,599)	(86,034)	(83,009)
(15,960)	(16,214)	(8,674)	(7,116)
294,867	259,290	76,282	184,216
1,746,836	1,487,546	1,411,264	1,227,048
\$ 2,041,703	\$ 1,746,836	\$ 1,487,546	\$ 1,411,264
\$ 477,274	\$ 645,992	\$ 819,963	\$ 743,623
81.05%	73.00%	64.47%	65.49%
1,681,314	1,795,145	1,691,563	1,608,490
28.39%	35.99%	48.47%	46.23%

The accompanying notes to the required supplementary information are an integral part of this schedule

CITY OF AVONDALE ESTATES, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

SCHEDULE OF CITY CONTRIBUTIONS

	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 105,668	\$ 103,133	\$ 127,023	\$ 151,009	\$ 157,127	\$ 142,989
Contributions in relation to the actuarially determined contribution	105,668	103,133	125,330	151,009	157,127	142,989
Contribution deficiency (excess)	\$ -	\$ -	\$ 1,693	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,084,181	\$ 1,704,678	\$ 1,825,043	\$ 1,717,964	\$ 1,635,036	\$ 1,471,080
Contributions as a percentage of covered payroll	5.07%	6.05%	6.87%	8.79%	9.61%	9.72%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Changes of assumptions:**

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at age 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

**Benefit Changes:**

There were no changes in benefit provisions in the last two fiscal years.

Valuation date	The actuarially determined contribution was determined as of July 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2021.
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**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
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 amount that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.
Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	NRA attained before 60: Ages 55-59 rate of 3% - 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, age 65 rate of 50%, ages 66-71 rate of 25% and age 72 and over rate of 100% NRA attained between 60 and 64: Ages 55-59 rate of 3%, age 60 rate of 3% - 10%, ages 61-64 rate of 10%, age 65 rate of 35%, ages 66-71 rate of 25% and age 72 and over rate of 100%

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

NRA attained after 64: Ages 55-59 rate of 5%, age 60-61 rate of 7%, age 62 rate of 20%, ages 63-64 rate of 10%, age 65 rate of 35%, ages 66-71 rate of 25%, and age 72 and over rate of 100%

Mortality

*Health retirees and beneficiaries:* Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

*Disabled participants:* Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

*Active participants, terminated vested participants, and deferred beneficiaries:* Sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

*Plan termination basis (all lives):* 1994 Group Annuity Reserving Unisex Table.

## **SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Police Seizure Fund To account for the use of restricted confiscated drug money by the City's Police Department.

Coronavirus Relief Fund To account for the use of restricted relief funding in accordance with an intergovernmental agreement with DeKalb County.

Tax Allocation District Fund To account for the redevelopment of the downtown business district by means of a Redevelopment Plan and with restricted funding from a Tax Allocation District.

### **CAPITAL PROJECT FUND**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Urban Redevelopment Agency (URA) Fund This fund accounts for the activity (predominately capital outlay in spending proceeds of URA bonds and debt service on those bonds which is paid by the City) of the City's blended component unit.

CITY OF AVONDALE ESTATES, GEORGIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	Special Revenue Funds			Capital Project	Total Nonmajor Governmental Funds
	Coronavirus			Fund	
	Police Seizure Fund	Relief Fund	Tax Allocation District Fund	URA Fund	
<b>ASSETS</b>					
Cash and cash equivalent	\$ 13,595	\$ 34	\$ 175,179	\$ 9,728	\$ 198,536
Tax receivable	-	-	2,338	-	2,338
Total Assets	<u>\$ 13,595</u>	<u>\$ 34</u>	<u>\$ 177,517</u>	<u>\$ 9,728</u>	<u>\$ 200,874</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	\$ -	\$ 34	\$ -	\$ 11,581	\$ 11,615
Total Liabilities	<u>-</u>	<u>34</u>	<u>-</u>	<u>11,581</u>	<u>11,615</u>
Fund Balances:					
Restricted	13,595	-	177,517	-	191,112
Unassigned	-	-	-	(1,853)	(1,853)
Total Fund Balances (Deficit)	<u>13,595</u>	<u>-</u>	<u>177,517</u>	<u>(1,853)</u>	<u>189,259</u>
Total Liabilities and Fund Balances	<u>\$ 13,595</u>	<u>\$ 34</u>	<u>\$ 177,517</u>	<u>\$ 9,728</u>	<u>\$ 200,874</u>

CITY OF AVONDALE ESTATES, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds			Capital Project Fund	Total Nonmajor Governmental Funds
	Police Seizure Fund	Coronavirus Relief Fund	Tax Allocation District Fund	URA Fund	
<u>Revenues:</u>					
Taxes	\$ -	\$ -	\$ 96,275	\$ -	\$ 96,275
Intergovernmental	-	354,891	-	-	354,891
Interest earnings	8	44	131	85	268
<b>Total Revenues</b>	<b>8</b>	<b>354,935</b>	<b>96,406</b>	<b>85</b>	<b>451,434</b>
<u>Expenditures:</u>					
Current:					
General government	-	14,116	-	-	14,116
Public safety	-	282,185	-	-	282,185
Public works	-	35,634	-	-	35,634
Debit service:					
Interest	-	-	-	3,574	3,574
Capital Outlay	-	23,000	-	316,038	339,038
<b>Total Expenditures</b>	<b>-</b>	<b>354,935</b>	<b>-</b>	<b>319,612</b>	<b>674,547</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8	-	96,406	(319,527)	(223,113)
<u>Other Financing Sources (Uses):</u>					
Issuance of debt	-	-	-	314,100	314,100
Transfers from other funds	-	-	-	3,574	3,574
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,674</b>	<b>317,674</b>
Net change in fund balances	8	-	96,406	(1,853)	94,561
Fund Balance, beginning of year	13,587	-	81,111	-	94,698
Fund Balance, end of year (Deficit)	\$ 13,595	\$ -	\$ 177,517	\$ (1,853)	\$ 189,259

CITY OF AVONDALE ESTATES GEORGIA

POLICE SEIZURE FUND  
BALANCE SHEET  
DECEMBER 31, 2020

ASSETS

Cash and cash equivalent	\$ 13,595
Total Assets	<u>\$ 13,595</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Due to others	\$ -
Total Liabilities	<u>-</u>
Fund Balances:	
Restricted	<u>13,595</u>
Total Fund Balances	<u>13,595</u>
Total Liabilities and Fund Balances	<u>\$ 13,595</u>

CITY OF AVONDALE ESTATES GEORGIA

POLICE SEIZURE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Interest earnings	\$ 5	\$ 8	\$ 3
Total Revenues	<u>5</u>	<u>8</u>	<u>3</u>
<u>Expenditures:</u>			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5	8	3
Fund balance - beginning of year	<u>13,587</u>	<u>13,587</u>	<u>-</u>
Fund balance - end of year	<u>\$ 13,592</u>	<u>\$ 13,595</u>	<u>\$ 3</u>

CITY OF AVONDALE ESTATES GEORGIA

CORONAVIRUS RELIEF FUND  
BALANCE SHEET  
DECEMBER 31, 2020

ASSETS

Cash and cash equivalent	\$ 34
Total Assets	<u>\$ 34</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Due to others funds	\$ 34
Total Liabilities	<u>34</u>
Fund Balances:	
Restricted	<u>-</u>
Total Fund Balances	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 34</u>

CITY OF AVONDALE ESTATES GEORGIA

CORONAVIRUS RELIEF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental	\$ 354,891	\$ 354,891	\$ -
Interest earnings	44	44	-
Total Revenues	354,935	354,935	-
<u>Expenditures:</u>			
General government	14,117	14,116	1
Public safety	282,185	282,185	-
Public works	35,634	35,634	-
Capital outlay	23,000	23,000	-
Total Expenditures	354,936	354,935	1
Net change in fund balances	(1)	-	1
Fund balance - beginning of year	-	-	-
Fund balance - end of year	\$ (1)	\$ -	\$ 1

CITY OF AVONDALE ESTATES GEORGIA

TAX ALLOCATION DISTRICT FUND  
BALANCE SHEET  
DECEMBER 31, 2020

ASSETS

Cash and cash equivalent	\$	175,179
Tax receivable		<u>2,338</u>
Total Assets	\$	<u><u>177,517</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Accounts payable	\$	<u>-</u>
Total Liabilities		<u>-</u>
Fund Balances:		
Restricted		<u>177,517</u>
Total Fund Balances		<u>177,517</u>
Total Liabilities and Fund Balances	\$	<u><u>177,517</u></u>

CITY OF AVONDALE ESTATES GEORGIA

TAX ALLOCATION DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Taxes	\$ 91,500	\$ 96,275	\$ 4,775
Interest earnings	125	131	6
Total Revenues	91,625	96,406	4,781
<u>Expenditures:</u>			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Net change in fund balances	91,625	96,406	4,781
Fund balance - beginning of year	81,111	81,111	-
Fund balance - end of year	\$ 172,736	\$ 177,517	\$ 4,781

CITY OF AVONDALE ESTATES GEORGIA

URBAN REDEVELOPMENT AGENCY  
BALANCE SHEET  
DECEMBER 31, 2020

ASSETS

Cash and cash equivalent	\$ 9,728
Total Assets	<u>\$ 9,728</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Due to other funds	\$ 11,581
Total Liabilities	<u>11,581</u>
Fund Balances:	
Unassigned	<u>(1,853)</u>
Total Fund Balances (Deficit)	<u>(1,853)</u>
Total Liabilities and Fund Balances	<u>\$ 9,728</u>

CITY OF AVONDALE ESTATES GEORGIA

URBAN REDEVELOPMENT AGENCY  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Revenues:</u>	
Interest revenue	\$ 85
Total Revenues	<u>85</u>
<u>Expenditures:</u>	
Debt service:	
Interest	3,574
Capital outlay	<u>316,038</u>
Total Expenditures	<u>319,612</u>
Excess of Revenues Over (Under) Expenditures	<u>(319,527)</u>
<u>Other Financing Sources (Uses):</u>	
Issuance of debt	314,100
Transfers from other funds	<u>3,574</u>
Total Other Financing Sources (Uses)	<u>317,674</u>
Net change in fund balances	(1,853)
Fund Balance - beginning of year	<u>-</u>
Fund balance - end of year (Deficit)	<u><u>\$ (1,853)</u></u>

CITY OF AVONDALE ESTATES, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Total
<b>2018 Referendum</b>				
Road Resurfacing / Paving	\$ 2,106,616	\$ -	\$ -	-
Transportation Improvements	2,200,000	-	101,120	101,120
Public Safety	349,435	19,076	239,647	258,723
Total	<u>\$ 4,656,051</u>	<u>\$ 19,076</u>	<u>\$ 340,767</u>	<u>\$ 359,843</u>

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET  
 DOWNTOWN DEVELOPMENT AUTHORITY  
 COMPONENT UNIT  
 DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 9,625,106
Accounts receivable	8,300
Other assets	<u>436</u>
Total Assets	<u><u>\$ 9,633,842</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 72,243
Due to primary government	<u>8,120</u>
Total Liabilities	<u>80,363</u>
Fund Balance:	
Unassigned	<u>9,553,479</u>
Total Fund Balance	<u>9,553,479</u>
Total Liabilities and Fund Balance	<u><u>\$ 9,633,842</u></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 funds.

Cost of the assets	\$ 1,400,000
Accumulated depreciation	<u>(48,964)</u>
Total net position of governmental activities	<u><u>\$ 10,904,515</u></u>

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 DOWNTOWN DEVELOPMENT AUTHORITY  
 COMPONENT UNIT  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues:

Rental income	\$ 1,808,038
Interest earnings	22,592
Other miscellaneous revenues	8,715
Total Revenues	<u>1,839,345</u>

Expenditures:

Current:

General government	1,486,138
Debt Service	
Principal	1,445,586
Interest	29,732
Total Expenditures	<u>2,961,456</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,122,111)</u>
--	--------------------

Other Financing Sources

Proceeds from sale of capital assets	<u>7,331,343</u>
Total Other Financing Sources	<u>7,331,343</u>
Net change in fund balance	6,209,232
Fund Balance, beginning of year	<u>3,344,247</u>
Fund Balance, end of year	<u><u>\$ 9,553,479</u></u>

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

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total depreciation	\$ (169,651)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(9,613,451)

Long-term debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustments for these items are as follows:

Bonds payable	<u>1,445,586</u>
Total change in net position of governmental activities	<u><u>\$ (2,128,284)</u></u>

## **STATISTICAL SECTION**

# Statistical Section

This part of the City's Statistical 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	83-88
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	89-93
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	94-96
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	97-99
<b>Operating Information</b> <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	100-101

# CITY OF AVONDALE ESTATES, GEORGIA

## NET POSITION BY COMPONENT LAST TEN YEARS

(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities										
Net investment in capital assets	\$ 4,113	\$ 3,231	\$ 3,097	\$ 2,928	\$ 2,988	\$ 2,799	\$ 2,288	\$ 2,335	\$ 2,394	\$ 2,497
Restricted	2,181	1,930	1,500	1,288	1,405	1,324	979	552	355	211
Unrestricted	5,055	3,842	2,933	2,111	1,710	1,764	2,509	2,180	2,273	2,213
Total governmental activities net position	<u>\$ 11,349</u>	<u>\$ 9,003</u>	<u>\$ 7,530</u>	<u>\$ 6,327</u>	<u>\$ 6,103</u>	<u>\$ 5,887</u>	<u>\$ 5,776</u>	<u>\$ 5,067</u>	<u>\$ 5,022</u>	<u>\$ 4,921</u>
Business-type activities										
Net investment in capital assets	\$ 784	\$ 224	\$ 208	\$ 219	\$ 104	\$ 15	\$ 43	\$ 71	\$ 100	\$ 141
Unrestricted	826	1,363	1,209	1,064	1,060	1,035	919	823	687	646
Total business-type activities net position	<u>\$ 1,610</u>	<u>\$ 1,586</u>	<u>\$ 1,417</u>	<u>\$ 1,283</u>	<u>\$ 1,164</u>	<u>\$ 1,050</u>	<u>\$ 962</u>	<u>\$ 894</u>	<u>\$ 787</u>	<u>\$ 787</u>
Primary government										
Net investment in capital assets	\$ 4,897	\$ 3,455	\$ 3,305	\$ 3,147	\$ 3,092	\$ 2,814	\$ 2,331	\$ 2,406	\$ 2,494	\$ 2,638
Restricted	2,181	1,930	1,500	1,288	1,405	1,324	979	552	355	211
Unrestricted	5,881	5,205	4,142	3,175	2,770	2,799	3,428	3,003	2,960	2,859
Total primary government net position	<u>\$ 12,959</u>	<u>\$ 10,589</u>	<u>\$ 8,947</u>	<u>\$ 7,610</u>	<u>\$ 7,267</u>	<u>\$ 6,937</u>	<u>\$ 6,738</u>	<u>\$ 5,961</u>	<u>\$ 5,809</u>	<u>\$ 5,708</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## CHANGES IN NET POSITION LAST TEN YEARS

(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,209	\$ 1,799	\$ 1,241	\$ 1,369	\$ 1,393	\$ 1,166	\$ 1,110	\$ 997	\$ 862	\$ 783
Public safety	1,317	1,261	1,264	1,236	1,112	1,115	1,078	1,080	1,009	961
Public works	343	432	322	958	679	269	286	320	242	296
Recreation	476	472	426	384	392	342	359	403	412	354
Housing and development	8	15	78	180	36	-	-	-	-	-
Interest on long-term debt	4	1	3	8	12	17	21	-	-	-
Total governmental activities expenses	<u>3,357</u>	<u>3,980</u>	<u>3,334</u>	<u>4,135</u>	<u>3,624</u>	<u>2,909</u>	<u>2,854</u>	<u>2,800</u>	<u>2,525</u>	<u>2,394</u>
Business-type activities:										
Stormwater	169	-	1	16	26	49	61	23	34	42
Sanitation	770	799	749	691	720	730	714	699	673	664
Total business-type activities expenses	<u>939</u>	<u>799</u>	<u>750</u>	<u>707</u>	<u>746</u>	<u>779</u>	<u>775</u>	<u>722</u>	<u>707</u>	<u>706</u>
Total primary government expenses	<u>\$ 4,296</u>	<u>\$ 4,779</u>	<u>\$ 4,084</u>	<u>\$ 4,842</u>	<u>\$ 4,370</u>	<u>\$ 3,688</u>	<u>\$ 3,629</u>	<u>\$ 3,522</u>	<u>\$ 3,232</u>	<u>\$ 3,100</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 93	\$ 779	\$ 175	\$ 382	\$ 114	\$ 132	\$ 137	\$ 55	\$ 49	\$ 34
Public safety	457	648	574	455	514	552	639	554	477	473
Operating grants and contributions	972	58	421	52	68	71	143	93	15	19
Capital grants and contributions	606	696	154	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>2,128</u>	<u>2,181</u>	<u>1,324</u>	<u>889</u>	<u>696</u>	<u>755</u>	<u>919</u>	<u>702</u>	<u>541</u>	<u>526</u>
Business-type activities:										
Charges for services:										
Stormwater	132	132	132	132	136	134	125	129	116	115
Sanitation	828	833	852	739	735	730	659	396	301	301
Capital grants and contributions	-	-	-	133	-	-	-	-	-	-
Total business-type activities program revenues	<u>960</u>	<u>965</u>	<u>984</u>	<u>1,004</u>	<u>871</u>	<u>864</u>	<u>784</u>	<u>525</u>	<u>417</u>	<u>416</u>
Total primary government program revenues	<u>\$ 3,088</u>	<u>\$ 3,146</u>	<u>\$ 2,308</u>	<u>\$ 1,893</u>	<u>\$ 1,567</u>	<u>\$ 1,619</u>	<u>\$ 1,703</u>	<u>\$ 1,227</u>	<u>\$ 958</u>	<u>\$ 942</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## CHANGES IN NET POSITION LAST TEN YEARS

(accrual basis of accounting)  
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (1,229)	\$ (1,799)	\$ (2,010)	\$ (3,246)	\$ (2,928)	\$ (2,154)	\$ (1,935)	\$ (2,098)	\$ (1,984)	\$ (1,868)
Business-type activities	21	166	234	297	125	85	9	(197)	(290)	(290)
Total primary government net expense	<u>\$ (1,208)</u>	<u>\$ (1,633)</u>	<u>\$ (1,776)</u>	<u>\$ (2,949)</u>	<u>\$ (2,803)</u>	<u>\$ (2,069)</u>	<u>\$ (1,926)</u>	<u>\$ (2,295)</u>	<u>\$ (2,274)</u>	<u>\$ (2,158)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 2,653	\$ 2,498	\$ 2,258	\$ 2,102	\$ 1,986	\$ 1,824	\$ 1,709	\$ 1,672	\$ 1,536	\$ 1,793
Franchise taxes	361	228	217	192	191	186	170	179	189	189
Other taxes	478	450	560	931	889	767	769	531	587	630
Unrestricted investment earnings	18	41	9	5	5	5	4	5	5	14
Miscellaneous	65	56	66	60	58	105	46	58	56	48
Transfers	-	-	103	180	15	(121)	(54)	(303)	(372)	(359)
Total governmental activities	<u>3,575</u>	<u>3,272</u>	<u>3,213</u>	<u>3,470</u>	<u>3,144</u>	<u>2,766</u>	<u>2,644</u>	<u>2,142</u>	<u>2,001</u>	<u>2,315</u>
Business-type activities:										
Unrestricted investment earnings	3	3	3	3	3	3	3	2	2	3
Transfers	-	-	(103)	(180)	(15)	121	54	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	6
Total business-type activities	<u>3</u>	<u>3</u>	<u>(100)</u>	<u>(177)</u>	<u>(12)</u>	<u>124</u>	<u>57</u>	<u>2</u>	<u>2</u>	<u>9</u>
Total primary government	<u>\$ 3,577</u>	<u>\$ 3,276</u>	<u>\$ 3,113</u>	<u>\$ 3,293</u>	<u>\$ 3,132</u>	<u>\$ 2,890</u>	<u>\$ 2,701</u>	<u>\$ 2,144</u>	<u>\$ 2,003</u>	<u>\$ 2,324</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,346	\$ 1,473	\$ 1,203	\$ 224	\$ 216	\$ 612	\$ 709	\$ 44	\$ 17	\$ 448
Business-type activities	23	169	134	120	113	209	68	108	84	77
Total primary government	<u>\$ 2,370</u>	<u>\$ 1,642</u>	<u>\$ 1,337</u>	<u>\$ 344</u>	<u>\$ 329</u>	<u>\$ 821</u>	<u>\$ 777</u>	<u>\$ 152</u>	<u>\$ 101</u>	<u>\$ 525</u>

**CITY OF AVONDALE ESTATES, GEORGIA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN YEARS**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Property Tax (1)</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>	<b>Occupational Tax</b>	<b>HOST Sales Tax</b>	<b>SPLOST Sales Tax (2)</b>	<b>Other Taxes</b>	<b>Total</b>
2011	\$ 1,793	\$ 189	\$ 139	\$ 78	\$ 366	\$ -	\$ 47	\$ 2,612
2012	1,536	189	147	80	302	-	56	2,310
2013	1,672	179	153	89	236	-	53	2,382
2014	1,709	170	146	101	471	-	50	2,647
2015	1,824	186	156	128	419	-	63	2,776
2016	1,986	191	185	119	504	-	80	3,065
2017	2,102	192	196	121	536	-	78	3,225
2018	2,258	217	212	122	131	329	95	3,364
2019	2,498	228	225	138	-	453	87	3,629
2020	2,653	361	237	108	-	441	133	3,933

(1) Property taxes include auto ad valorem taxes.

**CITY OF AVONDALE ESTATES, GEORGIA**

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund										
Nonspendable (1)	\$ 1,137	\$ 1,129	\$ 1,151	\$ 1,136	\$ 1,139	\$ 1,146	\$ 1,140	\$ 1,091	\$ 17	\$ 13
Restricted	-	1,071	1,133	1,258	1,375	1,294	949	522	325	167
Assigned	27	26	259	199	379	23	21	16	12	6
Unassigned	<u>3,687</u>	<u>3,132</u>	<u>2,018</u>	<u>1,502</u>	<u>1,188</u>	<u>1,673</u>	<u>2,068</u>	<u>1,937</u>	<u>2,284</u>	<u>2,238</u>
Total general fund	<u>\$ 4,851</u>	<u>\$ 5,358</u>	<u>\$ 4,561</u>	<u>\$ 4,095</u>	<u>\$ 4,081</u>	<u>\$ 4,136</u>	<u>\$ 4,178</u>	<u>\$ 3,566</u>	<u>\$ 2,638</u>	<u>\$ 2,424</u>
All other governmental funds										
Restricted	\$ 2,181	\$ 859	\$ 367	\$ 30	\$ 30	\$ 34	\$ 30	\$ 30	\$ 30	\$ 30
Assigned	814	16	11	14	9	-	-	9	13	16
Unassigned (Deficit)	<u>(2)</u>	<u>-</u>								
Total all other governmental funds	<u>\$ 2,993</u>	<u>\$ 875</u>	<u>\$ 378</u>	<u>\$ 44</u>	<u>\$ 39</u>	<u>\$ 34</u>	<u>\$ 30</u>	<u>\$ 39</u>	<u>\$ 43</u>	<u>\$ 46</u>

**CITY OF AVONDALE ESTATES, GEORGIA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>										
Taxes	\$ 3,498	\$ 3,153	\$ 3,042	\$ 3,218	\$ 3,069	\$ 2,774	\$ 2,658	\$ 2,388	\$ 2,315	\$ 2,612
Licenses and permits	90	759	153	359	93	112	115	36	26	15
Intergovernmental	1,578	753	575	52	68	71	143	92	15	19
Fines and forfeitures	457	648	574	455	513	552	639	555	477	473
Charges for services	4	20	22	23	21	20	22	19	23	19
Interest income	18	42	9	5	5	5	4	5	5	15
Other revenues	64	56	66	60	58	104	46	59	56	48
Total revenues	<u>5,709</u>	<u>5,431</u>	<u>4,441</u>	<u>4,172</u>	<u>3,827</u>	<u>3,638</u>	<u>3,627</u>	<u>3,154</u>	<u>2,917</u>	<u>3,201</u>
<b>Expenditures</b>										
General government	1,519	2,039	1,542	1,449	1,474	1,685	1,099	959	818	773
Public safety	1,272	1,217	1,224	1,190	1,158	1,108	1,074	1,070	949	994
Public works	273	399	299	953	661	243	258	292	236	289
Recreation	449	448	426	383	391	341	358	401	412	353
Housing and development	6	15	78	180	36	-	-	-	-	-
Capital outlay	890	19	-	-	-	-	-	4	3	232
Debt service										
Principal retirements	-	-	169	165	160	155	151	-	-	-
Interest and fiscal charges	4	1	3	8	12	17	21	-	-	-
Bond issuance cost	-	117	-	-	-	-	-	-	-	-
Total expenditures	<u>4,413</u>	<u>4,255</u>	<u>3,742</u>	<u>4,328</u>	<u>3,892</u>	<u>3,549</u>	<u>2,961</u>	<u>2,726</u>	<u>2,418</u>	<u>2,641</u>
Excess of revenues over (under) expenditures	1,296	1,176	363	(155)	(64)	89	666	428	499	560
<b>Other financing sources (uses)</b>										
Transfers in	2,012	41	103	179	25	-	-	-	-	-
Transfers out	(2,012)	(41)	-	(10)	(10)	(131)	(54)	(303)	(372)	(444)
Issuance of long-term debt	314	117	-	-	-	-	-	800	-	-
Total other financing sources (uses)	<u>314</u>	<u>117</u>	<u>103</u>	<u>169</u>	<u>15</u>	<u>(131)</u>	<u>(54)</u>	<u>497</u>	<u>(372)</u>	<u>(444)</u>
Net change in fund balances	\$ <u>1,610</u>	\$ <u>1,293</u>	\$ <u>466</u>	\$ <u>14</u>	\$ <u>(49)</u>	\$ <u>(42)</u>	\$ <u>612</u>	\$ <u>925</u>	\$ <u>127</u>	\$ <u>116</u>
Debt service as a percentage of noncapital expenditures	0.10%	2.79%	4.61%	4.00%	4.42%	4.85%	5.81%	0.00%	0.00%	0.00%

# CITY OF AVONDALE ESTATES, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN YEARS

(modified accrual basis of accounting)  
(amounts expressed in thousands)

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Fiscal Year	Property Tax (1)	Franchise Tax	Insurance Premium Tax	Occupational Tax	HOST Sales Tax	SPLOST (2)	Other Taxes	Total
2011	\$ 1,793	\$ 189	\$ 139	\$ 78	\$ 366	\$ -	\$ 47	\$ 2,612
2012	1,534	189	147	80	302	-	56	2,308
2013	1,666	179	153	89	236	-	53	2,376
2014	1,700	170	146	101	471	-	50	2,638
2015	1,829	186	156	128	419	-	63	2,781
2016	1,990	191	156	119	504	-	80	3,040
2017	2,113	192	196	121	536	-	78	3,236
2018	2,261	217	212	122	131	329	95	3,367
2019	2,523	228	225	138	-	453	87	3,654
2020	2,647	361	237	108	-	441	133	3,927

(1) Property taxes include auto ad valorem taxes

(2) In May 2018 the HOST was replaced by a Special Purpose Local Option Sales Tax (SPLOST)

## CITY OF AVONDALE ESTATES, GEORGIA

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY LAST TEN YEARS

(amounts expressed in thousands)

Fiscal Year	Assessed Value				Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Public Utility	Personal Property	Motor Vehicle					
2011	\$ 155,276	\$ 837	\$ 2,337	\$ 7,854	\$ 117	\$ 166,187	10.957	\$ 415,468	40.00%
2012	129,159	1,152	2,711	8,015	231	140,806	10.957	352,015	40.00%
2013	138,170	1,213	1,750	8,451	211	149,373	10.957	373,433	40.00%
2014	145,302	1,114	1,656	7,456	469	155,059	10.957	387,648	40.00%
2015	175,082	1,145	1,628	5,565	371	183,049	9.957	457,623	40.00%
2016	186,008	1,218	2,210	4,307	489	193,254	9.957	483,135	40.00%
2017	198,972	1,281	2,699	3,999	513	206,438	9.957	516,095	40.00%
2018	217,074	1,401	2,653	2,436	550	223,014	9.800	557,535	40.00%
2019	253,252	1,545	2,682	1,802	11,867	247,414	9.800	618,536	40.00%
2020	274,816	1,762	2,197	1,534	694	279,615	9.800	699,038	40.00%

Source: DeKalb County, Georgia Board of Tax Assessors

# CITY OF AVONDALE ESTATES, GEORGIA

## PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS (Per \$1,000 of Assessed Value) LAST TEN YEARS

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Calendar Year	City of Avondale Estates, Georgia			DeKalb County	State	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage			
2011	10.957	0.000	10.957	44.19	0.25	55.397
2012	10.957	0.000	10.957	45.39	0.20	56.547
2013	10.957	0.000	10.957	41.66	0.15	52.767
2014	10.957	0.000	10.957	36.77	0.10	47.827
2015	9.957	0.000	9.957	38.79	0.00	48.747
2016	9.957	0.000	9.957	37.03	0.00	46.984
2017	9.957	0.000	9.957	36.40	0.00	46.356
2018	9.800	0.000	9.800	36.73	0.00	46.527
2019	9.800	0.000	9.800	36.14	0.00	45.943
2020	9.800	0.000	9.800	36.29	0.00	46.093

# CITY OF AVONDALE ESTATES, GEORGIA

## PRINCIPAL TAXPAYERS CURRENT AND TEN YEARS AGO (amounts expressed in thousands)

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
278 Oak Holdings LLC	\$ 2,018	1	0.72 %	\$ -		0.00 %
Georgia Power Co.	1,033	2	0.37	-		0.00
S 4110 Property LLC	830	3	0.30	-		0.00
Little Tree Properties	799	4	0.29	-		0.00
BC Residential	677	5	0.24	-		0.00
Thrive Signature Homes	620	6	0.22	-		0.00
TOSC Properties LLC	601	7	0.21	-		0.00
CEED Properties	540	8	0.19	-		0.00
Wild Heaven Craft Beers	540	9	0.19	-		0.00
Roshan Enterprises Inc	529	10	0.19	-		0.00
Century AG Avondale LLC	-		0.00	644	1	0.41
Michael Plasker	-		0.00	614	2	0.40
KJA/Eckerd #1 LLC	-		0.00	400	3	0.26
David Ladet	-		0.00	360	4	0.23
Diane Mahaffey	-		0.00	357	5	0.23
David Blanchard	-		0.00	337	6	0.22
Harold C Johnson Jr	-		0.00	293	7	0.19
Whitfield Turley LLC	-		0.00	288	8	0.19
Michael Gerard	-		0.00	287	9	0.18
Cherly Buss	-		0.00	263	10	0.17
	\$ <u>8,187</u>		<u>2.93 %</u>	\$ <u>3,843</u>		<u>2.47 %</u>

Source: Dekalb County Tax Commissioners Office

# CITY OF AVONDALE ESTATES, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

(amounts expressed in thousands)

<u>Tax Year*</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 1,665	\$ 1,663	99.9%	2	\$ 1,665	100.00%
2012	1,414	1,392	98.4%	22	1,414	100.00%
2013	1,499	1,461	97.5%	38	1,499	100.00%
2014	1,566	1,550	99.0%	16	1,566	100.00%
2015	1,725	1,666	96.6%	59	1,725	100.00%
2016	1,834	1,799	98.1%	35	1,834	100.00%
2017	2,001	1,923	96.1%	76	1,999	99.90%
2018	2,155	2,066	95.9%	88	2,154	99.92%
2019	2,393	2,256	94.3%	121	2,377	99.34%
2020	2,445	2,403	98.3%	-	2,403	98.26%

Source: DeKalb County Tax Commissioners Office

# CITY OF AVONDALE ESTATES, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Notes Payable	Capital Leases			
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-
2012	-	-	-	-	-	-	0.00%	-
2013	-	-	800 (3)	-	-	800	0.60%	264
2014	-	-	649 (3)	-	-	649	0.47%	212
2015	-	-	494 (3)	-	-	494	0.36%	160
2016	-	-	334 (3)	-	-	334	0.24%	108
2017	-	-	169 (3)	-	-	169	0.11%	54
2018	-	-	- (2)	-	-	-	0.00%	-
2019	117	-	-	-	-	117	0.07%	37
2020	432	-	-	-	-	432	0.21%	138

(1) See the Demographic and Economic Statistics for personal income and population data.

(2) The City has paid off all capital leases as of this year.

# CITY OF AVONDALE ESTATES, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(amounts expressed in thousands)

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Avondale Estates (1)</u>	<u>Amount Applicable to City of Avondale Estates</u>
Overlapping General Obligation Debt:			
DeKalb County	\$ 195,118	0.827%	\$ 1,613
Fulton Dekalb Hospital Authority	<u>33,630</u>		<u>-</u>
Total overlapping debt	228,748		1,613
City direct debt	<u>432</u>	100.000%	<u>432</u>
Total direct and overlapping debt	<u>\$ 229,180</u>		<u>\$ 2,045</u>

Source: Assessed value data used to estimate applicable percentages provided by the Dekalb County Tax Assessors Office. Debt outstanding data provided by Dekalb County Finance Department.

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

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values below. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

# CITY OF AVONDALE ESTATES, GEORGIA

## LEGAL DEBT MARGIN INFORMATION

(amounts expressed in thousands)

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Assessed Value	\$	274,132
Add back: exempt real property		<u>694</u>
Total assessed value		274,825
Debt limit (10% of total assessed value)		27,483
Total debt		<u>432</u>
Legal debt margin	\$	<u><u>27,051</u></u>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. The City currently has no outstanding general obligation debt.

The City did not have any general obligation debt outstanding prior to fiscal year 2012 or after the end of 2018.

**CITY OF AVONDALE ESTATES, GEORGIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (4) (in thousands)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>Percentage of Population Age 25 and Older with Greater than 12 Years of Formal Schooling (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
2011	2,965	\$ 112,485	38	45.0	67%	637	9.7%
2012	2,985	119,361	40	45.0	67%	824	8.9%
2013	3,030	134,177	44	45.0	68%	784	10.4%
2014	3,058	137,272	45	45.0	70%	898	6.8%
2015	3,088	137,637	45	44.7	75%	926	4.1%
2016	3,129	155,488	50	44.6	75%	912	4.1%
2017	3,159	166,452	53	46.8	75%	962	4.1%
2018	3,173	177,204	56	47.7	76%	1,028	3.6%
2019	3,135	202,339	65	48.4	78%	988	3.2%
2020	3,144	204,593	65	48.5	78%	995	3.3%

(1) Source: U.S. Census Bureau estimates

(2) Source: Georgia Department of Labor

**CITY OF AVONDALE ESTATES, GEORGIA**

**PRINCIPAL EMPLOYERS  
LAST NINE YEARS**

<b>2020 Employers</b>	<b>2019 Employers</b>	<b>2018 Employers</b>	<b>2017 Employers</b>	<b>2016 Employers</b>
Community Development Institute Davey Tree, dba Arborguard Family Dollar Stores #30491 Home Forge Remodeling Jollay Masonry My Parents' Basement Savage Pizza Second Life Thrift Store Waffle House # 1000 Zest Atlanta	Clarendon Group, Inc. Community Development Institute Davey Tree, dba Arborguard Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical My Parents' Basement Savage Pizza Waffle House # 1000	Community Development Institute Davey Tree, dba Arborguard Globe Chemical Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical Rite Aid # 11690 Savage Pizza Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Service Globe Chemical Jollay Masonry LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Arborguard Tree Globe Chemical Jollay Masonry Lanier Jones Mechanical LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000
<b>2015 Employers</b>	<b>2014 Employers</b>	<b>2013 Employers</b>	<b>2012 Employers</b>	
Ace & A Heating and Air Arborguard Tree DeKalb Collision Center Globe Chemical Jollay Masonry Lanier Jones Mechanical Mann Mechanical PCA Head Start Rite Aid # 11690 Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Avondale Pizza Café DeKalb Collision Center Jollay Masonry Mann Mechanical Paste PCA Head Start Rite Aid # 11690 Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Avondale Pizza Café DeKalb Collision Center Jollay Masonry Mann Mechanical Paste Rite Aid # 11690 Simon Roofing Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Avondale Pizza Café DeKalb Collision Center Jollay Masonry Mann Mechanical Paste Rite Aid # 11690 Simon Roofing Waffle House # 1000	

Source: City of Avondale Estates Occupational Tax Department

Notes: Employers are listed in alphabetical order only and not ranked in any way.  
Number of employees cannot be listed due to privacy issues. Additional years will be added as information becomes available.

## CITY OF AVONDALE ESTATES, GEORGIA

### FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

<b>Function</b>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government	9	8	8	8	8	8	8	7	7	6
Public safety										
Police										
Officers	15	14	14	14	14	13	13	12	12	12
Public Works	1	2	2	2	2	2	2	2	2	2
Sanitation	10	11	11	11	11	11	12	11	11	11
Culture & Recreation	8	7	7	7	6	6	3	6	6	6
<b>Total</b>	<b><u>43</u></b>	<b><u>42</u></b>	<b><u>42</u></b>	<b><u>42</u></b>	<b><u>41</u></b>	<b><u>40</u></b>	<b><u>38</u></b>	<b><u>38</u></b>	<b><u>38</u></b>	<b><u>37</u></b>

Source: City of Avondale Estates department records

**CITY OF AVONDALE ESTATES, GEORGIA**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

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<b>Function</b>	<b>2020</b>	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Robbery	2	2	2	2	4	1	-	3	2	2
Aggravated Assault	1	1	-	3	1	-	1	4	1	3
Auto Theft	5	3	4	5	3	6	2	8	5	8
Burglary	10	4	13	14	18	12	7	9	25	8
Larceny	26	55	58	44	48	49	37	66	65	53
Municipal Court										
Traffic Citations Issued	1,558	3,866	3,104	2,870	2,580	3,030	3,123	4,368	2,929	2,965

Source: City of Avondale Estates Departments

Note: Fluctuations experienced in traffic violations from year to year result from the number of officers on the streets during these periods.

**CITY OF AVONDALE ESTATES, GEORGIA**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2020</b>	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Police										
Stations	<b>1</b>	1	1	1	1	1	1	1	1	1
Patrol units	<b>12</b>	8	8	8	7	6	5	4	4	4
Public Works										
Streets (miles)	<b>19</b>	19	19	19	19	19 (1)	18	18	18	18
Number of Street Lights	<b>387</b>	387	387	387 (2)	385	385 (1)	369	369	369	369
Collection Trucks	<b>3</b>	3	3	3	-	-	-	-	-	-

Source: Various City departments

Note: Capital asset indicators are not available for the general government function

(1) Increase due to annexation

(2) Increase due to Maple Street installation

# **GOVERNMENTAL REPORT**

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

Honorable Mayor and Members of City Council  
The City of Avondale Estates, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Avondale Estates, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Avondale Estates, Georgia’s basic financial statements, and have issued our report thereon dated August 13, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Avondale Estates, Georgia’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 of Avondale Estates, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Avondale Estates, Georgia’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Avondale Estates, Georgia'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*.

**City of Avondale Estate's Response to Finding**

City of Avondale Estate's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Avondale Estate's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

Macon, Georgia  
August 13, 2021



CITY OF AVONDALE ESTATES, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Section I – Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

There was not an audit of major federal award programs for the year ended December 31, 2020 due to the total amount expended being less than \$750,000.

**Section II – Financial Statement Findings**

Findings noted on the 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*:

**2020-001      Accounts Receivable/Revenue**

***CRITERIA***

Under a modified accrual basis of accounting, amounts are recognized as revenue when earned, only as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. Under the accrual basis of accounting, amounts are recognized as revenue when earned.

***CONDITION***

The City did not record the December SPLOST receivable at year-end.

***CONTEXT***

A material adjustment of \$46,127 was required to increase SPLOST revenue and accrue the intergovernmental receivable at year-end.

***EFFECT***

The City’s accounting records contained a material error which was identified and adjusted during the annual audit process.

***CAUSE***

The City did not have controls in place to ensure year-end SPLOST transactions were recorded in the correct year.

CITY OF AVONDALE ESTATES, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

*RECOMMENDATION*

We recommend that the City develop procedures to ensure the recording of SPLOST revenues when they become both measurable and available to finance expenditures of the year.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS*

Management concurs with the finding. The City will institute redundant procedures, performed by multiple staff members, to check for revenue amounts received after year-end but earned during the reporting period to ensure proper, timely reporting.