

CITY OF AVONDALE ESTATES, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

**Prepared by:
Finance Department**

CITY OF AVONDALE ESTATES, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION

**BOARD OF MAYOR AND
COMMISSIONERS**

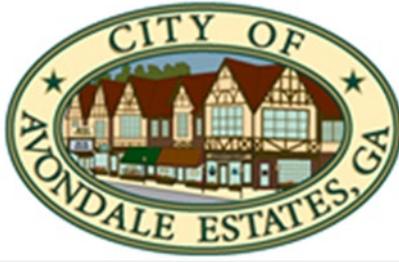
Jonathan Elmore
Mayor

Brian Fisher
Mayor Pro Tem

Lionel Laratte
Commissioner

Dee Merriam
Commissioner

Lisa Shortell
Commissioner



Patrick Bryant
City Manager

Stephen Quinn
City Attorney

Stephen W. Nicholas
City Judge

June 23, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Avondale Estates for the fiscal year ending December 31, 2022, is hereby submitted. State law and independent ordinances require local governments publish a complete set of audited financial statements each year. Responsibility for both the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the City's management. 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 of this report, to provide context and explanation for the financial statements and other information.

There were no accounting policy changes during 2022 that had a significant impact on the current period's financial statements although the City did implement Governmental Accounting Standards Board Statement No. 87, *Leases*.

The financial reporting entity includes all the funds of the primary government and its component unit (the "Downtown Development Authority"). The City provides a limited range of municipal government services to an estimated 3,567 citizens. Included in these services are traditional City functions, such as public works, public safety, sanitation, parks, courts, and inherent support activities.

INDEPENDENT AUDIT

The City of Avondale Estates' financial statements have been audited by the firm of Mauldin and Jenkins. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year

ended December 31, 2022, are fairly represented in conformity with GAAP. The independent auditor's report is the first component of the financial section of this report. The independent audit of City financial statements is sometimes part of a broader, federal, and state-mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. The requirement for a single audit is the expense of \$750,000 or more in federal funds. Thus, a single audit was not required in 2022.

The financial statements included in this report conform to GAAP and the standards established by the Governmental Accounting Standards Board (GASB). This annual comprehensive financial report includes a narrative introduction from management that provides an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is meant to complement the MD&A and should be read in conjunction with it. The City of Avondale Estates' MD&A can be found immediately following the Independent Auditor's Report.

CITY OF AVONDALE ESTATES PROFILE

The City of Avondale Estates was founded by George Francis Willis in 1924. Willis' plans for the City aspired to recreate the majestic Tudor-Revival style architecture found at the birthplace of William Shakespeare. With the guidance of internationally known City planners, Willis proceeded to develop what would later be known as the only documented example of a planned City in the Southeast USA. Today, Avondale Estates is named on the National Registrar of Historic Places. The City was incorporated in 1927.



The City of Avondale Estates is located near Decatur, in DeKalb County, Georgia, and has a population of 3,567 residents. The City is known for its close-knit community, beautiful setting, and diverse architectural styles. The first Waffle House, which opened its doors on Labor Day weekend of 1955, is now a museum. Community amenities for residents include beautiful Lake Avondale, a Town Green in the center of downtown, the Avondale Community Club, tennis courts and a swimming pool, and several other pocket

parks throughout the City. Avondale Estates is entirely underlain by granite, and clay-rich soil developed on it. Some of this granite can be seen outcropped along the shore of Lake Avondale.

The mostly Tudor-style downtown area of Avondale Estates, known as the commercial district, is home to a variety of businesses including consignment stores. Pizza, southern comfort food, and Chicago-style hot dogs are some of the restaurant fare options within the City limits. The City is the location of the first Waffle House restaurant which opened on Labor Day weekend in 1955 having been converted into a museum, along with an existing operational full-time Waffle House nearby, with numerous others in the Decatur, Georgia area as well. In more recent years, the City has evolved as "the" place for craft beer having been awarded the designation of The Best Small-Town Beer Scene by USA Today.



Art galleries and studios are located in an area of the City known as the Rail Arts District. Little Tree Art Studios, located on Franklin Street, is a warehouse that includes multiple artist studios and a music rehearsal space.

The City is governed by a mayor and a board of commissioners, who sets policy and relies on the City manager to implement policy direction. The City utilizes the DeKalb County Fire Service for fire and EMS calls but provides its police service. The Avondale Estates Police Department (AEPD) has approximately 15 members providing around-the-clock coverage. Officers drive Dodge Chargers equipped with PIT bumpers, LED lights, in-car computers with e-tickets, and digital video cameras. City Court is held multiple times a month. The Georgia Department of Juvenile Justice has its headquarters in Avondale Estates.

BUDGET PROCESS

The City of Avondale Estates prepares an annual budget document as the basis for the City's financial planning and control. The City Manager meets with department heads about mid-September annually. The prior year's amended budget, along with 2 years' actual historical data, is used to develop a proposed operating budget. The proposed budget is presented to the Board of Mayor and Commissioners (BOMC) for review before October 20th. The BOMC is required to hold a public hearing on the proposed budget, which is typically done by mid-December after all budget work sessions with Council are completed, but before the adoption of the budget by the BOMC in December.

The General Fund is the City's operating fund – it contains the revenues and expenditures required for the day-to-day operations of the government. The annual budget is presented by the fund and department. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual comparisons for all non-major special revenue governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements. The legal level of budgetary control is at the department level.

Annual budgets are adopted in compliance with generally accepted accounting principles for the general and special revenue funds. Special Revenue funds are funds legally restricted to use for purposes and are accounted for separately. Special revenue funds include the ARPA Fund, Tax Allocation District Fund, and the Police Seizures Fund. Project length budgets are adopted for capital project funds.

MAJOR INITIATIVES

PLANS AND STUDIES

Stormwater Hydrology Model: The City contracted with Dewberry Inc, to complete a hydrologic model of the City. The model, one of the key recommendations from the 2021 Stormwater Master Plan, will enable the City to plan for the appropriate stormwater infrastructure repairs. The concept plans developed from the hydrology model will help the City make educated decisions about repairs and greener infrastructure improvements.

Laredo Drive: Pond Engineering finalized the road reconstruction and resurfacing project for a portion of Laredo Drive between the Stone Mountain Bike Trail and Clarendon Ave. Improvements include pavement reconstruction, an addition of a protected two-lane cycle track, better posting and entrance to the Stone Mountain Trail, and Clarendon intersection improvements.

The City received a grant to complete this project, which should be done in the later months of 2023.

Covington Highway: The City wrapped up a high-level planning process that surveyed residents and interested parties about their vision for the future of Covington Highway. The plan provides general directions on land use and transportation options. This is the first step in defining future capital investments in this area.

Street Pavement Analysis: Inventory has been completed for all streets within City limits to determine severity based on assessments from Public Works as well as the Stormwater and Street form submissions. The top-priority streets have been prioritized and proposals received in late 2022. Repairs will be completed on high-priority roads in 2023.

Sidewalk and Curb Repair Assessment: Inventory has been completed for all curbs and sidewalks within City limits to determine severity based on assessments from Public Works as well as the Stormwater and Street form submissions. The top priority curbs and sidewalks have been prioritized and the request for proposals to complete repairs closed in February 2023. Repairs will be completed on high-priority sidewalks and curbs in late 2023.

Look Book: The City with the support of the Downtown Development Authority, developed and posted an illustrated guide for developers and architects to articulate the zoning codes and the downtown vision.

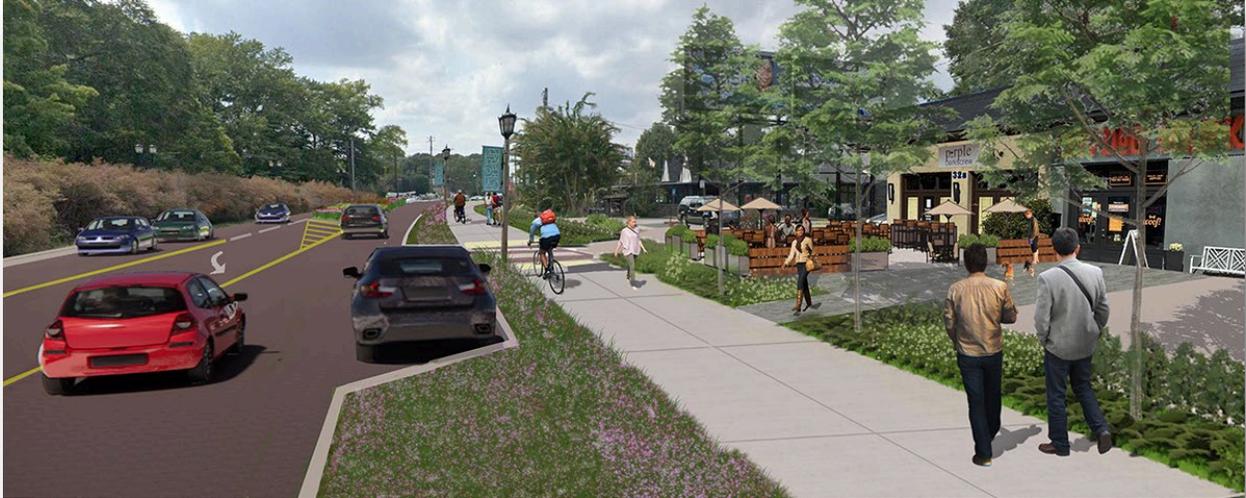
Speed Study: A speed study for Clarendon Ave and Kensington Rd was completed to determine the need for reducing the posted speed limit. The study was completed at the end of December 2022.

CAPITAL PROJECTS – CONSTRUCTION PLANS AND CONSTRUCTION

Northwoods Trails and Raingardens: The first phase of the project which includes the installation of the ADA-accessible walking trail extension connecting the sidewalk at the northwest entrance of the North Woods to the Lake Trail was completed in 2022. 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 design was undertaken and completed in 2021. The second phase, which includes adding rain gardens and stopping further erosion of Cobbs Creek will begin in 2023.

North Avondale/East College Streetscape: In 2022, the City completed construction plans and right-of-way acquisition. This is a multi-year, federally funded streetscape, along a .75-mile street of US Highway 278 which is also known as North Avondale Road and East College Avenue. As proposed, the project will include a 10-foot bike and pedestrian path, a landscape strip between the sidewalk and the roadbed, and reduced travel lanes from five to three. The project has three phases:

1. Preliminary engineering.
2. Right of Way Acquisition.
3. Construction.



Phases 1 and 2 were largely completed in 2022 and will be completed in 2023. The project is expected to be put out to bid in 2023 and construction is to start in 2024.

Town Green: Construction was completed in 2022 for a new 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. In 2020, 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 solicited bids for the project and started construction of the park.



Majestic Circle drainage improvement project: The drainage improvement project is now complete. New stormwater conveyance pipes and a new outfall with rip rap guide stormwater to prevent flooding and ponding.

Berkley sinkhole: The sinkhole on Berkley was repaired with a new stormwater drainage pipe and junction box.

Stormwater and Street Concerns Form: A form was created for residents to be able to submit inquiries about potholes, road signs, road safety issues, flooding issues, curb or sidewalk repairs, etc. This has allowed the City to create a database and manage the completion of citizen requests. Since the creation of the form in July of 2022, the staff has received over 50 requests. 40% of the requests have already been completed, while the other 60% are currently in progress.

Washington and Pine: A storm drain cleaning for the intersection of Washington and Pine was completed to assess and assist with drainage issues. The initial cleaning is complete, and the more permanent concept solution will be complete in 2023.

Public Works Building Renovations: Completed upgrades to the Public Works building including new bathrooms, upgraded breakroom, more efficient storage, and general improvements to walls, doors, and floors.

GREEN INITIATIVES

Maintained and Update Tree Inventory: The City has an online database that records all public trees especially street and park trees along with their species, size, condition, and risk rating. The database is updated regularly. This tool is used to guide decisions on canopy management through the inventory of vacant sites. This plan will save tax dollars by focusing on pruning, mulching, and maintenance to keep trees alive and healthy rather than relying on reactive, more expensive removals of dying and diseased trees.

36 New Trees Planted: On February 18th, the City held an Arbor Day Celebration and planted 1 tree. In November there was a volunteer tree planting. Staff and volunteers planted 35 new trees.

35 Dead or Dying Trees Removed from Public Rights of Ways

29 out of 46 Maintenance Issues Resolved: Concerns reported by residents, businesses, or staff are tracked based on 3 categories: 1. will resolve, 2. can't resolve, or 3. resolved. Communications are sent to reporters within 72 hours of a call.

Abelia Hedge Community Workday: With the help of volunteers including the Gardeners for the Common Good, the Avon Garden Club, and the Avondale Estates Garden Club, we continue to beautify our garden City. The work done on rejuvenating the close to one-hundred-year-old abelia hedge illustrates the achievements that can be made through the partnership and collaboration between our community members and staff.

Police Fleet Vehicles: The City police department purchased three new EV fleet vehicles. There were charging stations installed at City Hall to provide a green alternative to fleet management.

Plastic Bag Recycling Pilot: The City was the first City in the nation to institute a unique recycling pilot program with SC Johnson and Nexus Circular to collect plastic bags and film and break it down into a molecular level. Using this cutting-edge technology to close the loop on these hard-to-recycle items.

POLICE PROGRESS

National Search for New Police Chief Completed: The City completed an extensive search to identify police chief, Harry Hess. This was a national search with the assistance of the Georgia Association of Chiefs of Police and support from community 4 stakeholders in the interview process.

New Staff: A new Deputy Chief of Police was also hired, Tony Cappuccio. All vacant positions were filled.

Upgraded Fleet: The fleet was updated with 3 new fully electric vehicles. Charging stations were installed at City Hall to accommodate this new technology.

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 3,567, according to the 2021 American Community Survey (ACS) estimate.

According to the U.S. Bureau of Census, approximately 99% of the residents have at least a high school education. The median household income is \$112,050 (ACS). Most residents are well-compensated, successful professionals.

ECONOMIC GROWTH

Added Businesses and Jobs: The City continues to attract independent specialty retailers and remains dedicated to being business-friendly while maintaining high standards. The City experienced a net increase of 40 new jobs.

Rising Commercial Tax Base: Commercial properties make up about 19% of the City's total tax base. The appraised value of commercial and industrial properties has increased from ~ \$182 million to \$217 million from 2021 to 2022 alone.

Building Permits:

200+ Residential Building or Repair Permits

100+ Commercial Buildings and Repair Permits

26 Historic Preservation Commission applications processed

Development Projects: Facilitated, attracted, and collaborated with developers to further the downtown vision as a live, work, and play community. Nearing development agreements on public-private partnerships; working with developers to find appropriate locations for projects in the City; facilitated the redevelopment of major projects such as Olive and Pine.

Increase in Permits: In 2022, there were 324 permits received with 292 of those processed and \$142,593 revenue received.

DOWNTOWN REDEVELOPMENT EFFORTS

The most significant influence on the economy of the City in 2022 is still the redevelopment of the downtown commercial area, which continues. 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.

Redevelopment continued through 2022. In the past few years, Avondale's historic movie theater was renovated into a music performance venue called 37 Main. Two large mixed-use apartment developments, Alexan Avondale and the Jade combined to add 450+ units and over 15,000 square feet of retail space. Adding to the four buildings that were adaptively reused in 2021 were three additional buildings located at 119 Center Street, 40 Franklin Street and 31 North Avondale Road. New owners renovated the properties to provide modern retail, restaurant, and office space. Additionally, developers are adaptively reusing 25,000-square-foot old industrial buildings, named Olive and Pine, into an open market. Renovations are underway and scheduled to open in 2023.

The City, in partnership with the Downtown Development Authority, contracted with Fabric Developers to build a 10,000-square-foot retail marketplace to front and activate the Town Green. Construction is expected to begin in 2023. Negotiations between the City, the DDA, and development partners are also underway for live-work units, a parking deck, and hotel for the DDA/City owned properties between Lake and Locust Streets.



Rendering of the Town Green Marketplace as seen from N. Avondale Rd.

PROMOTIONS AND EVENTS

Mainstreet Promotions: The City continued its commitment to its Department of Community Affairs Main Street status for the 2022 calendar year. The website and Facebook page of the Downtown Development Authority/Main Street Board (the “DDA”) continued to engage people in surrounding neighborhoods and regionally. The City and the DDA maintain an active presence on social media and not only promote City-produced events but also promote events by others.

Black History Month: In 2022, the City also led a social media recognition campaign to bring attention to ten amazing black-owned businesses during Black History Month.

Winterfest Quest Promotion: The Winterfest Quest mobile pass is a program that ran from November 28 through December 24. Over 30 businesses participated in the promotion. The pass encouraged visitors and locals to check in at local businesses to earn points toward City prizes and redeem optional business discounts.



4 Concerts on the Town Green: In April, the City hosted the State of the City in our new Town Green. It was a soft opening. In June, the City invited the public to four consecutive weekly Sunday evening performances beginning the first week of June.

July 4th fireworks with the DeKalb Symphony Orchestra

Avondale Ale Days: In October the City and the DDA implemented the second annual Avondale Ale Days to draw people to the burgeoning microbrewery scene. The breweries reported their best sales day ever for another year in a row.

4 Holiday Events – A December to Remember. These events included the Annual Tree Lighting, holiday concerts, and a movie on the Green.

3 Downtown Sponsored Events: Additionally, the Community Promotion Program (CPP), funded by the City and administered by the DDA, provided grants to catalyze downtown events. In 2022, funds and support were provided to Stompfest, Früelingsfest, a spring festival celebrating German culture, and Winter Wanderland, a one-day event to encourage families to shop and dine downtown.



5 Outreach Events:

- State of the City
- Spring Open House – Planning and Capital Projects Discussion
- Fall Open House – Planning and Capital Projects Discussion
- Downtown Business Meeting
- Coffee with a Cop

COMMUNICATIONS

- 66 Weekly City and DDA E-News emails sent to 1,978 subscribers
 - o Open rate = 63%; +18% v. previous year, +26% v. industry standard
 - o Net increase of +171 contacts
 - o 101,914 sends
 - o Click rate of 8% v. industry standard of 4%
- 6 News from the City print newsletters
 - o Social Media: Nextdoor, Twitter, Instagram, LinkedIn, Facebook
- City Facebook:
 - o Reach = 28,390, +173.2% v. last year
 - o Page visits +312.1%
 - o New likes = 312 +129.4%
 - o Followers = 2,706
- City Instagram:
 - o Reach = 6,837, +317.1%
 - o Profile visits +508.6%
 - o New followers = 675, Total followers = 2,041
 - o Added Google Analytics to City and DDA websites

RECOGNITION AND AWARDS

Atlanta Regional Commission Regional Excellence Award: The City of Avondale Estates and the Avondale Estates Downtown Development Authority received the 2022 Regional Excellence Award in the Great Places category for the Town Green project from the Atlanta Regional Commission (ARC). The ARC's annual awards honor visionary projects that are improving the quality of life in communities across metro Atlanta.



Small-Town Beer Scene: for the second year in a row, the City of Avondale Estates was selected by USA Today as The Best Small-Town Beer Scene.

Tree-City Designation: In 2022, the City celebrated 38 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.

PRSA Georgia Phoenix Awards: An award of Excellence for Community Relations was given in recognition of the City's Town Green community engagement and design process. The second award was for the Small-Town Beer Scene campaign for the most effective campaign on a shoestring budget (\$5,000 or less). The third award (which is the Phoenix – the highest award in the category) was for executive communication.

FINANCIAL INFORMATION

GENERAL

The City staff management 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 special revenue funds are included in the annual appropriated budget. Project length budgets are adopted for capital project funds. 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 (proprietary) funds: stormwater utility and sanitation. The Sanitation Fund is self-sufficient but pools cash for operations with the General Fund during the year to facilitate cash flow. DeKalb County collects annual fees on behalf of the City via property tax bills. The Stormwater Fund has historically funded only maintenance of the system, but the City began implementing major infrastructure projects in 2020. In 2022, the stormwater fund covered expenditures as referenced above.

RETIREMENT PLAN

The recommended contribution rate for the City retirement plan increased due to relatively weaker investment performance in 2021, as well as a change in actuarial assumptions. Information concerning the City's Plan is found in Note 10 in the Notes to Financial Statements 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.

ACKNOWLEDGMENTS

The preparation of the annual comprehensive financial report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the City administrative department, and the auditor's 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, the preparation of this report would not have been possible.

Respectfully submitted,

Brittany Marmol

Brittany Marmol
Finance Director,
City of Avondale Estates

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL OFFICIALS

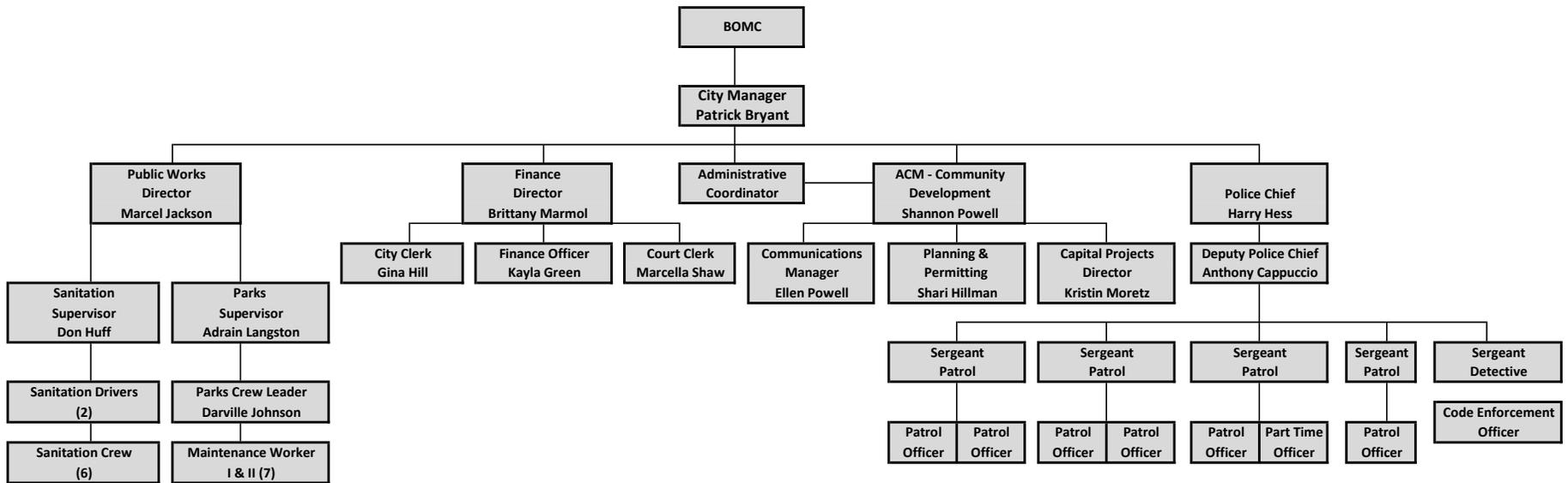
DECEMBER 31, 2022

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
Stephen Quinn	City Attorney
Shannon Powell	Assistant City Manager, Economic & Community Development
Brittany Marmol	Director of Finance and Administrative Services
Gina Hill	City Clerk
Harry Hess	Chief of Police
Marcel Jackson	Public Works Director
Kayla Green	Finance Officer
Shari Hillman	Permit & Planning Coordinator
Marcella Shaw	Municipal Court Clerk
Ellen Powell	Communications Manager



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Members
of the Board of Commissioners of
the City of Avondale Estates, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited 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** (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 6 to the financial statements, as of January 1, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and schedule of projects constructed with special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 23, 2023

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

As management of the City of Avondale Estates (the "City"), we offer readers of the City of Avondale Estates' financial statements, this narrative overview and analysis of financial activity of the City of Avondale Estates for the fiscal year ended December 31, 2022. 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 \$15,700,008. Of this amount, \$5,534,726 (unrestricted net position) may be used to meet the government's ongoing obligations. Additionally, \$8,155,223 is invested in capital assets. The remainder is restricted primarily for capital projects.

The City's net position from governmental activities increased approximately 6.8% (or \$858,598) when compared to the previous year, while business-type activities' net position increased by approximately 12.1% (or \$233,966) when compared to the previous year. The total increase for 2022 was 7.5%.

General Fund revenues increased in total by \$96,914 (2.3%) compared to 2021. Taxes increased by approximately \$232,000, licenses and permits increased by over \$77,000 due to new development permits, interest earnings rose by approximately \$23,000 and miscellaneous (other) revenues showed an approximate \$14,000 increase in 2022. The increases in revenue were offset by reductions in fines and forfeitures revenues of approximately of \$131,000 or 30% due to community minded policing, and a \$132,730 reduction in intergovernmental revenue.

General Fund expenses increased by 7.2%, or \$275,342, in 2022. Interest expense for debt service added \$140,486 to expenses in 2022. Additionally, public safety expenditures increased by approximately \$20,748; and public works expenses increased by \$97,329. Explanations for the variances follow in the document when comparing 2021 and 2022 operating results.

At the close of 2022, the City's governmental funds reported combined ending fund balances of \$7,349,672 as compared to \$7,682,959 at the end of 2021. This reflects a decrease of \$333,287, or 4.3%. The SPLOST fund showed the largest increase in fund balance for 2022, at \$544,951, due to debt funding used for vehicles instead of SPLOST collections. The TAD fund balance also increased by \$210,178, simply because no funds were expended during the year. On the other hand, the capital projects fund balance decreased by \$650,701 and the URA fund balance decreased by \$346,945; both reductions were related to capital projects budgeted and funded during the year.

Unassigned fund balance for the General Fund was \$4,055,563 at the end of 2022, as compared to \$4,127,324 at the end of 2021. This balance represents 99% 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 2022, the City anticipates expending the excess by the end of 2023 as major capital projects are fully implemented.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

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.

The statement of net position presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two 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, housing and development and economic development. The business-type activities of the City are the Stormwater 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 major capital projects fund.

The government-wide financial statements can be found on pages 16-18 of this report.

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

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

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 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, ARPA, SPLOST, URA and Capital Project Funds, which are reported as major funds. Data from the other two governmental funds (Police Seizures and Tax Allocation District) are combined into a single, aggregated presentation, but supplementary information on the individual non-major funds may be found beginning on page 62 of this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. Project length budgets are adopted for capital project funds. A budgetary comparison statement has been provided for the General Fund and special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19-21 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 Stormwater Utility and Sanitation functions. The basic proprietary fund financial statements can be found on pages 24-26 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 City has one fiduciary fund: Dottie Holmes Memorial Trust Fund. The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-58 of this report.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

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. The following chart is a depiction 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$ 9,521	\$ 9,049	\$ 879	\$ 1,241	\$ 10,400	\$ 10,291
Capital assets	14,977	9,540	1,489	964	16,466	10,504
Total assets	24,498	18,589	2,368	2,206	26,866	20,795
Deferred outflows-Pension	208	256	31	45	239	301
Liabilities						
Non-current liabilities	8,791	4,475	147	198	8,938	4,674
Other liabilities	1,597	1,348	46	53	1,643	1,400
Total liabilities	10,388	5,823	193	251	10,581	6,074
Deferred inflows-Lease	555	-	-	-	555	-
Deferred inflows-Pension	234	352	35	62	269	414
Net Position						
Net Investment in						
capital assets	6,723	4,963	1,432	854	8,155	5,817
Restricted	2,010	1,248	-	-	2,010	1,248
Unrestricted	4,796	6,459	739	1,083	5,535	7,542
Total net position	\$ 13,529	\$ 12,670	\$ 2,171	\$ 1,937	\$ 15,700	\$ 14,607

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 51.9% 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 million) or unrestricted (\$5.535 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 of net assets, for both the government as a whole and its business-type activities. During fiscal year 2022, the City's total primary government net position increased by \$1.093 million, or 7.5%. Several major projects, including the Town Green Park and the Public Works Building renovation, were completed during 2022.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Changes in Net Position

The following schedule presents a summary of changes in net position for the fiscal year ending December 31, 2022 (in thousands):

	City of Avondale Estates Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 513	\$ 532	\$ 1,353	\$ 1,372	\$ 1,866	\$ 1,904
Operating grants & contributions	-	173	-	-	-	173
Capital grants & contributions	621	982	-	-	621	982
General revenues:						
Property taxes	3,194	2,866	-	-	3,194	2,866
Franchise taxes	240	247	-	-	240	247
Insurance Premium taxes	286	245	-	-	286	245
Other taxes	247	277	-	-	247	277
Other revenues	80	48	-	-	80	48
Investment earnings	36	4	4	-	40	4
Total revenues	<u>5,217</u>	<u>5,374</u>	<u>1,357</u>	<u>1,372</u>	<u>6,574</u>	<u>6,746</u>
Expenses						
General government	1,707	666	-	-	1,707	666
Public safety	1,449	1,484	-	-	1,449	1,484
Public works	351	1,299	-	-	351	1,299
Recreation	670	550	-	-	670	550
Housing & Development	-	42	-	-	-	42
Economic Development	35	-	-	-	35	-
Interest	146	13	-	-	146	13
Sanitation	-	-	990	931	990	931
Stormwater	-	-	133	114	133	114
Total expenses	<u>4,358</u>	<u>4,054</u>	<u>1,123</u>	<u>1,045</u>	<u>5,481</u>	<u>5,099</u>
Change in net position	859	1,320	234	327	1,093	1,647
Net Position beginning of year	<u>12,670</u>	<u>11,350</u>	<u>1,937</u>	<u>1,610</u>	<u>14,607</u>	<u>12,960</u>
Net Position end of year	<u>\$ 13,529</u>	<u>\$ 12,670</u>	<u>\$ 2,171</u>	<u>\$ 1,937</u>	<u>\$ 15,700</u>	<u>\$ 14,607</u>

Governmental charges for services decreased during 2022 primarily due to the reduction in fines and forfeitures because a change to a more community focused policing strategy was adopted. Operating grants and contributions were down from 2021 primarily due to several grants that were received by the City in 2021. Property taxes reflect a gain of about \$328,000 over 2021 due to an increase in the City's tax digest. Most other revenue sources were consistent with prior years.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Total Primary Government expenses increased approximately \$383,000 in 2022. General government saw the largest increase (about \$1 million) as there was a change in the way expenses were allocated which also accounts for the Public Works decrease of \$948,000. Interest expenses increased by about \$134,000 due to the expense incurred for the Town Green Park project.

Reporting of business-type activities includes operations of the Stormwater utility and Sanitation Department. Business-type activities increased the City of Avondale Estates' net position by \$234,000 due to a decrease of about \$45,000 in the Sanitation Fund and an increase of \$279,000 in the Stormwater Fund. Expenses decreased by about \$19,000 in the Stormwater Fund and by about \$59,000 in the Sanitation Fund. The increases in the Sanitation Fund expenses were mainly due to employee wage and benefit increases, a recycling contract cost increase, and vehicle repair increases during 2022.

The City expects to spend down Stormwater reserves in 2023 as high-priority projects identified in the plan are completed. Both Stormwater and Sanitation fees are billed annually with property tax bills; the Sanitation Fund requires significant funding by the General Fund early in the year and then funds are transferred back to the General Fund as 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 \$7,349,672, a decrease of \$333,287 in comparison with the prior year. Of that total, \$4,055,563 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 2022 represents 99% of total General Fund expenditures for the year.

Of the total governmental fund balance, \$1,333,283 is non-spendable, with \$1,116,409 of that amount representing an asset held for resale, and the remainder being prepaid expenses and lease receivable. \$1,804,966 (consisting of \$1,306,190 in SPLOST collections and \$498,776 from the Tax Allocation District Fund collections) is restricted for capital outlay projects and \$13,636 is restricted for law enforcement outlays. The remainder has been assigned by the Board of Mayor and Commissioners to be spent on approved capital outlay projects in the Urban Redevelopment and Capital Projects Funds.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

The table below compares general fund revenues and expenditures for 2022 and 2021 (in thousands):

	General Fund		
	2022	2021	\$ Increase (Decrease)
Revenues			
Taxes	\$ 3,757	\$ 3,525	\$ 232
Licenses & permits	193	116	77
Intergovernmental	40	173	(133)
Fines & forfeitures	280	412	(132)
Charges for services	2	5	(3)
Interest income	25	1	24
Other revenues	80	49	31
Total revenues	<u>4,377</u>	<u>4,281</u>	<u>96</u>
Expenditures			
General government	1,627	1,598	29
Public safety	1,377	1,357	20
Public works	316	218	98
Recreation	636	639	(3)
Housing & Development	-	9	(9)
Debt Service:			
Principal retirements	-	-	-
Interest payments	140	-	140
Total expenditures	<u>4,096</u>	<u>3,821</u>	<u>275</u>
Excess of revenues over expenditures	<u>281</u>	<u>460</u>	<u>(179)</u>
Transfers to/from other funds (Net)	<u>(376)</u>	<u>(12)</u>	<u>(364)</u>
Net change in fund balances	(95)	448	(543)
Fund balances, beginning of year	<u>5,299</u>	<u>4,851</u>	<u>448</u>
Fund balances, end of year	<u>\$ 5,204</u>	<u>\$ 5,299</u>	<u>\$ (95)</u>

Fines and forfeitures showed the only significant decrease (\$131,076) from 2021 to 2022 primarily because a change to a more community focused policing strategy was adopted in 2022. Real property tax collections were about \$27,000 higher than in 2021 primarily to growth in the digest and economic development activities. Licenses and permits increased by \$77,000 due to several large construction projects that were permitted in the city during the year. Other revenues (miscellaneous and intangibles) increased by about \$81,000 due to increased donations to the city for events, police vehicle usage, and refunds.

Public safety expenditures showed an increase of approximately \$20,000 during 2022, as a result of repairs to several police vehicles and increased cost of gasoline. Following that function, public works expenditures increased by \$98,000 due to a new position in the department and an increase in the amount paid for electricity for street lights.

SPLOST Fund - The SPLOST Fund collected \$577,465 in sales taxes and has a remaining fund balance of \$1,490,678 restricted for capital projects by the 2018 SPLOST referendum.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Capital Projects Fund - The Capital Projects Fund received a transfer in of \$475,900 from the General Fund and spent \$1,031,981 on capital construction during the year. Remaining fund balance of \$81,417 is assigned by the City for future capital construction.

URA Fund - The URA Fund drew \$3,789,545 on the BAN note during the year and spent \$4,171,926 on capital construction during the year. The remaining fund balance of \$57,197 is assigned by the City for future capital construction. The URA intends to issue bonds once rates become more attractive.

ARPA Fund - The ARPA Fund is holding cash of \$1,188,240 until the City identifies eligible costs to charge for the program. The cash is considered unearned revenue and the only fund balance is from interest income.

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 Stormwater Utility Fund and Sanitation Fund, which are operated similarly to for-profit businesses, i.e., expenses incurred in providing services to residents are generally recouped through fees charged.

Revenue from Stormwater fees remained fairly consistent with 2021, at \$407,990. After accounting for interest income of \$4,039 and operating expenses of \$133,359, the Stormwater utility net position increased by \$278,670 for total net position of \$2,086,367 at the end of the fiscal year. The City anticipates strong infrastructure spending in 2023 and 2024.

Sanitation revenues decreased \$21,111, or 2.2%, in 2022, primarily due to a higher prior year receivable balance in 2021. After accounting for operating expenses of \$990,276, interest expense in the amount of \$2,987 and interest income in the amount of \$3,000, Sanitation had an operating loss of \$44,714. The fund's net position at the end of 2022 was \$84,988.

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 \$27 to net position during 2022 for a total of \$12,313 at year end.

General Fund Budgetary Highlights

The 2022 adopted budget anticipated no change in fund balance and served as the final budget at year-end. When closing the year, fund balance decreased very slightly, by only \$94,281, primarily due to interest expenses for the Town Green Park project. The final revenue budget included an additional \$240,000 in property taxes, an additional \$45,000 in motor vehicle taxes, and about \$93,000 transferred in to reimburse salaries for stormwater staff who are paid in the general fund. Revenue categories projected to decrease with the final budget were grants received and a reduction in funding/donations for some city activities. The revenue budget for 2022 was \$4,752,800. Actual revenue collections were \$4,377,837, or \$374,963 less than projected, mostly due to the community minded policing which resulted in less fines and forfeiture revenues.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The final expenditures budget was \$4,752,800 also. There were no budget amendments for 2022, even though some departments were over budget at year-end. Some departments had surplus funds which were utilized to cover overages within the government operations. The City's General Fund balance as of December 31, 2022, was \$5,204,358, or about 127% of the City’s actual General Fund expenditures for calendar year 2022. Actual expenditures (including transfers out) were about \$280,682 less than projected, which netted with revenues to show only a \$94,281 reduction in fund balance for the year.

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, 2022, amounts to \$16,465,818 (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 57% for the current calendar year. Major additions included nine public safety vehicles (\$404,000), public works building renovations (\$351,000), and the Town Green Park (\$7.7 million).

Additionally, another \$999,000 was added to construction in progress for the Highway 278/SR 10 project and street grid improvements currently under way. Accordingly, depreciation expenses also increased due to capitalization of projects completed during 2022. The City anticipates completing more significant capital projects, including the 278 Redesign, during 2023. Additional information on the City’s capital assets can be found in Note 7 on pages 45-47 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,901	\$ 2,901	\$ 102	\$ 102	\$ 3,003	\$ 3,003
Land Improvements	8,759	1,115	-	-	8,759	1,115
Infrastructure	51	65	1,166	592	1,217	657
Construction in Progress	2,200	5,041	45	101	2,245	5,143
Building & Improvements	424	88	-	-	424	88
Furniture, Equipment & Vehicles	642	330	176	169	818	499
Total	<u>\$ 14,977</u>	<u>\$ 9,540</u>	<u>\$ 1,489</u>	<u>\$ 964</u>	<u>\$ 16,466</u>	<u>\$ 10,505</u>

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Under land improvements for governmental activities, the Town Green Park and the Public Works Building renovations were completed in 2022. As of December 31, 2022, construction in progress included the following projects, which are scheduled for completion in future years:

- Highway 278/SR 10 Widening
- Street Grid Improvements

Business-type activities included the following infrastructure additions:

- Berkley Road Improvements
- Northwoods at Lake Avondale
- Majestic Circle Drain

Additionally, construction in progress at year-end included Washington and Pine Stormwater Infrastructure and Hydraulic Modeling Software. These projects will be completed in future years.

Long-term Debt

At the end of 2022, the City directly held long-term liabilities of \$109,091 for compensated absences and \$455,386 for net pension liability. Of these amounts, \$78,149 and \$396,414, respectively, were related to governmental activities with the remainder related to business-type activities. The City entered into financed purchases agreements with outstanding balances of \$573,713 as of December 31, 2022.

The City also held long-term debt through component units. The Urban Redevelopment Agency of the City drew \$3,789,545 on a bond anticipation note, which was issued during 2021 to provide funding for various urban redevelopment projects, bringing the total bond payable to \$7,799,593.

Additional information on the City's long-term debt can be found in Note 8 on pages 47-49 of this report.

Economic and Demographic Factors

According to the Bestplaces.net, the City of Avondale Estates, GA is an attractive place to live with a cost of living that is slightly below the US average. The 2 bedroom rent in Avondale Estates is \$1,140 compared to the US average of \$1,430. The Grocery Cost Index in Avondale Estates is 102 versus 100 in the US. Local companies in Avondale Estates include shops like The Book Exchange and restaurants such as Brickstore Pub. It's also home to antique mall Estates Emporium and coffee shop Banjo Coffee.

Avondale Estates has an unemployment rate of 4.8%. The US average is 6.0%. The City has seen the job market increase by 2.9% over the last year. Future job growth over the next ten years is predicted to be 44.7%, which is higher than the US average of 33.5%. The Sales Tax Rate for Avondale Estates is 7.0%. The US average is 7.3%. The Income Tax Rate for Avondale Estates is 6.0%, while the US average is 4.6%.

The average income of an Avondale Estates resident is \$49,563 a year. The US average is \$28,555 a year. The Median household income of an Avondale Estates resident is \$88,125 a year., while the US average is \$53,482 a year.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Next Year's Budget

The 2023 budget anticipates General Fund revenues of \$5,289,567, which is \$911,730 more than total actual 2022 revenue collections in the amount of \$4,377,837. The City expects greater permit revenue and occupational tax fees and has also created a dedicated capital projects fund; virtually all intergovernmental revenue will accrue to that fund rather than the General Fund. The General Fund budgeted expenditures also totaled \$5,289,567 for 2023. General Fund expenditures are projected to increase by about \$633,702 compared to the 2022 actual expenditures of \$4,096,216, as increased personnel and operation costs are expected to continue due to general economic and inflationary pressures.

The 2023 budgeted Sanitation Fund revenue amounts to \$1,006,212, an increase of about \$47,112 over 2022 due to expected increases in commercial usage and sanitation fees. The 2023 Sanitation Fund expenditures budget is \$1,006,212. Any actual increase in fund balance is retained by the fund for future capital or operating expenses.

Requests for Information

This financial report is designed to provide a general overview of the City of Avondale Estates' finances for all those with an interest in the government's finances. 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.

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 5,982,037	\$ 1,949,799	\$ 7,931,836	\$ 9,407,950
Accounts receivable	329,851	49,930	379,781	-
Property taxes receivable, net	50,079	-	50,079	-
Due from other governments	56,108	-	56,108	-
Lease receivables, due in one year	39,060	-	39,060	-
Lease receivables, due in more than one year	521,287	-	521,287	-
Due from component unit	100,287	-	100,287	-
Internal balances	1,120,883	(1,120,883)	-	-
Prepaid items	205,511	-	205,511	-
Asset held for redevelopment	1,116,409	-	1,116,409	-
Capital assets:				
Nondepreciable	5,101,190	146,650	5,247,840	633,602
Depreciable, net of accumulated depreciation	9,875,473	1,342,505	11,217,978	666,340
Total assets	24,498,175	2,368,001	26,866,176	10,707,892
TOTAL DEFERRED OUTFLOWS OF RESOURCES				
Pensions	207,894	30,927	238,821	-
Total deferred inflows of resources	207,894	30,927	238,821	-
LIABILITIES				
Accounts payable	372,166	45,994	418,160	29,962
Due to primary government	-	-	-	100,287
Accrued liabilities	40,260	-	40,260	-
Unearned revenue	1,184,630	-	1,184,630	-
Compensated absences, due within one year	78,149	30,942	109,091	-
Notes payable, due in more than one year	7,799,593	-	7,799,593	-
Financed purchases payable, due within one year	104,377	22,545	126,922	-
Financed purchases payable, due in more than one year	412,572	34,219	446,791	-
Net pension liability	396,414	58,972	455,386	-
Total liabilities	10,388,161	192,672	10,580,833	130,249
DEFERRED INFLOWS OF RESOURCES				
Lease revenue, deferred	554,649	-	554,649	-
Pensions	234,606	34,901	269,507	-
Total deferred inflows of resources	789,255	34,901	824,156	-
NET POSITION				
Net investment in capital assets	6,722,832	1,432,391	8,155,223	1,299,942
Restricted for law enforcement	13,636	-	13,636	-
Restricted for grant program	3,610	-	3,610	-
Restricted for capital construction	1,992,813	-	1,992,813	-
Unrestricted	4,795,762	738,964	5,534,726	9,277,701
Total net position	\$ 13,528,653	\$ 2,171,355	\$ 15,700,008	\$ 10,577,643

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

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,707,717	\$ 195,114	\$ -	\$ -
Public safety	1,448,874	280,455	-	48,614
Public works	350,694	-	-	572,715
Housing and development	-	36,658	-	-
Culture and recreation	669,889	-	-	-
Economic development	35,375	-	-	-
Interest and fiscal charges	146,229	-	-	-
Total governmental activities	4,358,778	512,227	-	621,329
Business-type activities:				
Stormwater	133,359	407,990	-	-
Sanitation	990,276	945,559	-	-
Total primary government	\$ 5,482,413	\$ 1,865,776	\$ -	\$ 621,329
Component unit:				
Downtown development authority	\$ 308,101	\$ 63,754	\$ -	\$ -
Total component unit	\$ 308,101	\$ 63,754	\$ -	\$ -

General revenues:
 Property taxes
 Franchise taxes
 Alcohol & excise taxes
 Insurance premium taxes
 Intangible taxes
 Unrestricted investment earnings
 Miscellaneous revenues
 Total general revenues
 Change in net position
Net position, beginning of year
Net position, end of year

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

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ (1,512,603)	\$ -	\$ (1,512,603)	\$ -
(1,119,805)	-	(1,119,805)	-
222,021	-	222,021	-
36,658	-	36,658	-
(669,889)	-	(669,889)	-
(35,375)	-	(35,375)	-
(146,229)	-	(146,229)	-
<u>(3,225,222)</u>	<u>-</u>	<u>(3,225,222)</u>	<u>-</u>
-	274,631	274,631	-
-	(44,717)	(44,717)	-
<u>(3,225,222)</u>	<u>229,914</u>	<u>(2,995,308)</u>	<u>-</u>
-	-	-	(244,347)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (244,347)</u>
\$ 3,193,965	\$ -	\$ 3,193,965	\$ -
239,751	-	239,751	-
197,057	-	197,057	-
286,472	-	286,472	-
50,199	-	50,199	-
36,385	-	36,385	147,337
79,991	4,052	84,043	2,115
<u>4,083,820</u>	<u>4,052</u>	<u>4,087,872</u>	<u>149,452</u>
858,598	233,966	1,092,564	(94,895)
12,670,055	1,937,389	14,607,444	10,672,538
<u>\$ 13,528,653</u>	<u>\$ 2,171,355</u>	<u>\$ 15,700,008</u>	<u>\$ 10,577,643</u>

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General Fund	SPLOST Fund	Capital Projects Fund	URA Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,718,764	\$ 1,325,275	\$ 174,843	\$ 58,966	\$ 1,188,240	\$ 515,949	\$ 5,982,037
Accounts receivable	329,851	-	-	-	-	-	329,851
Taxes receivable, net of allowance	48,908	-	-	-	-	1,171	50,079
Intergovernmental receivable	-	56,108	-	-	-	-	56,108
Lease receivables	560,347	-	-	-	-	-	560,347
Due from other funds	1,212,031	-	63,834	-	-	-	1,275,865
Due from component unit	100,287	-	-	-	-	-	100,287
Prepaid items	21,023	184,488	-	-	-	-	205,511
Asset held for redevelopment	1,116,409	-	-	-	-	-	1,116,409
Total assets	\$ 6,107,620	\$ 1,565,871	\$ 238,677	\$ 58,966	\$ 1,188,240	\$ 517,120	\$ 9,676,494
LIABILITIES							
Accounts payable	\$ 245,681	\$ 3,359	\$ 118,418	\$ -	\$ -	\$ 4,708	\$ 372,166
Accrued liabilities	40,260	-	-	-	-	-	40,260
Due to other funds	42,537	71,834	38,842	1,769	-	-	154,982
Unearned revenue	-	-	-	-	1,184,630	-	1,184,630
Total liabilities	328,478	75,193	157,260	1,769	1,184,630	4,708	1,752,038
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	20,135	-	-	-	-	-	20,135
Deferred lease revenue	554,649	-	-	-	-	-	554,649
Total deferred inflows of resources	574,784	-	-	-	-	-	574,784
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaid items	21,023	184,488	-	-	-	-	205,511
Asset held for redevelopment	1,116,409	-	-	-	-	-	1,116,409
Long term lease receivable	11,363	-	-	-	-	-	11,363
Restricted:							
Law enforcement	-	-	-	-	-	13,636	13,636
Grant program	-	-	-	-	3,610	-	3,610
Capital construction	-	1,306,190	-	-	-	498,776	1,804,966
Assigned:							
Capital construction	-	-	81,417	57,197	-	-	138,614
Unassigned	4,055,563	-	-	-	-	-	4,055,563
Total fund balances	5,204,358	1,490,678	81,417	57,197	3,610	512,412	7,349,672
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,107,620	\$ 1,565,871	\$ 238,677	\$ 58,966	\$ 1,188,240	\$ 517,120	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.							14,976,663
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.							(8,394,691)
Net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds, along with related deferred inflows and outflows of resources.							(423,126)
Some revenues are not available in the current period and, therefore, are not reported in the governmental funds.							20,135
Net position of governmental activities							<u>\$ 13,528,653</u>

The accompanying notes are an integral part of these statements.

CITY OF AVONDALE ESTATES, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	SPLOST Fund	Capital Projects Fund	URA Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 2,984,023	\$ -	\$ -	\$ -	\$ -	\$ 208,377	\$ 3,192,400
Franchise taxes	239,751	-	-	-	-	-	239,751
Alcohol excise taxes	42,173	-	-	-	-	-	42,173
Excise taxes	154,884	-	-	-	-	-	154,884
Insurance premium taxes	286,472	-	-	-	-	-	286,472
Intangible taxes	50,199	-	-	-	-	-	50,199
Licenses and permits	193,298	-	-	-	-	-	193,298
Intergovernmental	40,078	577,465	-	-	-	-	617,543
Charges for services	1,816	-	-	-	-	-	1,816
Fines and forfeitures	280,455	-	-	-	-	-	280,455
Contributions	16,900	-	-	-	-	-	16,900
Interest earned	24,697	3,786	5,380	996	3,478	1,834	40,171
Miscellaneous	63,091	-	-	36,658	-	-	99,749
Total revenues	<u>4,377,837</u>	<u>581,251</u>	<u>5,380</u>	<u>37,654</u>	<u>3,478</u>	<u>210,211</u>	<u>5,215,811</u>
Expenditures:							
Current:							
General government	1,626,834	-	-	53,926	-	-	1,680,760
Public safety	1,377,398	-	-	-	-	-	1,377,398
Public works	315,696	-	-	-	-	-	315,696
Recreation	635,804	-	-	-	-	-	635,804
Capital outlay	-	547,506	1,031,981	4,120,218	-	-	5,699,705
Debt service:							
Principal	-	34,058	-	-	-	-	34,058
Interest	140,486	5,743	-	-	-	-	146,229
Total expenditures	<u>4,096,218</u>	<u>587,307</u>	<u>1,031,981</u>	<u>4,174,144</u>	<u>-</u>	<u>-</u>	<u>9,889,650</u>
Excess (deficiency) of revenues over expenditures	281,619	(6,056)	(1,026,601)	(4,136,490)	3,478	210,211	(4,673,839)
Other financing sources (uses):							
Transfers in	-	-	375,900	-	-	-	375,900
Transfers out	(375,900)	-	-	-	-	-	(375,900)
Issuance of long-term debt	-	551,007	-	3,789,545	-	-	4,340,552
Total other financing sources (uses)	<u>(375,900)</u>	<u>551,007</u>	<u>375,900</u>	<u>3,789,545</u>	<u>-</u>	<u>-</u>	<u>4,340,552</u>
Net change in fund balances	(94,281)	544,951	(650,701)	(346,945)	3,478	210,211	(333,287)
Fund balances, beginning of year	<u>5,298,639</u>	<u>945,727</u>	<u>732,118</u>	<u>404,142</u>	<u>132</u>	<u>302,201</u>	<u>7,682,959</u>
Fund balances, end of year	<u>\$ 5,204,358</u>	<u>\$ 1,490,678</u>	<u>\$ 81,417</u>	<u>\$ 57,197</u>	<u>\$ 3,610</u>	<u>\$ 512,412</u>	<u>\$ 7,349,672</u>

The accompanying notes are an integral part of these 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, 2022

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

Net change in fund balances - total governmental funds \$ (333,287)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. 5,436,586

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 1,565

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt. (4,306,494)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 60,228

Change in net position - governmental activities \$ 858,598

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

CITY OF AVONDALE ESTATES, GEORGIA

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,164,700	\$ 3,164,700	\$ 2,984,023	\$ (180,677)
Franchise taxes	240,000	240,000	239,751	(249)
Alcohol excise taxes	35,000	35,000	42,173	7,173
Excise taxes	145,300	145,300	154,884	9,584
Insurance premium taxes	240,000	240,000	286,472	46,472
Intangible taxes	35,000	35,000	50,199	15,199
Licenses and permits	100,200	100,200	193,298	93,098
Intergovernmental	173,500	173,500	40,078	(133,422)
Charges for services	18,000	18,000	1,816	(16,184)
Fines and forfeitures	550,000	550,000	280,455	(269,545)
Contributions	-	-	16,900	16,900
Interest earned	3,000	3,000	24,697	21,697
Miscellaneous	48,100	48,100	63,091	14,991
Total revenues	<u>4,752,800</u>	<u>4,752,800</u>	<u>4,377,837</u>	<u>(374,963)</u>
Expenditures:				
Current:				
General government	1,680,900	1,680,900	1,626,834	54,066
Public safety	1,403,850	1,403,850	1,377,398	26,452
Public works	215,000	215,000	315,696	(100,696)
Recreation	612,500	612,500	635,804	(23,304)
Housing and development	15,000	15,000	-	15,000
Debt service:				
Interest	-	-	140,486	(140,486)
Total expenditures	<u>3,927,250</u>	<u>3,927,250</u>	<u>4,096,218</u>	<u>(168,968)</u>
Excess (deficiency) of revenues over expenditures	825,550	825,550	281,619	(543,931)
Other financing uses:				
Transfers out	(825,550)	(825,550)	(375,900)	449,650
Total other financing uses	<u>(825,550)</u>	<u>(825,550)</u>	<u>(375,900)</u>	<u>449,650</u>
Net change in fund balance	-	-	(94,281)	(94,281)
Fund balance, beginning of year	<u>5,298,639</u>	<u>5,298,639</u>	<u>5,298,639</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,298,639</u>	<u>\$ 5,298,639</u>	<u>\$ 5,204,358</u>	<u>\$ (94,281)</u>

CITY OF AVONDALE ESTATES, GEORGIA

**ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 584,275	\$ 584,275	\$ -	\$ (584,275)
Interest earned	-	-	3,478	3,478
Total revenues	<u>584,275</u>	<u>584,275</u>	<u>3,478</u>	<u>(580,797)</u>
Expenditures:				
Current:				
General government	584,275	584,275	-	584,275
Total expenditures	<u>584,275</u>	<u>584,275</u>	<u>-</u>	<u>584,275</u>
Net change in fund balance	-	-	3,478	3,478
Fund balance, beginning of year	<u>132</u>	<u>132</u>	<u>132</u>	<u>-</u>
Fund balance, end of year	<u>\$ 132</u>	<u>\$ 132</u>	<u>\$ 3,610</u>	<u>\$ 3,478</u>

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

ASSETS	Business-Type Activities		
	Enterprise Funds		Total Business-Type Activities
	Stormwater Fund	Sanitation Fund	
CURRENT ASSETS			
Cash	\$ 864,705	\$ 1,085,094	\$ 1,949,799
Accounts receivable	26,775	23,155	49,930
Due from other funds	-	42,037	42,037
Total current assets	891,480	1,150,286	2,041,766
NONCURRENT ASSETS			
Capital assets, non-depreciable	146,650	-	146,650
Capital assets, depreciable	1,329,351	940,870	2,270,221
Accumulated depreciation	(162,977)	(764,739)	(927,716)
Total capital assets, net	1,313,024	176,131	1,489,155
Total assets	2,204,504	1,326,417	3,530,921
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	-	30,927	30,927
Total deferred outflows of resources	-	30,927	30,927
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	30,804	15,190	45,994
Due to other funds	86,278	1,076,642	1,162,920
Compensated absences	1,055	29,887	30,942
Financed purchases payable	-	22,545	22,545
Total current liabilities	118,137	1,144,264	1,262,401
NONCURRENT LIABILITIES			
Financed purchases payable	-	34,219	34,219
Net pension liability	-	58,972	58,972
Total current liabilities	-	93,191	93,191
Total liabilities	118,137	1,237,455	1,355,592
DEFERRED INFLOWS OF RESOURCES			
Pension related items	-	34,901	34,901
Total deferred inflows of resources	-	34,901	34,901
NET POSITION			
Net investment in capital assets	1,313,024	119,367	1,432,391
Unrestricted	773,343	(34,379)	738,964
Total net position	\$ 2,086,367	\$ 84,988	\$ 2,171,355

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

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities		Total Business-Type Activities
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	
OPERATING REVENUE			
Stormwater fees	\$ 407,990	\$ -	\$ 407,990
Sanitation fees	-	945,559	945,559
Total operating revenues	407,990	945,559	1,353,549
OPERATING EXPENSES			
Personnel services	83,648	613,427	697,075
Contracted services	33,829	329,914	363,743
Depreciation	15,882	46,935	62,817
Total operating expenses	133,359	990,276	1,123,635
Operating income (loss)	274,631	(44,717)	229,914
NONOPERATING REVENUE (EXPENSE)			
Interest income	4,039	3,000	7,039
Interest expense	-	(2,987)	(2,987)
Change in net position	278,670	(44,704)	233,966
Total net position, beginning	1,807,697	129,692	1,937,389
Total net position, ending	\$ 2,086,367	\$ 84,988	\$ 2,171,355

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

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities		Total Business-Type Activities
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 396,829	\$ 892,765	\$ 1,289,594
Payments to employees	(2,845)	(392,019)	(394,864)
Payments to suppliers	(22,970)	(341,160)	(364,130)
Net cash provided by operating activities	<u>371,014</u>	<u>159,586</u>	<u>530,600</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	4,039	3,000	7,039
Interest expense	-	(2,987)	(2,987)
Net cash provided by noncapital financing activities	<u>4,039</u>	<u>13</u>	<u>4,052</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment on financed purchases	-	(53,236)	(53,236)
Purchase of capital assets	(533,574)	(54,172)	(587,746)
Net cash used in capital and related financing activities	<u>(533,574)</u>	<u>(107,408)</u>	<u>(640,982)</u>
Net change in cash	(158,521)	52,191	(110,382)
Cash, beginning of year	1,023,226	1,032,903	2,056,129
Cash, end of year	<u>\$ 864,705</u>	<u>\$ 1,085,094</u>	<u>\$ 1,945,747</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 274,631	\$ (44,717)	\$ 229,914
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	15,882	46,935	62,817
Change in assets and liabilities:			
Increase in accounts receivable	(11,161)	(10,757)	(21,918)
Increase in due from other funds	-	(42,037)	(42,037)
Decrease in deferred outflows of resources	-	14,199	14,199
Increase in compensated absences	1,055	4,783	5,838
Increase in due to other funds	79,748	240,455	320,203
Decrease in net pension liability	-	(4,395)	(4,395)
Decrease in deferred inflows of resources	-	(27,217)	(27,217)
Increase (decrease) in accounts payable	10,859	(17,663)	(6,804)
Net cash provided by operating activities	<u>\$ 371,014</u>	<u>\$ 159,586</u>	<u>\$ 530,600</u>

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

CITY OF AVONDALE ESTATES, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	Dottie Holmes Memorial Private Purpose Trust Fund
ASSETS	
Cash and cash equivalents	\$ 12,313
Total assets	<u>\$ 12,313</u>
NET POSITION	
Restricted for maintenance	\$ 12,313
	<u>\$ 12,313</u>

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

CITY OF AVONDALE ESTATES, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	Dottie Holmes Memorial Private Purpose Trust Fund
ADDITIONS:	
Interest income	\$ 27
Total additions	<u>27</u>
Change in net position	<u>27</u>
NET POSITION:	
Beginning of fiscal year	<u>12,286</u>
End of fiscal year	<u><u>\$ 12,313</u></u>

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

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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 government 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 Board of Commissioners/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), culture and recreation, housing and development, and general and administrative services. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the “primary government”) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Unit - In conformity with generally accepted accounting principles, the financial statements of the Avondale Estates Downtown Development Authority (the “DDA”) are presented as a discretely presented component unit. The DDA was created in 2001 by the Board of Commissioners pursuant to the Georgia Downtown Development Authorities Law. It operates through a Board of Directors consisting of seven (7) members appointed by the board of commissioners and the Mayor and they may also be removed by the Mayor and Board of Commissioners. The purpose of the DDA is to promote, to preserve, and to enhance a safe and economically viable central business district by focusing both public and private resources on maximizing the potential the historic downtown. Separate financial statements for the Downtown Development Authority are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Unit - The Urban Redevelopment Agency of the City of Avondale Estates was established as a legally separate entity. The five members of the Urban Redevelopment Agency are appointed by the Mayor and Board of Commissioners and they may also be removed by the Mayor and Board of Commissioners. The Urban Redevelopment Agency provides a means to issue revenue bonds for development within the City. Although it is legally separate from the City, the Urban Redevelopment Agency is reported as if it were a part of the primary government because its sole purpose is to finance the City's acquisition of property within the City, and the City is repaying the debt. The Urban Redevelopment Agency is reported as a capital project fund.

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 units. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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 those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, alcoholic beverage taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period, if the available criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **SPLOST Fund** is used to account for the special purpose local option sales tax revenue collected and payments made for capital project expenditures of those funds for major capital projects.

The **Capital Projects Fund** is 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.

The **Urban Redevelopment Agency (URA) Fund** is 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.

The **American Rescue Plan Act (ARPA) Fund** is for the receipts of Federal ARPA funds in response to the COVID-19 pandemic, and subsequent economic conditions

The City reports the following major proprietary funds:

The **Stormwater Fund** is used to account for the charges and expenses of maintaining the City's stormwater infrastructure.

The **Sanitation Fund** is used to account for the collection of garbage fees and related expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City also reports the following fund type:

The **Dottie Holmes Memorial Private Purpose Trust Fund** accounts for assets held by the City under the terms of a formal trust agreement to be used for the purpose of maintaining the rhododendron plant thicket and hedge at Lake Avondale.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets

Annual appropriated budgets are adopted for the general fund and special revenue funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets for governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America, for governmental funds. All appropriations lapse at year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City. A project length budget is adopted for all capital projects funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value as determined by quoted market prices.

F. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the 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

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., stormwater catch basins and piping, 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

Machinery and equipment	5-10 years
Vehicle	5 years
Land improvements	15-20 years
Infrastructure	10-20 years
Buildings and improvements	20-50 years

I. Leases

Lessor

The City is a lessor for noncancellable leases of cell tower space. The City recognizes a lease receivable and a deferred inflow of resources in the governmental activities financial statements. The City recognizes lease receivables with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The lease agreements entered into by the City do not contain a stated interest rate. Therefore, the City has used its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Vacation time is allowed to be carried over from the current calendar year up to a maximum of 240 hours without special approval from the City Administrator. All vacation pay is accrued when incurred in the government-wide and proprietary 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.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts (if any) are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types report the face amount of debt issued and any related premiums or discounts as other financing sources and debt issuance costs and debt service payments as expenditures.

L. Deferred Inflows/Outflows of Resources

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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenue, which arises under a modified accrual basis of accounting and, therefore, qualifies for reporting in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred revenue on lease receivables, which is reported both at the fund level and the government wide level.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Inflows/Outflows of Resources (Continued)

Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

M. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote of the Board of Commissioners through the adoption of a resolution. The same formal action is required to subsequently remove or modify a commitment of fund balance.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the board of commissioners has authorized the City's finance director to assign fund balances. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular governmental fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

N. Net Position

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

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, deferred outflows of resources, deferred inflows of resources, 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.

P. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pensions

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$8,394,691 difference are as follows:

Notes payable	\$ (7,799,593)
Financed purchases payable	(516,949)
Compensated absences (i.e., vacation)	<u>(78,149)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (8,394,691)</u></u>

Another element of that reconciliation explains that "net pension liability is not due and payable in the current period and, therefore, are not reported in the funds, along with related deferred inflows and outflows of resources." The details of this \$423,136 difference are as follows:

Net pension liability	\$ (396,414)
Deferred inflows of resources - pension	(234,606)
Deferred outflows of resources - pension	<u>207,894</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (423,126)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,436,586 difference are as follows:

Capital outlay	\$ 5,657,961
Depreciation expense	<u>(221,375)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 5,436,586</u>

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” This amount is the net effect of these differences in the treatment of long-term debt. The details of this \$4,306,494 difference are as follows:

Principal payments	\$ 34,058
Issuance of financed purchases payable	(551,007)
Issuance of notes payable	<u>(3,789,545)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ (4,306,494)</u>

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$60,228 difference are as follows:

Compensated absences	\$ 27,988
Net pension liability and deferred inflow/outflows of resources	<u>32,240</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 60,228</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

The following fund had departments with excess of actual expenditures over appropriations for the year ended December 31, 2022:

General Fund:		
Public works	\$	100,696
Recreation		23,304
Debt service- interest		140,486

These over expenditures were funded by available fund balance, and expenditures less than appropriations in other departments.

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

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 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, 2022, the City's bank balances were properly collateralized as defined by State Statutes.

Credit Risk – Investments: The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf/S1 rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The City has classified the Georgia Fund 1 funds as cash equivalents; therefore, cash equivalents includes \$10,220,139 in Georgia Fund 1. As of December 31, 2022, the Georgia Fund 1 had a weighted average maturity of 23 days and a credit rating of AAAf/S1.

Interest Rate Risk: The City does not have a formal policy that addresses interest rate risk. At December 31, 2022, the above investments were subject to interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments.

Credit Risk Policy: State statutes authorize the City to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the State of Georgia's Local Government Investment Pool (Georgia Fund 1) established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of December 31, 2022, the City's only investments were in the local government pool established by State law.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1 and are based on property values as of January 1. Property taxes were levied on July 2, 2022 and are due and payable in two installments. The first installment was due on September 30, 2022, and the second installment was due on November 16, 2022. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

In governmental funds, property taxes are recorded as receivables and unavailable revenues (deferred inflows of resources) when assessed. Revenues are recognized when available.

In the enterprise funds, stormwater and sanitation fees are billed annually on July 2 along with the property taxes and are due and payable in two installments. The first installment was due on September 30, 2022, and the second installment was due on November 16, 2022. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables at December 31, 2022 for the City's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Governmental</u>
Receivables:					
Taxes	\$ 51,486	\$ -	\$ -	\$ -	\$ -
Accounts	329,851	-	23,155	26,775	1,171
Intergovernmental	-	56,108	-	-	-
Less allowance for uncollectible	(2,578)	-	-	-	-
Net total receivable	<u>\$ 378,759</u>	<u>\$ 56,108</u>	<u>\$ 23,155</u>	<u>\$ 26,775</u>	<u>\$ 1,171</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASES RECEIVABLE

The City leased parcels of land to third parties for cell towers. The City receives variable monthly payments in amounts ranging from \$2,207 to \$2,807 and annual payments in amounts ranging from \$14,876 to \$16,743 which includes the principal and interest components of the payments. As the leases do not contain a specific interest rate, the City has used its incremental borrowing rate of .5% as the discount rate for the leases. For the current year, the City recognized \$44,725 in lease revenue and \$2,333 in interest revenue related to the leases. As of December 31, 2022, the City's receivable for lease payments was \$560,347. Also, the City has a deferred inflow of resources associated with the leases that will be recognized over the lease terms which end on January 1, 2026 and November 1, 2039. The deferred inflow of resources has a balance of \$554,649 as of December 31, 2022.

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease receivable - AT&T	\$ 78,173	\$ -	\$ (14,876)	\$ 63,297	\$ 15,006
Lease receivable - T-Mobile	521,201	-	(24,151)	497,050	24,054
	<u>\$ 599,374</u>	<u>\$ -</u>	<u>\$ (39,027)</u>	<u>\$ 560,347</u>	<u>\$ 39,060</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the year ended December 31, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 2,900,972	\$ -	\$ -	\$ -	\$ 2,900,972
Construction in progress	5,040,587	999,158	-	(3,839,527)	2,200,218
Total	<u>7,941,559</u>	<u>999,158</u>	<u>-</u>	<u>(3,839,527)</u>	<u>5,101,190</u>
Capital assets, being depreciated:					
Land improvements	1,222,589	4,118,449	-	3,606,192	8,947,230
Buildings and improvements	937,395	117,338	-	233,335	1,288,068
Infrastructure and improvements	327,493	-	-	-	327,493
Vehicles	894,640	403,882	-	-	1,298,522
Machinery and equipment	161,868	19,134	-	-	181,002
Total	<u>3,543,985</u>	<u>4,658,803</u>	<u>-</u>	<u>3,839,527</u>	<u>12,042,315</u>
Less accumulated depreciation for:					
Land improvements	(107,665)	(80,983)	-	-	(188,648)
Buildings and improvements	(849,193)	(15,252)	-	-	(864,445)
Infrastructure and improvements	(262,167)	(14,239)	-	-	(276,406)
Vehicles	(604,685)	(98,089)	-	-	(702,774)
Machinery and equipment	(121,757)	(12,812)	-	-	(134,569)
Total	<u>(1,945,467)</u>	<u>(221,375)</u>	<u>-</u>	<u>-</u>	<u>(2,166,842)</u>
Capital assets, net depreciation	<u>1,598,518</u>	<u>4,437,428</u>	<u>-</u>	<u>3,839,527</u>	<u>9,875,473</u>
Governmental activities capital assets, net	<u>\$ 9,540,077</u>	<u>\$ 5,436,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,976,663</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 101,505	\$ -	\$ -	\$ 101,505
Construction in progress	101,403	476,104	(532,362)	45,145
Total	202,908	476,104	(532,362)	146,650
Capital assets, being depreciated:				
Infrastructure and improvements	739,519	57,470	532,362	1,329,351
Machinery and equipment	886,698	54,172	-	940,870
Total	1,626,217	111,642	532,362	2,270,221
Less accumulated depreciation for:				
Infrastructure and improvements	(147,095)	(15,882)	-	(162,977)
Machinery and equipment	(717,804)	(46,935)	-	(764,739)
Total	(864,899)	(62,817)	-	(927,716)
Capital assets, net depreciation	761,318	48,825	532,362	1,342,505
Business-type activities capital assets, net	\$ 964,226	\$ 524,929	\$ -	\$ 1,489,155

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

Governmental activities:	
General government	\$ 10,045
Public safety	94,036
Public works	36,311
Culture and recreation	45,608
Housing and development	35,375
Total depreciation expense - governmental activities	\$ 221,375
Business-type activities:	
Stormwater	\$ 15,882
Sanitation	46,935
Total depreciation expense - business-type activities	\$ 62,817

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Downtown Development Authority of Avondale Estates

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 633,602	\$ -	\$ -	\$ 633,602
Total	<u>633,602</u>	<u>-</u>	<u>-</u>	<u>633,602</u>
Capital assets, being depreciated:				
Buildings	766,398	-	-	766,398
Total	<u>766,398</u>	<u>-</u>	<u>-</u>	<u>766,398</u>
Less accumulated depreciation for:				
Buildings	(74,511)	(25,547)	-	(100,058)
Total	<u>(74,511)</u>	<u>(25,547)</u>	<u>-</u>	<u>(100,058)</u>
Total capital assets being depreciated, net	<u>\$ 1,325,489</u>	<u>\$ (25,547)</u>	<u>\$ -</u>	<u>\$ 1,299,942</u>

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable - direct borrowing	\$ 4,010,048	\$ 3,789,545	\$ -	\$ 7,799,593	\$ -
Financed purchase payable	-	551,007	(34,058)	516,949	104,377
Compensated absences	106,137	59,492	(87,480)	78,149	78,149
Net pension liability	<u>359,077</u>	<u>348,416</u>	<u>(311,079)</u>	<u>396,414</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 4,475,262</u>	<u>\$ 4,748,460</u>	<u>\$ (432,617)</u>	<u>\$ 8,791,105</u>	<u>\$ 182,526</u>
Business-Type activities:					
Financed purchase payable	\$ 110,000	\$ -	\$ (53,236)	\$ 56,764	\$ 22,545
Compensated absences	25,104	24,378	(18,540)	30,942	30,942
Net pension liability	<u>63,367</u>	<u>41,882</u>	<u>(46,277)</u>	<u>58,972</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$ 198,471</u>	<u>\$ 66,260</u>	<u>\$ (118,053)</u>	<u>\$ 146,678</u>	<u>\$ 53,487</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Note Payable from Direct Borrowing – Governmental Activities On September 17, 2019, the Urban Redevelopment Agency of the City of Avondale Estates entered into a contract with PNC Bank, for the issuance of an \$8,400,000 bond anticipation note to finance certain redevelopment projects. The City is drawing on the \$8,400,000 and making interest only payments at a rate of 3.8% until bond rates decline and the City decides to issue a bond. As of December 31, 2022 the City has drawn a total of \$7,799,593 which is all considered due in more than one year. The City made interest payments of \$164,332 during the year ended December 31, 2022.

Financed Purchases from Direct Borrowings – Governmental Activities On August 20, 2022 the City entered into a lease agreement as lessee for financing the acquisition of various public safety vehicles for \$551,007 at an interest rate of 3.19%. The lease agreement qualifies as a financed purchase from direct borrowings for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The City has not yet received vehicles totaling \$184,488 related to the debt and those vehicles are recorded as a prepaid asset. Monthly principal and interest payments of \$9,950 are due through maturity on August 20, 2027.

The total debt service requirements to maturity for the governmental activities financed purchase is as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 104,377	\$ 15,024	\$ 119,401
2024	107,768	11,634	119,402
2025	111,268	8,133	119,401
2026	114,882	4,519	119,401
2027	78,654	947	79,601
Total	<u>\$ 516,949</u>	<u>\$ 40,257</u>	<u>\$ 557,206</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases from Direct Borrowings – Business Type Activities On April 14, 2021, the City entered into a lease agreement as lessee for financing the acquisition of a Knuckleboom Truck for \$110,000 with an interest rate of 2.88%. The lease agreement qualifies as a financed purchase from direct borrowings for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. Annual principal and interest payments of \$23,776 are due annually through Maturity on January 1, 2025.

The total debt service requirements to maturity for the business-type activities financed purchase is as follows:

Year ending December 31,	Principal	Interest	Total
2023	\$ 22,545	\$ 1,231	\$ 23,776
2024	22,787	989	23,776
2025	11,432	330	11,762
Total	\$ 56,764	\$ 2,550	\$ 59,314

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	SPLOST Fund	\$ 8,500
General Fund	URA Fund	1,769
General Fund	Capital Projects Fund	38,842
General Fund	Stormwater Fund	86,278
General Fund	Sanitation Fund	1,076,642
Capital Projects Fund	SPLOST Fund	63,334
Capital Projects Fund	General Fund	500
Sanitation Fund	General Fund	42,037
		\$ 1,317,902

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. SPLOST Fund payables are for allowable SPLOST project expenditures incurred in other funds.

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Downtown Development Authority	\$ 100,287

Interfund transfers:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 375,900

Transfers are used to move unrestricted General Fund revenues to finance the purchase and construction of capital assets in the Capital Projects Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the Mayor and Board of Commissioners, has established a defined benefit pension plan (the "City of Avondale Estates Retirement Plan") covering all full-time employees. The board of commissioners in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. 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 or on the internet at www.gmanet.com.

As provided by State law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the Mayor and Board of Commissioners, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees who work at least thirty (30) hours a week are eligible to participate. Elected officials have no waiting period for eligibility. Benefits vest after ten years of service. A City employee who retires at age 65 with five (5) years of service is entitled to benefits based on average earnings and years credited service. An employee may elect early retirement at age 55 provided he or she has a minimum of ten (10) years total credited service to receive full benefits. All employees hired on or after January 1, 2013 are required to contribute 4% of gross income to the plan.

At July 1, 2022, the date of the most recent actuarial valuation, there were 79 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	21
Terminated vested participants not yet receiving benefits	22
Active participants - vested	36
Total	<u>79</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For the year ended December 31, 2022, the actuarially determined contribution rate was 5.85% of covered payroll. For year ended December 31, 2022, the City's contribution to the Plan was \$130,602.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2022.

Actuarial assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00-8.50% including inflation
Investment rate of return	7.375%

Mortality rates for the July 1, 2022 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries and the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.55%
International equity	20	7.30
Real estate	10	3.65
Global fixed income	5	0.50
Domestic fixed income	20	0.40
Cash	—	
Total	100%	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2022, were as follows:

Primary Government:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/21	\$ 3,250,126	\$ 2,827,682	\$ 422,444
Changes for the year:			
Service cost	95,133	-	95,133
Interest	238,616	-	238,616
Differences between expected and actual experience	40,538	-	40,538
Contributions—employer	-	112,934	(112,934)
Contributions—employee	-	73,731	(73,731)
Net investment income	-	170,691	(170,691)
Benefit payments	(219,588)	(219,588)	-
Administrative expense	-	(16,011)	16,011
Net changes	154,699	121,757	32,942
Balances at 12/31/22	\$ 3,404,825	\$ 2,949,439	\$ 455,386

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, 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%)
City's net pension liability	\$ 835,160	\$ 455,386	\$ 136,785

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate (continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2022 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2022, the City recognized pension expense of \$66,760. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,133	\$ -
Change of assumptions	9,736	-
Net difference between projected and actual earnings on pension plan investments	-	(269,507)
City contributions subsequent to the measurement date	97,952	-
Total	\$ 238,821	\$ (269,507)

City contributions subsequent to the measurement date of \$97,952 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2023		\$ 36,202
2024		(44,001)
2025		(128,048)
2026		7,209
Total		\$ (128,638)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

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 Board of Commissioners.

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 for \$25 or 50% of the employee contribution. During 2022, employees contributed \$76,320 to the Plans while the City contributed \$73,616. As of December 31, 2022, there were 36 participants in the 457 Plan and 37 participants in the 401A Plan, and the fair value was \$503,014 for the 457 Plan and \$156,793 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, 2022, there were 8 participants in this plan.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which DeKalb County has paid on behalf of the City of Avondale Estates. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality 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, 229 Peachtree Street NE, Suite 100, Atlanta, Georgia 30303.

NOTE 13. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT (CONTINUED)

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.

Settled claims have not exceeded the coverages in the last three years.

NOTE 14. 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 arising 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2022, City property tax revenues were reduced by \$532,155 under agreements entered into by the Avondale Estates Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 16. CONDUIT DEBT

The Downtown Development Authority (the "DDA") issues private activity tax exempt and taxable revenue bonds to private sector entities for projects located within the city limits of Avondale Estates. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the DDA for any of the bonds. As of December 31, 2022, the DDA disclosed the aggregate original issue amount to be \$107,000,000. The amount outstanding at December 31, 2022 was \$84,110,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AVONDALE ESTATES, GEORGIA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability				
Service cost	\$ 95,133	\$ 74,378	\$ 88,685	\$ 64,294
Interest on total pension liability	238,616	222,588	201,889	189,403
Differences between expected and actual experience	40,538	93,076	186,407	37,941
Changes of assumptions	-	-	-	-
Change in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(219,588)	(167,357)	(183,315)	(115,784)
Other	-	-	38,944	-
Net change in total pension liability	<u>154,699</u>	<u>222,685</u>	<u>332,610</u>	<u>175,854</u>
Total pension liability - beginning	<u>3,250,126</u>	<u>3,027,441</u>	<u>2,694,831</u>	<u>2,518,977</u>
Total pension liability - ending (a)	<u><u>\$3,404,825</u></u>	<u><u>\$ 3,250,126</u></u>	<u><u>\$3,027,441</u></u>	<u><u>\$2,694,831</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 112,934	\$ 113,115	\$ 109,189	\$ 114,558
Contributions - employee	73,731	67,692	55,462	41,989
Net investment income	170,691	871,325	(144,793)	72,670
Benefit payments, including refunds of member contributions	(219,588)	(167,357)	(183,315)	(115,784)
Administrative expenses	(16,011)	(15,761)	(16,992)	(16,019)
Net change in plan fiduciary net position	<u>121,757</u>	<u>869,014</u>	<u>(180,449)</u>	<u>97,414</u>
Plan fiduciary net position - beginning	<u>2,827,682</u>	<u>1,958,668</u>	<u>2,139,117</u>	<u>2,041,703</u>
Plan fiduciary net position - ending (b)	<u><u>\$2,949,439</u></u>	<u><u>\$ 2,827,682</u></u>	<u><u>\$1,958,668</u></u>	<u><u>\$2,139,117</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ 455,386</u></u>	<u><u>\$ 422,444</u></u>	<u><u>\$1,068,773</u></u>	<u><u>\$ 555,714</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.63%	87.00%	64.70%	79.38%
Covered payroll	\$2,224,598	\$ 2,207,709	\$1,868,807	\$2,055,295
City's net pension liability as a percentage of covered payroll	20.47%	19.13%	57.19%	27.04%

(Continued)

CITY OF AVONDALE ESTATES, GEORGIA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 80,361	\$ 72,663	\$ 73,516	\$ 62,436
Interest on total pension liability	182,289	175,205	163,670	149,093
Differences between expected and actual experience	(98,621)	(68,950)	1,470	43,086
Changes of assumptions	-	-	-	(8,799)
Change in benefit terms	-	-	-	26,800
Benefit payments, including refunds of employee contributions	(81,427)	(93,599)	(86,034)	(83,009)
Other	43,547	-	-	-
Net change in total pension liability	<u>126,149</u>	<u>85,319</u>	<u>152,622</u>	<u>189,607</u>
Total pension liability - beginning	<u>2,392,828</u>	<u>2,307,509</u>	<u>2,154,887</u>	<u>1,965,280</u>
Total pension liability - ending (a)	<u><u>\$2,518,977</u></u>	<u><u>\$ 2,392,828</u></u>	<u><u>\$2,307,509</u></u>	<u><u>\$2,154,887</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 144,663	\$ 154,645	\$ 146,523	\$ 142,543
Contributions - employee	28,157	22,901	18,911	10,067
Net investment income	219,434	191,557	5,556	121,731
Benefit payments, including refunds of member contributions	(81,427)	(93,599)	(86,034)	(83,009)
Administrative expenses	(15,960)	(16,214)	(8,674)	(7,116)
Net change in plan fiduciary net position	<u>294,867</u>	<u>259,290</u>	<u>76,282</u>	<u>184,216</u>
Plan fiduciary net position - beginning	<u>1,746,836</u>	<u>1,487,546</u>	<u>1,411,264</u>	<u>1,227,048</u>
Plan fiduciary net position - ending (b)	<u><u>\$2,041,703</u></u>	<u><u>\$ 1,746,836</u></u>	<u><u>\$1,487,546</u></u>	<u><u>\$1,411,264</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ 477,274</u></u>	<u><u>\$ 645,992</u></u>	<u><u>\$ 819,963</u></u>	<u><u>\$ 743,623</u></u>
Plan fiduciary net position as a percentage of the total pension liability	81.05%	73.00%	64.47%	65.49%
Covered payroll	\$1,681,314	\$ 1,795,145	\$1,691,563	\$1,608,490
City's net pension liability as a percentage of covered payroll	28.39%	35.99%	48.47%	46.23%

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

CITY OF AVONDALE ESTATES, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS

	2022	2021	2020	2019
Actuarially determined contribution	\$ 130,602	\$ 125,967	\$ 105,668	\$ 103,133
Contributions in relation to the actuarially determined contribution	130,602	125,967	105,668	103,133
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,232,513	\$ 1,888,561	\$ 2,039,923	\$ 1,704,678
Contributions as a percentage of covered payroll	5.85%	6.67%	5.18%	6.05%
	2018	2017	2016	2015
Actuarially determined contribution	\$ 127,023	\$ 204,600	\$ 175,594	\$ 165,303
Contributions in relation to the actuarially determined contribution	125,330	204,600	175,594	165,303
Contribution deficiency (excess)	\$ 1,693	\$ -	\$ -	\$ -
Covered payroll	\$ 1,825,043	\$ 1,717,964	\$ 1,635,036	\$ 1,471,080
Contributions as a percentage of covered payroll	6.87%	11.91%	10.74%	11.24%

Notes to the Schedule of City Contributions:

(1) Actuarial Assumptions used to determine contributions:

Valuation Date	July 1, 2022
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	amortization period of 10 years.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenues funds are used to accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than capital projects.

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

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.

CITY OF AVONDALE ESTATES, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Police Seizure Fund	TAD Fund	
ASSETS			
Cash and cash equivalents	\$ 18,344	\$ 497,605	\$ 515,949
Taxes receivable	-	1,171	1,171
Total assets	\$ 18,344	\$ 498,776	\$ 517,120
LIABILITIES			
Accounts payable	\$ 4,708	\$ -	\$ 4,708
Total liabilities	4,708	-	4,708
FUND BALANCES			
Restricted:			
Law enforcement	13,636	-	13,636
Capital construction	-	498,776	498,776
Total fund balances	13,636	498,776	512,412
Total liabilities, deferred inflows of resources and fund balances	\$ 18,344	\$ 498,776	\$ 517,120

CITY OF AVONDALE ESTATES, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Police Seizure Fund</u>	<u>TAD Fund</u>	
Revenues			
Property taxes	\$ -	\$ 208,377	\$ 208,377
Interest earned	33	1,801	1,834
Total revenues	<u>33</u>	<u>210,178</u>	<u>210,211</u>
Excess of revenues over expenditures	<u>33</u>	<u>210,178</u>	<u>210,211</u>
Net change in fund balances	33	210,178	210,211
Fund balances, beginning of year	<u>13,603</u>	<u>288,598</u>	<u>302,201</u>
Fund balances, end of year	<u>\$ 13,636</u>	<u>\$ 498,776</u>	<u>\$ 512,412</u>

CITY OF AVONDALE ESTATES, GEORGIA
POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest	\$ 5	\$ 5	\$ 33	\$ 28
Total revenues	5	5	33	28
Net change in fund balances	5	5	33	28
Fund balances, beginning of year	13,603	13,603	13,603	-
Fund balances, end of year	<u>\$ 13,608</u>	<u>\$ 13,608</u>	<u>\$ 13,636</u>	<u>\$ 28</u>

CITY OF AVONDALE ESTATES, GEORGIA
TAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 97,700	\$ 97,700	\$ 208,377	\$ 110,677
Interest	100	100	1,801	1,701
Total revenues	<u>97,700</u>	<u>97,700</u>	<u>210,178</u>	<u>110,677</u>
Net change in fund balances	97,700	97,700	210,178	112,478
Fund balances, beginning of year	<u>288,598</u>	<u>288,598</u>	<u>288,598</u>	<u>-</u>
Fund balances, end of year	<u>\$ 386,298</u>	<u>\$ 386,298</u>	<u>\$ 498,776</u>	<u>\$ 112,478</u>

CITY OF AVONDALE ESTATES, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2022

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
2018 SPLOST:						
Road Resurfacing/Paving	\$ 2,106,616	\$ 2,106,616	\$ -	\$ -	\$ -	0.00 %
Transportation Improvements	2,200,000	2,200,000	459,775	108,133	567,908	25.81
Public safety	349,435	349,435	349,434	479,174	828,608	237.13
Total SPLOST	<u>\$ 4,656,051</u>	<u>\$ 4,656,051</u>	<u>\$ 809,209</u>	<u>\$ 587,307</u>	<u>\$ 1,396,516</u>	

DOWNTOWN DEVELOPMENT AUTHORITY

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY DECEMBER 31, 2022

ASSETS		
Cash		\$ 9,407,950
Total current assets		<u>\$ 9,407,950</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		\$ 29,962
Due to primary government		<u>100,287</u>
Total liabilities		<u>130,249</u>
 FUND BALANCE		
Unassigned		<u>9,277,701</u>
Total liabilities and fund balance		<u>\$ 9,407,950</u>

CITY OF AVONDALE ESTATES, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUES	
Rent	\$ 63,754
Interest	147,337
Miscellaneous	<u>2,115</u>
Total revenues	<u>213,206</u>
 EXPENDITURES	
Economic development	<u>282,554</u>
Total expenditures	<u>282,554</u>
Net change in fund balance	(69,348)
 FUND BALANCE, beginning of year	 <u>9,347,049</u>
 FUND BALANCE, end of year	 <u><u>\$ 9,277,701</u></u>

STATISTICAL SECTION

This part of the City of Avondale Estates' annual comprehensive 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.

	<u>Page</u>
Financial Trends	69
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	76
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	80
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.	
Demographic and Economic Information	83
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	85
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF AVONDALE ESTATES, GEORGIA

NET POSITION BY COMPONENT LAST TEN YEARS (accrual basis of accounting) (amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 6,723	\$ 5,530	\$ 4,113	\$ 3,231	\$ 3,097	\$ 2,928	\$ 2,988	\$ 2,799	\$ 2,288	\$ 2,335
Restricted	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324	979	552
Unrestricted	4,796	5,892	5,055	3,842	2,933	2,111	1,710	1,764	2,509	2,180
Total governmental activities net position	<u>\$ 13,529</u>	<u>\$ 12,670</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 1,432	\$ 875	\$ 784	\$ 224	\$ 208	\$ 219	\$ 104	\$ 15	\$ 43	\$ 71
Unrestricted	739	1,062	826	1,363	1,209	1,064	1,060	1,035	919	823
Total business-type activities net position	<u>\$ 2,171</u>	<u>\$ 1,937</u>	<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>
Primary government										
Net investment in capital assets	\$ 8,155	\$ 6,405	\$ 4,897	\$ 3,455	\$ 3,305	\$ 3,147	\$ 3,092	\$ 2,814	\$ 2,331	\$ 2,406
Restricted	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324	979	552
Unrestricted	5,535	6,954	5,881	5,205	4,142	3,175	2,770	2,799	3,428	3,003
Total primary government net position	<u>\$ 15,700</u>	<u>\$ 14,607</u>	<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>

CITY OF AVONDALE ESTATES, GEORGIA

CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting) (amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 1,708	\$ 666	\$ 1,209	\$ 1,799	\$ 1,241	\$ 1,369	\$ 1,393	\$ 1,166	\$ 1,110	\$ 997
Public safety	1,449	1,484	1,317	1,261	1,264	1,236	1,112	1,115	1,078	1,080
Public works	350	1,299	343	432	322	958	679	269	286	320
Recreation	670	550	476	472	426	384	392	342	359	403
Housing and development	-	42	8	15	78	180	36	-	-	-
Economic Development	35	-	-	-	-	-	-	-	-	-
Interest on long-term debt	146	12	4	1	3	8	12	17	21	-
Total governmental activities expenses	<u>4,358</u>	<u>4,054</u>	<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>
Business-type activities:										
Stormwater	133	115	169	-	1	16	26	49	61	23
Sanitation	990	931	770	799	749	691	720	730	714	699
Total business-type activities expenses	<u>1,123</u>	<u>1,045</u>	<u>939</u>	<u>799</u>	<u>750</u>	<u>707</u>	<u>746</u>	<u>779</u>	<u>775</u>	<u>722</u>
Total primary government expenses	<u>\$ 5,481</u>	<u>\$ 5,099</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 195	\$ 120	\$ 93	\$ 779	\$ 175	\$ 382	\$ 114	\$ 132	\$ 137	\$ 55
Public safety	280	412	457	648	574	455	514	552	639	554
Housing and development	37	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	173	972	58	421	52	68	71	143	93
Capital grants and contributions	621	982	606	696	154	-	-	-	-	-
Total governmental activities program revenues	<u>1,133</u>	<u>1,687</u>	<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>
Business-type activities:										
Charges for services:										
Stormwater	408	405	132	132	132	132	136	134	125	129
Sanitation	945	967	828	833	852	739	735	730	659	396
Capital grants and contributions	-	-	-	-	-	133	-	-	-	-
Total business-type activities program revenues	<u>1,353</u>	<u>1,372</u>	<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>
Total primary government program revenues	<u>\$ 2,486</u>	<u>\$ 3,059</u>	<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>

(continued)

CITY OF AVONDALE ESTATES, GEORGIA

CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting) (amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (expense)/revenue										
Governmental activities	\$ (3,225)	\$ (2,367)	\$ (1,229)	\$ (1,799)	\$ (2,010)	\$ (3,246)	\$ (2,928)	\$ (2,154)	\$ (1,935)	\$ (2,098)
Business-type activities	230	326	21	166	234	297	125	85	9	(197)
Total primary government net expense	<u>\$ (2,995)</u>	<u>\$ (2,040)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 3,194	\$ 2,866	\$ 2,653	\$ 2,498	\$ 2,258	\$ 2,102	\$ 1,986	\$ 1,824	\$ 1,709	\$ 1,672
Franchise taxes	240	247	361	228	217	192	191	186	170	179
Other taxes	533	522	478	450	560	931	889	767	769	531
Unrestricted investment earnings	36	5	18	41	9	5	5	5	4	5
Miscellaneous	80	49	65	56	66	60	58	105	46	58
Transfers	-	-	-	-	103	180	15	(121)	(54)	(303)
Total governmental activities	<u>4,083</u>	<u>3,688</u>	<u>3,574</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>
Business-type activities:										
Unrestricted investment earnings	4	1	3	3	3	3	3	3	3	2
Transfers	-	-	-	-	(103)	(180)	(15)	121	54	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>4</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>(100)</u>	<u>(177)</u>	<u>(12)</u>	<u>124</u>	<u>57</u>	<u>2</u>
Total primary government	<u>\$ 4,087</u>	<u>\$ 3,689</u>	<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>
Change in Net Position										
Governmental activities	\$ 858	\$ 1,321	\$ 2,346	\$ 1,473	\$ 1,203	\$ 224	\$ 216	\$ 612	\$ 709	\$ 44
Business-type activities	234	328	23	169	134	120	113	209	68	108
Total primary government	<u>\$ 1,092</u>	<u>\$ 1,649</u>	<u>\$ 2,369</u>	<u>\$ 1,642</u>	<u>\$ 1,337</u>	<u>\$ 344</u>	<u>\$ 329</u>	<u>\$ 821</u>	<u>\$ 777</u>	<u>\$ 152</u>

CITY OF AVONDALE ESTATES, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General fund										
Nonspendable	\$1,148	\$1,148	\$ 1,137	\$ 1,129	\$ 1,151	\$ 1,136	\$ 1,139	\$ 1,146	\$ 1,140	\$ 1,091
Restricted	-	-	-	1,071	1,133	1,258	1,375	1,294	949	522
Assigned	-	23	27	26	259	199	379	23	21	16
Unassigned	4,056	4,128	3,687	3,132	2,018	1,502	1,188	1,673	2,068	1,937
Total general fund	<u>\$5,204</u>	<u>\$5,299</u>	<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>
All other governmental funds										
Nonspendable	\$ 184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,822	1,248	2,181	859	367	30	30	34	30	30
Assigned	139	1,136	814	16	11	14	9	-	-	9
Unassigned (Deficit)	-	-	(2)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$2,145</u>	<u>\$2,384</u>	<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>

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues										
Taxes	\$ 3,965	\$ 3,636	\$ 3,498	\$ 3,153	\$ 3,042	\$ 3,218	\$ 3,069	\$ 2,774	\$ 2,658	\$ 2,388
Licenses and permits	193	116	90	759	153	359	93	112	115	36
Intergovernmental	618	1,076	1,578	753	575	52	68	71	143	92
Fines and forfeitures	280	412	457	648	574	455	513	552	639	555
Charges for services	2	5	4	20	22	23	21	20	22	19
Interest income	40	4	18	42	9	5	5	5	4	5
Other revenues	118	48	65	56	66	60	58	104	46	59
Total revenues	<u>5,216</u>	<u>5,297</u>	<u>5,710</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>
Expenditures										
General government	1,681	1,723	1,519	2,039	1,542	1,449	1,474	1,685	1,099	959
Public safety	1,377	1,447	1,272	1,217	1,224	1,190	1,158	1,108	1,074	1,070
Public works	316	577	273	399	299	953	661	243	258	292
Recreation	636	639	449	448	426	383	391	341	358	401
Housing and development	-	10	6	15	78	180	36	-	-	-
Capital outlay	5,700	4,628	890	357	-	-	-	-	-	4
Debt service										
Principal retirements	34	-	-	-	169	165	160	155	151	-
Interest and fiscal charges	146	13	4	1	3	8	12	17	21	-
Total expenditures	<u>9,890</u>	<u>9,037</u>	<u>4,413</u>	<u>4,476</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>
Excess of revenues over (under) expenditures	(4,674)	(3,740)	1,297	955	363	(155)	(64)	89	666	428
Other financing sources (uses)										
Transfers in	376	(12)	2,012	41	103	179	25	-	-	-
Transfers out	(376)	12	(2,012)	(41)	-	(10)	(10)	(131)	(54)	(303)
Issuance of long-term debt	4,341	3,579	314	-	-	-	-	-	-	800
Total other financing sources (uses)	<u>4,341</u>	<u>3,579</u>	<u>314</u>	<u>-</u>	<u>103</u>	<u>169</u>	<u>15</u>	<u>(131)</u>	<u>(54)</u>	<u>497</u>
Net change in fund balances	<u>\$ (333)</u>	<u>\$ (161)</u>	<u>\$ 1,610</u>	<u>\$ 955</u>	<u>\$ 466</u>	<u>\$ 14</u>	<u>\$ (49)</u>	<u>\$ (42)</u>	<u>\$ 612</u>	<u>\$ 925</u>
Debt service as a percentage of noncapital expenditures	4.25%	0.15%	0.10%	0.02%	4.60%	4.00%	4.42%	4.85%	5.81%	0.00%

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

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Occupational Tax</u>	<u>HOST Sales Tax (2)</u>	<u>SPLOST Sales Tax (2)</u>	<u>Other Taxes</u>	<u>Total</u>
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
2021	2,866	247	245	89	-	530	189	4,166
2022	3,194	240	287	140	-	577	247	4,685

(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
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax (1)	Franchise Tax	Insurance Premium Tax	Occupational Tax	HOST Sales Tax (2)	SPLOST Sales Tax (2)	Other Taxes	Total
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
2021	2,847	247	245	88	-	530	189	4,146
2022	3,192	240	287	140	-	577	107	4,543

(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					
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	618,535	40.00%
2020	274,816	1,762	2,197	1,534	694	279,615	9.800	699,038	40.00%
2021	312,214	1,688	2,019	1,243	12,007	305,157	9.800	762,893	40.00%
2022	348,916	1,783	2,223	1,054	39,918	314,058	9.800	785,145	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

<u>Calendar Year</u>	<u>City of Avondale Estates, Georgia</u>			<u>Overlapping Rates</u>		<u>Total Direct & Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>DeKalb County</u>	<u>State</u>	
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
2021	9.800	0.000	9.800	36.32	0.00	46.120
2022	9.800	0.000	9.800	35.62	0.00	45.418

CITY OF AVONDALE ESTATES, GEORGIA

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

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	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	0.64 %			%
TOSC Properties LLC	1,160	2	0.37			
Toll Southeast LP Company Inc	1,140	3	0.36			
Little Tree Properties	1,095	4	0.35			
OCP Avondale LLC	1,092	5	0.35	\$ 430	8	0.29
Georgia Power Co.	1,056	6	0.34	639	4	0.43
S 4110 Property LLC	976	7	0.31			
Brewcraft LLC	640	8	0.20			
TT and G LLC	627	9	0.20			
Gargiulo Joseph C	586	10	0.19	1,576	1	1.06
Georgia Duck and Cortage Mill				1,322	2	0.89
Flagstar Bank				1,305	3	0.87
Michael Plasker				580	5	0.39
Cleveland Construction Inc				466	6	0.31
David Ladet				451	7	0.30
Waffle House Inc				421	9	0.28
Southcrest Bank				420	10	0.28
All others	303,668		96.69	141,763		94.91
	<u>\$ 314,058</u>		<u>100 %</u>	<u>\$ 149,373</u>		<u>100 %</u>

Source: DeKalb County Tax Commissioners Office

CITY OF AVONDALE ESTATES, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (amounts expressed in thousands)

Tax Year*	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	77	2,000	99.95%
2018	2,155	2,066	95.9%	88	2,154	99.95%
2019	2,393	2,256	94.3%	123	2,379	99.41%
2020	2,445	2,403	98.3%	33	2,436	99.63%
2021	2,869	2,813	98.0%	21	2,834	98.78%
2022	2,960	2,889	97.6%	-	2,889	97.60%

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
	General Obligation Bonds	Notes Payable	Financed Purchases	Notes Payable	Financed Purchases			
2013	\$ -	-	\$ 800	\$ -	\$ -	\$ 800	0.60%	\$ 264
2014	-	-	649	-	-	649	0.47%	212
2015	-	-	494	-	-	494	0.36%	160
2016	-	-	334	-	-	334	0.21%	107
2017	-	-	169	-	-	169	0.10%	53
2018	-	-	-	-	-	-	0.00%	-
2019	-	117	117	-	-	234	0.12%	75
2020	-	432	432	-	-	864	0.42%	275
2021	-	4,010	4,010	-	110	8,130	3.42%	2,279
2022	-	7,800	517	-	57	8,374	3.47%	2,397

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	\$ 161,247	0.955%	\$ 1,539
Fulton-DeKalb Hospital Authority (DeKalb Portion)	29,926	0.955%	286
DeKalb County Board of Education	218,089	0.955%	2,082
Total overlapping debt	409,262		1,539
City direct debt	8,374	100.000%	8,374
Total direct and overlapping debt	\$ 417,636		\$ 9,913

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. 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)

Assessed Value	\$	314,058
Add back: exempt real property		<u>39,918</u>
Total assessed value		353,976
Debt limit (10% of total assessed value)		35,398
Total debt		<u>8,374</u>
Legal debt margin	\$	<u><u>27,024</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.

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>
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%
2021	3,567	237,562	67	49.1	81%	960	4.8%
2022	3,494	241,086	69	47.7	86%	1,010	4.8%

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

(2) Source: Georgia Department of Labor

(3) Avondale Estates Museum School Enrollment is included

(4) American Community Survey estimates, 2020

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL EMPLOYERS LAST TEN YEARS

2022 Employers	2021 Employers	2020 Employers	2019 Employers	2018 Employers
Davey Tree, dba Arboguard DeKalb Collision Center Easter Seals North Georgia Inc. Financial Control Group Harley Collision Centers Home Forge Remodeling LLC Jollay Masonry Jordon Construction Company Waffle House # 1000 Wild Heaven Craft Beers	5 Star Office Furniture Bonnie Carter Fine Art Davey Tree, dba Arboguard DeKalb Collision Center Easter Seals North Georgia Inc. Financial Control Group Finders Keepers Consignment Home Forge Remodeling LLC Jollay Masonry Waffle House # 1000	Community Development Institute Davey Tree, dba Arboguard 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 Arboguard Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical My Parents' Basement Savage Pizza Waffle House # 1000	Community Development Institute Davey Tree, dba Arboguard Globe Chemical Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical Rite Aid # 11690 Savage Pizza Waffle House # 1000
2017 Employers	2016 Employers	2015 Employers	2014 Employers	2013 Employers
Ace & A Heating and Air Arboguard Tree Service Globe Chemical Jollay Masonry LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Arboguard Tree Globe Chemical Jollay Masonry Lanier Jones Mechanical LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Ace & A Heating and Air Arboguard 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 Arboguard 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 Arboguard 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.

CITY OF AVONDALE ESTATES, GEORGIA

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

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	9	9	9	8	8	8	8	8	8	7
Public safety										
Police Officers	12	12	15	14	14	14	14	13	13	12
Public Works	1	1	1	2	2	2	2	2	2	2
Sanitation	9	9	10	11	11	11	11	11	12	11
Culture & Recreation	7	6	8	7	7	7	6	6	3	6
Total	<u>38</u>	<u>37</u>	<u>43</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>41</u>	<u>40</u>	<u>38</u>	<u>38</u>

Source: City of Avondale Estates department records

CITY OF AVONDALE ESTATES, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	<u>2022 (1)</u>	<u>2021</u>	<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>Police</u>										
Homicide	-	-	-	-	-	-	-	-	-	-
Robbery	3	2	2	2	2	2	4	1	-	3
Aggravated Assault	3	1	1	1	-	3	1	-	1	4
Auto Theft	5	7	5	3	4	5	3	6	2	8
Burglary	9	11	10	4	13	14	18	12	7	9
Larceny	81	116	26	55	58	44	48	49	37	66
<u>Municipal Court</u>										
Traffic Citations Issued	1,206	1,881	1,558	3,866	3,104	2,870	2,580	3,030	3,123	4,368

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.

(1) Decrease in traffic citations was due to community minded policing efforts which resulted in fewer citations.

CITY OF AVONDALE ESTATES, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	12	12	8	8	8	7	6	5	4
Public Works										
Streets (miles)	19	19	19	19	19	19	19	19 (1)	18	18
Number of Street Lights	387	387	387	387	387	387 (2)	385	385 (1)	369	369
Collection Trucks	4	4	3	3	3	3	-	-	-	-
Dump Trucks	1	-	-	-	-	-	-	-	-	-
Street Sweeper	-	-	-	-	-	-	-	-	-	-

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