

# CITY OF AVONDALE ESTATES ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2023



**CITY OF AVONDALE ESTATES, GEORGIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**Prepared by:  
Finance Department**

# CITY OF AVONDALE ESTATES, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

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# CITY OF AVONDALE ESTATES, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

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## INTRODUCTORY SECTION

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**BOARD OF MAYOR AND  
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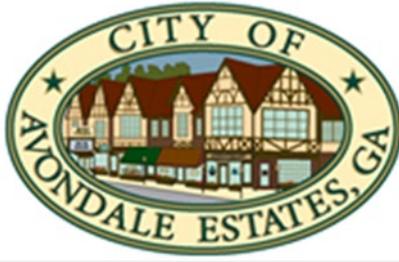
Jonathan Elmore  
**Mayor**

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 22, 2024

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 ended December 31, 2023, is hereby submitted. Responsibility for both the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the city. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included. Readers should consult Management's Discussion and Analysis, beginning on page 5 of this report, to provide context and explanation for the financial statements and other information.

There were no accounting policy changes during 2023 that had a significant impact on the current period's financial statements.

The financial reporting entity includes all the funds of the primary government. The city provides a limited range of municipal government services to an estimated 3,567 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, 2023, 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 required in 2023.

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 13 members providing around-the-clock coverage. Officers drive Ford Explorers 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 nonmajor 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.

## MAJOR INITIATIVES

### PLANS AND STUDIES

**Stormwater Hydrology Model Completed:** The Stormwater Hydrologic Model was completed. The model will allow the city to identify and proactively address stormwater maintenance needs. It has already enabled the City to assess and make educated decisions about repairs and greener infrastructure improvements for the top 5 issues prioritized in the stormwater master plan.

**Dunwick Drive Phase 1 Repairs Completed:** In 2023, the city completed the assessment and implementation of Phase 1 of the Dunwick Drive which included pipelining and catch basin replacement. The engineering design and survey for phase 2, which contains regenerative stormwater approaches to the creek and reinforcement to the outfall is set to be completed in 2024.

**Washington and Pine Stormwater Concept Plan Completed:** Using the hydrology model, the concept plan for the Washington and Pine Street intersection was completed in 2023. The concept calls for the replacement of a collapsed pipe leading to the Washington and Pine intersection, the addition of catch basins, and upstream underground gray infrastructure to reduce flooding and increase the level of service. The engineering design and survey will be completed in 2024.

**Kensington:** Using the hydrology model, the concept plan was completed in 2023 to add catch basins, curb inlets, and underground infrastructure to stop flooding in residents' backyards. The engineering design and survey will be completed in 2024.

**Laredo Drive Repaving and Bike/Ped Improvements Funded:** The city was awarded a GDOT grant to complete Laredo Drive bike and pedestrian safety improvements based on plans completed by Pond Engineering; this includes resurfacing 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. Construction is anticipated in 2024.

**Priority Milling and Paving Streets Completed:** Approximately 1.46 miles of downtown and residential streets were milled and repaved in 2023 including Viscount Court, Nottingham Drive, Clarendon Avenue, Parry, and Center Streets. An inventory and assessment of pavement conditions of all city streets, completed by a third party, was used to determine the highest priority repaving projects.

**Completed Speed Study:** A recently completed speed study justified reducing the posted speed limits on Clarendon Ave and Kensington Rd. The study must be approved by the Public Safety Commission. Once approved, the postings will change, and the speed limit will begin to be enforced.

## CAPITAL PROJECTS – CONSTRUCTION PLANS AND CONSTRUCTION

**Kicked Off Northwoods Trails and Raingardens:** Construction began in May 2023 and was completed in the beginning of 2024. The project stops the severe bank erosion in the North Woods which was contributing to safety concerns and water quality issues in Cobbs Creek and Lake Avondale. It also creates a nature trail leading from Berkeley Rd to the Boy Scout hut and extends the sidewalk from Berkeley to the Lake Avondale trail system.

**North Avondale/East College Streetscape Ready for Construction:** This is a multi-year .75-mile street project along 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 city reached major milestones in 2023 including the completion of construction plans, right-of-way acquisition, and bidding the project for construction.

**Lakeshore Drive Stormwater Pipe Repair:** In November 2023, a corrugated metal pipe on Lakeshore Drive, that was over 50% rusted, was repaired to address issues of erosion and damage to area trees. The pipe was lined, stormwater drain covers replaced, and manhole covers added to provide better access to drains consistent with the stormwater master plan recommendations.

**Street, Sidewalk, and Curb Assessment and Repairs:** A city-wide inventory was completed for all curbs and sidewalks to determine their condition. Based on this condition assessment and a budget of \$1M, the city prioritized projects that resulted in the replacement and repair of 0.2 miles of curb and 0.5 miles of sidewalks.

**Stormwater and Street Concerns Addressed:** In 2023, 75 resident and business request forms were submitted concerning potholes, road signs, road safety issues, flooding issues, and curb, or sidewalk repairs. Of those requests, all have been reviewed and 43 of the reported issues have been resolved.

**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 2024.

## GREEN INITIATIVES

**Established Green Space Committee:** To increase effectiveness and communications between environmentally oriented committees, the BOMC created the Greenspace Advisory Committee. Members will serve as advocates, educators, doers, and advisors on greenspace projects and programs that protect, preserve, maintain, and enhance trees, parks, greenspace, and landscaping on public property within the city of Avondale Estates. At the same time, the BOMC eliminated the Tree and Lake Boards, giving those responsibilities to this newly formed board. Information about the duties and expectations of this new board can be found on the city's website.

## POLICE PROGRESS

- Hosted several community events this year including Coffee with a Cop and National Night Out, and two new Chiefs for a day from Avondale Elementary and The Museum School.
- Started a Community Policy Review Panel to review proposed updates to high liability policing policies in keeping with the 21st Century Policing model.

## Leadership:

- Promoted two officers to the rank of Sergeant within the Uniform Patrol Division.
- Implemented a mentorship program to support and enable staff to reach personal career goals in law enforcement.
- Restructured the Uniform Patrol Division to be more efficient.

## **Technology:**

- Contracted with Lexipol to review and revise the agency's Standard Operating Policy manual.
- Implemented surveillance cameras in the Town Green and around City facilities and access controls for City facilities.
- Established a new online program through Virtual Academy to provide GA POST online training, a training management portal to track recertifications and training hours for staff, and an online field training tracking system for new hires.

## **Staffing:**

- Fully staffed Uniform Patrol Division and Criminal Investigations Division.
- Kicked off Reserve Officer Program and will start first unpaid sworn part-time officer in the new year.

## **ECONOMIC OUTLOOK**

Avondale Estates is located approximately 6.5 miles east of the Atlanta city limits and approximately 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 \$136,250 (ACS). Most residents are well-compensated, successful professionals.

### **ECONOMIC GROWTH**

**Added Businesses and Jobs:** City continues to attract independent specialty retailers and remains dedicated to being business-friendly while maintaining high standards.

**Rising Commercial Tax Base:** The commercial tax base assessment increased from 2022 to 2023 by \$4.7M to continue the upward trend that has been observed over the last several years. A significant portion of the increase can be attributed to the new apartment buildings at the entrance into the city. Additionally, increases are expected in the coming years as tax abatements continue to burn off and the city yields benefits from its catalytic investments.

### **Building Permits:**

378+ Permits issued in 2023, up by 78 from 2022

24 HPC applications processed of which 22 received a Certificate of Appropriateness. This number is on par with 2022.

**Development Projects:** Facilitated, attracted, and collaborated with developers to further the downtown vision as a live, work, and play community. Completed public-private partnership development agreement with Fabric for a new retail project fronting the Town Green; implemented Rural Opportunity Zone Applications for owners and tenants; continued to explore development agreement for a new hotel.

## PROMOTIONS AND EVENTS

During 2023, the city produced or hosted 17 In-Person concerts and festivals and 10 smaller events.

**7 Concerts on the Town Green:** The city invited the public to monthly Sunday evening Downtown Town Green performances beginning the first week of March and culminating in November. These concerts included a 4th of July concert and fireworks celebration. Recognizing the importance of diversity and inclusion, the concerts were designed to celebrate Black history on Juneteenth, family day with the LGBTQ community during Pride month, and Hispanic heritage.

**Avondale Dale Ale Day 3rd Annual Event Successful:** This multi-day event invites people to walk a marked 1-mile path through the heart of Avondale Estates central business district with stops at each of the local award-winning craft breweries. Event participants collect points and prizes for trying beers at each location. For the third year in a row, the breweries reported this October weekend to be their highest sales weekend of the year.

**6 Holiday Events – A December to Remember:** Events included the Annual Tree Lighting with performances by students from the DeKalb School of the Arts, an Annual Chanukah Celebrations & Menorah Lighting, the Krampus Art Market, and Winter Wonderland, a one-day holiday event to encourage families to shop and dine downtown. The city’s downtown art studios opened for the day were highly successful.

**4 Downtown Sponsored Events Held:** including Blast Beats & Brews, Southern Surf Stompfest, Strafford Chili Cook-off, and Früelingsfest, a spring festival celebrating German culture.

**10 Outreach Events:** including State of the City (held in a local downtown brewery), Downtown Business Meeting (2), and Coffee with a Cop, Walk and Talk with the City Manager (6).

## COMMUNICATIONS

**Mainstreet Promotions Continue:** The City continued its commitment to its Department of Community Affairs Main Street status for the 2023 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.

**Social Media Campaigns Launched:** The city led social media campaigns recognizing Black and Women-owned businesses and Hispanic Heritage as a way of highlighting the city’s diversity.

**In-person and Online City Operations Presentations Implemented:** To increase information and communications about the city’s goals, agendas, and operations, staff organized Informational meetings, and posted online presentations and videos. More than six different “walk and talks with the City Manager” were held on topics ranging from capital projects to finance. Online and narrated presentations included those titled: City Finance 101, Northwoods Project Information Session, and Public Works Solid Waste Assessment.

**Community Spirit Awards:** As a way of continuing to build community, homes voted on by their fellow neighbors, were given decoration awards for their Halloween and Christmas decorations.

## RECOGNITION AND AWARDS

**Government Finance Officers Association Certificate of Excellence:** The Government Finance Officers Association (GFOA) awarded a certificate of achievement for excellence in financial reporting to the City for its annual comprehensive financial report for the year ended December 31, 2022. A certificate of achievement is valid for a period of one year. We believe the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

**City Receives Recognition: Urban Land Institute Award of Excellence:** Avondale Estates Town Green was awarded the Development of Excellence in Public Realm for promoting healthy, sustainable, and equitable outcomes in the community.

**Small-Town Beer Scene:** For the third year in a row, USA Today voted the City of Avondale Estates as the Best Small-Town Beer Scene in the U.S.

**Tree City USA Designation:** In 2023, the city celebrated 40 years as a Tree City USA through the National Arbor Day Foundation.

## **FINANCIAL INFORMATION**

- **Received Excellent Bond Rating:** The City received an exceptional credit rating from Moody's and Standard & Poor's in support of the city's \$8.4 million Urban Redevelopment Agency Revenue Bonds Series 2023. Moody's has assigned the city an initial Aa1 general obligation unlimited tax rating. Standard & Poor's has assigned the city an initial rating of AA+ with a stable outlook. Both Moody's and Standard & Poor's cited the city's strong economic outlook, sound budget management, and financial policies among the reasons for these prestigious ratings. These ratings place the city in an exclusive company. Avondale Estates is the highest-rated small city (population 5,000 or less) in Georgia by Moody's and in the top 10% of ratings for small cities (population 5,000 or less) nationwide. Avondale Estates has the smallest tax digest and fifth smallest budget of all cities rated Aaa/Aa1 by Moody's.
- **SPLOST Passes:** DeKalb County has benefited from more than \$350 million in capital projects thanks to the Special Purpose Local Option Sales Tax, or SPLOST. This SPLOST revenue comes from a one-cent sales tax for capital projects in four major areas: transportation, public safety, parks and recreation, and community facilities. In 2024, DeKalb voted to endorse a new \$850 million six-year SPLOST to address the expensive capital needs of the community. The continued SPLOST funding is anticipated to generate \$2 million in revenue over this period.
- **Adopted Special Service District:** After much study and conversation with area land and business owners, the BOMC established boundaries for the district to fund identified infrastructure improvements within the city's downtown area. While the BOMC does not and may not levy a tax in 2024, the district needed to be established before the end of 2023 to make it possible to levy such a tax for 2025.

- **Adopted 2024 Budget:** In addition to passing a balanced operating budget, the city also updated and enhanced the city’s capital improvements budget. This budget covers transportation, stormwater, and other major initiatives. The operating budget maintains staff at current levels.
- **Successful and Timely 2022 Audit:** The city selected a new auditor, Mauldin & Jenkins. After an extensive evaluation of the city’s financials and financial processes, the auditors issued an unmodified opinion on the city’s financials.

## **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 auditors for the city. I extend my sincere appreciation to everyone who contributed to the preparation of this report. Without the leadership and support of the Board of Mayor and Commissioners and the residents of Avondale Estates, the preparation of this report would not have been possible.

Respectfully submitted,

*Patrick Bryant*

Patrick Bryant  
City Manager,  
City of Avondale Estates



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Avondale Estates  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL OFFICIALS

DECEMBER 31, 2023

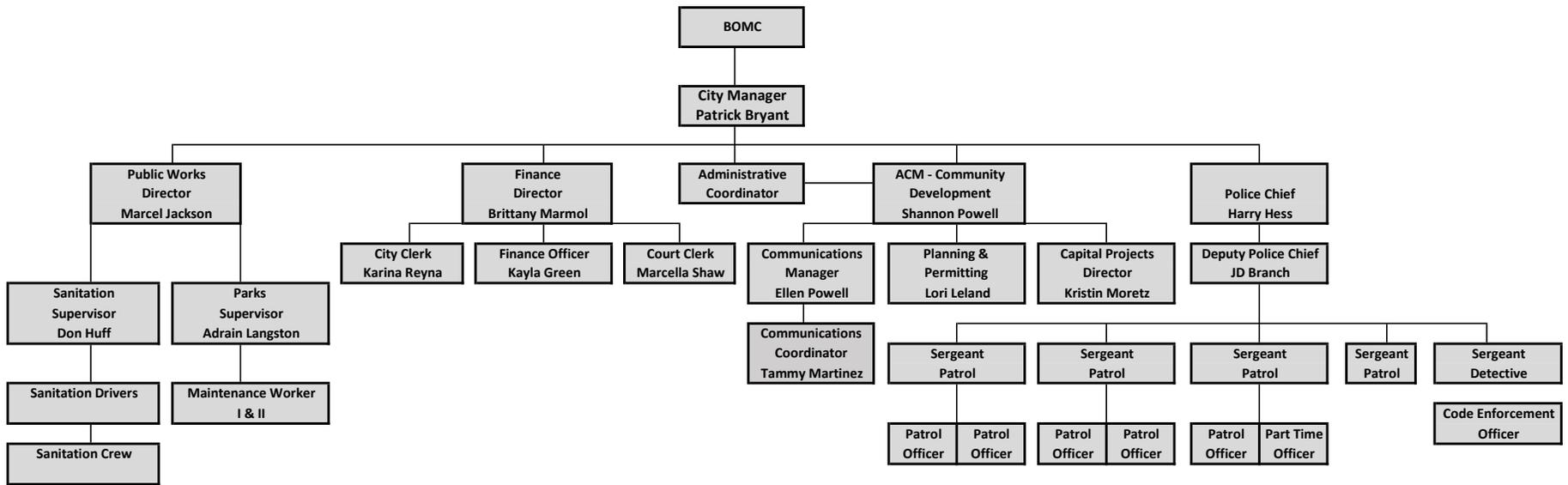
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CITY COMMISSION

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

ADMINISTRATION OFFICIALS

Patrick Bryant	City Manager
Stephen Quinn	City Attorney
Shannon Powell	Assistant City Manager, Economic & Community Development
Brittany Marmol	Director of Finance & Administrative Services
Karina Reyna	City Clerk
Harry Hess	Chief of Police
Marcel Jackson	Public Works Director
Kayla Green	Finance Officer
Lori Leland	Planner & Permit Services Coordinator
Marcella Shaw	Municipal Court Clerk
Ellen Powell	Communications Manager



## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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### ***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.

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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.

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***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 22, 2024, 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 22, 2024

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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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, 2023. 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 \$16,436,340. Of this amount, \$6,249,809 (unrestricted net position) may be used to meet the government's ongoing obligations. Additionally, \$8,817,329 is invested in capital assets. The remainder is restricted primarily for capital projects.

The City's net position from governmental activities increased approximately 3.3% (or \$444,341) when compared to the previous year, while business-type activities' net position increased by approximately 13.4% (or \$291,991) when compared to the previous year. The total increase for 2023 was 4.7%.

General Fund revenues increased in total by \$335,507 (7.7%) compared to 2022. Taxes increased by approximately \$358,000, licenses and permits increased by \$2,000, interest earnings rose by approximately \$26,000 and miscellaneous (other) revenues showed an approximate \$7,000 increase in 2023. The increases in revenue were offset by reductions in fines and forfeitures revenues of approximately \$37,000, and a \$40,000 reduction in intergovernmental revenue.

General Fund expenses increased by 11.5%, or \$470,188, in 2023. Interest expense for debt service was \$289,864 in 2023. Additionally, public safety expenditures increased by approximately \$66,365; public works expenses decreased by \$55,591 and recreation expenditures increased by \$151,809. Explanations for the variances follow in the document when comparing 2022 and 2023 operating results.

At the close of 2023, the City's governmental funds reported combined ending fund balances of \$7,445,282 as compared to \$7,349,672 at the end of 2022. This reflects an increase of \$95,610, or 1%. The Capital Projects fund showed the largest increase in fund balance for 2023, at \$862,804, due to collection of reimbursement for expenditures for the 278 project from GDOT. The TAD fund balance also increased by \$289,850, simply because no funds were expended during the year. On the other hand, the SPLOST fund balance decreased by \$1,027,685 as the financed purchases for the police vehicles were paid off and capital projects were funded.

Unassigned fund balance for the General Fund was \$2,027,208 at the end of 2023, as compared to \$4,055,563 at the end of 2022. This balance represents 44% 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 2023, the City anticipates expending the excess by the end of 2024 as major capital projects are fully implemented.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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### 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, 2023

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**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 nonmajor 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, 2023

**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 as compared to the previous year:

City of Avondale Estates Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets	\$ 9,499,306	\$ 9,521,512	\$ 935,594	\$ 878,846	\$ 10,434,900	\$ 10,400,358
Capital assets	15,816,444	14,976,663	1,985,379	1,489,155	17,801,823	16,465,818
Total assets	25,315,750	24,498,175	2,920,973	2,368,001	28,236,723	26,866,176
Deferred outflows-Pension	231,092	207,894	38,017	30,927	269,109	238,821
<b>Liabilities</b>						
Non-current liabilities	1,537,178	8,791,105	165,740	146,678	1,702,918	8,937,783
Other liabilities	9,471,943	1,597,056	320,888	45,994	9,792,831	1,643,050
Total liabilities	11,009,121	10,388,161	486,628	192,672	11,495,749	10,580,833
Deferred inflows-Lease	509,924	554,649	-	-	509,924	554,649
Deferred inflows-Pension	54,803	234,606	9,016	34,901	63,819	269,507
<b>Net Position</b>						
Net Investment in capital assets	6,960,565	6,722,832	1,856,764	1,432,391	8,817,329	8,155,223
Restricted	1,369,202	2,010,059	-	-	1,369,202	2,010,059
Unrestricted	5,643,227	4,795,762	606,582	738,964	6,249,809	5,534,726
Total net position	<b>\$ 13,972,994</b>	<b>\$ 13,528,653</b>	<b>\$ 2,463,346</b>	<b>\$ 2,171,355</b>	<b>\$ 16,436,340</b>	<b>\$ 15,700,008</b>

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 53.6% 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 (\$1.37 million) or unrestricted (\$6.3 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 2023, the City's total primary government net position increased by \$736,332, or 4.7%.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### Changes in Net Position

The following schedule presents a summary of changes in net position for the fiscal year ended December 31, 2023:

<b>City of Avondale Estates Changes in Net Position</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 439,479	\$ 512,227	\$ 1,385,299	\$ 1,353,549	\$ 1,824,778	\$ 1,865,776
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	1,775,347	621,329	-	-	1,775,347	621,329
General revenues:						
Property taxes	3,549,297	3,193,965	-	-	3,549,297	3,193,965
Franchise taxes	248,118	239,751	-	-	248,118	239,751
Insurance Premium taxes	316,223	286,472	-	-	316,223	286,472
Other taxes	268,273	247,256	-	-	268,273	247,256
Other revenues	107,044	79,991	-	-	107,044	79,991
Investment earnings	86,411	36,385	123,248	4,052	209,659	40,437
Total revenues	6,790,192	5,217,376	1,508,547	1,357,601	8,298,739	6,574,977
Expenses						
General government	2,440,435	1,707,717	-	-	2,440,435	1,707,717
Public safety	1,753,881	1,448,874	-	-	1,753,881	1,448,874
Public works	381,714	350,694	-	-	381,714	350,694
Recreation	1,073,488	669,889	-	-	1,073,488	669,889
Housing and Development	-	-	-	-	-	-
Economic Development	35,375	35,375	-	-	35,375	35,375
Interest	660,958	146,229	-	-	660,958	146,229
Sanitation	-	-	1,015,523	990,276	1,015,523	990,276
Stormwater	-	-	201,033	133,359	201,033	133,359
Total expenses	6,345,851	4,358,778	1,216,556	1,123,635	7,562,407	5,482,413
Change in net position	444,341	858,598	291,991	233,966	736,332	1,092,564
Net Position beginning of year	13,528,653	12,670,055	2,171,355	1,937,389	15,700,008	14,607,444
Net Position end of year	\$ 13,972,994	\$ 13,528,653	\$ 2,463,346	\$ 2,171,355	\$ 16,436,340	\$ 15,700,008

Governmental charges for services decreased during 2023 primarily due to the reduction in fines and forfeitures because a change to a more community focused policing strategy was adopted. Capital grants and contributions were up from 2022 primarily due to grants that were received by the City in 2022 for the 278 project. Property taxes reflect a gain of \$355,332 over 2022 due to an increase in the City's tax digest.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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Interest earnings were about \$50,000 over 2022. Most other revenue sources were consistent with prior years.

Total Primary Government expenses increased \$2,079,994 in 2023. General government saw the largest increase \$732,718. Interest expenses increased by \$514,729 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 \$291,991 due to a decrease of \$21,802 in the Sanitation Fund and an increase of \$313,793 in the Stormwater Fund. Expenses increased by \$67,674 in the Stormwater Fund and by about \$25,247 in the Sanitation Fund. The increases in the Stormwater Fund expenses were mainly due to salaries and depreciation.

The City continues to expect to spend down Stormwater reserves in 2024 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 \$7,445,282, an increase of \$95,610 in comparison with the prior year. Of that total, \$2,027,208 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 2023 represents 44% of total General Fund expenditures for the year.

Of the total governmental fund balance, \$1,146,120 is nonspendable, with \$1,116,409 of that amount representing an asset held for resale, and the remainder being prepaid expenses and lease receivable. \$1,251,512 (consisting of \$462,993 in SPLOST collections and \$788,519 from the Tax Allocation District Fund collections) is restricted for capital outlay projects, \$13,743 is restricted for law enforcement outlays, and \$19,296 is restricted for grant programs. The remainder has been assigned or committed by the Board of Mayor and Commissioners to be spent on approved capital outlay projects in the Urban Redevelopment, Capital Projects, and General Funds.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

The table below compares General Fund revenues and expenditures for 2023 and 2022:

	<b>General Fund</b>		
	2023	2022	\$ Increase (Decrease)
<b>Revenues</b>			
Taxes	\$ 4,115,777	\$ 3,757,502	\$ 358,275
Licenses and permits	195,343	193,298	2,045
Intergovernmental	529	40,078	(39,549)
Fines and forfeitures	243,036	280,455	(37,419)
Charges for services	1,100	1,816	(716)
Interest income	50,515	24,697	25,818
Other revenues	107,044	79,991	27,053
Total revenues	<u>4,713,344</u>	<u>4,377,837</u>	<u>335,507</u>
<b>Expenditures</b>			
General government	1,785,061	1,626,834	158,227
Public safety	1,443,763	1,377,398	66,365
Public works	260,105	315,696	(55,591)
Recreation	787,613	635,804	151,809
Housing and Development	-	-	-
Debt Service:			
Principal retirements	-	-	-
Interest payments	289,864	140,486	149,378
Total expenditures	<u>4,566,406</u>	<u>4,096,218</u>	<u>470,188</u>
Excess of revenues over expenditures	<u>146,938</u>	<u>281,619</u>	<u>(134,681)</u>
Transfers to/from other funds (Net)	<u>(146,968)</u>	<u>(375,900)</u>	<u>228,932</u>
Net change in fund balances	(30)	(94,281)	94,251
Fund balances, beginning of year	5,204,358	5,298,639	(94,281)
Fund balances, end of year	<u>\$ 5,204,328</u>	<u>\$ 5,204,358</u>	<u>\$ (30)</u>

Fines and forfeitures showed a decrease of \$37,419 from 2022 to 2023 primarily because a change to a more community focused policing strategy was adopted in 2022. Real property tax collections were \$358,375 higher than in 2022 primarily to growth in the digest and economic development activities. Other revenues (miscellaneous and intangibles) increased by \$27,053 due to increased donations to the city for events and the interest income increased by \$25,818 from 2022.

General government expenditures increased \$158,227 during 2023 primarily due to paying for two audits during the year, an increased number of building plan reviews and inspections, and higher personnel costs. Public safety expenditures showed an increase of \$66,365 during 2023, primarily due to having a fully staffed force. Following that function, public works expenditures decreased by \$55,591 due to a position in the department being reclassified to the Recreation department, whose expenditures increased by \$151,809 due to the position as well as resurfacing the tennis courts and a new water pipeline to the Scout Hut.

**SPLOST Fund** - The SPLOST Fund collected \$583,102 in sales taxes and has a remaining fund balance of \$462,993 restricted for capital projects by the 2018 SPLOST referendum.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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**Capital Projects Fund** - The Capital Projects Fund received a transfer in of \$146,968 from the General Fund and spent \$473,580 on capital construction during the year. The fund was also reimbursed with grant funding of \$1,180,967 for cost incurred in prior periods. Remaining fund balance of \$944,221 is assigned by the City for future capital construction.

**URA Fund** - The URA issued a bond in the amount of \$8,595,000 that was used to construct the city's Town Green. The remaining fund balance of \$12,185 will be used to make future bond payments.

**ARPA Fund** - The ARPA Fund is holding cash of \$1,203,926 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 consistent with 2022, at \$403,688. After accounting for interest income of \$11,138 and a grant of \$100,000, and operating expenses of \$201,033, the Stormwater utility net position increased by \$313,793 for total net position of \$2,400,160 at the end of the fiscal year. The City anticipates strong infrastructure spending in 2024 and 2025.

Sanitation revenues increased \$36,052, or 3.8%, in 2023, primarily due to an increase in the number of sanitation billings. After accounting for operating expenses of \$1,015,523, interest expense in the amount of \$1,231 and interest income in the amount of \$13,341, Sanitation had a net loss of \$21,802. The fund's net position at the end of 2023 was \$63,186.

**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 \$78 to net position during 2023 for a total of \$12,391 at year end.

### **General Fund Budgetary Highlights**

The 2023 adopted budget anticipated no change in fund balance and there were two budget amendments made during the fiscal year. When the year, fund balance decreased very slightly, by only \$30. The final revenue budget included an additional \$44,281 in property taxes, an additional \$81,000 in Insurance Premium taxes, an additional \$35,000 from Alcoholic Beverage Licenses and an additional \$65,000 from permit authorizations. Revenue categories projected to decrease with the final budget were fines and forfeitures and miscellaneous revenues. The revenue budget for 2023 was \$4,713,374. Actual revenue collections were \$4,713,411.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT’S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The final expenditures budget was \$4,713,411 also. The City's General Fund balance as of December 31, 2023, was \$5,204,328, or about 110% of the City’s actual General Fund expenditures for calendar year 2023.

### 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, 2023, amounts to \$17,801,823 (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 8% for the current calendar year. Major additions included Right of Way acquisition for the 278 project (\$395,978) as well as work on the stormwater project Northwoods (\$658,499).

The City anticipates completing more significant capital projects, including the 278 Redesign, during 2024. 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,900,972	\$ 2,900,972	\$ 101,505	\$ 101,505	\$ 3,002,477	\$ 3,002,477
Land Improvements	8,441,569	8,758,582	-	-	8,441,569	8,758,582
Infrastructure	164,229	51,087	1,425,457	1,166,374	1,589,686	1,217,461
Construction in Progress	3,254,695	2,200,218	329,221	45,145	3,583,916	2,245,364
Building and Improvements	410,982	423,623	-	-	410,982	423,623
Furniture, Equipment and Vehicles	643,997	642,181	129,196	176,131	773,193	818,312
Total	<u>\$ 15,816,444</u>	<u>\$ 14,976,663</u>	<u>\$ 1,985,379</u>	<u>\$ 1,489,155</u>	<u>\$ 17,801,823</u>	<u>\$ 16,465,819</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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As of December 31, 2023, 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:

- Hydraulic Modeling Software
- Drain repairs around the city

Additionally, construction in progress at year end included Northwoods at Lake Avondale's stormwater project. This project will be completed in future years.

### **Long-Term Debt**

At the end of 2023, the City directly held long-term liabilities of \$120,394 for compensated absences and \$713,718 for net pension liability. Of these amounts, \$702,590 and \$131,523, 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 \$34,218 as of December 31, 2023.

The City also held long-term debt through component units. The Urban Redevelopment Agency of the City issued \$8,595,000 of bond debt.

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 U.S. average. The 2 bedroom rent in Avondale Estates is \$1,140 compared to the U.S. average of \$1,430. The Grocery Cost Index in Avondale Estates is 101.7 versus 100 in the U.S. Local companies in Avondale Estates include shops like Garage Door Studio and restaurants such as The Stratford 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 U.S. average is 6.0%. The City has seen the job market decrease by 5.1% over the last year. Future job growth over the next ten years is predicted to be 44.7%, which is higher than the U.S. average of 33.5%. The Sales Tax Rate for Avondale Estates is 7.0%. The U.S. average is 7.3%. The Income Tax Rate for Avondale Estates is 6.0%, while the U.S. average is 4.6%.

The average income of an Avondale Estates resident is \$69,188 a year. The U.S. average is \$37,638 a year. The median household income of an Avondale Estates resident is \$122,009 a year, while the U.S. average is \$69,021 a year.

# CITY OF AVONDALE ESTATES, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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

The 2024 budget anticipates General Fund revenues of \$5,177,678, which is \$464,267 more than total actual 2023 revenue collections in the amount of \$4,713,411. 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 \$5,177,678 for 2024. General Fund expenditures are projected to increase by about \$633,702 compared to the 2022 actual expenditures of \$4,713,411, as increased personnel and operation costs are expected to continue due to general economic and inflationary pressures.

The 2024 budgeted Sanitation Fund revenue amounts to \$1,025,328, an increase of about \$30,375 over 2023 due to expected increases in sanitation fees. The 2024 Sanitation Fund expenditures budget is \$1,024,765. 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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,371,263	\$ 1,906,598	\$ 7,277,861	\$ 9,558,047
Accounts receivable	206,679	43,757	250,436	-
Property taxes receivable, net	260,778	-	260,778	-
Due from other governments	931,052	-	931,052	-
Lease receivables, due in one year	39,715	-	39,715	-
Lease receivables, due in more than one year	481,572	-	481,572	-
Due from component unit	58,729	-	58,729	-
Internal balances	1,014,761	(1,014,761)	-	-
Prepaid items	18,348	-	18,348	3,750
Asset held for redevelopment	1,116,409	-	1,116,409	-
Capital assets:				
Nondepreciable	6,155,667	430,726	6,586,393	633,602
Depreciable, net of accumulated depreciation	9,660,777	1,554,653	11,215,430	640,794
<b>Total assets</b>	<b>25,315,750</b>	<b>2,920,973</b>	<b>28,236,723</b>	<b>10,836,193</b>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	231,092	38,017	269,109	-
<b>Total deferred inflows of resources</b>	<b>231,092</b>	<b>38,017</b>	<b>269,109</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	227,233	226,491	453,724	27,813
Retainage payable	81,276	94,397	175,673	-
Due to primary government	-	-	-	58,729
Accrued liabilities	44,039	-	44,039	5,897
Unearned revenue	1,184,630	-	1,184,630	-
Compensated absences, due within one year	89,699	30,695	120,394	-
Bonds payable, due within one year	135,000	-	135,000	-
Bonds payable, due in more than one year	8,634,353	-	8,634,353	-
Financed purchases payable, due within one year	-	22,787	22,787	-
Financed purchases payable, due in more than one year	-	11,431	11,431	-
Net pension liability, due in more than one year	612,891	100,827	713,718	-
<b>Total liabilities</b>	<b>11,009,121</b>	<b>486,628</b>	<b>11,495,749</b>	<b>92,439</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Lease revenue, deferred	509,924	-	509,924	-
Pensions	54,803	9,016	63,819	-
<b>Total deferred inflows of resources</b>	<b>564,727</b>	<b>9,016</b>	<b>573,743</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	6,960,565	1,856,764	8,817,329	1,274,396
Restricted for law enforcement	13,743	-	13,743	-
Restricted for grant program	19,296	-	19,296	-
Restricted for capital construction	1,336,163	-	1,336,163	-
Unrestricted	5,643,227	606,582	6,249,809	9,469,358
<b>Total net position</b>	<b>\$ 13,972,994</b>	<b>\$ 2,463,346</b>	<b>\$ 16,436,340</b>	<b>\$ 10,743,754</b>

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, 2023

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,440,435	\$ 196,443	\$ -	\$ -
Public safety	1,753,881	243,036	-	45,151
Public works	381,714	-	-	1,730,196
Culture and recreation	1,073,488	-	-	-
Economic development	35,375	-	-	-
Interest and fiscal charges	660,958	-	-	-
Total governmental activities	6,345,851	439,479	-	1,775,347
Business-Type activities:				
Stormwater	201,033	403,688	-	-
Sanitation	1,015,523	981,611	-	-
Total primary government	\$ 7,562,407	\$ 1,824,778	\$ -	\$ 1,775,347
<b>Component unit:</b>				
Downtown development authority	\$ 393,999	\$ -	\$ -	\$ -
Total component unit	\$ 393,999	\$ -	\$ -	\$ -

General revenues:  
 Property taxes  
 Franchise taxes  
 Alcohol and 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
\$ (2,243,992)	\$ -	\$ (2,243,992)	\$ -
(1,465,694)	-	(1,465,694)	-
1,348,482	-	1,348,482	-
(1,073,488)	-	(1,073,488)	-
(35,375)	-	(35,375)	-
(660,958)	-	(660,958)	-
<u>(4,131,025)</u>	<u>-</u>	<u>(4,131,025)</u>	<u>-</u>
-	202,655	202,655	-
-	(33,912)	(33,912)	-
<u>(4,131,025)</u>	<u>168,743</u>	<u>(3,962,282)</u>	<u>-</u>
-	-	-	(393,999)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (393,999)</u>
\$ 3,549,297	\$ -	\$ 3,549,297	\$ -
248,118	-	248,118	-
232,425	-	232,425	-
316,223	-	316,223	-
35,848	-	35,848	-
86,411	-	86,411	469,212
107,044	123,248	230,292	90,898
<u>4,575,366</u>	<u>123,248</u>	<u>4,698,614</u>	<u>560,110</u>
444,341	291,991	736,332	166,111
13,528,653	2,171,355	15,700,008	10,577,643
<u>\$ 13,972,994</u>	<u>\$ 2,463,346</u>	<u>\$ 16,436,340</u>	<u>\$ 10,743,754</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	General Fund	SPLOST Fund	Capital Projects Fund	URA Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,596,169	\$ 493,337	\$ 261,980	\$ 12,182	\$ 1,203,926	\$ 803,669	\$ 5,371,263
Accounts receivable	206,679	-	-	-	-	-	206,679
Taxes receivable, net of allowance	257,477	-	-	-	-	3,301	260,778
Intergovernmental receivable	16,981	54,307	859,764	-	-	-	931,052
Lease receivables	521,287	-	-	-	-	-	521,287
Due from other funds	1,193,853	-	-	-	-	-	1,193,853
Due from component unit	58,729	-	-	-	-	-	58,729
Prepaid items	18,348	-	-	-	-	-	18,348
Asset held for redevelopment	1,116,409	-	-	-	-	-	1,116,409
<b>Total assets</b>	<b>\$ 5,985,932</b>	<b>\$ 547,644</b>	<b>\$ 1,121,744</b>	<b>\$ 12,182</b>	<b>\$ 1,203,926</b>	<b>\$ 806,970</b>	<b>\$ 9,678,398</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 217,275	\$ 3,375	\$ 1,875	\$ -	\$ -	\$ 4,708	\$ 227,233
Retainage payable	-	81,276	-	-	-	-	81,276
Accrued liabilities	44,039	-	-	-	-	-	44,039
Due to other funds	3,444	-	175,648	-	-	-	179,092
Unearned revenue	-	-	-	-	1,184,630	-	1,184,630
<b>Total liabilities</b>	<b>264,758</b>	<b>84,651</b>	<b>177,523</b>	<b>-</b>	<b>1,184,630</b>	<b>4,708</b>	<b>1,716,270</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	6,922	-	-	-	-	-	6,922
Deferred lease revenue	509,924	-	-	-	-	-	509,924
<b>Total deferred inflows of resources</b>	<b>516,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>516,846</b>
<b>FUND BALANCES</b>							
Fund balances:							
Nonspendable:							
Prepaid items	18,348	-	-	-	-	-	18,348
Asset held for redevelopment	1,116,409	-	-	-	-	-	1,116,409
Long term lease receivable	11,363	-	-	-	-	-	11,363
Restricted:							
Law enforcement	-	-	-	-	-	13,743	13,743
Grant program	-	-	-	-	19,296	-	19,296
Capital construction	-	462,993	-	-	-	788,519	1,251,512
Committed:							
Capital construction	2,031,000	-	-	-	-	-	2,031,000
Assigned:							
Capital construction	-	-	944,221	12,182	-	-	956,403
Unassigned	2,027,208	-	-	-	-	-	2,027,208
<b>Total fund balances</b>	<b>5,204,328</b>	<b>462,993</b>	<b>944,221</b>	<b>12,182</b>	<b>19,296</b>	<b>802,262</b>	<b>7,445,282</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,985,932</b>	<b>\$ 547,644</b>	<b>\$ 1,121,744</b>	<b>\$ 12,182</b>	<b>\$ 1,203,926</b>	<b>\$ 806,970</b>	
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.							15,816,444
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.							(8,859,052)
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.							(436,602)
Some revenues are not available in the current period, and therefore, are not reported in the governmental funds.							6,922
Net position of governmental activities							<b>\$ 13,972,994</b>

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, 2023**

	General Fund	SPLOST Fund	Capital Projects Fund	URA Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property taxes	\$ 3,283,163	\$ -	\$ -	\$ -	\$ -	\$ 279,347	\$ 3,562,510
Franchise taxes	248,118	-	-	-	-	-	248,118
Alcohol excise taxes	64,478	-	-	-	-	-	64,478
Excise taxes	167,947	-	-	-	-	-	167,947
Insurance premium taxes	316,223	-	-	-	-	-	316,223
Intangible taxes	35,848	-	-	-	-	-	35,848
Licenses and permits	195,343	-	-	-	-	-	195,343
Intergovernmental	529	583,102	1,180,967	-	-	-	1,764,598
Charges for services	1,100	-	-	-	-	-	1,100
Fines and forfeitures	243,036	-	-	-	-	-	243,036
Contributions	36,955	-	-	-	-	-	36,955
Interest earned	50,515	10,749	8,449	1,258	15,686	10,503	97,160
Miscellaneous	70,089	-	-	-	-	-	70,089
Total revenues	<u>4,713,344</u>	<u>593,851</u>	<u>1,189,416</u>	<u>1,258</u>	<u>15,686</u>	<u>289,850</u>	<u>6,803,405</u>
<b>Expenditures:</b>							
Current:							
General government	1,785,061	-	-	75	-	-	1,785,136
Public safety	1,443,763	-	-	-	-	-	1,443,763
Public works	260,105	-	-	-	-	-	260,105
Recreation	787,613	-	-	-	-	-	787,613
Capital outlay	-	1,090,952	473,580	658,499	-	-	2,223,031
Debt service:							
Principal	-	516,949	-	-	-	-	516,949
Interest	289,864	13,635	-	-	-	-	303,499
Issuance cost	-	-	-	324,987	-	-	324,987
Total expenditures	<u>4,566,406</u>	<u>1,621,536</u>	<u>473,580</u>	<u>983,561</u>	<u>-</u>	<u>-</u>	<u>7,645,083</u>
Excess (deficiency) of revenues over expenditures	146,938	(1,027,685)	715,836	(982,303)	15,686	289,850	(841,678)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	146,968	-	-	-	146,968
Transfers out	(146,968)	-	-	-	-	-	(146,968)
Payment to refund debt	-	-	-	(8,433,270)	-	-	(8,433,270)
Issuance of refunding bond	-	-	-	8,595,000	-	-	8,595,000
Issuance of bond premium	-	-	-	175,151	-	-	175,151
Issuance of note payable	-	-	-	600,407	-	-	600,407
Total other financing sources (uses)	<u>(146,968)</u>	<u>-</u>	<u>146,968</u>	<u>937,288</u>	<u>-</u>	<u>-</u>	<u>937,288</u>
Net change in fund balances	(30)	(1,027,685)	862,804	(45,015)	15,686	289,850	95,610
<b>Fund balances, beginning of year</b>	<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>
<b>Fund balances, end of year</b>	<u>\$ 5,204,328</u>	<u>\$ 462,993</u>	<u>\$ 944,221</u>	<u>\$ 12,182</u>	<u>\$ 19,296</u>	<u>\$ 802,262</u>	<u>\$ 7,445,282</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, 2023**

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

Net change in fund balances - total governmental funds	\$	95,610
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.		839,781
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(13,213)
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.		(452,811)
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.		(25,026)
Change in net position - governmental activities	\$	<u>444,341</u>

**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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 3,472,751	\$ 3,283,715	\$ 3,283,163	\$ (552)
Alcohol excise taxes	38,850	63,850	64,478	628
Franchise taxes	236,000	247,591	248,118	527
Excise taxes	138,600	165,650	167,947	2,297
Insurance premium taxes	246,750	316,750	316,223	(527)
Intangible taxes	75,750	36,000	35,848	(152)
Licenses and permits	105,210	195,343	195,343	-
Intergovernmental	3,000	3,000	529	(2,471)
Charges for services	2,000	1,195	1,100	(95)
Fines and forfeitures	577,500	243,036	243,036	-
Contributions	20,000	36,700	36,955	255
Interest earned	15,000	50,102	50,515	413
Miscellaneous	264,815	70,442	70,089	(353)
Total revenues	5,196,226	4,713,374	4,713,344	(30)
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,901,856	1,785,061	1,785,061	-
Public safety	1,537,590	1,443,763	1,443,763	-
Public works	261,223	260,105	260,105	-
Recreation	789,197	787,613	787,613	-
<b>Debt service:</b>				
Interest	240,000	289,864	289,864	-
Total expenditures	4,729,866	4,566,406	4,566,406	-
Excess (deficiency) of revenues over expenditures	466,360	146,968	146,938	(30)
<b>Other financing sources (uses):</b>				
Transfers in	93,289	-	-	-
Transfers out	(559,649)	(146,968)	(146,968)	-
Total other financing uses	(466,360)	(146,968)	(146,968)	-
Net change in fund balance	-	-	(30)	(30)
<b>Fund balance, beginning of year</b>	5,204,358	5,204,358	5,204,358	-
<b>Fund balance, end of year</b>	\$ 5,204,358	\$ 5,204,358	\$ 5,204,328	\$ (30)

**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, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 1,186,296	\$ 1,186,296	\$ -	\$ (1,186,296)
Interest earned	1,000	1,000	15,686	14,686
Total revenues	<u>1,187,296</u>	<u>1,187,296</u>	<u>15,686</u>	<u>(1,171,610)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	1,186,296	1,186,296	-	1,186,296
Total expenditures	<u>1,186,296</u>	<u>1,186,296</u>	<u>-</u>	<u>1,186,296</u>
Net change in fund balance	1,000	1,000	15,686	14,686
<b>Fund balance, beginning of year</b>	<u>3,610</u>	<u>3,610</u>	<u>3,610</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 4,610</u>	<u>\$ 4,610</u>	<u>\$ 19,296</u>	<u>\$ 14,686</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2023

ASSETS	Business-Type Activities		
	Enterprise Funds		Total Business-Type Activities
	Stormwater Fund	Sanitation Fund	
<b>CURRENT ASSETS</b>			
Cash	\$ 868,504	\$ 1,038,094	\$ 1,906,598
Accounts receivable	31,336	12,421	43,757
Due from other funds	-	3,444	3,444
Total current assets	899,840	1,053,959	1,953,799
<b>NONCURRENT ASSETS</b>			
Capital assets, nondepreciable	430,726	-	430,726
Capital assets, depreciable	1,647,457	940,870	2,588,327
Accumulated depreciation	(222,000)	(811,674)	(1,033,674)
Total capital assets, net	1,856,183	129,196	1,985,379
Total assets	2,756,023	1,183,155	3,939,178
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	-	38,017	38,017
Total deferred outflows of resources	-	38,017	38,017
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	220,528	5,963	226,491
Retainage payable	94,397	-	94,397
Due to other funds	39,035	979,170	1,018,205
Compensated absences	1,903	28,792	30,695
Financed purchases payable	-	22,787	22,787
Total current liabilities	355,863	1,036,712	1,392,575
<b>NONCURRENT LIABILITIES</b>			
Financed purchases payable	-	11,431	11,431
Net pension liability	-	100,827	100,827
Total noncurrent liabilities	-	112,258	112,258
Total liabilities	355,863	1,148,970	1,504,833
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	-	9,016	9,016
Total deferred inflows of resources	-	9,016	9,016
<b>NET POSITION</b>			
Net investment in capital assets	1,761,786	94,978	1,856,764
Unrestricted	638,374	(31,792)	606,582
Total net position	\$ 2,400,160	\$ 63,186	\$ 2,463,346

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, 2023

	Business-Type Activities		Total Business-Type Activities
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	
<b>OPERATING REVENUE</b>			
Stormwater fees	\$ 403,688	\$ -	\$ 403,688
Sanitation fees	-	981,611	981,611
Total operating revenues	403,688	981,611	1,385,299
<b>OPERATING EXPENSES</b>			
Personnel services	133,092	637,040	770,132
Contracted services	8,919	331,548	340,467
Depreciation	59,022	46,935	105,957
Total operating expenses	201,033	1,015,523	1,216,556
Operating income (loss)	202,655	(33,912)	168,743
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Intergovernmental income	100,000	-	100,000
Interest income	11,138	13,341	24,479
Interest expense	-	(1,231)	(1,231)
Change in net position	313,793	(21,802)	291,991
<b>Total net position, beginning</b>	2,086,367	84,988	2,171,355
<b>Total net position, ending</b>	\$ 2,400,160	\$ 63,186	\$ 2,463,346

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, 2023

	Business-Type Activities		
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	Total Business-Type Activities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 399,127	\$ 1,030,938	\$ 1,430,065
Payments to employees	(132,244)	(726,727)	(858,971)
Payments to suppliers	(56,162)	(340,775)	(396,937)
Net cash provided (used) by operating activities	<u>210,721</u>	<u>(36,564)</u>	<u>174,157</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	11,138	13,341	24,479
Interest expense	-	(1,231)	(1,231)
Net cash provided by investing activities	<u>11,138</u>	<u>12,110</u>	<u>23,248</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Payment on financed purchases	-	(22,546)	(22,546)
Receipt of capital grant	100,000	-	100,000
Purchase of capital assets	(318,060)	-	(318,060)
Net cash used in capital and related financing activities	<u>(218,060)</u>	<u>(22,546)</u>	<u>(240,606)</u>
Net change in cash	3,799	(47,000)	(43,201)
Cash, beginning of year	864,705	1,085,094	1,949,799
Cash, end of year	<u>\$ 868,504</u>	<u>\$ 1,038,094</u>	<u>\$ 1,906,598</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 202,655	\$ (33,912)	\$ 168,743
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	59,022	46,935	105,957
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	(4,561)	10,734	6,173
Decrease in due from other funds	-	38,593	38,593
Increase in deferred outflows of resources	-	(7,090)	(7,090)
Increase in retainage payable	-	-	-
Increase/(decrease) in compensated absences	848	(1,095)	(247)
Decrease in due to other funds	(47,243)	(97,472)	(144,715)
Increase in net pension liability	-	41,855	41,855
Decrease in deferred inflows of resources	-	(25,885)	(25,885)
Increase (decrease) in accounts payable	-	(9,227)	(9,227)
Net cash provided (used) by operating activities	<u>\$ 210,721</u>	<u>\$ (36,564)</u>	<u>\$ 174,157</u>
<b>NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Amounts recorded as accruals for capital assets	\$ 284,121	-	-

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

**CITY OF AVONDALE ESTATES, GEORGIA**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2023**

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	<b>Dottie Holmes Memorial Private Purpose Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 12,391
Total assets	<u>\$ 12,391</u>
<b>NET POSITION</b>	
Restricted for maintenance	\$ 12,391
	<u>\$ 12,391</u>

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

**CITY OF AVONDALE ESTATES, GEORGIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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	<b>Dottie Holmes Memorial Private Purpose Trust Fund</b>
<b>ADDITIONS:</b>	
Interest income	\$ 78
Total additions	<u>78</u>
Change in net position	<u>78</u>
<b>NET POSITION:</b>	
Beginning of fiscal year	<u>12,313</u>
End of fiscal year	<u><u>\$ 12,391</u></u>

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

# CITY OF AVONDALE ESTATES, GEORGIA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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### 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

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### 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 nonfiduciary activities of the primary government and its component units. The statement of net position includes noncurrent assets and noncurrent 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

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### 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 Nonexchange Transactions", the corresponding assets (receivables) in nonexchange 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

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### 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

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### 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 nonoperating 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 nonoperating 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

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### 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, 2023, 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

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### 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

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

#### J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. 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

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### 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

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### 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 \$8,859,052 difference are as follows:

Bond payable	\$	(8,595,000)
Premium		(174,353)
Compensated absences (i.e., vacation)		<u>(89,699)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u><u>(8,859,052)</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 \$436,602 difference are as follows:

Net pension liability	\$	(612,891)
Deferred inflows of resources - pension		(54,803)
Deferred outflows of resources - pension		<u>231,092</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u><u>(436,602)</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 \$839,781 difference are as follows:

Capital outlay	\$ 1,386,607
Depreciation expense	<u>(546,826)</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><u>\$ 839,781</u></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 \$452,811 difference are as follows:

Principal payments of financed purchases	\$ 516,949
Amortization of bond premium	798
Issuance of note payable	(600,407)
Issuance of bond payable	(8,595,000)
Issuance of premium on bond payable	(175,151)
Retirement of note payable through bond refunding	<u>8,400,000</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><u>\$ (452,811)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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**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 (continued)**

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 \$25,026 difference are as follows:

Compensated absences	\$ (11,550)
Net pension liability and deferred inflow/outflows of resources	<u>(13,476)</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><u>\$ (25,026)</u></u>

**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 nondepartmental expenditure category require only the approval of the Finance Director. Increases in appropriations in a departmental budget or in a nondepartmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2023, 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 & 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 \$10,312,210 in Georgia Fund 1. As of December 31, 2023, the Georgia Fund 1 had a weighted-average maturity of 26 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, 2023, 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, 2023, 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, 2023 and are due and payable in two installments. The first installment was due on September 30, 2023, and the second installment was due on November 16, 2023. 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, 2023, and the second installment was due on November 16, 2023. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables at December 31, 2023 for the City's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Capital Projects</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Governmental</u>
Receivables:						
Taxes	\$ 259,315	\$ -	\$ -	\$ -	\$ -	\$ 3,301
Accounts	206,679	-	-	31,336	12,421	-
Intergovernmental	16,981	54,307	859,764	-	-	-
Less allowance for uncollectible	<u>(1,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivable	<u>\$ 481,137</u>	<u>\$ 54,307</u>	<u>\$ 859,764</u>	<u>\$ 31,336</u>	<u>\$ 12,421</u>	<u>\$ 3,301</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 \$2,746 in interest revenue related to the leases. As of December 31, 2023, the City's receivable for lease payments was \$521,287. 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 \$509,924 as of December 31, 2023.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Lease receivable - AT&T	\$ 63,297	\$ -	\$ (15,006)	\$ 48,291	\$ 15,541
Lease receivable - T-Mobile	497,050	-	(24,054)	472,996	24,174
	<u>\$ 560,347</u>	<u>\$ -</u>	<u>\$ (39,060)</u>	<u>\$ 521,287</u>	<u>\$ 39,715</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, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 2,900,972	\$ -	\$ -	\$ -	\$ 2,900,972
Construction in progress	2,200,218	1,054,477	-	-	3,254,695
Total	<u>5,101,190</u>	<u>1,054,477</u>	<u>-</u>	<u>-</u>	<u>6,155,667</u>
Capital assets, being depreciated:					
Land improvements	8,947,230	-	-	-	8,947,230
Buildings and improvements	1,288,068	-	-	-	1,288,068
Infrastructure and improvements	327,493	131,773	-	-	459,266
Vehicles	1,298,522	136,282	-	-	1,434,804
Machinery and equipment	181,002	64,075	-	-	245,077
Total	<u>12,042,315</u>	<u>332,130</u>	<u>-</u>	<u>-</u>	<u>12,374,445</u>
Less accumulated depreciation for:					
Land improvements	(188,648)	(317,013)	-	-	(505,661)
Buildings and improvements	(864,445)	(12,641)	-	-	(877,086)
Infrastructure and improvements	(276,406)	(18,631)	-	-	(295,037)
Vehicles	(702,774)	(179,924)	-	-	(882,698)
Machinery and equipment	(134,569)	(18,617)	-	-	(153,186)
Total	<u>(2,166,842)</u>	<u>(546,826)</u>	<u>-</u>	<u>-</u>	<u>(2,713,668)</u>
Capital assets, net depreciation	<u>9,875,473</u>	<u>(214,696)</u>	<u>-</u>	<u>-</u>	<u>9,660,777</u>
Governmental activities capital assets, net	<u>\$ 14,976,663</u>	<u>\$ 839,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,816,444</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS (CONTINUED)

#### Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 101,505	\$ -	\$ -	\$ -	\$ 101,505
Construction in progress	45,145	386,596	-	(102,520)	329,221
Total	146,650	386,596	-	(102,520)	430,726
Capital assets, being depreciated:					
Infrastructure and improvements	1,329,351	215,585	-	102,520	1,647,456
Machinery and equipment	940,870	-	-	-	940,870
Total	2,270,221	215,585	-	102,520	2,588,326
Less accumulated depreciation for:					
Infrastructure and improvements	(162,977)	(59,022)	-	-	(221,999)
Machinery and equipment	(764,739)	(46,935)	-	-	(811,674)
Total	(927,716)	(105,957)	-	-	(1,033,673)
Capital assets, net depreciation	1,342,505	109,628	-	102,520	1,554,653
Business-type activities capital assets, net	\$ 1,489,155	\$ 496,224	\$ -	\$ -	\$ 1,985,379

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

Governmental activities:	
General government	\$ 11,583
Public safety	181,136
Public works	37,093
Culture and recreation	281,639
Housing and development	35,375
Total depreciation expense - governmental activities	\$ 546,826
Business-Type activities:	
Stormwater	\$ 59,022
Sanitation	46,935
Total depreciation expense - business-type activities	\$ 105,957

## 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	(100,058)	(25,546)	-	(125,604)
Total	<u>(100,058)</u>	<u>(25,546)</u>	<u>-</u>	<u>(125,604)</u>
Total capital assets being depreciated, net	<u>\$ 1,299,942</u>	<u>\$ (25,546)</u>	<u>\$ -</u>	<u>\$ 1,274,396</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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Note payable - direct borrowing	\$ 7,799,593	\$ 600,407	\$ (8,400,000)	\$ -	\$ -
Bond payable	-	8,595,000	-	8,595,000	135,000
Bond premium	-	175,151	(798)	174,353	-
Financed purchase payable	516,949	-	(516,949)	-	-
Compensated absences	78,149	48,981	(37,431)	89,699	89,699
Net pension liability	396,414	481,836	(265,359)	612,891	-
<b>Governmental activity long-term liabilities</b>	<u>\$ 8,791,105</u>	<u>\$ 9,901,375</u>	<u>\$ (9,220,537)</u>	<u>\$ 9,471,943</u>	<u>\$ 224,699</u>
<b>Business-Type activities:</b>					
Financed purchase payable	\$ 56,764	\$ -	\$ (22,546)	\$ 34,218	\$ 22,787
Compensated absences	30,942	22,157	(22,403)	30,696	30,695
Net pension liability	58,972	85,509	(43,654)	100,827	-
<b>Business-Type activity long-term liabilities</b>	<u>\$ 146,678</u>	<u>\$ 107,666</u>	<u>\$ (88,603)</u>	<u>\$ 165,741</u>	<u>\$ 53,482</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 note was retired with the 2023 bond issuance discussed below.

**Bonds Payable – Direct Placement** On December 1, 2023, the Urban Redevelopment Agency of the City of Avondale Estates issued \$8,595,000 of Revenue Bonds, Series 2023 for the purpose of refinancing the costs of the bond anticipation note, Series 2019. The bonds were issued at a premium of \$175,151 and interest rates ranging from 3.05% to 4.50%. The principal and interest payments are due annually starting December 1, 2024. The Bonds are scheduled to mature on December 1, 2053. The City's debt service requirements to maturity on the bonds payable are as follows:

Year ending December 31,	Principal	Interest	Total
2024	\$ 135,000	\$ 388,475	\$ 523,475
2025	140,000	381,725	521,725
2026	150,000	374,725	524,725
2027	155,000	367,225	522,225
2028	165,000	359,475	524,475
2029-2033	950,000	1,666,125	2,616,125
2034-2038	1,210,000	1,403,375	2,613,375
2039-2043	1,520,000	1,098,369	2,618,369
2044-2048	1,870,000	751,762	2,621,762
2049-2053	2,300,000	316,250	2,616,250
	\$ 8,595,000	\$ 7,107,506	\$ 15,702,506

**Financed Purchases from Direct Borrowings – Governmental Activities** On August 20, 2022 the City entered into a financing agreement as lessee for financing the acquisition of various public safety vehicles for \$551,007 at an interest rate of 3.19%. The balance was paid in full as of December 31, 2023.

## 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 financing agreement as lessee for financing the acquisition of a Knuckleboom Truck for \$110,000 with an interest rate of 2.88%. The 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,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 22,787	\$ 989	\$ 23,776
2025	11,431	330	11,761
Total	\$ 34,218	\$ 1,319	\$ 35,537

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## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2023, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Stormwater Fund	\$ 39,035
General Fund	Sanitation Fund	979,170
General Fund	Capital Projects Fund	175,648
Sanitation Fund	General Fund	3,444
		\$ 1,197,297

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.

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Downtown Development Authority	\$ 58,729

Interfund transfers:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	\$ 146,968

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

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### 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](http://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, 2023, the date of the most recent actuarial valuation, there were 80 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	22
Terminated vested participants not yet receiving benefits	23
Active participants - vested	35
Total	<u>80</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2023, the actuarially determined contribution rate was 6.22% of covered payroll. For year ended December 31, 2023, the City's contribution to the Plan was \$139,889.

##### Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2023.

**Actuarial assumptions.** The total pension liability in the July 1, 2023 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, 2023 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, 2023 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, 2023 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20	6.80
Real estate	10	3.90
Global fixed income	5	0.46
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, 2023, were as follows:

Primary Government:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at 12/31/2022</b>	\$ 3,404,825	\$ 2,949,439	\$ 455,386
<b>Changes for the year:</b>			
Service cost	105,736	-	105,736
Interest	250,551	-	250,551
Differences between expected and actual experience	(85,093)	-	(85,093)
Contributions—employer	-	143,480	(143,480)
Contributions—employee	-	80,440	(80,440)
Net investment income	-	(194,481)	194,481
Benefit payments	(226,513)	(226,513)	-
Administrative expense	-	(16,577)	16,577
<b>Net changes</b>	44,681	(213,651)	258,332
<b>Balances at 12/31/2023</b>	\$ 3,449,506	\$ 2,735,788	\$ 713,718

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	\$ 1,091,918	\$ 713,718	\$ 398,020

## 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, 2023 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, 2023, the City recognized pension expense of \$172,797. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ 43,539	\$ (63,819)
Net difference between projected and actual earnings on pension plan investments	120,657	-
City contributions subsequent to the measurement date	104,913	-
Total	\$ 269,109	\$ (63,819)

City contributions subsequent to the measurement date of \$104,913 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending December 31:</b>	
2024	\$ 16,985
2025	(67,062)
2026	68,195
2027	82,259
Total	\$ 100,377

## NOTES TO FINANCIAL STATEMENTS

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### **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 up to \$250 per pay period. During 2023, employees contributed \$82,154 to the Plans while the City contributed \$79,754. As of December 31, 2023, there were 31 participants in the 457 Plan and 31 participants in the 401A Plan, and the fair value was \$533,846 for the 457 Plan and \$299,651 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, 2023, there were 7 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

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### **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.

### **NOTE 15. TAX ABATEMENTS**

For the year ended December 31, 2023, City property tax revenues were reduced by \$450,313 under agreements entered into by the Avondale Estates Downtown 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.

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2023, the DDA disclosed the aggregate original issue amount to be \$107,000,000. The amount outstanding at December 31, 2023 was \$81,380,000.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF AVONDALE ESTATES, GEORGIA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability</b>					
Service cost	\$ 105,736	\$ 95,133	\$ 74,378	\$ 88,685	\$ 64,294
Interest on total pension liability	250,551	238,616	222,588	201,889	189,403
Differences between expected and actual experience	(85,093)	40,538	93,076	186,407	37,941
Changes of assumptions	-	-	-	-	-
Change in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(226,513)	(219,588)	(167,357)	(183,315)	(115,784)
Other	-	-	-	38,944	-
<b>Net change in total pension liability</b>	<u>44,681</u>	<u>154,699</u>	<u>222,685</u>	<u>332,610</u>	<u>175,854</u>
<b>Total pension liability - beginning</b>	<u>3,404,825</u>	<u>3,250,126</u>	<u>3,027,441</u>	<u>2,694,831</u>	<u>2,518,977</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$3,449,506</u></u>	<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>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 143,480	\$ 112,934	\$ 113,115	\$ 109,189	\$ 114,558
Contributions - employee	80,440	73,731	67,692	55,462	41,989
Net investment income	(194,481)	170,691	871,325	(144,793)	72,670
Benefit payments, including refunds of member contributions	(226,513)	(219,588)	(167,357)	(183,315)	(115,784)
Administrative expenses	(16,577)	(16,011)	(15,761)	(16,992)	(16,019)
<b>Net change in plan fiduciary net position</b>	<u>(213,651)</u>	<u>121,757</u>	<u>869,014</u>	<u>(180,449)</u>	<u>97,414</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,949,439</u>	<u>2,827,682</u>	<u>1,958,668</u>	<u>2,139,117</u>	<u>2,041,703</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$2,735,788</u></u>	<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>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 713,718</u></u>	<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>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	79.31%	86.63%	87.00%	64.70%	79.38%
<b>Covered payroll</b>	\$2,251,847	\$2,224,598	\$ 2,207,709	\$1,868,807	\$2,055,295
<b>City's net pension liability as a percentage of covered payroll</b>	31.69%	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>
<b>Total pension liability</b>				
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	-	-	-
<b>Net change in total pension liability</b>	<u>126,149</u>	<u>85,319</u>	<u>152,622</u>	<u>189,607</u>
<b>Total pension liability - beginning</b>	<u>2,392,828</u>	<u>2,307,509</u>	<u>2,154,887</u>	<u>1,965,280</u>
<b>Total pension liability - ending (a)</b>	<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>
<b>Plan fiduciary net position</b>				
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)
<b>Net change in plan fiduciary net position</b>	<u>294,867</u>	<u>259,290</u>	<u>76,282</u>	<u>184,216</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,746,836</u>	<u>1,487,546</u>	<u>1,411,264</u>	<u>1,227,048</u>
<b>Plan fiduciary net position - ending (b)</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>
<b>City's net pension liability - ending (a) - (b)</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>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	81.05%	73.00%	64.47%	65.49%
<b>Covered payroll</b>	\$1,681,314	\$1,795,145	\$ 1,691,563	\$1,608,490
<b>City's net pension liability as a percentage of covered payroll</b>	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

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined contribution	\$ 139,889	\$ 130,602	\$ 125,967	\$ 105,668	\$ 103,133
Contributions in relation to the actuarially determined contribution	139,889	130,602	125,967	105,668	103,133
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,249,019	\$ 2,232,513	\$ 1,888,561	\$ 2,039,923	\$ 1,704,678
Contributions as a percentage of covered payroll	6.22%	5.85%	6.67%	5.18%	6.05%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
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, 2023
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 fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair 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	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

## NONMAJOR GOVERNMENTAL FUNDS

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### **Special Revenue Funds**

Special 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, 2023

ASSETS	Special Revenue Funds		Total Nonmajor Governmental Funds
	Police Seizure Fund	TAD Fund	
Cash and cash equivalents	\$ 18,451	\$ 785,218	\$ 803,669
Taxes receivable	-	3,301	3,301
Total assets	\$ 18,451	\$ 788,519	\$ 806,970
<b>LIABILITIES</b>			
Accounts payable	\$ 4,708	\$ -	\$ 4,708
Total liabilities	4,708	-	4,708
<b>FUND BALANCES</b>			
Restricted:			
Law enforcement	13,743	-	13,743
Capital construction	-	788,519	788,519
Total fund balances	13,743	788,519	802,262
Total liabilities and fund balances	\$ 18,451	\$ 788,519	\$ 806,970

**CITY OF AVONDALE ESTATES, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Police Seizure Fund</u>	<u>TAD Fund</u>	
<b>Revenues</b>			
Property taxes	\$ -	\$ 279,347	\$ 279,347
Interest earned	107	10,396	10,503
Total revenues	<u>107</u>	<u>289,743</u>	<u>289,850</u>
Excess of revenues over expenditures	<u>107</u>	<u>289,743</u>	<u>289,850</u>
Net change in fund balances	107	289,743	289,850
<b>Fund balances, beginning of year</b>	<u>13,636</u>	<u>498,776</u>	<u>512,412</u>
<b>Fund balances, end of year</b>	<u>\$ 13,743</u>	<u>\$ 788,519</u>	<u>\$ 802,262</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 8	\$ 5	\$ 107	\$ 102
Total revenues	<u>8</u>	<u>5</u>	<u>107</u>	<u>102</u>
<b>Expenditures:</b>				
Public safety	10,000	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	(9,992)	(9,995)	107	10,102
<b>Fund balances, beginning of year</b>	<u>13,636</u>	<u>13,636</u>	<u>13,636</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,644</u>	<u>\$ 3,641</u>	<u>\$ 13,743</u>	<u>\$ 10,102</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 150,000	\$ 150,000	\$ 279,347	\$ 129,347
Interest	225	225	10,396	10,171
Total revenues	<u>150,225</u>	<u>150,225</u>	<u>289,743</u>	<u>139,518</u>
Net change in fund balances	150,225	150,225	289,743	139,518
<b>Fund balances, beginning of year</b>	<u>498,776</u>	<u>498,776</u>	<u>498,776</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 649,001</u>	<u>\$ 649,001</u>	<u>\$ 788,519</u>	<u>\$ 139,518</u>

# CITY OF AVONDALE ESTATES, GEORGIA

## SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
<b>2018 SPLOST:</b>						
Road Resurfacing/Paving	\$ 2,106,616	\$ 2,106,616	\$ -	\$ 881,710	\$ 881,710	41.85 %
Transportation Improvements	2,200,000	2,200,000	567,908	8,265	576,173	26.19
Public Safety	349,435	1,560,169	828,608	731,561	1,560,169	100.00
Total SPLOST	<u>\$ 4,656,051</u>	<u>\$ 5,866,785</u>	<u>\$ 1,396,516</u>	<u>\$ 1,621,536</u>	<u>\$ 3,018,052</u>	

**DOWNTOWN DEVELOPMENT AUTHORITY**

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# CITY OF AVONDALE ESTATES, GEORGIA

## BALANCE SHEET COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY DECEMBER 31, 2023

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<b>ASSETS</b>		
Cash		\$ 9,558,047
Prepaid expenses		3,750
Total current assets		<u>\$ 9,561,797</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable		\$ 27,813
Accrued liabilities		5,897
Due to primary government		<u>58,729</u>
Total liabilities		<u>92,439</u>
 <b>FUND BALANCE</b>		
Unassigned		<u>9,469,358</u>
Total liabilities and fund balance		<u>\$ 9,561,797</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, 2023**

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<b>REVENUES</b>	
Interest	\$ 469,212
Miscellaneous	<u>90,897</u>
Total revenues	<u>560,109</u>
 <b>EXPENDITURES</b>	
Economic development	<u>368,452</u>
Total expenditures	<u>368,452</u>
Net change in fund balance	191,657
 <b>FUND BALANCE, beginning of year</b>	 <u>9,277,701</u>
 <b>FUND BALANCE, end of year</b>	 <u><u>\$ 9,469,358</u></u>

## STATISTICAL SECTION

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

	<u>2023</u>	<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>
Governmental activities										
Net investment in capital assets	<b>\$ 6,960</b>	\$ 6,723	\$ 5,530	\$ 4,113	\$ 3,231	\$ 3,097	\$ 2,928	\$ 2,988	\$ 2,799	\$ 2,288
Restricted	<b>1,369</b>	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324	979
Unrestricted	<b>5,644</b>	4,796	5,892	5,055	3,842	2,933	2,111	1,710	1,764	2,509
Total governmental activities net position	<b><u>\$ 13,973</u></b>	<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>
Business-type activities										
Net investment in capital assets	<b>\$ 1,857</b>	\$ 1,432	\$ 875	\$ 784	\$ 224	\$ 208	\$ 219	\$ 104	\$ 15	\$ 43
Unrestricted	<b>606</b>	739	1,062	826	1,363	1,209	1,064	1,060	1,035	919
Total business-type activities net position	<b><u>2,463</u></b>	<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>
Primary government										
Net investment in capital assets	<b>\$ 8,817</b>	\$ 8,155	\$ 6,405	\$ 4,897	\$ 3,455	\$ 3,305	\$ 3,147	\$ 3,092	\$ 2,814	\$ 2,331
Restricted	<b>1,369</b>	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324	979
Unrestricted	<b>6,250</b>	5,535	6,954	5,881	5,205	4,142	3,175	2,770	2,799	3,428
Total primary government net position	<b><u>\$ 16,436</u></b>	<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>

# CITY OF AVONDALE ESTATES, GEORGIA

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

	<u>2023</u>	<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>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,440	\$ 1,708	\$ 666	\$ 1,209	\$ 1,799	\$ 1,241	\$ 1,369	\$ 1,393	\$ 1,166	\$ 1,110
Public safety	1,754	1,449	1,484	1,317	1,261	1,264	1,236	1,112	1,115	1,078
Public works	382	350	1,299	343	432	322	958	679	269	286
Recreation	1,073	670	550	476	472	426	384	392	342	359
Housing and development	-	-	42	8	15	78	180	36	-	-
Economic Development	35	35	-	-	-	-	-	-	-	-
Interest on long-term debt	661	146	12	4	1	3	8	12	17	21
Total governmental activities expenses	<u>6,345</u>	<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>
Business-type activities:										
Stormwater	201	133	115	169	-	1	16	26	49	61
Sanitation	1,016	990	931	770	799	749	691	720	730	714
Total business-type activities expenses	<u>1,217</u>	<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>
Total primary government expenses	<u>\$ 7,563</u>	<u>\$ 5,482</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>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 196	\$ 195	\$ 120	\$ 93	\$ 779	\$ 175	\$ 382	\$ 114	\$ 132	\$ 137
Public safety	243	280	412	457	648	574	455	514	552	639
Housing and development	-	37	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	173	972	58	421	52	68	71	143
Capital grants and contributions	1,775	621	982	606	696	154	-	-	-	-
Total governmental activities program revenues	<u>2,214</u>	<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>
Business-type activities:										
Charges for services:										
Stormwater	404	408	405	132	132	132	132	136	134	125
Sanitation	982	945	967	828	833	852	739	735	730	659
Capital grants and contributions	-	-	-	-	-	-	133	-	-	-
Total business-type activities program revenues	<u>1,386</u>	<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>
Total primary government program revenues	<u>\$ 3,600</u>	<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>

# CITY OF AVONDALE ESTATES, GEORGIA

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

	<u>2023</u>	<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>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (4,131)	\$ (3,225)	\$ (2,367)	\$ (1,229)	\$ (1,799)	\$ (2,010)	\$ (3,246)	\$ (2,928)	\$ (2,154)	\$ (1,935)
Business-type activities	169	230	326	21	166	234	297	125	85	9
Total primary government net expense	<u>\$ (3,962)</u>	<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>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 3,549	\$ 3,194	\$ 2,866	\$ 2,653	\$ 2,498	\$ 2,258	\$ 2,102	\$ 1,986	\$ 1,824	\$ 1,709
Franchise taxes	248	240	247	361	228	217	192	191	186	170
Other taxes	585	533	522	478	450	560	931	889	767	769
Unrestricted investment earnings	86	36	5	18	41	9	5	5	5	4
Miscellaneous	107	80	49	65	56	66	60	58	105	46
Transfers	-	-	(0)	(0)	(0)	103	180	15	(121)	(54)
Total governmental activities	<u>4,575</u>	<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>
Business-type activities:										
Unrestricted investment earnings	-	4	1	3	3	3	3	3	3	3
Transfers	-	-	-	-	-	(103)	(180)	(15)	121	54
Miscellaneous	123	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>123</u>	<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>
Total primary government	<u>\$ 4,698</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	\$ 444	\$ 858	\$ 1,321	\$ 2,346	\$ 1,473	\$ 1,203	\$ 224	\$ 216	\$ 612	\$ 709
Business-type activities	292	234	328	23	169	134	120	113	209	68
Total primary government	<u>\$ 736</u>	<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>

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

	<u>2023</u>	<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>
General fund										
Nonspendable	<b>\$1,146</b>	\$1,148	\$1,148	\$ 1,137	\$ 1,129	\$ 1,151	\$ 1,136	\$ 1,139	\$ 1,146	\$ 1,140
Restricted	-	-	-	-	1,071	1,133	1,258	1,375	1,294	949
Committed	<b>2,031</b>	-	-	-	-	-	-	-	-	-
Assigned	-	-	23	27	26	259	199	379	23	21
Unassigned	<b>2,027</b>	4,056	4,127	3,687	3,132	2,018	1,502	1,188	1,673	2,068
Total general fund	<b><u>\$5,204</u></b>	<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>
All other governmental funds										
Nonspendable	\$ -	\$ 184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	<b>1,285</b>	1,822	1,248	2,181	859	367	30	30	34	30
Assigned	<b>956</b>	139	1,136	814	16	11	14	9	-	-
Unassigned (Deficit)	-	-	-	(2)	-	-	-	-	-	-
Total all other governmental funds	<b><u>\$2,241</u></b>	<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>

**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>2023</u>	<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>
<b>Revenues</b>										
Taxes	\$ 4,395	\$ 3,965	\$ 3,636	\$ 3,498	\$ 3,153	\$ 3,042	\$ 3,218	\$ 3,069	\$ 2,774	\$ 2,658
Licenses and permits	195	193	116	90	759	153	359	93	112	115
Intergovernmental	1,765	618	1,076	1,578	753	575	52	68	71	143
Fines and forfeitures	243	280	412	457	648	574	455	513	552	639
Charges for services	1	2	5	4	20	22	23	21	20	22
Interest income	97	40	4	18	42	9	5	5	5	4
Other revenues	107	118	49	65	56	66	60	58	104	46
Total revenues	<u>6,803</u>	<u>5,216</u>	<u>5,297</u>	<u>5,709</u>	<u>5,431</u>	<u>4,441</u>	<u>4,172</u>	<u>3,827</u>	<u>3,638</u>	<u>3,627</u>
<b>Expenditures</b>										
General government	1,785	1,681	1,723	1,519	2,039	1,542	1,449	1,474	1,685	1,099
Public safety	1,444	1,377	1,447	1,272	1,217	1,224	1,190	1,158	1,108	1,074
Public works	260	316	577	273	399	299	953	661	243	258
Recreation	788	636	639	449	448	426	383	391	341	358
Housing and development	-	-	10	6	15	78	180	36	-	-
Capital outlay	2,223	5,700	4,628	890	357	-	-	-	-	-
Debt service										
Principal retirements	517	34	-	-	-	169	165	160	155	151
Interest and fiscal charges	303	146	12	4	1	3	8	12	17	21
Issuance cost	325	-	-	-	-	-	-	-	-	-
Total expenditures	<u>7,645</u>	<u>9,890</u>	<u>9,036</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>
Excess of revenues over (under) expenditures	(842)	(4,674)	(3,739)	1,296	955	363	(155)	(64)	89	666
<b>Other financing sources (uses)</b>										
Transfers in	147	376	(12)	2,012	41	103	179	25	-	-
Transfers out	(147)	(376)	12	(2,012)	(41)	-	(10)	(10)	(131)	(54)
Capital Lease	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond	(8,433)	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	8,595	4,341	3,579	314	-	-	-	-	-	-
Issuance of bond premium	175	-	-	-	-	-	-	-	-	-
Issuance of note payable	600	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>937</u>	<u>4,341</u>	<u>3,579</u>	<u>314</u>	<u>(0)</u>	<u>103</u>	<u>169</u>	<u>15</u>	<u>(131)</u>	<u>(54)</u>
Net change in fund balances	<u>\$ 95</u>	<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>
Debt service as a percentage of noncapital expenditures	13.10%	4.25%	0.14%	0.10%	0.02%	4.60%	4.00%	4.42%	4.85%	5.81%

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

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<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>
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	88	-	530	189	4,166
2022	3,194	240	287	140	-	577	247	4,685
<b>2023</b>	<b>3,549</b>	<b>248</b>	<b>316</b>	<b>152</b>	<b>-</b>	<b>583</b>	<b>268</b>	<b>5,116</b>

(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		Franchise Tax	Insurance Premium Tax	Occupational Tax	HOST Sales Tax (2)	SPLOST Sales Tax (2)	Other Taxes	Total
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
<b>2023</b>	<b>3,563</b>	<b>248</b>	<b>316</b>	<b>152</b>	<b>-</b>	<b>583</b>	<b>311</b>	<b>5,173</b>

(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					
2014	\$ 145,302	\$ 1,114	\$ 1,656	\$ 7,456	\$ 469	\$ 155,059	10.957	\$ 387,648	40.00%
2015	175,082	1,145	1,628	5,565	371	183,049	9.957	457,623	40.00%
2016	186,008	1,218	2,210	4,307	489	193,254	9.957	483,135	40.00%
2017	198,972	1,281	2,699	3,999	513	206,438	9.957	516,095	40.00%
2018	217,074	1,401	2,653	2,436	550	223,014	9.800	557,535	40.00%
2019	253,252	1,545	2,682	1,802	11,867	247,414	9.800	618,536	40.00%
2020	274,816	1,762	2,197	1,534	694	279,615	9.800	699,038	40.00%
2021	312,214	1,688	2,019	1,243	12,007	305,156	9.800	762,889	40.00%
2022	348,916	1,783	2,223	1,054	39,918	314,059	9.800	785,147	40.00%
<b>2023</b>	<b>385,448</b>	<b>2,062</b>	<b>2,577</b>	<b>1,024</b>	<b>43,306</b>	<b>347,805</b>	<b>9.550</b>	<b>869,512</b>	<b>40.00%</b>

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

Calendar Year	Operating Millage	City of Avondale Estates, Georgia			Dekalb County	State	Total Direct and Overlapping Rates
		Operating Millage	Debt Service Millage	Total City Millage			
2014	10.957	10.957	0.000	10.957	36.77	0.10	47.827
2015	9.957	9.957	0.000	9.957	38.79	0.00	48.747
2016	9.957	9.957	0.000	9.957	37.03	0.00	46.984
2017	9.957	9.957	0.000	9.957	36.40	0.00	46.356
2018	9.800	9.800	0.000	9.800	36.73	0.00	46.527
2019	9.800	9.800	0.000	9.800	36.14	0.00	45.943
2020	9.800	9.800	0.000	9.800	36.29	0.00	46.093
2021	9.800	9.800	0.000	9.800	36.32	0.00	46.120
2022	9.800	9.800	0.000	9.800	35.62	0.00	45.418
<b>2023</b>	<b>9.550</b>	<b>9.550</b>	<b>0.000</b>	<b>9.550</b>	<b>35.482</b>	<b>0.00</b>	<b>45.032</b>

# CITY OF AVONDALE ESTATES, GEORGIA

## PRINCIPAL TAXPAYERS CURRENT AND NINE YEARS AGO

(amounts expressed in thousands)

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
278 Oak Holdings LLC	\$ 1,988	1	0.01 %	\$ -		%
Little Tree Properties	1,978	2	0.01	-		
Toll Southeast LP Company Inc	1,650	3	0.00	-		
JEM Avondale	1,260	4	0.00	-		
TOSC Properties LLC	1,160	5	0.00	580	4	0.001
Georgia Power Co.	1,140	6	0.00	636	3	0.002
OCP Avondale LLC	1,092	7	0.00	442	6	0.001
6 Olive Development	990	8	0.00	-		
S 4110 Property LLC	976	9	0.00	-		
CEED Properties	966	10	0.00	-		
Gargiulo Joseph C	-			1,411	1	0.004
Fenner Dunlop Atlanta	-			1,322	2	0.003
David Ladet	-			451	5	0.001
Waffle House Inc	-			421	7	0.001
Southcrest Bank	-			420	8	0.001
TT and G LLC	-			410	9	0.001
Jill Joyner Bush	-			409	10	0.001
All others	334,605		0.96	381,146		0.98
	<u>\$ 347,805</u>		<u>1.00 %</u>	<u>\$ 387,648</u>		<u>1.00 %</u>

Source: Dekalb County Tax Commissioners Office

**CITY OF AVONDALE ESTATES, GEORGIA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

(amounts expressed in thousands)

<b>Tax Year*</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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	99.92%
2018	2,155	2,066	95.9%	88	2,154	99.94%
2019	2,393	2,256	94.3%	123	2,379	99.43%
2020	2,445	2,403	98.3%	33	2,435	99.60%
2021	2,869	2,813	98.0%	21	2,834	98.77%
2022	2,960	2,889	97.6%	13	2,902	98.05%
<b>2023</b>	<b>3,312</b>	<b>2,942</b>	<b>88.8%</b>	-	2,976	<b>89.86%</b>

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)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Financed Purchases</u>	<u>Notes Payable</u>	<u>Financed Purchases</u>			
2014	-	-	649	-	-	649	0.47%	212
2015	-	-	494	-	-	494	0.36%	160
2016	-	-	334	-	-	334	0.24%	107
2017	-	-	169	-	-	169	0.11%	53
2018	-	-	-	-	-	-	0.00%	-
2019	-	117	117	-	-	234	0.13%	75
2020	-	432	432	-	-	864	0.43%	275
2021	-	4,010	4,010	-	110	8,130	3.97%	2,279
2022	-	7,800	517	-	57	8,374	3.47%	2,397
<b>2023</b>	<b>8,769</b>	-	-	-	<b>34</b>	<b>8,803</b>	<b>3.21%</b>	<b>2,468</b>

**CITY OF AVONDALE ESTATES, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 (amounts expressed in thousands)

	<b>Net General Obligation Bonded Debt Outstanding</b>	<b>Percentage Applicable to City of Avondale Estates (1)</b>	<b>Amount Applicable to City of Avondale Estates</b>
Overlapping General Obligation Debt:			
Dekalb County	\$ 140,899	1.057%	\$ 1,490
Fulton-Dekalb Hospital Authority (DeKalb Portion)	29,926 (2)	1.057%	316
Dekalb County Board of Education	<u>218,089 (2)</u>	1.057%	<u>2,306</u>
Total overlapping debt	<u>388,914</u>		<u>4,111</u>
 City direct debt	 <u>8,803</u>	 100.000%	 <u>8,803</u>
Total direct and overlapping debt	<u><u>\$ 397,717</u></u>		<u><u>\$ 12,914</u></u>

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

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

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

(2) 2022 amounts as the 2023 amounts were not available.

**CITY OF AVONDALE ESTATES, GEORGIA**

**LEGAL DEBT MARGIN INFORMATION**  
**(amounts expressed in thousands)**

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Assessed Value	\$ 347,805
Add back: exempt real property	<u>43,306</u>
Total assessed value	391,111
Debt limit (10% of total assessed value)	39,111
Total debt	<u>8,803</u>
Legal debt margin	<u><u>\$ 30,308</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>	
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%
<b>2023</b>		<b>3,567</b>		<b>274,659</b>	<b>77</b>	<b>48.1</b>	<b>89%</b>	<b>979</b>	<b>4.8%</b>

(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

2023 Employers	2022 Employers	2021 Employers	2020 Employers	2019 Employers
Banjo Coffee Davey Tree, dba Arborguard Donatos Pizza Easter Seals North Georgia Inc. Jollay Masonry My Parents' Basement Savage Pizza Second Life Thrift Store Shade of Green Permaculture Waffle House # 1000	Davey Tree, dba Arborguard DeKalb Collision Center Easter Seals North Georgia Inc. Financial Control Group Harley Collision Centers Home Forge Remodeling LLC Jollay Masonry Jordan Construction Company Waffle House # 1000 Wild Heaven Craft Beers	5 Star Office Furniture Bonnie Carter Fine Art Davey Tree, dba Arborguard 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 Arborguard Family Dollar Stores #30491 Home Forge Remodeling Jollay Masonry My Parents' Basement Savage Pizza Second Life Thrift Store Waffle House # 1000 Zest Atlanta	Clarendon Group, Inc. Community Development Institute Davey Tree, dba Arborguard Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical My Parents' Basement Savage Pizza Waffle House # 1000
2018 Employers	2017 Employers	2016 Employers	2015 Employers	2014 Employers
Community Development Institute Davey Tree, dba Arborguard Globe Chemical Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical Rite Aid # 11690 Savage Pizza Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Service Globe Chemical Jollay Masonry LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Arborguard Tree Globe Chemical Jollay Masonry Lanier Jones Mechanical LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Ace & A Heating and Air Arborguard Tree DeKalb Collision Center Globe Chemical Jollay Masonry Lanier Jones Mechanical Mann Mechanical PCA Head Start Rite Aid # 11690 Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Avondale Pizza Café DeKalb Collision Center Jollay Masonry Mann Mechanical Paste PCA Head Start Rite Aid # 11690 Waffle House # 1000

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	11	9	9	9	8	8	8	8	8	8
Public safety										
Police										
Officers	13	12	12	15	14	14	14	14	13	13
Public works	1	1	1	1	2	2	2	2	2	2
Sanitation	8	9	9	10	11	11	11	11	11	12
Culture and recreation	8	7	6	8	7	7	7	6	6	3
<b>Total</b>	<b>41</b>	<b>38</b>	<b>37</b>	<b>43</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>41</b>	<b>40</b>	<b>38</b>

Source: City of Avondale Estates department records

# CITY OF AVONDALE ESTATES, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

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Function	<u>2023 (1)</u>	<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>
<b><u>Police</u></b>										
Homicide	-	-	-	-	-	-	-	-	-	-
Robbery	1	3	2	2	2	2	2	4	1	-
Aggravated Assault	2	3	1	1	1	-	3	1	-	1
Auto Theft	11	5	7	5	3	4	5	3	6	2
Burglary	14	9	11	10	4	13	14	18	12	7
Larceny	71	81	116	26	55	58	44	48	49	37
<b><u>Municipal Court</u></b>										
Traffic Citations Issued	1,061	1,206	1,881	1,558	3,866	3,104	2,870	2,580	3,030	3,123

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	19	12	12	8	8	8	7	6	5
Public Works										
Streets (miles)	19	19	19	19	19	19	19	19	19 (1)	18
Number of Street Lights	387	387	387	387	387	387	387 (2)	385	385 (1)	369
Collection Trucks	4	4	4	3	3	3	3	-	-	-
Dump Trucks	1	1	-	-	-	-	-	-	-	-

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