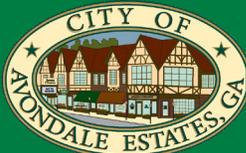




CITY OF AVONDALE ESTATES

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF AVONDALE ESTATES, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

**Prepared by:
Finance Department**

CITY OF AVONDALE ESTATES, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

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CITY OF AVONDALE ESTATES, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

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INTRODUCTORY SECTION

**BOARD OF MAYOR AND
COMMISSIONERS**

Jonathan Elmore
Mayor

Lisa Shortell
Mayor Pro Tem

Lionel Laratte
Commissioner

Michael Smith
Commissioner

Graham Reiney
Commissioner



Patrick Bryant
City Manager

Stephen Quinn
City Attorney

Stephen W. Nicholas
City Judge

June 16, 2025

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, 2024, 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 2024 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 3,500 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 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, 2024, 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 2024.

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 and incorporated as a city in 1928. 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 of Avondale Estates is in DeKalb County, Georgia, 6.5 miles from the Atlanta city limits. It has a population of approximately 3,500 residents. The city is known for its close-knit community, beautiful setting, and diverse architectural styles. Community amenities for residents include beautiful Lake Avondale, tennis courts, a Town Green in the center of downtown, and several other parks and playgrounds throughout the city. The city is also home to the Avondale Community Club and the Avondale Swim and Tennis Club, neighborhood private clubs.

The historic core of downtown Avondale Estates, characterized by its distinctive Tudor-style architecture, was originally built in the 1920s. In recent years, former industrial areas have been adaptively reused, bringing new life and purpose to previously underutilized spaces.

Avondale Estates is a vibrant community known for its small, locally owned businesses, including consignment shops, artisan retailers, breweries, cocktail lounges, bars, and an eclectic mix of restaurants, bakeries, and coffee shops. The city boasts a thriving craft beer scene, earning the title of **Best Small-Town Beer Scene** by *USA Today* in four of the past five years.

Avondale also holds a special place in the history of Waffle House. The first-ever Waffle House opened in the City in 1955 and now serves as the **Waffle House Museum**, while a fully operational Waffle House continues to serve customers nearby.

The **Rail Arts District** serves as a hub for the city's creative community, with art galleries, studios, recording spaces, and other creative businesses occupying repurposed warehouse spaces. This thriving arts environment is further supported by the **Avondale Arts Alliance (AAA)**, a revitalized nonprofit that has recently gained new leadership and momentum.

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 the Commission are completed, but before the adoption of the budget by the BOMC in December.

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

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

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 **3,525 residents**, according to the U.S. Census Bureau's 2023 5-year American Community Survey (ACS) estimates.

According to the U.S. Bureau of Census, approximately 99 percent of the residents have at least a high school education. The median household income is \$136,250 (ACS). Most residents are well-compensated, successful professionals.

MAJOR INITIATIVES

PLANNING AND COMMUNITY DEVELOPMENT

Major projects like *The Dale*, Avila 13-acres, the 60-unit TBG Senior Affordable Apartment building all advanced through planning and permitting. Additionally, new businesses have been permitted and issued licenses. Some of the businesses issued building permits were Galette, Inzo, and Nite Owl.

Staff administered the HPC and the Planning, Architecture, and Zoning Board (PAZB). This included organizing meetings, preparing staff reports, and delivering presentations in support of each agenda. In total, over 250 permits were issued and 28 HPC (Historic Preservation Commission) projects were reviewed.

City staff continued to guide key redevelopment initiatives, including:

- Permitted construction of *The Dale*, a 24,000 square foot commercial building fronting the Town Green.
- Approved demolition and grading plans for **13-acre Avila property** start.
- Facilitated annexation, zoning and permitting for a 66-unit **senior housing project**.

BUSINESS AND ECONOMIC DEVELOPMENT:

Downtown Avondale welcomed **14 new businesses**, demonstrating a robust interest in local commerce and entrepreneurship. Through the Downtown Development Authority, the City launched its first **Shop Local Program**, executed three downtown promotions to support downtown businesses, and continued efforts to preserve the historic theater and facilitated **low-interest loans** to support business retention and expansion.

MARKETING AND COMMUNICATION

In the 2024 budget, **Marketing and Communications** was formally established as a standalone department for the first time. This strategic shift enhances transparency, accountability, and the City's ability to track outreach efforts.

Communications:

The City's communications team delivered consistent, multi-channel messaging throughout 2024, including weekly e-newsletters, six printed newsletters, and quarterly business highlights spotlighting local entrepreneurs. Social media efforts expanded significantly, with regular content posted on the City's Facebook and Instagram platforms to engage residents and promote community events.

Neighborhood Events:

In 2024, City staff continued to support long-standing neighborhood traditions that reinforce Avondale Estates' strong sense of community. Events included the Fourth of July parade and fireworks, the Lake Avondale Christmas tree lighting, the annual Easter Egg Hunt, qualifying track races benefiting the City's two elementary schools, the antique car parade, and numerous other festivals coordinated by City staff.

Downtown Events:

In addition to neighborhood programming, the City continued to grow its downtown event offerings in 2024 with the successful execution of two signature festivals—**Avondale Ale Day** and the **Wine & Art Walk**—in collaboration with the DDA. Six **Weekend Winddown Concerts** were also hosted downtown, supported by sponsorship funding.

The City also relocated its annual **Holiday Tree Lighting** to the Town Green in 2022. Holiday banners and lighting are coordinated jointly by the City and the DDA to bring seasonal cheer to the downtown district.

PUBLIC SAFETY

2024 brought enhancements to public safety through the **implementation of Flock safety cameras** and deployment of a **speed trailer** to deter traffic violations. In 2024 the BOMC approved the renewal of the agency's **AXON contract** which will provide upgraded body cameras, in-car cameras with automated license plate readers (ALPR), and replacement TASER 7s to every officer.

The department successfully filled the **Deputy Police Chief** position and launched a new **leadership training program** for supervisory staff. Sergeants are in the process of completing the required coursework to improve their leadership and management skills.

The agency continued its **community engagement initiatives** in 2024 with events like National Night Out, school visits, Chief for the Day, and drug take-back days.

After a period of decline in traffic tickets and warnings during 2022 and 2023, the number issued in 2024 returned to levels comparable to 2021. In addition to this trend, the number of reported crimes decreased from 218 to 145 from 2023 to 2024 continuing a downward pattern starting in 2021.

The City's Code Enforcement team is made up of staff responsible for permits, property maintenance, and municipal code compliance. They respond to concerns reported by staff and the community. In 2024, the team identified, documented, and addressed 42 code violations.

COURTS

The City operates a municipal court that convenes three times per month. On average, the City issues approximately 300 tickets per month for misdemeanor traffic offenses and code violations, the majority of which are traffic-related. The Court Clerk plays a central role in managing municipal court operations. In 2024, the Avondale Estates Court Clerk was honored as *Clerk of the Year* by the Georgia Municipal Court Clerks' Council, recognizing their outstanding service and dedication.

CAPITAL PROJECTS:

The City made substantial progress on a range of capital improvements through the reporting period, demonstrating its ongoing commitment to infrastructure, sustainability, and community development.

Transportation:

The City kicked off construction of the **North Avondale/East College Complete Street Initiative** after securing additional funding and finalizing key contracts. The cost of design, right of way and construction is over \$10 million and is scheduled to take 18 months to complete. Construction is projected to be completed in early 2026. This project remains on schedule and within budget.

Utilities:

The City coordinated closely with DeKalb County on two major infrastructure projects:

1. **Scott Boulevard Phase 3 Watermain Replacement and the 3181 Midway PASARPS Gravity Sewer Renewal**
2. **DeKalb County Watershed PASARP 5 Gravity Sewer Renewal (impacting Berkeley Road Improvements & Banbury Cross)**

Each project required monthly coordination meetings between the City, the contractor, and DeKalb County staff. These meetings served as a forum to identify issues, develop solutions, and ensure all work aligned with the City's standards. City staff actively followed up to confirm that agreed-upon plans were executed properly.

For the **sewer** project, staff successfully negotiated the reinstatement of a 6-foot-wide multi-use path for golf carts, cyclists, and pedestrians. Similarly, DeKalb County is installing a new path in the **Banbury Cross** extension. In addition, the City secured a **tree recompense of \$29,220** and the replacement of several trees in accordance with the City's tree permitting requirements for both Berkeley Road and Banbury Cross.

Smaller Parks and Transportation:

Other projects completed in 2024 include 400 feet of **sidewalk and linear curb repairs**, emergency repairs such as the **sinkhole at the fire station**, and the repaving of the public works **parking lot**. The City continued sustainability efforts with the design and bid for refreshing **Fletcher Park**, including playground equipment, native plantings, and stormwater infrastructure. Following public meetings, community surveys, and extensive input from neighbors, **temporary street calming measures** were implemented in December 2024 on South Avondale and Kensington Roads.

Stormwater:

The **North Woods project**, a stormwater and woodland restoration effort, was successfully completed, while stormwater planning and design work advanced on key corridors including **Washington/Pine Street, Wilshire/Lakeshore Drive, and Kensington Road**. In 2024, the **Dunwick Drive** improvements advanced through the design phase, easement acquisition, and the issuance of a Request for Proposals (RFP), supported in part by \$200,000 in grant funding. The

initial concept featured regenerative landscaping, but as design work progressed, it became evident that this approach would not create the usable and attractive space originally envisioned. The plans were revised to include underground piping, an option that was both more cost-effective and acceptable to residents. As a result, the total project cost is below the original professional estimates. Stormwater infrastructure was also integrated into the North Avondale Complete Street project, alongside the implementation of a new **stormwater ordinance** adopted in 2024.

Municipal Separate Storm Sewer System:

The City successfully passed the 2024 Municipal Separate Storm Sewer System (**MS4**) **stormwater permit** required by the Environmental Protection Department (EPD). The MS4 permit requires planning and ongoing maintenance throughout the year.

PUBLIC WORKS AND ENVIRONMENTAL STEWARDSHIP

2024 was a year of transition for the City's Public Works team. Sanitation services were transitioned to curb side pick-up one day a week and contracted with an outside vendor to provide service saving the city and residents money in their annual sanitation fees. Public Works managed a significant volume of waste this year: over 1,000 **tons of trash** and **close to 200 tons of recycling** were hauled to landfills, along with a projected **663 tons of yard waste**. There were well over 80 special pick-ups for residential customers. Thanks to the pilot curbside composting program, **5.5 tons** of organic waste were diverted from landfills over the 5-month collection period in 2024.

The City also outsourced some of the **landscaping responsibilities**, freeing up staff for other maintenance and keeping cost low. This enables staff to take on projects such as the repair, cleaning, and replacement of over 300 street signs. The City's beautification efforts included planting **1,728 flowers**, spreading **86 yards of playground mulch**, and conducting 60 maintenance activities. The urban tree canopy saw progress with **80 new trees planted** and 40 removed.

A major priority for the City was advancing best practices in sustainability and resilience. In 2024, the City was designated a **Green Leaf Community** by the Atlanta Regional Commission, a recognition awarded through a regional certification program that promotes sustainable development. To receive this initial designation, communities must meet a set of foundational criteria and are then given 18 months to fulfill additional requirements for **Bronze Certification**.

In pursuit of this goal, the City dedicated substantial effort throughout 2024 to adopting internal policies and formally documenting existing sustainability initiatives, plans, and projects that support long-term environmental resilience.

RECOGNITION AND AWARDS

- **Small-Town Beer Scene:** For the last four out of five years, USA Today voted the City of Avondale Estates as the Best Small-Town Beer Scene in the U.S.
 - **Tree City USA Designation:** In 2024, the City celebrated 41 years as a Tree City USA through the National Arbor Day Foundation.
-

OPERATIONS AND TECHNOLOGY:

Staff implemented a **P-card program** to streamline expenses and ensured timely bill payments as well as provided ongoing financial management for the DDA. The City advanced transparency by creating an **online submittal system** for open records requests. while also onboarding a new court clerk to strengthen municipal services.

In 2024, the City fully implemented new permitting software that streamlined the plan review process. It also partnered with SAFEBuilt to enhance and manage inspection services. The City recently upgraded its **accounting software** to enhance financial tracking and transparency. The new system allows for the creation of multiple subaccounts under a single umbrella account, streamlining financial management across departments. Currently, the City maintains one umbrella account, with subaccounts for the General Fund, Downtown Development Authority, Stormwater, Sanitation, Tree Recompense, and Capital. Because these subaccounts are integrated with the main account, staff can easily view the City's overall financial position and manage individual funds within a centralized platform. With the new software, the city was also able to update the City's GL accounts to the Georgia Uniform Chart of Accounts (UCOA).

FINANCIAL INFORMATION

Budget: The City maintained a balanced budget and received a clean audit for 2023, demonstrating a strong commitment to responsible financial stewardship. The operating budget maintains staff at current levels. In addition to adopting balanced operating budgets for 2024, the City enhanced its Capital Improvements Budget, which funds key initiatives such as transportation and stormwater infrastructure. This multi-year capital budget is supported by various funding sources, many of which are restricted to specific uses or types of projects. The City also continued its best practices that led to 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.

Grant and Sponsorship Funding: Additional progress was made in grant acquisition, with new outside funding secured. This funding included an additional \$2 million on top of a \$6 million grant for the **North Avondale/East College Streetscapes** and Transportation improvements.

In 2023, DeKalb voters approved a new six-year **Special Purpose Local Option Sales Tax** (SPLOST). The City anticipates receiving approximately \$3.5 million in dedicated revenue. Additionally, City staff successfully negotiated a \$2 million allocation for the City. Under the guidance of the Board of Mayor and Commissioners (BOMC), the City has strategically invested these funds to generate interest while also issuing bonds to make the funds available upfront. These methods accelerate project delivery and maximize impact.

The City also received grants for smaller but vital projects. This includes \$200,000 for **Dunwick Drive stormwater improvements**. Additionally, \$393,000 in state grant funds were received in 2023 for the **Fletcher Park** upgrade. Design for these improvements was advanced in 2024. The City was awarded a \$323,800 grant from the U.S. Department of Agriculture for its **curbside compost program**. It also secured approximately \$30,000 in **event sponsorships** to bring seasonal concerts to the Town Green in 2024.

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
City Manager,
City of Avondale Estates



Government Finance Officers Association

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Reporting

Presented to

**City of Avondale Estates
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL OFFICIALS

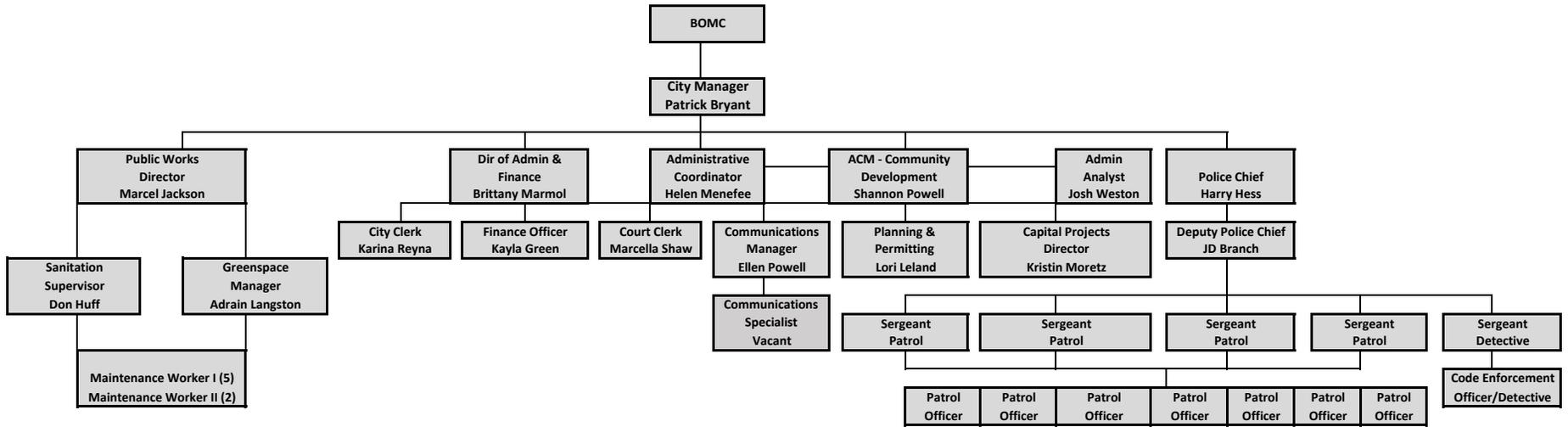
DECEMBER 31, 2024

CITY COMMISSION

Jonathan Elmore	Mayor
Lisa Shortell	Mayor Pro-Tem
Lionel Laratte	Commissioner
Michael Smith	Commissioner
Graham Reiney	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	Creative, Marketing and Communications Director



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**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 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, 2024, 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, 2024, 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.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, as of January 1, 2024. These standards significantly changed the reporting of the City's major funds and compensated absences liability. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, 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 16, 2025

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

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, 2024. 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 \$21,366,128. Of this amount, \$6,041,295 (unrestricted net position) may be used to meet the government's ongoing obligations. Additionally, \$10,859,853 is invested in capital assets. The remainder is restricted primarily for capital projects, grant programs and law enforcement.

The City's net position from governmental activities increased approximately 32.5% (or \$4,502,713) when compared to the previous year, while business-type activities' net position increased by approximately 22.3% (or \$546,007) when compared to the previous year. The total increase for 2024 was 30.9%.

General Fund revenues increased in total by \$464,079 (9.8%) compared to 2023. Taxes increased by approximately \$346,140 due to increased property values in the City, franchise fees and excise taxes each increased by approximately \$18,000, insurance premium taxes increased by a little more than \$24,000, fines and forfeitures revenues increased approximately \$26,000. The increases in revenue were offset by reductions in licenses and permits decreased by \$65,000, intangible taxes decreased by \$18,000 and miscellaneous (other) revenues showed an approximate \$35,000 decrease in 2024.

General Fund expenses increased by 3.3%, or \$152,083, in 2024. Public safety expenditures increased by approximately \$150,669; public works expenses increased by \$23,040 and recreation expenditures decreased by \$5,285. General government expenditures increased by \$273,523. Explanations for the variances follow in the document when comparing 2023 and 2024 operating results.

At the close of 2024, the City's governmental funds reported combined fund balances of \$13,916,009 as compared to \$7,445,282 at the end of 2023. This reflects an increase of \$6,470,727, or 86.9%. With the new SPLOST voted in 2023, the city started a new SPLOST II fund. The city began receiving SPLOST II funds in June 2024 as well as issued a bond. This fund showed the largest increase in fund balance for 2024, at \$6,198,210. The Capital Projects fund showed a decrease in fund balance for 2024, of \$208,521, due to the beginning of multiple capital projects during 2024 including the construction phase of the 278 Project. The TAD fund balance increased by \$406,403, simply because no funds were expended during the year.

Unassigned fund balance for the General Fund was \$3,662,828 at the end of 2024, as compared to \$2,027,208 at the end of 2023. This balance represents 77.6% 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 2024, the City anticipates expending the excess by the end of 2026 as major capital projects are fully implemented.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

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 nonmajor 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, 2024

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 nine 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 II, and Capital Project Funds, which are reported as major funds. Data from the other governmental funds are combined into a single, aggregated presentation, but supplementary information on the individual nonmajor funds may be found beginning on page 63 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 29-59 of this report.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

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	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	\$ 15,326,697	\$ 9,499,306	\$ 974,460	\$ 935,594	\$ 16,301,157	\$ 10,434,900
Capital assets	17,590,597	15,816,444	2,268,692	1,985,379	19,859,289	17,801,823
Total assets	32,917,294	25,315,750	3,243,152	2,920,973	36,160,446	28,236,723
Deferred outflows-Pension	119,877	231,092	2,648	38,017	122,525	269,109
Liabilities						
Non-current liabilities	995,778	1,637,920	201,211	147,550	1,196,989	1,785,470
Other liabilities	13,085,123	9,371,201	50,861	320,888	13,135,984	9,692,089
Total liabilities	14,080,901	11,009,121	252,072	468,438	14,332,973	11,477,559
Deferred inflows-Lease	465,199	509,924	-	-	465,199	509,924
Deferred inflows-Pension	116,106	54,803	2,565	9,016	118,671	63,819
Net Position						
Net Investment in						
capital assets	8,744,238	6,960,565	2,115,615	1,856,764	10,859,853	8,817,329
Restricted	4,464,980	1,369,202	-	-	4,464,980	1,369,202
Unrestricted	5,165,747	5,542,485	875,548	588,392	6,041,295	6,130,877
Total net position	\$ 18,374,965	\$ 13,872,252	\$ 2,991,163	\$ 2,445,156	\$ 21,366,128	\$ 16,317,408

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 50.8% 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 (\$4.46 million) or unrestricted (\$6 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 position, for both the government as a whole and its business-type activities. During fiscal year 2024, the City's total primary government net position increased by \$5,048,720, or 30.94%.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Changes in Net Position

The following schedule presents a summary of changes in net position for the fiscal year ended December 31, 2024:

	City of Avondale Estates Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 429,793	\$ 439,479	\$ 1,020,633	\$ 1,385,299	\$ 1,450,426	\$ 1,824,778
Capital grants and contributions	5,114,468	1,775,347	-	-	5,114,468	1,775,347
General revenues:						
Property taxes	4,019,170	3,549,297	-	-	4,019,170	3,549,297
Franchise taxes	266,318	248,118	-	-	266,318	248,118
Insurance premium taxes	340,320	316,223	-	-	340,320	316,223
Other taxes	264,628	268,273	-	-	264,628	268,273
Other revenues	62,513	107,044	-	-	62,513	107,044
Investment earnings	100,697	86,411	490,965	123,248	591,662	209,659
Total revenues	<u>10,597,907</u>	<u>6,790,192</u>	<u>1,511,598</u>	<u>1,508,547</u>	<u>12,109,505</u>	<u>8,298,739</u>
Expenses						
General government	2,093,710	2,440,435	-	-	2,093,710	2,440,435
Public safety	1,824,239	1,753,881	-	-	1,824,239	1,753,881
Public works	512,967	381,714	-	-	512,967	381,714
Recreation	1,077,865	1,073,488	-	-	1,077,865	1,073,488
Economic development	35,374	35,375	-	-	35,374	35,375
Interest	551,039	660,958	-	-	551,039	660,958
Sanitation	-	-	645,519	1,015,523	645,519	1,015,523
Stormwater	-	-	320,072	201,033	320,072	201,033
Total expenses	<u>6,095,194</u>	<u>6,345,851</u>	<u>965,591</u>	<u>1,216,556</u>	<u>7,060,785</u>	<u>7,562,407</u>
Change in net position	4,502,713	444,341	546,007	291,991	5,048,720	736,332
Net Position beginning of year (restated)	13,872,252	13,528,653	2,445,156	2,171,355	16,317,408	15,700,008
Net Position end of year	<u>\$ 18,374,965</u>	<u>\$ 13,972,994</u>	<u>\$ 2,991,163</u>	<u>\$ 2,463,346</u>	<u>\$ 21,366,128</u>	<u>\$ 16,436,340</u>

Capital grants and contributions were up from 2023 primarily due to grants that were received by the City in 2024 for the 278 Project as the construction began on the project. Property taxes reflect a gain of \$469,873 over 2023 due to an increase in the City's tax digest.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Franchise fees increased \$18,200 over 2023 and insurance premium taxes increased \$24,097. Other revenues were \$44,531 less than 2023, this is mainly due to a decrease in the amount of donations from the prior year and there was no sale of surplus vehicles in 2024.

Total Primary Government expenses decreased \$250,657 in 2024. General government saw the largest decrease of \$346,725. Interest expenses decreased by \$109,919 due to the city releasing bonds to the debt from Town Green Park project and securing a lower fixed interest rate.

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 \$546,007 due to a slight increase of \$436 in the Sanitation Fund and an increase of \$545,571 in the Stormwater Fund. Expenses increased by \$119,039 in the Stormwater Fund and decreased by about \$370,004 in the Sanitation Fund. The increases in the Stormwater Fund expenses were mainly due to salaries and depreciation. The decreases in the Sanitation Fund were mainly due to the city outsourcing its sanitation.

The City continues to expect to spend down Stormwater reserves in 2025 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 \$13,916,009, an increase of \$6,470,727 in comparison with the prior year. Of that total, \$3,662,828 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 2024 represents 77% of total General Fund expenditures for the year.

Of the total governmental fund balance, \$1,199,915 is nonspendable, with \$1,116,409 of that amount representing an asset held for resale, and the remainder being prepaid expenses and lease receivable. \$7,981,053 (consisting of \$6,198,210 in SPLOST II collections and \$406,403 from the Tax Allocation District Fund collections) is restricted for capital outlay projects, \$13,866 is restricted for law enforcement outlays, and \$33,496 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, 2024

The table below compares General Fund revenues and expenditures for 2024 and 2023:

	General Fund		
	2024	2023	\$ Increase (Decrease)
Revenues			
Taxes	\$ 4,500,569	\$ 4,115,777	\$ 384,792
Licenses and permits	130,717	195,343	(64,626)
Intergovernmental	160,879	529	160,350
Fines and forfeitures	268,576	243,036	25,540
Charges for services	1,280	1,100	180
Interest income	52,889	50,515	2,374
Other revenues	62,513	107,044	(44,531)
Total revenues	<u>5,177,423</u>	<u>4,713,344</u>	<u>464,079</u>
Expenditures			
General government	2,058,584	1,785,061	273,523
Public safety	1,594,432	1,443,763	150,669
Public works	283,145	260,105	23,040
Recreation	782,328	787,613	(5,285)
Housing and Development	-	-	-
Debt Service:			
Principal retirements	-	-	-
Interest payments	-	289,864	(289,864)
Total expenditures	<u>4,718,489</u>	<u>4,566,406</u>	<u>152,083</u>
Excess of revenues over expenditures	<u>458,934</u>	<u>146,938</u>	<u>311,996</u>
Transfers to/from other funds (Net)	<u>(511,581)</u>	<u>(146,968)</u>	<u>(364,613)</u>
Net change in fund balances	<u>(52,647)</u>	<u>(30)</u>	<u>(52,617)</u>
Fund balances, beginning of year	<u>5,204,328</u>	<u>5,204,358</u>	<u>(30)</u>
Fund balances, end of year	<u>\$ 5,151,681</u>	<u>\$ 5,204,328</u>	<u>\$ (52,647)</u>

Fines and forfeitures showed an increase of \$25,540 from 2023 to 2024. Real property tax collections were \$384,792 higher than in 2023 primarily to growth in the digest and economic development activities. Other revenues (miscellaneous and intangibles) decreased by \$44,531 due to a decrease in donations to the city for events and a decrease in intangible taxes. Interest income increased by \$25,818 from 2022. Intergovernmental revenues increased \$160,350 primarily due to a compost grant.

General government expenditures increased \$273,523 during 2024 primarily due to communications expenses. Public safety expenditures showed an increase of \$150,669 during 2024, primarily due to having a fully staffed force. Public works expenditures increased by \$23,040.

SPLOST II Fund - The SPLOST II Fund collected \$2,518,334 in sales taxes and spent \$114,912. The fund also issued \$3,785,000 in SPLOST bonds proceeds to fund construction on projects under the referendum. The remaining fund balance of \$6,198,210 is restricted for capital projects.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Capital Projects Fund - The Capital Projects Fund spent \$1,946,213 on capital construction during the year. The fund was also reimbursed with grant funding of \$1,720,742 for cost incurred in prior periods. Remaining fund balance of \$735,700 is assigned by the City for future capital construction.

ARPA Fund - The ARPA Fund is holding cash of \$672,526 and the City identified eligible projects to charge for the program. The cash is considered unearned revenue and the only fund balance is from interest income. These funds will be used by the end of 2025.

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 2023, at \$410,459. After accounting for interest income of \$13,960 and grants of \$441,224 and operating expenses of \$320,072, the Stormwater utility net position increased by \$545,571 for total net position of \$2,942,355 at the end of the fiscal year. The City anticipates strong infrastructure spending in 2025 and 2026.

Sanitation revenues decreased \$371,437, or 37.8%, in 2024, primarily due to a decrease in the amount of the sanitation fee. After accounting for operating expenses of \$645,519, interest expense in the amount of \$989 and interest income in the amount of \$36,770, Sanitation had a net gain of \$436. The fund's net position at the end of 2024 was \$48,808.

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 \$79 to net position during 2024 for a total of \$12,470 at year end.

General Fund Budgetary Highlights

The 2024 adopted budget anticipated no change in fund balance and there was one budget amendment made during the fiscal year. When the year ended, the fund balance decreased by \$52,647. The final revenue budget included a decrease of \$128,000 in property taxes, an additional \$16,000 in Alcohol Taxes, an additional \$25,000 from interest earnings and an additional \$105,000 from Intergovernmental Revenue. The revenue budget for 2024 was \$5,231,180. Actual revenue collections were \$5,177,423.

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

The final expenditures budget was \$5,231,180 also. The City's General Fund balance as of December 31, 2024, was \$5,151,681, or about 110% of the City’s actual General Fund expenditures for calendar year 2024.

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, 2024, amounts to \$19,859,289 (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 11.6% for the current calendar year. Major additions included construction for the 278 project (\$1,719,217) as well as work on the stormwater project Northwoods (\$310,971).

The City anticipates completing more significant capital projects, including the 278 Redesign, during 2025. Additional information on the City’s capital assets can be found in Note 8 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,900,972	\$ 2,900,972	\$ 101,505	\$ 101,505	\$ 3,002,477	\$ 3,002,477
Land Improvements	8,124,556	8,441,569	-	-	8,124,556	8,441,569
Infrastructure	476,888	164,229	1,354,580	1,425,457	1,831,468	1,589,686
Construction in Progress	4,830,272	3,254,695	727,740	329,221	5,558,012	3,583,917
Building and Improvements	583,548	410,982			583,548	410,982
Furniture, Equipment, and Vehicles	674,361	643,997	84,867	129,196	759,228	773,193
Total	<u>\$ 17,590,597</u>	<u>\$ 15,816,444</u>	<u>\$ 2,268,692</u>	<u>\$ 1,985,379</u>	<u>\$ 19,859,289</u>	<u>\$ 17,801,824</u>

CITY OF AVONDALE ESTATES, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

As of December 31, 2024, construction in progress included the following projects, which are scheduled for completion in future years:

- Highway 278/SR 10 Widening
- Street Grid Improvements
- Fletcher Park

Business-type activities included the following infrastructure additions:

- Washington Street/Pine Stormwater
- 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 2024, the City directly held long-term liabilities of \$257,749 for compensated absences and \$457,010 for net pension liability. Of these amounts, \$675,329 and \$39,430, 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 \$11,431 as of December 31, 2024.

The City also held long-term debt through component units. The Urban Redevelopment Agency of the City issued \$8,595,000 of bond debt. The City also issued \$3,785,000 of sales tax bond debt. The outstanding balance of bonds at December 31, 2025 is \$12,245,000.

Additional information on the City's long-term debt can be found in Note 9 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 102 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, 2024

Next Year's Budget

The 2025 budget anticipates General Fund revenues of \$5,647,678, which is \$470,255 more than total actual 2024 revenue collections in the amount of \$5,177,423. 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 \$5,647,678 for 2025. General Fund expenditures are projected to increase by about \$417,608 compared to the 2024 actual expenditures of \$5,230,070, as increased personnel and operation costs are expected to continue due to general economic and inflationary pressures.

The 2025 budgeted Sanitation Fund revenue amounts to \$640,000, a decrease of about \$6,350 over 2024. The 2025 Sanitation Fund expenditures budget is \$640,000. 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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 9,676,751	\$ 1,463,032	\$ 11,139,783	\$ 6,935,120
Accounts receivable	230,881	227,229	458,110	-
Note receivable	-	-	-	2,945,600
Property taxes receivable, net	124,475	-	124,475	-
Due from other governments	2,777,637	-	2,777,637	-
Lease receivables, due in one year	42,792	-	42,792	-
Lease receivables, due in more than one year	438,780	-	438,780	-
Due from component unit	136,038	-	136,038	-
Internal balances	715,801	(715,801)	-	-
Prepaid items	67,133	-	67,133	-
Asset held for redevelopment	1,116,409	-	1,116,409	-
Capital assets:				
Nondepreciable	7,731,244	829,245	8,560,489	633,602
Depreciable, net of accumulated depreciation	9,859,353	1,439,447	11,298,800	615,247
Total assets	32,917,294	3,243,152	36,160,446	11,129,569
TOTAL DEFERRED OUTFLOWS OF RESOURCES				
Pensions	119,877	2,648	122,525	-
Total deferred inflows of resources	119,877	2,648	122,525	-
LIABILITIES				
Accounts payable	240,037	75,716	315,753	8,783
Retainage payable	-	125,495	125,495	-
Due to primary government	-	-	-	136,038
Accrued liabilities	130,216	-	130,216	25,436
Unearned revenue	625,525	-	625,525	-
Compensated absences, due within one year	228,197	29,552	257,749	-
Bonds payable, due within one year	730,000	-	730,000	-
Bonds payable, due in more than one year	11,679,794	-	11,679,794	-
Financed purchases payable, due within one year	-	11,431	11,431	-
Net pension liability, due in more than one year	447,132	9,878	457,010	-
Total liabilities	14,080,901	252,072	14,332,973	170,257
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	465,199	-	465,199	-
Pensions	116,106	2,565	118,671	-
Total deferred inflows of resources	581,305	2,565	583,870	-
NET POSITION				
Net investment in capital assets	8,744,238	2,115,615	10,859,853	1,248,849
Restricted for law enforcement	13,866	-	13,866	-
Restricted for grant program	33,496	-	33,496	-
Restricted for capital construction	4,417,618	-	4,417,618	-
Unrestricted	5,165,747	875,548	6,041,295	9,710,463
Total net position	\$ 18,374,965	\$ 2,991,163	\$ 21,366,128	\$ 10,959,312

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, 2024

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,093,710	\$ 131,997	\$ -	\$ -
Public safety	1,824,239	297,796	-	909,172
Public works	512,967	-	-	4,199,133
Culture and recreation	1,077,865	-	-	-
Economic development	35,374	-	-	-
Interest and fiscal charges	551,039	-	-	6,163
Total governmental activities	6,095,194	429,793	-	5,114,468
Business-Type activities:				
Stormwater	320,072	410,459	-	-
Sanitation	645,519	610,174	-	-
Total primary government	\$ 7,060,785	\$ 1,450,426	\$ -	\$ 5,114,468
Component unit:				
Downtown development authority	\$ 378,031	\$ -	\$ -	\$ -
Total component unit	\$ 378,031	\$ -	\$ -	\$ -

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
- Restatement - change in accounting principle
- Net position, beginning of year, as restated
- Net position, end of year

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

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

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
\$ (1,961,713)	\$ -	\$ (1,961,713)	\$ -
(617,271)	-	(617,271)	-
3,686,166	-	3,686,166	-
(1,077,865)	-	(1,077,865)	-
(35,374)	-	(35,374)	-
(544,876)	-	(544,876)	-
<u>(550,933)</u>	<u>-</u>	<u>(550,933)</u>	<u>-</u>
-	90,387	90,387	-
-	(35,345)	(35,345)	-
<u>(550,933)</u>	<u>55,042</u>	<u>(495,891)</u>	<u>-</u>
-	-	-	(378,031)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (378,031)</u>

\$ 4,019,170	\$ -	\$ 4,019,170	\$ -
266,318	-	266,318	-
247,303	-	247,303	-
340,320	-	340,320	-
17,325	-	17,325	-
100,697	-	100,697	482,716
62,513	490,965	553,478	119,825
<u>5,053,646</u>	<u>490,965</u>	<u>5,544,611</u>	<u>602,541</u>
4,502,713	546,007	5,048,720	224,510
13,972,994	2,463,346	16,436,340	10,743,754
<u>(100,742)</u>	<u>(18,190)</u>	<u>(118,932)</u>	<u>(8,952)</u>
<u>13,872,252</u>	<u>2,445,156</u>	<u>16,317,408</u>	<u>10,734,802</u>
<u>\$ 18,374,965</u>	<u>\$ 2,991,163</u>	<u>\$ 21,366,128</u>	<u>\$ 10,959,312</u>

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

	General Fund	SPLOST II Fund	Capital Projects Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,522,362	\$ 4,132,670	\$ 593,138	\$ 672,526	\$ 1,756,055	\$ 9,676,751
Accounts receivable	230,881	-	-	-	-	230,881
Taxes receivable, net of allowance	104,797	-	-	-	19,678	124,475
Intergovernmental receivable	-	2,065,540	712,097	-	-	2,777,637
Lease receivables	481,572	-	-	-	-	481,572
Due from other funds	1,191,278	-	-	-	29,220	1,220,498
Due from component unit	136,038	-	-	-	-	136,038
Prepaid items	67,133	-	-	-	-	67,133
Asset held for redevelopment	1,116,409	-	-	-	-	1,116,409
Total assets	<u>\$ 5,850,470</u>	<u>\$ 6,198,210</u>	<u>\$ 1,305,235</u>	<u>\$ 672,526</u>	<u>\$ 1,804,953</u>	<u>\$ 15,831,394</u>
LIABILITIES						
Accounts payable	\$ 124,353	\$ -	\$ 106,653	\$ 1,000	\$ 8,031	\$ 240,037
Accrued liabilities	73,005	-	-	-	-	73,005
Due to other funds	29,310	-	462,882	12,505	-	504,697
Unearned revenue	-	-	-	625,525	-	625,525
Total liabilities	<u>226,668</u>	<u>-</u>	<u>569,535</u>	<u>639,030</u>	<u>8,031</u>	<u>1,443,264</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	6,922	-	-	-	-	6,922
Deferred lease revenue	465,199	-	-	-	-	465,199
Total deferred inflows of resources	<u>472,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,121</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	67,133	-	-	-	-	67,133
Asset held for redevelopment	1,116,409	-	-	-	-	1,116,409
Long term lease receivable	16,373	-	-	-	-	16,373
Restricted:						
Law enforcement	-	-	-	-	13,866	13,866
Grant program	-	-	-	33,496	-	33,496
Capital construction	-	6,198,210	-	-	1,782,843	7,981,053
Committed:						
Capital construction	288,938	-	-	-	-	288,938
Assigned:						
Capital construction	-	-	735,700	-	213	735,913
Unassigned	3,662,828	-	-	-	-	3,662,828
Total fund balances	<u>5,151,681</u>	<u>6,198,210</u>	<u>735,700</u>	<u>33,496</u>	<u>1,796,922</u>	<u>13,916,009</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,850,470</u>	<u>\$ 6,198,210</u>	<u>\$ 1,305,235</u>	<u>\$ 672,526</u>	<u>\$ 1,804,953</u>	
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.						17,590,597
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(12,695,202)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds, along with related deferred inflows and outflows of resources.						(443,361)
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						<u>\$ 18,374,965</u>

The accompanying notes are an integral part of these statements.

CITY OF AVONDALE ESTATES, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	(Previously Major) SPLOST I Fund	SPLOST II Fund	Capital Projects Fund	(Previously Major) URA Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Property taxes	\$ 3,629,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,867	\$ 4,019,170
Franchise taxes	266,318	-	-	-	-	-	-	266,318
Alcohol excise taxes	61,700	-	-	-	-	-	-	61,700
Excise taxes	185,603	-	-	-	-	-	-	185,603
Insurance premium taxes	340,320	-	-	-	-	-	-	340,320
Intangible taxes	17,325	-	-	-	-	-	-	17,325
Licenses and permits	130,717	-	-	-	-	-	-	130,717
Intergovernmental	160,879	-	2,518,334	1,720,742	-	559,105	139,457	5,098,517
Charges for services	1,280	-	-	-	-	-	29,220	30,500
Fines and forfeitures	268,576	-	-	-	-	-	-	268,576
Contributions	27,750	-	-	-	-	-	-	27,750
Interest earned	52,889	-	9,788	16,950	-	14,200	22,821	116,648
Miscellaneous	34,763	-	-	-	-	-	-	34,763
Total revenues	<u>5,177,423</u>	<u>-</u>	<u>2,528,122</u>	<u>1,737,692</u>	<u>-</u>	<u>573,305</u>	<u>581,365</u>	<u>10,597,907</u>
Expenditures:								
Current:								
General government	2,058,584	-	-	-	-	-	75	2,058,659
Public safety	1,594,432	-	-	-	-	-	-	1,594,432
Public works	283,145	-	-	-	-	-	-	283,145
Recreation	782,328	-	-	-	-	-	-	782,328
Capital outlay	-	-	-	1,946,213	-	559,105	49,911	2,555,229
Debt service:								
Principal	-	-	-	-	-	-	135,000	135,000
Interest	-	-	-	-	-	-	388,475	388,475
Issuance cost	-	-	114,912	-	-	-	-	114,912
Total expenditures	<u>4,718,489</u>	<u>-</u>	<u>114,912</u>	<u>1,946,213</u>	<u>-</u>	<u>559,105</u>	<u>573,461</u>	<u>7,912,180</u>
Excess (deficiency) of revenues over expenditures	458,934	-	2,413,210	(208,521)	-	14,200	7,904	2,685,727
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	511,581	511,581
Transfers out	(511,581)	-	-	-	-	-	-	(511,581)
Proceeds from bond issuance	-	-	3,785,000	-	-	-	-	3,785,000
Total other financing sources (uses)	<u>(511,581)</u>	<u>-</u>	<u>3,785,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,581</u>	<u>3,785,000</u>
Net change in fund balances	(52,647)	-	6,198,210	(208,521)	-	14,200	519,485	6,470,727
Fund balances, beginning of year	5,204,328	462,993	-	944,221	12,182	19,296	802,262	7,445,282
Adjustment - change within reporting entity	-	(462,993)	-	-	(12,182)	-	475,175	-
Fund balances, beginning of year, as adjusted	<u>5,204,328</u>	<u>-</u>	<u>-</u>	<u>944,221</u>	<u>-</u>	<u>19,296</u>	<u>1,277,437</u>	<u>7,445,282</u>
Fund balances, end of year	<u>\$ 5,151,681</u>	<u>\$ -</u>	<u>\$ 6,198,210</u>	<u>\$ 735,700</u>	<u>\$ -</u>	<u>\$ 33,496</u>	<u>\$ 1,796,922</u>	<u>\$ 13,916,009</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, 2024

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

Net change in fund balances - total governmental funds	\$	6,470,727
<p>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.</p>		
		1,774,153
<p>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.</p>		
		(3,640,441)
<p>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.</p>		
		<u>(101,726)</u>
Change in net position - governmental activities	\$	<u><u>4,502,713</u></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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,798,718	\$ 3,669,820	\$ 3,629,303	\$ (40,517)
Alcohol excise taxes	42,000	58,000	61,700	3,700
Franchise taxes	219,400	219,400	266,318	46,918
Excise taxes	171,900	171,900	185,603	13,703
Insurance premium taxes	300,000	300,000	340,320	40,320
Intangible taxes	50,000	50,000	17,325	(32,675)
Licenses and permits	149,600	149,600	130,717	(18,883)
Intergovernmental	41,500	146,500	160,879	14,379
Charges for services	2,000	2,000	1,280	(720)
Fines and forfeitures	280,000	280,000	268,576	(11,424)
Contributions	40,000	40,000	27,750	(12,250)
Interest earned	25,000	50,000	52,889	2,889
Miscellaneous	57,560	57,560	34,763	(22,797)
Use of reserves	-	36,400	-	(36,400)
Total revenues	5,177,678	5,231,180	5,177,423	(53,757)
Expenditures:				
Current:				
General government	2,083,186	2,058,588	2,058,584	4
Public safety	1,607,904	1,594,904	1,594,432	472
Public works	285,820	283,620	283,145	475
Recreation	677,293	782,393	782,328	65
Total expenditures	4,654,203	4,719,505	4,718,489	1,016
Excess (deficiency) of revenues over expenditures	523,475	511,675	458,934	(52,741)
Other financing uses:				
Transfers out	(523,475)	(511,675)	(511,581)	94
Total other financing uses	(523,475)	(511,675)	(511,581)	94
Net change in fund balance	-	-	(52,647)	(52,647)
Fund balance, beginning of year	5,204,328	5,204,328	5,204,328	-
Fund balance, end of year	\$ 5,204,328	\$ 5,204,328	\$ 5,151,681	\$ (52,647)

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

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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,215,772	\$ 1,215,772	\$ 559,105	\$ (656,667)
Interest earned	12,000	12,000	14,200	2,200
Total revenues	<u>1,227,772</u>	<u>1,227,772</u>	<u>573,305</u>	<u>(654,467)</u>
Expenditures:				
Current:				
Capital outlay	1,215,772	1,215,772	559,105	656,667
Total expenditures	<u>1,215,772</u>	<u>1,215,772</u>	<u>559,105</u>	<u>656,667</u>
Net change in fund balance	12,000	12,000	14,200	2,200
Fund balance, beginning of year	<u>19,296</u>	<u>19,296</u>	<u>19,296</u>	<u>-</u>
Fund balance, end of year	<u>\$ 31,296</u>	<u>\$ 31,296</u>	<u>\$ 33,496</u>	<u>\$ 2,200</u>

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

CITY OF AVONDALE ESTATES, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2024

ASSETS	Business-Type Activities		Total Business-Type Activities
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	
CURRENT ASSETS			
Cash	\$ 781,055	\$ 681,977	\$ 1,463,032
Accounts receivable	13,544	15,980	29,524
Intergovernmental receivable	197,705	-	197,705
Due from other funds	-	90	90
Total current assets	992,304	698,047	1,690,351
NONCURRENT ASSETS			
Capital assets, nondepreciable	829,245	-	829,245
Capital assets, depreciable	1,661,437	667,657	2,329,094
Accumulated depreciation	(306,856)	(582,791)	(889,647)
Total capital assets, net	2,183,826	84,866	2,268,692
Total assets	3,176,130	782,913	3,959,043
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	-	2,648	2,648
Total deferred outflows of resources	-	2,648	2,648
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	16,151	59,565	75,716
Retainage payable	125,495	-	125,495
Due to other funds	84,257	631,634	715,891
Compensated absences	7,872	21,680	29,552
Financed purchases payable	-	11,431	11,431
Total current liabilities	233,775	724,310	958,085
NONCURRENT LIABILITIES			
Net pension liability	-	9,878	9,878
Total noncurrent liabilities	-	9,878	9,878
Total liabilities	233,775	734,188	967,963
DEFERRED INFLOWS OF RESOURCES			
Pension related items	-	2,565	2,565
Total deferred inflows of resources	-	2,565	2,565
NET POSITION			
Net investment in capital assets	2,042,180	73,435	2,115,615
Unrestricted	900,175	(24,627)	875,548
Total net position	\$ 2,942,355	\$ 48,808	\$ 2,991,163

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, 2024

	Business-Type Activities		
	Enterprise Funds		Total Business-Type Activities
	Stormwater Fund	Sanitation Fund	
OPERATING REVENUE			
Stormwater fees	\$ 410,459	\$ -	\$ 410,459
Sanitation fees	-	610,174	610,174
Total operating revenues	410,459	610,174	1,020,633
OPERATING EXPENSES			
Personnel services	148,545	168,972	317,517
Contracted services	86,670	422,418	509,088
Depreciation	84,857	54,129	138,986
Total operating expenses	320,072	645,519	965,591
Operating income (loss)	90,387	(35,345)	55,042
NONOPERATING REVENUE (EXPENSE)			
Interest income	13,960	36,770	50,730
Interest expense	-	(989)	(989)
Income before capital grants	104,347	436	104,783
Capital grants	441,224	-	441,224
Change in net position	545,571	436	546,007
Net Position, beginning of year	2,400,160	63,186	2,463,346
Restatement - change in accounting principle	(3,376)	(14,814)	(18,190)
Total net position, beginning, as restated	2,396,784	48,372	2,445,156
Total net position, ending	<u>\$ 2,942,355</u>	<u>\$ 48,808</u>	<u>\$ 2,991,163</u>

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, 2024

	Business-Type Activities		
	Enterprise Funds		
	Stormwater Fund	Sanitation Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 230,546	\$ 609,969	\$ 840,515
Payments to employees	(145,952)	(600,465)	(746,417)
Payments to suppliers	(245,825)	(368,816)	(614,641)
Net cash used in operating activities	<u>(161,231)</u>	<u>(359,312)</u>	<u>(520,543)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	13,960	36,770	50,730
Net cash provided by investing activities	<u>13,960</u>	<u>36,770</u>	<u>50,730</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment on financed purchases	-	(22,787)	(22,787)
Receipt of capital grant	441,224	-	441,224
Interest expense	-	(989)	(989)
Purchase of capital assets	(381,402)	(9,799)	(391,201)
Net cash provided by (used in) capital and related financing activities	<u>59,822</u>	<u>(33,575)</u>	<u>26,247</u>
Net change in cash	(87,449)	(356,117)	(443,566)
Cash, beginning of year	868,504	1,038,094	1,906,598
Cash, end of year	<u>\$ 781,055</u>	<u>\$ 681,977</u>	<u>\$ 1,463,032</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	\$ 90,387	\$ (35,345)	\$ 55,042
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	84,857	54,129	138,986
Change in assets and liabilities:			
Decrease (Increase) in accounts receivable	17,792	(3,559)	14,233
(Increase) in accounts receivable	(197,705)	-	(197,705)
Decrease in due from other funds	-	3,354	3,354
Decrease in deferred outflows of resources	-	35,369	35,369
Increase/(decrease) in compensated absences	2,593	(21,926)	(19,333)
Increase/(decrease) in due to other funds	45,222	(347,536)	(302,314)
Decrease in net pension liability	-	(90,949)	(90,949)
Decrease in deferred inflows of resources	-	(6,451)	(6,451)
Increase (decrease) in accounts payable	(204,377)	53,602	(150,775)
Net cash used in operating activities	<u>\$ (161,231)</u>	<u>\$ (359,312)</u>	<u>\$ (520,543)</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Amounts recorded as accruals for capital assets	\$ 47,410	-	47,410

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

CITY OF AVONDALE ESTATES, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024**

	Dottie Holmes Memorial Private Purpose Trust Fund
ASSETS	
Cash and cash equivalents	\$ 12,470
Total assets	\$ 12,470
NET POSITION	
Restricted for maintenance	\$ 12,470
	\$ 12,470

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, 2024

	Dottie Holmes Memorial Private Purpose Trust Fund
ADDITIONS:	
Interest income	\$ 79
Total additions	<u>79</u>
Change in net position	<u>79</u>
NET POSITION:	
Beginning of fiscal year	<u>12,391</u>
End of fiscal year	<u>\$ 12,470</u>

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

CITY OF AVONDALE ESTATES, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City operates under a modified Board of Commissioners/manager form of government and provides the following services as authorized by its charter to its citizens: public safety (police), public works (highways, streets and sanitation), culture and recreation, housing and development, and general and administrative services. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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

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 and fiduciary 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

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

The City reports the following major proprietary funds:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City also reports the following fund type:

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

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

Proprietary funds distinguish operating revenues and expenses from 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

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, 2024, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., stormwater catch basins and piping, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

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

I. Leases

Lessor

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick pay is accumulated in accordance with GASB 101 and an estimate for the time to be used during employment has been accrued. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-Term Obligations

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

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

L. Deferred Inflows/Outflows of Resources

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Inflows/Outflows of Resources (Continued)

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

M. Fund Equity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.
- **Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

N. Net Position

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

O. Management Estimates

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

P. Interfund Transactions

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pensions

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$12,695,202 difference are as follows:

Bonds payable	\$ (12,245,000)
Premium	(164,794)
Accrued Interest	(57,211)
Compensated absences (i.e., vacation and sick leave)	<u>(228,197)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (12,695,202)</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 \$443,361 difference are as follows:

Net pension liability	\$ (447,132)
Deferred inflows of resources - pension	(116,106)
Deferred outflows of resources - pension	<u>119,877</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (443,361)</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 \$1,774,153 difference are as follows:

Capital outlay	\$ 2,369,282
Depreciation expense	<u>(595,129)</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>\$ 1,774,153</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 \$3,640,441 difference are as follows:

Amortization of bond premium	\$ 9,559
Issuance of bond payable	(3,785,000)
Principal payments on bond payable	<u>135,000</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>\$ (3,640,441)</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 (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 \$101,726 difference are as follows:

Compensated absences	\$ (37,756)
Accrued Interest	(57,211)
Net pension liability and deferred inflow/outflows of resources	<u>(6,759)</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>\$ (101,726)</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

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, 2024, 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 \$7,717,314 in Georgia Fund 1. As of December 31, 2024, the Georgia Fund 1 had a weighted-average maturity of 27 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, 2024, 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, 2024, 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, 2024 and are due and payable in two installments. The first installment was due on September 30, 2024, and the second installment was due on November 15, 2024. 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, 2024, and the second installment was due on November 15, 2024. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables at December 31, 2024 for the City's individual major funds and aggregate nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST II</u>	<u>Capital Projects</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Governmental</u>
Receivables:						
Taxes	\$ 106,635	\$ -	\$ -	\$ -	\$ -	\$ 19,678
Accounts	230,881	-	-	15,980	13,544	-
Intergovernmental	-	2,065,540	712,097	-	197,705	-
Less allowance for uncollectible	(1,838)	-	-	-	-	-
Net total receivable	<u>\$ 335,678</u>	<u>\$ 2,065,540</u>	<u>\$ 712,097</u>	<u>\$ 15,980</u>	<u>\$ 211,249</u>	<u>\$ 19,678</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 \$2,551 in interest revenue related to the leases. As of December 31, 2024, the City's receivable for lease payments was \$481,572. 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 \$465,199 as of December 31, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease receivable - AT&T	\$ 48,291	\$ -	\$ (15,541)	\$ 32,750	\$ 16,091
Lease receivable - T-Mobile	472,996	-	(24,174)	448,822	26,701
	\$ 521,287	\$ -	\$ (39,715)	\$ 481,572	\$ 42,792

NOTE 7. NOTE RECEIVABLE

In September 2024, the Downtown Development Authority issued a loan to ATG Partners, LLC., a Georgia limited liability company, for a maximum amount of \$4,200,000 for the development and construction of the "Town Green Mixed-Use Project." Disbursements made as of December 31, 2024 totaled \$2,945,600. The Authority does not charge any interest during the draw phase of the loan. The note carries an interest rate of 3% with repayments on the loan starting June 1, 2026. The note is secured by the Town Green Mixed-Used Project.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the year ended December 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 2,900,972	\$ -	\$ -	\$ -	\$ 2,900,972
Construction in progress	3,254,695	1,808,589	-	(233,012)	4,830,272
Total	<u>6,155,667</u>	<u>1,808,589</u>	<u>-</u>	<u>(233,012)</u>	<u>7,731,244</u>
Capital assets, being depreciated:					
Land improvements	8,947,230	-	-	-	8,947,230
Buildings and improvements	1,288,068	204,506	-	-	1,492,574
Infrastructure and improvements	459,266	98,278	-	233,012	790,556
Vehicles	1,434,804	161,786	(267,497)	-	1,329,093
Machinery and equipment	245,077	96,123	-	-	341,200
Total	<u>12,374,445</u>	<u>560,693</u>	<u>(267,497)</u>	<u>233,012</u>	<u>12,900,653</u>
Less accumulated depreciation for:					
Land improvements	(505,661)	(317,013)	-	-	(822,674)
Buildings and improvements	(877,086)	(31,940)	-	-	(909,026)
Infrastructure and improvements	(295,037)	(18,631)	-	-	(313,668)
Vehicles	(882,698)	(194,423)	267,497	-	(809,624)
Machinery and equipment	(153,186)	(33,122)	-	-	(186,308)
Total	<u>(2,713,668)</u>	<u>(595,129)</u>	<u>267,497</u>	<u>-</u>	<u>(3,041,300)</u>
Capital assets, net of accumulated depreciation	<u>9,660,777</u>	<u>(34,436)</u>	<u>-</u>	<u>233,012</u>	<u>9,859,353</u>
Governmental activities capital assets, net	<u>\$ 15,816,444</u>	<u>\$ 1,774,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,590,597</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 101,505	\$ -	\$ -	\$ -	\$ 101,505
Construction in progress	329,221	405,032	(6,513)	-	727,740
Total	430,726	405,032	(6,513)	-	829,245
Capital assets, being depreciated:					
Infrastructure and improvements	1,647,456	13,980	-	-	1,661,436
Machinery and equipment	940,870	9,800	(283,012)	-	667,658
Total	2,588,326	23,780	(283,012)	-	2,329,094
Less accumulated depreciation for:					
Infrastructure and improvements	(221,999)	(84,857)	-	-	(306,856)
Machinery and equipment	(811,674)	(54,129)	283,012	-	(582,791)
Total	(1,033,673)	(138,986)	283,012	-	(889,647)
Capital assets, net of accumulated depreciation	1,554,653	(115,206)	-	-	1,439,447
Business-type activities capital assets, net	\$ 1,985,379	\$ 289,826	\$ (6,513)	\$ -	\$ 2,268,692

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

Governmental activities:	
General government	\$ 20,675
Public safety	198,085
Public works	59,356
Culture and recreation	281,639
Housing and development	35,374
Total depreciation expense - governmental activities	\$ 595,129
Business-Type activities:	
Stormwater	\$ 84,857
Sanitation	54,129
Total depreciation expense - business-type activities	\$ 138,986

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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	(125,604)	(25,547)	-	(151,151)
Total	<u>(125,604)</u>	<u>(25,547)</u>	<u>-</u>	<u>(151,151)</u>
Capital assets net of accumulated depreciation	<u>640,794</u>	<u>(25,547)</u>	<u>-</u>	<u>615,247</u>
Total capital assets being depreciated, net	<u>\$ 1,274,396</u>	<u>\$ (25,547)</u>	<u>\$ -</u>	<u>\$ 1,248,849</u>

NOTE 9. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended December 31, 2024:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 8,595,000	\$ 3,785,000	\$ (135,000)	\$ 12,245,000	\$ 730,000
Bond premium	174,353	-	(9,559)	164,794	-
Compensated absences	190,441	75,187	(37,431)	228,197	228,197
Net pension liability	<u>612,891</u>	<u>401,940</u>	<u>(567,699)</u>	<u>447,132</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 9,572,685</u>	<u>\$ 4,262,127</u>	<u>\$ (749,689)</u>	<u>\$ 13,085,123</u>	<u>\$ 958,197</u>
Business-Type activities:					
Financed purchase payable	\$ 34,218	\$ -	\$ (22,787)	\$ 11,431	\$ 11,431
Compensated absences	48,886	22,157	(41,491)	29,552	29,552
Net pension liability	<u>100,827</u>	<u>8,880</u>	<u>(99,829)</u>	<u>9,878</u>	<u>-</u>
Business-Type activity long-term liabilities	<u>\$ 183,931</u>	<u>\$ 31,037</u>	<u>\$ (164,107)</u>	<u>\$ 50,861</u>	<u>\$ 40,983</u>

For governmental activities, the net pension liability is liquidated by the General Fund. The bond payable is liquidated by the URA Fund. For business-type activities, the net pension liability is liquidated by the Sanitation Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

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 refunding resulted in debt service savings of \$195,000 over the life of the new bonds, and a net, economic gain of approximately \$64,444. 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
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	170,000	351,225	521,225
2030-2034	1,000,000	1,618,625	2,618,625
2035-2039	1,270,000	1,342,875	2,612,875
2040-2044	1,585,000	1,035,969	2,620,969
2045-2049	1,945,000	672,288	2,617,288
2050-2053	1,880,000	214,900	2,094,900
	\$ 8,460,000	\$ 6,719,032	\$ 15,179,032

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (CONTINUED)

Bonds Payable – Sales Tax Bond On October 24, 2024, the City issued \$3,785,000 of Sales Tax Bonds, Series 2024 to finance certain capital outlay projects of the city and to pay for the costs of issuance associated with the Series 2024 Bond. Pursuant to Georgia Law, these bonds will be repaid with the proceeds of a one percent sales tax. The bonds were issued with an interest rate of 3.34%. The principal and interest payments are due annually starting June 1, 2025. The bonds are scheduled to mature on June 1, 2030. The City's debt service requirements to maturity on the bonds payable are as follows:

Year ending December 31,	Principal	Interest	Total
2025	\$ 590,000	\$ 129,559	\$ 719,559
2026	585,000	96,944	681,944
2027	610,000	76,987	686,987
2028	640,000	56,112	696,112
2029	665,000	34,319	699,319
2030	695,000	11,606	706,606
	\$ 3,785,000	\$ 405,527	\$ 4,190,527

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,	Principal	Interest	Total
2025	\$ 11,431	\$ 330	\$ 11,761

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Capital Projects Fund	\$ 462,882
General Fund	Stormwater Fund	84,257
General Fund	Sanitation Fund	631,634
General Fund	ARPA Fund	12,505
Sanitation Fund	General Fund	90
Nonmajor Governmental Funds	General Fund	29,220
		\$ 1,220,588

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. The ARPA payable is for allowable program expenditures incurred in the General Fund.

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Downtown Development Authority	\$ 136,038

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 511,581

Transfers are used to move unrestricted General Fund revenues to fund long-term debt repayments in the URA Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

At July 1, 2024, the date of the most recent actuarial valuation, there were 85 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	23
Terminated vested participants not yet receiving benefits	21
Active participants - vested	41
Total	<u>85</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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, 2024, the actuarially determined contribution rate was 4.61% of covered payroll. For year ended December 31, 2024, the City's contribution to the Plan was \$105,009.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2024.

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 11. 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, 2024 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20	7.21
Real estate	10	3.61
Global fixed income	5	1.67
Domestic fixed income	20	1.61
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 11. 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, 2024, were as follows:

Primary Government:	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2023	\$ 3,449,506	\$ 2,735,788	\$ 713,718
Changes for the year:			
Service cost	98,747	-	98,747
Interest	253,364	-	253,364
Differences between expected and actual experience	44,843	-	44,843
Contributions—employer	-	122,351	(122,351)
Contributions—employee	-	103,986	(103,986)
Net investment income	-	441,191	(441,191)
Benefit payments	(225,613)	(225,613)	-
Administrative expense	-	(13,866)	13,866
Net changes	171,341	428,049	(256,708)
Balances at 12/31/2024	\$ 3,620,847	\$ 3,163,837	\$ 457,010

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	\$ 853,755	\$ 457,010	\$ 126,818

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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, 2024 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, 2024, the City recognized pension expense of \$40,923. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 43,768	\$ (42,546)
Net difference between projected and actual earnings on pension plan investments	-	(76,125)
City contributions subsequent to the measurement date	78,757	-
Total	\$ 122,525	\$ (118,671)

City contributions subsequent to the measurement date of \$78,757 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2025	\$ (103,833)
2026	31,424
2027	45,488
2028	(47,982)
Total	\$ (74,903)

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 2024, employees contributed \$96,359 to the Plans while the City contributed \$89,133. As of December 31, 2024, there were 30 participants in the 457 Plan and 33 participants in the 401A Plan, and the fair value was \$576,132 for the 457 Plan and \$435,379 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, 2024, there were 7 participants in this plan.

NOTE 13. 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 14. RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. 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 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Construction Projects:

The City has active construction projects for the construction of various roads. The remaining commitments to contractors at December 31, 2024, totaled \$1,804,790.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. TAX ABATEMENTS

For the year ended December 31, 2024, City property tax revenues were reduced by \$401,341 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.

NOTE 17. 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, 2024, the DDA disclosed the aggregate original issue amount to be \$107,000,000. The amount outstanding at December 31, 2024 was \$78,650,000.

NOTE 18. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. Also, in conjunction with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*, the City is required to reevaluate its reporting of a Change in Accounting Principle by restating net position for the effect of a newly adopted accounting principle on prior periods. Therefore, in conjunction with the implementation of GASB Statements No. 101 and 100, the following restatement was required to the beginning net position of the governmental activities, the Sanitation Fund, the Stormwater Fund, the business-type activities and the Downtown Development Authority.

	<u>Governmental Activities</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	<u>Business-Type Activities</u>	<u>Downtown Development Authority</u>
Beginning net position, as previously reported	\$ 13,972,994	\$ 2,400,160	\$ 63,186	\$ 2,463,346	\$ 10,743,754
Restatement due to implementation of GASB No. 101 and implementation of GASB No. 100	(100,742)	(3,376)	(14,814)	(18,190)	(8,952)
Beginning net position, as restated	<u>\$ 13,872,252</u>	<u>\$ 2,396,784</u>	<u>\$ 48,372</u>	<u>\$ 2,445,156</u>	<u>\$ 10,734,802</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 18. ACCOUNTING CHANGES (CONTINUED)

Change in Major Funds

As of December 31, 2024, the City's SPLOST I Fund and URA Fund meet the definition of a nonmajor fund, whereas in the prior year these funds were presented as major governmental funds. The effect of this change within the reporting entity is as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances				
	Governmental Activities	Sanitation Fund	Stormwater Fund	Business Activities	Downtown Development Authority
Beginning net position, as previously reported	\$ 13,972,994	\$ 2,400,160	\$ 63,186	\$ 2,463,346	\$ 10,743,754
Change in accounting principle (GASB 101)	(100,742)	(3,376)	(14,814)	(18,190)	(8,952)
Beginning net position, as restated	\$ 13,872,252	\$ 2,396,784	\$ 48,372	\$ 2,445,156	\$ 10,734,802
	SPLOST I Fund	URA Fund	Nonmajor Governmental Funds		
Beginning fund balance, as previously reported	\$ 462,993	\$ 12,182	\$ 802,262		
Change from major fund to nonmajor fund	(462,993)	(12,182)	475,175		
Beginning fund balance, as adjusted	\$ -	\$ -	\$ 1,277,437		

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AVONDALE ESTATES, GEORGIA

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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 98,747	\$ 105,736	\$ 95,133	\$ 74,378	\$ 88,685
Interest on total pension liability	253,364	250,551	238,616	222,588	201,889
Differences between expected and actual experience	44,843	(85,093)	40,538	93,076	186,407
Changes of assumptions	-	-	-	-	-
Change in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(225,613)	(226,513)	(219,588)	(167,357)	(183,315)
Other	-	-	-	-	38,944
Net change in total pension liability	171,341	44,681	154,699	222,685	332,610
Total pension liability - beginning	3,449,506	3,404,825	3,250,126	3,027,441	2,694,831
Total pension liability - ending (a)	<u>\$ 3,620,847</u>	<u>\$ 3,449,506</u>	<u>\$ 3,404,825</u>	<u>\$ 3,250,126</u>	<u>\$ 3,027,441</u>
Plan fiduciary net position					
Contributions - employer	\$ 122,351	\$ 143,480	\$ 112,934	\$ 113,115	\$ 109,189
Contributions - employee	103,986	80,440	73,731	67,692	55,462
Net investment income	441,191	(194,481)	170,691	871,325	(144,793)
Benefit payments, including refunds of member contributions	(225,613)	(226,513)	(219,588)	(167,357)	(183,315)
Administrative expenses	(13,866)	(16,577)	(16,011)	(15,761)	(16,992)
Net change in plan fiduciary net position	428,049	(213,651)	121,757	869,014	(180,449)
Plan fiduciary net position - beginning	2,735,788	2,949,439	2,827,682	1,958,668	2,139,117
Plan fiduciary net position - ending (b)	<u>\$ 3,163,837</u>	<u>\$ 2,735,788</u>	<u>\$ 2,949,439</u>	<u>\$ 2,827,682</u>	<u>\$ 1,958,668</u>
City's net pension liability - ending (a) - (b)	<u>\$ 457,010</u>	<u>\$ 713,718</u>	<u>\$ 455,386</u>	<u>\$ 422,444</u>	<u>\$ 1,068,773</u>
Plan fiduciary net position as a percentage of the total pension liability	87.38%	79.31%	86.63%	87.00%	64.70%
Covered payroll	\$ 2,756,263	\$ 2,251,847	\$ 2,224,598	\$ 2,207,709	\$ 1,868,807
City's net pension liability as a percentage of covered payroll	16.58%	31.69%	20.47%	19.13%	57.19%

(Continued)

CITY OF AVONDALE ESTATES, GEORGIA

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 64,294	\$ 80,361	\$ 72,663	\$ 73,516	\$ 62,436
Interest on total pension liability	189,403	182,289	175,205	163,670	149,093
Differences between expected and actual experience	37,941	(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	(115,784)	(81,427)	(93,599)	(86,034)	(83,009)
Other	-	43,547	-	-	-
Net change in total pension liability	<u>175,854</u>	<u>126,149</u>	<u>85,319</u>	<u>152,622</u>	<u>189,607</u>
Total pension liability - beginning	<u>2,518,977</u>	<u>2,392,828</u>	<u>2,307,509</u>	<u>2,154,887</u>	<u>1,965,280</u>
Total pension liability - ending (a)	<u>\$ 2,694,831</u>	<u>\$ 2,518,977</u>	<u>\$ 2,392,828</u>	<u>\$ 2,307,509</u>	<u>\$ 2,154,887</u>
Plan fiduciary net position					
Contributions - employer	\$ 114,558	\$ 144,663	\$ 154,645	\$ 146,523	\$ 142,543
Contributions - employee	41,989	28,157	22,901	18,911	10,067
Net investment income	72,670	219,434	191,557	5,556	121,731
Benefit payments, including refunds of member contributions	(115,784)	(81,427)	(93,599)	(86,034)	(83,009)
Administrative expenses	(16,019)	(15,960)	(16,214)	(8,674)	(7,116)
Net change in plan fiduciary net position	<u>97,414</u>	<u>294,867</u>	<u>259,290</u>	<u>76,282</u>	<u>184,216</u>
Plan fiduciary net position - beginning	<u>2,041,703</u>	<u>1,746,836</u>	<u>1,487,546</u>	<u>1,411,264</u>	<u>1,227,048</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,139,117</u>	<u>\$ 2,041,703</u>	<u>\$ 1,746,836</u>	<u>\$ 1,487,546</u>	<u>\$ 1,411,264</u>
City's net pension liability - ending (a) - (b)	<u>\$ 555,714</u>	<u>\$ 477,274</u>	<u>\$ 645,992</u>	<u>\$ 819,963</u>	<u>\$ 743,623</u>
Plan fiduciary net position as a percentage of the total pension liability	79.38%	81.05%	73.00%	64.47%	65.49%
Covered payroll	\$ 2,055,295	\$ 1,681,314	\$ 1,795,145	\$ 1,691,563	\$ 1,608,490
City's net pension liability as a percentage of covered payroll	27.04%	28.39%	35.99%	48.47%	46.23%

CITY OF AVONDALE ESTATES, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 105,009	\$ 139,889	\$ 130,602	\$ 125,967	\$ 105,668
Contributions in relation to the actuarially determined contribution	105,009	139,889	130,602	125,967	105,668
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,277,852	\$ 2,249,019	\$ 2,232,513	\$ 1,888,561	\$ 2,039,923
Contributions as a percentage of covered payroll	4.61%	6.22%	5.85%	6.67%	5.18%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 103,133	\$ 127,023	\$ 204,600	\$ 175,594	\$ 165,303
Contributions in relation to the actuarially determined contribution	103,133	125,330	204,600	175,594	165,303
Contribution deficiency (excess)	\$ -	\$ 1,693	\$ -	\$ -	\$ -
Covered payroll	\$ 1,704,678	\$ 1,825,043	\$ 1,717,964	\$ 1,635,036	\$ 1,471,080
Contributions as a percentage of covered payroll	6.05%	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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenues funds are used to account 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.

Tree Fund – To account for the preserving and enhancing of the City's urban forest.

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

Capital Projects Funds

Capital projects funds are used to account for capital project expenditures not financed through proprietary or fiduciary funds.

The **SPLOST I 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 **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.

CITY OF AVONDALE ESTATES, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Police Seizure Fund	Tree Fund	TAD Fund	SPLOST I Fund	URA Fund	
ASSETS						
Cash and cash equivalents	\$ 21,897	\$ -	\$ 1,175,243	\$ 558,702	\$ 213	\$ 1,756,055
Taxes receivable	-	-	19,678	-	-	19,678
Due from other funds	-	29,220	-	-	-	29,220
Total assets	<u>\$ 21,897</u>	<u>\$ 29,220</u>	<u>\$ 1,194,921</u>	<u>\$ 558,702</u>	<u>\$ 213</u>	<u>\$ 1,804,953</u>
LIABILITIES						
Accounts payable	\$ 8,031	\$ -	\$ -	\$ -	\$ -	\$ 8,031
Total liabilities	<u>8,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,031</u>
FUND BALANCES						
Restricted:						
Law enforcement	13,866	-	-	-	-	13,866
Capital construction	-	29,220	1,194,921	558,702	-	1,782,843
Assigned:						
Capital projects	-	-	-	-	213	213
Total fund balances	<u>13,866</u>	<u>29,220</u>	<u>1,194,921</u>	<u>558,702</u>	<u>213</u>	<u>1,796,922</u>
Total liabilities and fund balances	<u>\$ 21,897</u>	<u>\$ 29,220</u>	<u>\$ 1,194,921</u>	<u>\$ 558,702</u>	<u>\$ 213</u>	<u>\$ 1,804,953</u>

CITY OF AVONDALE ESTATES, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Police	Tree	TAD	Previously Major	Previously Major	
	Seizure Fund	Fund	Fund	SPLOST I Fund	URA Fund	
Revenues						
Property taxes	\$ -	\$ -	\$ 389,867	\$ -	\$ -	\$ 389,867
Intergovernmental	-	-	-	139,457	-	139,457
Charges for services	-	29,220	-	-	-	29,220
Interest earned	123	-	16,535	6,163	-	22,821
Total revenues	123	29,220	406,402	145,620	-	581,365
Expenditures						
Current:						
General government	-	-	-	-	75	75
Capital outlay	-	-	-	49,911	-	49,911
Debt Service:						
Principal	-	-	-	-	135,000	135,000
Interest	-	-	-	-	388,475	388,475
Total expenditures	-	-	-	49,911	523,550	573,461
 Excess (deficiency) of revenues over expenditures	 123	 29,220	 406,402	 95,709	 (523,550)	 7,904
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	511,581	511,581
Total other financing sources (uses)	-	-	-	-	511,581	511,581
 Net change in fund balance	 123	 29,220	 406,402	 95,709	 (11,969)	 519,485
Fund balances, beginning of year	13,743	-	788,519	-	-	802,262
Adjustment - change within reporting entity	-	-	-	462,993	12,182	475,175
Fund balances, beginning of year, as adjusted	13,743	-	788,519	462,993	12,182	1,277,437
 Fund balances, end of year	 \$ 13,866	 \$ 29,220	 \$ 1,194,921	 \$ 558,702	 \$ 213	 \$ 1,796,922

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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest	\$ 8	\$ 8	\$ 123	\$ 115
Total revenues	<u>8</u>	<u>8</u>	<u>123</u>	<u>115</u>
Expenditures:				
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)	(9,992)	123	10,115
Fund balances, beginning of year	<u>13,743</u>	<u>13,743</u>	<u>13,743</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,751</u>	<u>\$ 3,751</u>	<u>\$ 13,866</u>	<u>\$ 10,115</u>

CITY OF AVONDALE ESTATES, GEORGIA
TREE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 29,220	\$ 29,220	\$ 29,220	\$ -
Total revenues	<u>29,220</u>	<u>29,220</u>	<u>29,220</u>	<u>-</u>
Net change in fund balances	29,220	29,220	29,220	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 29,220</u></u>	<u><u>\$ 29,220</u></u>	<u><u>\$ 29,220</u></u>	<u><u>\$ -</u></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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 150,000	\$ 150,000	\$ 389,867	\$ 239,867
Interest	225	225	16,535	16,310
Total revenues	<u>150,225</u>	<u>150,225</u>	<u>406,402</u>	<u>256,177</u>
Net change in fund balances	150,225	150,225	406,402	256,177
Fund balances, beginning of year	<u>788,519</u>	<u>788,519</u>	<u>788,519</u>	<u>-</u>
Fund balances, end of year	<u>\$ 938,744</u>	<u>\$ 938,744</u>	<u>\$ 1,194,921</u>	<u>\$ 256,177</u>

CITY OF AVONDALE ESTATES, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2024

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST I:						
Road Resurfacing/Paving	\$ 2,106,616	\$ 2,106,616	\$ 881,710	\$ -	\$ 881,710	41.85 %
Transportation Improvements	2,200,000	2,200,000	576,173	6,525	582,698	26.49
Public Safety	349,435	1,603,555	1,560,169	43,386	1,603,555	100.00
Total SPLOST	<u>\$ 4,656,051</u>	<u>\$ 5,910,171</u>	<u>\$ 3,018,052</u>	<u>\$ 49,911</u>	<u>\$ 3,067,963</u>	
SPLOST II:						
Transportation Improvements	\$ 2,177,007	\$ 2,177,007	\$ -	\$ -	\$ -	0.00 %
Stormwater Infrastructure	2,177,007	2,177,007	-	114,912	114,912	5.28
Total SPLOST	<u>\$ 4,354,014</u>	<u>\$ 4,354,014</u>	<u>\$ -</u>	<u>\$ 114,912</u>	<u>\$ 114,912</u>	

DOWNTOWN DEVELOPMENT AUTHORITY

CITY OF AVONDALE ESTATES, GEORGIA

BALANCE SHEET COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY DECEMBER 31, 2024

ASSETS	
CURRENT ASSETS	
Cash	\$ 6,935,120
Total current assets	<u>6,935,120</u>
NONCURRENT ASSETS	
Note Receivable	<u>2,945,600</u>
Total noncurrent assets	<u>2,945,600</u>
Total assets	<u><u>\$ 9,880,720</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 8,783
Accrued liabilities	5,844
Due to primary government	<u>136,038</u>
Total liabilities	<u>150,665</u>
FUND BALANCE	
Unassigned	<u>9,730,055</u>
Total liabilities and fund balance	<u><u>\$ 9,880,720</u></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, 2024

REVENUES	
Interest	\$ 482,716
Miscellaneous	<u>119,825</u>
Total revenues	<u>602,541</u>
 EXPENDITURES	
Economic development	<u>341,844</u>
Total expenditures	<u>341,844</u>
Net change in fund balance	260,697
 FUND BALANCE, beginning of year	 <u>9,469,358</u>
 FUND BALANCE, end of year	 <u><u>\$ 9,730,055</u></u>

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	71
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	78
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	82
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	85
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	87
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>2024</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 8,744	\$ 6,960	\$ 6,723	\$ 5,530	\$ 4,113	\$ 3,231	\$ 3,097	\$ 2,928	\$ 2,988	\$ 2,799
Restricted	4,465	1,369	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324
Unrestricted	5,166	5,644	4,796	5,892	5,055	3,842	2,933	2,111	1,710	1,764
Total governmental activities net position	<u>\$ 18,375</u>	<u>\$ 13,973</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 2,116	\$ 1,857	\$ 1,432	\$ 875	\$ 784	\$ 224	\$ 208	\$ 219	\$ 104	\$ 15
Unrestricted	875	606	739	1,062	826	1,363	1,209	1,064	1,060	1,035
Total business-type activities net position	<u>2,991</u>	<u>2,463</u>	<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>
Primary government										
Net investment in capital assets	\$ 10,860	\$ 8,817	\$ 8,155	\$ 6,405	\$ 4,897	\$ 3,455	\$ 3,305	\$ 3,147	\$ 3,092	\$ 2,814
Restricted	4,465	1,369	2,010	1,248	2,181	1,930	1,500	1,288	1,405	1,324
Unrestricted	6,041	6,250	5,535	6,954	5,881	5,205	4,142	3,175	2,770	2,799
Total primary government net position	<u>\$ 21,366</u>	<u>\$ 16,436</u>	<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>

CITY OF AVONDALE ESTATES, GEORGIA

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
General government	\$ 2,094	\$ 2,440	\$ 1,708	\$ 666	\$ 1,209	\$ 1,799	\$ 1,241	\$ 1,369	\$ 1,393	\$ 1,166
Public safety	1,824	1,754	1,449	1,484	1,317	1,261	1,264	1,236	1,112	1,115
Public works	513	382	350	1,299	343	432	322	958	679	269
Recreation	1,078	1,073	670	550	476	472	426	384	392	342
Housing and development	-	-	-	42	8	15	78	180	36	-
Economic development	35	35	35	-	-	-	-	-	-	-
Interest on long-term debt	551	661	146	12	4	1	3	8	12	17
Total governmental activities expenses	<u>6,095</u>	<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>
Business-type activities:										
Stormwater	320	201	133	115	169	-	1	16	26	49
Sanitation	646	1,016	990	931	770	799	749	691	720	730
Total business-type activities expenses	<u>966</u>	<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>
Total primary government expenses	<u>\$ 7,061</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 132	\$ 196	\$ 195	\$ 120	\$ 93	\$ 779	\$ 175	\$ 382	\$ 114	\$ 132
Public safety	298	243	280	412	457	648	574	455	514	552
Housing and development	-	-	37	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	173	972	58	421	52	68	71
Capital grants and contributions	5,114	1,775	621	982	606	696	154	-	-	-
Total governmental activities program revenues	<u>5,544</u>	<u>2,214</u>	<u>1,133</u>	<u>2,128</u>	<u>2,129</u>	<u>2,181</u>	<u>1,324</u>	<u>889</u>	<u>696</u>	<u>755</u>
Business-type activities:										
Charges for services:										
Stormwater	411	404	408	405	132	132	132	132	136	134
Sanitation	610	982	945	967	828	833	852	739	735	730
Capital grants and contributions	-	-	-	-	-	-	-	133	-	-
Total business-type activities program revenues	<u>1,021</u>	<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>
Total primary government program revenues	<u>\$ 6,565</u>	<u>\$ 3,600</u>	<u>\$ 2,486</u>	<u>\$ 3,500</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>

CITY OF AVONDALE ESTATES, GEORGIA

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue										
Governmental activities	\$ (551)	\$ (4,131)	\$ (3,225)	\$ (1,926)	\$ (1,228)	\$ (1,799)	\$ (2,010)	\$ (3,246)	\$ (2,928)	\$ (2,154)
Business-type activities	55	169	230	326	21	166	234	297	125	85
Total primary government net expense	<u>\$ (496)</u>	<u>\$ (3,962)</u>	<u>\$ (2,995)</u>	<u>\$ (1,599)</u>	<u>\$ (1,207)</u>	<u>\$ (1,633)</u>	<u>\$ (1,776)</u>	<u>\$ (2,949)</u>	<u>\$ (2,803)</u>	<u>\$ (2,069)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 4,019	\$ 3,549	\$ 3,194	\$ 2,866	\$ 2,653	\$ 2,498	\$ 2,258	\$ 2,102	\$ 1,986	\$ 1,824
Franchise taxes	266	248	240	247	361	228	217	192	191	186
Other taxes	605	585	533	522	478	450	560	931	889	767
Unrestricted investment earnings	101	86	36	5	18	41	9	5	5	5
Miscellaneous	63	107	80	49	65	56	66	60	58	105
Transfers	-	-	-	-	-	-	103	180	15	(121)
Total governmental activities	<u>5,054</u>	<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>
Business-type activities:										
Unrestricted investment earnings	-	-	4	1	3	3	3	3	3	3
Transfers	-	-	-	-	-	-	(103)	(180)	(15)	121
Miscellaneous	491	123	-	-	-	-	-	-	-	-
Total business-type activities	<u>491</u>	<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>
Total primary government	<u>\$ 5,545</u>	<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>
Change in Net Position										
Governmental activities	\$ 4,503	\$ 444	\$ 858	\$ 1,762	\$ 2,346	\$ 1,473	\$ 1,203	\$ 224	\$ 216	\$ 612
Business-type activities	546	292	234	328	23	169	134	120	113	209
Total primary government	<u>\$ 5,049</u>	<u>\$ 736</u>	<u>\$ 1,092</u>	<u>\$ 2,090</u>	<u>\$ 2,370</u>	<u>\$ 1,642</u>	<u>\$ 1,337</u>	<u>\$ 344</u>	<u>\$ 329</u>	<u>\$ 821</u>

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

	<u>2024</u>	<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>
General fund										
Nonspendable	\$1,200	\$1,146	\$1,148	\$ 1,148	\$ 1,137	\$ 1,129	\$ 1,151	\$ 1,136	\$ 1,139	\$ 1,146
Restricted	-	-	-	-	-	1,071	1,133	1,258	1,375	1,294
Committed	289	2,031	-	-	-	-	-	-	-	-
Assigned	-	-	-	23	27	26	259	199	379	23
Unassigned	3,663	2,027	4,056	4,127	3,687	3,132	2,018	1,502	1,188	1,673
Total general fund	<u>\$5,152</u>	<u>\$5,204</u>	<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>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	8,028	1,285	1,822	1,248	2,181	859	367	30	30	34
Assigned	736	956	139	1,136	814	16	11	14	9	-
Unassigned (Deficit)	-	-	-	-	(2)	-	-	-	-	-
Total all other governmental funds	<u>\$8,764</u>	<u>\$2,241</u>	<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>

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>2024</u>	<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>
Revenues										
Taxes	\$ 4,890	\$ 4,395	\$ 3,965	\$ 3,636	\$ 3,498	\$ 3,153	\$ 3,042	\$ 3,218	\$ 3,069	\$ 2,774
Licenses and permits	131	195	193	116	90	759	153	359	93	112
Intergovernmental	5,099	1,765	618	1,076	1,578	753	575	52	68	71
Fines and forfeitures	269	243	280	412	457	648	574	455	513	552
Charges for services	30	1	2	5	4	20	22	23	21	20
Interest income	117	97	40	4	18	42	9	5	5	5
Other revenues	62	107	118	49	65	56	66	60	58	104
Total revenues	<u>10,598</u>	<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>
Expenditures										
General government	2,059	1,785	1,681	1,723	1,519	2,039	1,542	1,449	1,474	1,685
Public safety	1,594	1,444	1,377	1,447	1,272	1,217	1,224	1,190	1,158	1,108
Public works	283	260	316	577	273	399	299	953	661	243
Recreation	782	788	636	639	449	448	426	383	391	341
Housing and development	-	-	-	10	6	15	78	180	36	-
Capital outlay	2,555	2,223	5,700	4,628	890	357	-	-	-	-
Debt service										
Principal retirements	135	517	34	-	-	-	169	165	160	155
Interest and fiscal charges	389	303	146	12	4	1	3	8	12	17
Issuance cost	115	325	-	-	-	-	-	-	-	-
Total expenditures	<u>7,912</u>	<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>
Excess of revenues over (under) expenditures	2,686	(842)	(4,674)	(3,739)	1,296	955	363	(155)	(64)	89
Other financing sources (uses)										
Transfers in	512	147	376	(12)	2,012	41	103	179	25	-
Transfers out	(512)	(147)	(376)	12	(2,012)	(41)	-	(10)	(10)	(131)
Capital Lease	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond	-	(8,433)	-	-	-	-	-	-	-	-
Issuance of long-term debt	3,785	8,595	4,341	3,579	314	-	-	-	-	-
Issuance of bond premium	-	175	-	-	-	-	-	-	-	-
Issuance of note payable	-	600	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>3,785</u>	<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>
Net change in fund balances	<u>\$ 6,471</u>	<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>
Debt service as a percentage of noncapital expenditures	9.45%	13.10%	4.25%	0.14%	0.10%	0.02%	4.60%	4.00%	4.42%	4.85%

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

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Occupational Tax</u>	<u>HOST Sales Tax (2)</u>	<u>SPLOST Sales Tax (2)</u>	<u>Other Taxes</u>	<u>Total</u>
2015	\$ 1,824	\$ 186	\$ 156	\$ 128	\$ 419	\$ -	\$ 63	\$ 2,647
2016	1,986	191	185	119	504	-	80	2,776
2017	2,102	192	196	121	536	-	78	3,065
2018	2,258	217	212	122	131	329	95	3,225
2019	2,498	228	225	138	-	453	87	3,364
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
2023	3,549	248	316	152	-	583	268	5,116
2024	4,019	266	340	172	-	658	265	5,720

(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)

<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>
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
2023	3,563	248	316	152	-	583	311	5,173
2024	4,019	266	340	172	-	658	380	5,835

(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					
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%
2023	385,448	2,062	2,577	1,024	43,306	347,805	9.550	869,512	40.00%
2024	404,090	1,883	2,837	1,026	21,398	388,437	9.550	971,093	40.00%

Source: DeKalb County, Georgia Board of Tax Assessors

CITY OF AVONDALE ESTATES, GEORGIA

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

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			
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
2023	9.550	9.550	0.000	9.550	35.482	0.00	45.032
2024	9.550	9.550	0.000	9.550	35.818	0.00	45.368

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL TAXPAYERS CURRENT AND NINE YEARS AGO

(amounts expressed in thousands)

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
AHB SFR Henley	3,528	1	0.009 %			%
278 Oak Holdings LLC	1,971	2	0.005	\$ 1,817	1	0.004 %
OCP Avondale LLC	1,695	3	0.004	499	6	0.001
Georgia Power Co.	1,447	4	0.004	715	4	0.002
JEM Avondale	1,386	5	0.004			-
Little Tree Properties	1,163	6	0.003			-
TOSC Properties LLC	1,160	7	0.003	712	5	0.002
S 4110 Property LLC	976	8	0.003			-
CEED Properties	966	9	0.002			-
6 Olive Development	880	10	0.002			-
Gargiulo Joseph C	-			1,543	2	0.003
Lockman Home Building	-			753	3	0.002
Waffle House Inc	-			489	7	0.001
TT and G LLC	-			476	8	0.001
KJA/Eckerd	-			464	9	0.001
Atlanta Gas Light	-			406	10	0.001
All others	373,265		0.961	449,749		0.983
	<u>\$ 388,437</u>		<u>1.00 %</u>	<u>\$ 457,623</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)

Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	99.94%
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	99.58%
2021	2,869	2,813	98.0%	21	2,834	98.76%
2022	2,960	2,889	97.6%	13	2,902	98.04%
2023	3,312	2,942	88.8%	34	2,976	89.86%
2024	3,700	3,477	94.0%	-	3,477	93.97%

Source: DeKalb County Tax Commissioners Office

CITY OF AVONDALE ESTATES, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Bonds Payable	Notes Payable	Financed Purchases	Notes Payable	Financed Purchases			
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
2023	8,769	-	-	-	34	8,803	3.21%	2,468
2024	12,410	-	-	-	11	12,421	5.04%	3,525

CITY OF AVONDALE ESTATES, GEORGIA

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

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Avondale Estates (1)	Amount Applicable to City of Avondale Estates
Overlapping General Obligation Debt:			
DeKalb County	\$ 170,659 (2)	1.181%	\$ 2,015
Fulton-DeKalb Hospital Authority (DeKalb Portion)	27,935 (2)	1.181%	330
DeKalb County Board of Education	5,690 (2)	1.181%	67
Total overlapping debt	204,284		2,412
City direct debt	12,410	100.000%	12,410
Total direct and overlapping debt	\$ 216,694		\$ 14,822

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) 2023 amounts as the 2024 amounts were not available.

CITY OF AVONDALE ESTATES, GEORGIA

LEGAL DEBT MARGIN INFORMATION (amounts expressed in thousands)

Assessed value	\$ 388,437
Add back: exempt real property	<u>21,398</u>
Total assessed value	409,835
Debt limit (10% of total assessed value)	40,984
Total debt	<u>12,421</u>
Legal debt margin	<u><u>\$ 28,563</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>
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%
2023	3,567	274,659	77	48.1	89%	979	4.8%
2024	3,524	246,680	70	49.0	89%	978	4.8%

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

(2) Source: Georgia Department of Labor

(3) Avondale Estates Museum School Enrollment is included

(4) American Community Survey estimates

CITY OF AVONDALE ESTATES, GEORGIA

PRINCIPAL EMPLOYERS LAST TEN YEARS

2024 Employers	2023 Employers	2022 Employers	2021 Employers	2020 Employers
Ace & A Heating and Air Conditioning Banjo Coffee Davey Tree, dba Arborguard Easter Seals North Georgia Inc. Gill Tree Care Home Forge Remodeling Jollay Masonry My Parents' Basement Shade of Green Permaculture Waffle House # 1000	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
2019 Employers	2018 Employers	2017 Employers	2016 Employers	2015 Employers
Clarendon Group, Inc. Community Development Institute Davey Tree, dba Arborguard Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical My Parents' Basement Savage Pizza Waffle House # 1000	Community Development Institute Davey Tree, dba Arborguard Globe Chemical Jollay Masonry Lanier-Jones LifeLine Animal Project Mann Mechanical Rite Aid # 11690 Savage Pizza Waffle House # 1000	Ace & A Heating and Air Arborguard Tree Service Globe Chemical Jollay Masonry LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	Arborguard Tree Globe Chemical Jollay Masonry Lanier Jones Mechanical LifeLine Animal Project Mann Mechanical PCA Head Start Rite Aid # 11690 Savage Pizza Waffle House # 1000	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

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government	13	11	9	9	9	8	8	8	8	8
Public safety										
Police										
Officers	14	13	12	12	15	14	14	14	14	13
Public works	1	1	1	1	1	2	2	2	2	2
Sanitation	3	8	9	9	10	11	11	11	11	11
Culture and recreation	7	8	7	6	8	7	7	7	6	6
Total	<u>38</u>	<u>41</u>	<u>38</u>	<u>37</u>	<u>43</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>41</u>	<u>40</u>

Source: City of Avondale Estates department records

CITY OF AVONDALE ESTATES, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2024	2023 (1)	2022 (1)	2021	2020	2019	2018	2017	2016	2015
<u>Police</u>										
Robbery	4	1	3	2	2	2	2	2	4	1
Aggravated Assault	3	2	3	1	1	1	-	3	1	-
Auto Theft	10	11	5	7	5	3	4	5	3	6
Burglary	12	14	9	11	10	4	13	14	18	12
Larceny	41	71	81	116	26	55	58	44	48	49
<u>Municipal Court</u>										
Traffic Citations Issued	1,958	1,061	1,206	1,881	1,558	3,866	3,104	2,870	2,580	3,030

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	18	19	12	12	8	8	8	7	6
Public Works										
Streets (miles)	19	19	19	19	19	19	19	19	19	19
Number of Street Lights	387	387	387	387	387	387	387	387 (1)	385	385
Collection Trucks	4	4	4	4	3	3	3	3	-	-
Dump Trucks	1	1	1	-	-	-	-	-	-	-

Source: Various City departments

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

(1) Increase due to Maple Street installation