



# DOUGLASVILLE

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR  
ENDED JUNE 30, 2021**

**CITY OF DOUGLASVILLE, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

Prepared By:  
Karin E. Callan, CPA  
Director of Finance

## **INTRODUCTORY SECTION**

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CITY OF DOUGLASVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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December 14, 2021

To Honorable Mayor, members of the Governing Council and the Citizens of Douglasville, Georgia:

The Annual Comprehensive Financial Report of the City of Douglasville, Georgia (the “City”), for the fiscal year ended June 30, 2021, is hereby submitted as mandated by both local and state government. These ordinances and statutes require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City of Douglasville, Georgia's financial affairs are included.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The financial reporting entity for the City of Douglasville includes all funds of the primary government, the City of Douglasville. The City provides a full range of services including police, the construction and maintenance of streets and infrastructure, recreational activities and cultural events, and sanitation.

Component units are legally separate entities for which the primary government is financially accountable. The City considers all potential component units for inclusion in these financial statements because of significant operational or financial relationships as required by generally accepted accounting principles. For year ended June 30, 2021, the City has three component units: the Douglasville Convention and Conference Center Authority, the Douglasville Public Purpose Corporation and the Downtown Development Authority. The Douglasville Convention and Conference Center Authority and the Douglasville Public Purpose Corporation are presented as blended component units and are presented as special revenue funds. The Douglasville Development Authority is a discretely presented component unit. For additional information, see "NOTE 1.A" of the Notes to the Financial Statements.

## Profile of the Government

The City of Douglasville was created in 1937 and operates under an elected Mayor/Council form of government. The City is strategically located west of I-285 perimeter on I-20. Douglasville is the largest city in Douglas County, one of the fastest growing counties in the State of Georgia. The City's major operations include public safety, culture-recreation, highways and streets, sanitation, planning and zoning and general administrative services.

The City has entered into an agreement with Douglas County to provide fire protection, E-911 services, animal control services, and the billing and collection of ad valorem taxes. The City also contracts with the county to provide housing/jailing of prisoners.

The City handles residential and commercial garbage pickup. The City contracts with the Water and Sewer Authority to provide residential billing and collections.

## Local Economy

Based on the projection from the Atlanta Regional Commission, the City of Douglasville has a population of 33,210. Douglasville is prime for future economic development, given its strategic location. I-20 Interstate runs through Douglas County with 5 interchanges. It is 20 miles from Hartsfield Jackson International Airport, and it is 20 miles from downtown Atlanta. The infrastructure improvements completed over the past several years only emphasize the additional economic possibilities for Douglasville.

In September 2008, the City reactivated the Douglasville Development Authority to provide the services of business recruitment, business retention and expansion, target Industry development, national and international marketing, building and site selection among others. This Government is pro-business with a skilled workforce and great location. Douglasville is an excellent choice for companies seeking to grow their operations, increase productivity and reduce operating expenses, ensuring a strong economic environment for the government.

In November 1999, Arbor Place Mall opened on Douglas Boulevard near Interstate 20 at Chapel Hill Road. Since that time numerous banks, restaurants, and major retail stores have opened on Douglas Boulevard and in the same area.

## Long Term Financial Planning

Unassigned fund balance in the General Fund falls within the guidelines set by the Council. A resolution was adopted to maintain a \$2.5 million fund balance; however, there is a recommendation by the City Council not to go below three months of operating expense. As of June 2021, 3 months of reserve needed is \$9,132,582. The total unassigned fund balance is \$21,005,015.



As in the previous year, fiscal year 2020-2021 has been marked by numerous improvements in service delivery and infrastructure, which will enhance the quality of life for the City's residents.

During the end of Fiscal year 2012 and the early part of 2013 the City and the County governments negotiated and agreed on Local Option Sales tax for the next decade. The City's share increased. The percentage the City received in January of 2017 increased from 26.29% to 27.43%. Currently, every 1% is equivalent to \$250,000. The City's percentage will increase over the next ten years. It was negotiated on a sliding scale to allow time for the County Government to adjust their budget accordingly. The percentage of the 1 % LOST (Local Option Sales Tax) that the City receives over the next 9 years (on a calendar year) are as follows:

2014	24.75%
2015	25.50%
2016	26.29%
2017	27.43%
2018	28.57%
2019	28.57%
2020	28.57%
2021	28.57%
2022	28.57%

The 1% L.O.S.T. (Local Option Sales tax) is split between the City of Douglasville, Douglas County, Villa Rica and Austell.

Although the City is collecting more Local Option Sales tax, which results in less tax revenues to Douglas County, the City and the County have completed the service delivery agreement in which the City has increased cost for paying Fire Services and Animal Control. The City had to raise the millage rate to cover the cost of Fire Services and Animal Control.

A new L.O.S.T agreement must be completed by December 2022.

The City continues to operate the Convention and Conference Center with a three-story parking deck. The facility is 38,000 square feet which includes the largest ballroom on the west side of metro Atlanta, and which has various other meeting and event rooms that feature state of the art equipment. The City collects 8% hotel/motel tax which is allocated to the operations of the Conference Center. The City also receives rental car tax revenue. This tax revenue will also pay a portion of the debt service allocated to the parking deck. The parking deck is enjoyed by citizens that visit downtown Douglasville. The COVID-19 pandemic has hurt the tourism industry and therefore the hotel/motel tax and rental car tax have seen a decline through the last quarter of the fiscal year.

The City took over West Pines Golf Course in August of 2012. West Pines Golf Course is now operated by the City Government. It was previously operated by a management company that was paid a monthly management fee. The Management Company did not have the resources to make the improvements to keep the Golf Course maintained properly. The Golf Course is now a division with the Parks and Recreation Department. The staff that was working for the Management Company continues to work for the City. The transition from an operations standpoint was seamless. The City appropriated necessary funds to make the needed improvements. The City continues to make improvements to the course and West Pines Golf Club continues to see an increase in business despite the ongoing pandemic by providing citizens and customers a safe place to enjoy the outdoors while also social distancing. The green conversion of 2017 and the new Golf Performance Center (completed in the spring of 2020) continue to receive rave reviews from patrons coming from Douglasville as well as the surrounding area. Looking forward, West Pines will undertake a course-wide bunker renovation in the spring of 2021 that is sure to continue this positive momentum.

During fiscal year 2020, the City set up an OPEB trust fund with GMA. The intent of this fund will be to accumulate funds over time with standard appropriations which will be targeted to increase 5% each year. These funds will be set aside and used to mitigate against sharp rises in postemployment health care costs.

#### Major Initiatives:

The Federal Highway Administration has approved the Highway 92 overpass project and Georgia Department of Transportation has assumed responsibility for implementation. This is an extremely important north-south artery through Douglasville. Phase 1 is construction of a railroad grade separation, with the relocated six-lane Georgia Highway 92 to cross under U. S. Highway 78 (Bankhead Highway) and East Strickland Street. Phase 2 will expand the road's capacity along a relocated route between Fairburn Road to U. S. 78, and Phase 3 will do the same between U. S. 78 and Dallas Highway. It has been announced by Congressman David Scott, The Georgia Department of Transportation and the Atlanta Regional Commission that construction of the HWY 92 project would begin in 2014. The City of Douglasville has spent over \$3 million over the past decade on preliminary engineering and environmental assessments. During the past two years, \$43 million has been spent on right of way acquisition, and utility costs total some \$ 65.5 million. All costs of this project will be more than \$111 million. This project has officially started construction and is due to be complete in 2021.

Because of the relocation of highway 92, Jesse Davis Park is now visible from the street. Following the 2019 restroom renovation, the Alice J. Minor Hawthorne Recreation Center located at Jessie Davis Park has had a complete upgrade throughout the entire facility. Utilizing SPLOST funds, the gymnasium floor underwent resurfacing, vinyl flooring was added throughout the facility, and complete renovation was done to the kitchen. In addition to the upgrades made to the Hawthorne Community Center, the outdoor basketball courts were completely renovated with an

updated court and basketball goals. Collectively these projects will provide residents and visitors of Jessie Davis Park an enhancement that is beneficial to all.

In November of 2016, a SPLOST referendum was passed which is projected to yield the City of Douglasville at an estimated \$37,000,000 in revenue; as of October 2021 current projections are estimated to be \$39,130,173. The collected revenue is divided as follows: 20% Public Safety, 45% Transportation, 15% Facilities and 15% Parks and Recreation. The SPLOST was a 6-year SPLOST and will end in March 2023 with the final disbursement of proceeds in April 2023.

The City of Douglasville Development Authority has initiated several economic development projects which will result in a projected \$210 million and 900 new jobs for the City. This includes McMaster-Carr, Gordon Foods, Temron, Kehe, and a new addition to Med-line. In addition, the Douglasville City Council changed the zoning ordinance to better able facilitate growth of the motion picture industry. The City of Douglasville Development Authority will continue to focus on business retention and expansion.

Another initiative the City is working on is the Comprehensive Plan. The key assets that were identified are the Downtown Douglasville, Arbor Place Mall, economic amenities and infrastructure, natural resources, location, medical services, higher education for senior services, the people, historic preservation, and technical education. Challenges included workforce development, an aging population, balanced growth, redevelopment, transportation, government coordination and business development.

Service Delivery Strategy Plan required by state law will frame the way services are provided between the City of Douglasville and Douglas County.

During 2014 the City and Google worked together to form a public-private partnership. Google has provided WIFI which covers 67 acres in Douglasville. The concentration of WIFI is in the City Parks and the downtown area.

The County built a new jail in 2016 and vacated the property. The City purchased the property from Douglas County government. The city razed the old jail and cleared the property. The intended use for this property is to build a City Town Green and amphitheater. The project is currently in the design phase.

During 2021, bonds were issued to construct an Amphitheater. This project is the redevelopment of the "Old Jail Site" previously owned by Douglas County and sold to the city for \$850k (Purchased using General Fund reserves); this is a multi-phase project that includes the construction of an outdoor Amphitheater and green space, in addition to civic buildings, retail and residential spaces. This coincides with the Downtown Master Plan developed by TSW and Associates. SPLOST will primarily fund the concepts, designs, and related expenditures.

## FINANCIAL INFORMATION

*Accounting System Internal Controls.* The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to federal assistance programs. This internal control structure is subject to periodic evaluation by management of the City.

*Budgeting Controls* In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds and Enterprise Fund are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Project funds. The level of budgetary control, being the level at which expenditures cannot legally exceed the appropriated amount is established by department within an individual fund.

The financial policies of the City did not have a significant impact on the current financial statements.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## AWARDS AND ACKNOWLEDGEMENTS

*Independent Audits.* State statutes require an annual audit by independent certified public accountants. The firm of Mauldin & Jenkins were selected by the City to perform audit services. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

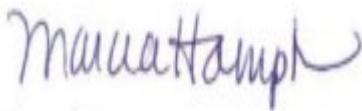
*Awards.* The Government Finance Officers Association of the United States and

Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Douglasville for its Annual Comprehensive Financial Report for year ended June 30, 2020. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such annual comprehensive financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements. This report satisfies both generally accepted accounting principles and applicable legal requirements, and we are submitting it to GFOA.

*Acknowledgements.* The preparation of the annual comprehensive financial report, on a timely basis, could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to each member of the department who assisted and contributed to the preparation of this report. Due credit also should be given to the Mayor and the governing council for their interest and support in planning and conducting the operations of the City of Douglasville in a responsible and progressive manner. Everyone has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Marcia Hampton  
City Manager



Karin E. Callan, C.P.A.  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Douglasville  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF DOUGLASVILLE, GEORGIA**

**LISTING OF PRINCIPAL OFFICIALS**

June 30, 2021

Mayor

Rochelle Robinson

City Manager

Marcia Hampton

**Council Members**

Ward 1, Mayor Pro Tem

Terry S. Miller

Ward 2, Post 1

Nycole Miller

Ward 2, Post 2

Mark Adams

Ward 3, Post 1

LaShun Burr Danley

Ward 3, Post 2

Samuel Davis

Ward 4

Chris Watts

Ward 5

Howard Estes

**City  
Manager**

**Assistant City  
Manager**

**Executive  
Assistant**

**Operations  
Coordinator**

**Community  
Relations  
Department**

**Information  
Technology  
Department**

**Conference Center  
&  
Tourism Department**

**Receptionist**

**Graduate Fellow**

**Parks &  
Recreation  
Department**

**Human  
Resources  
Department**

**Legal  
Department**

**Court  
Services  
Department**

**Clerk's  
Office**

**Finance  
Department**

**Public  
Services  
Department**

**Community  
Development  
Department**

**Police  
Department**

**Engineering  
Department**



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**Honorable Mayor and Members  
of City Council  
City of Douglasville, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Douglasville, Georgia** (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4-15), General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Pension Contributions, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 61-67) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*Other 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 statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated §48-8-121, and the introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021 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 City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 14, 2021

## Management's Discussion and Analysis

As management of the City of Douglasville, Georgia, we offer readers of the City of Douglasville's financial statements this narrative overview and analysis of the financial activities of the City of Douglasville for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Douglasville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$90,059,298 (*net position*). This amount includes \$88,494,288 net investment in capital assets, restricted portion of \$8,691,558 and unrestricted net position at a negative \$7,126,548. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Douglasville's total net position increased by \$8,281,915 as a result of fiscal year 2021 operations.
- As of the close of the current fiscal year, the City of Douglasville's governmental funds reported combined ending fund balances of \$33,541,948, an increase of \$6,610,395 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,001,555 or 86% of total general fund expenditures for the fiscal year.
- The City of Douglasville's total outstanding long-term debt decreased by \$2,937,660 during the current fiscal year because current year resources were used to service existing debt. No new debt was issued during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Douglasville's (the "City") basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to enhance the reader's understanding of the financial condition of the City of Douglasville.

### Basic Financial Statements

The first two statements (pages 16 and 17) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 18-24) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes,

**supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents financial information on all of the City of Douglasville's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of the City's financial condition.

The Statement of Activities presents information showing how the City of Douglasville'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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include not only the City of Douglasville itself (known as the primary government), but also a legally separate Development Authority for which the City of Douglasville is financial accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are on pages 16 and 17 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 of Douglasville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Douglasville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government 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 assessing a governments 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 governments near-term financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Douglasville maintains ten 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 Fund and 2016 SPLOST Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Douglasville adopts an annual appropriated budget for its General Fund, as required by the Georgia General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental financial statements are on pages 18-20 of this report.

**Proprietary Funds** – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Douglasville uses an enterprise fund to account for its sanitation operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation operation, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 25-60 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Douglasville's general fund budget compliance and progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 61-68 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on

pension and OPEB. Combining and individual fund statements and schedules can be found on pages 69-80 of this report.

## Government-Wide Overall Financial Analysis

### City of Douglasville's Net Position Figure 1

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City of Douglasville exceeded liabilities and deferred inflows of resources by \$90,059,298 as of June 30, 2021. The City's net position increased by \$8,281,915 for the fiscal year ended June 30, 2021.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 35,284,172	\$ 29,748,744	\$ 3,080,067	\$ 2,423,360	\$ 38,364,239	\$ 32,172,104
Capital assets	107,540,877	106,584,153	8,372,717	8,949,858	115,913,594	115,534,011
Total assets	142,825,049	136,332,897	11,452,784	11,373,218	154,277,833	147,706,115
Deferred outflows of resources	12,528,865	7,946,884	301,284	285,107	12,830,149	8,231,991
Long-term liabilities outstanding	65,304,344	61,645,433	689,012	781,025	65,993,356	62,426,458
Other liabilities	5,517,942	6,496,491	301,334	504,706	5,819,276	7,001,197
Total liabilities	70,822,286	68,141,924	990,346	1,285,731	71,812,632	69,427,655
Deferred inflows of resources	5,188,147	4,678,002	47,905	55,066	5,236,052	4,733,068
Net investment in capital assets	80,224,921	76,525,370	8,269,367	8,711,792	88,494,288	85,237,162
Restricted	8,691,558	8,548,665	-	-	8,691,558	8,548,665
Unrestricted	(9,572,998)	(13,614,180)	2,446,450	1,605,736	(7,126,548)	(12,008,444)
Total net position	\$ 79,343,481	\$ 71,459,855	\$ 10,715,817	\$ 10,317,528	\$ 90,059,298	\$ 81,777,383

By far, the largest portion of the City of Douglasville's net position (98.1%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Douglasville uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City of Douglasville'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.

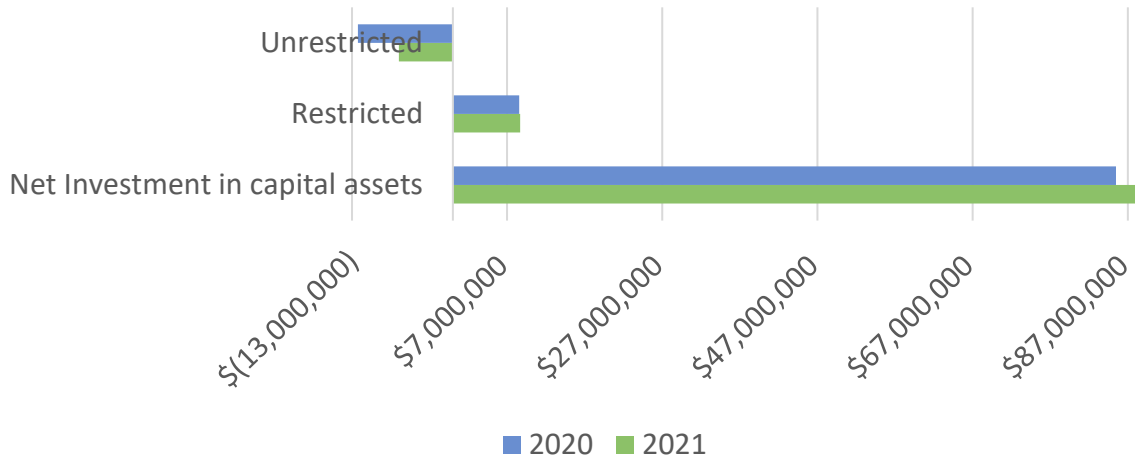
An additional portion of the City of Douglasville's net position (9.6%) represent resources that are subject to external restrictions on how they may be used. There was a slight increase of \$123,510 in restricted net position in connection with the City of Douglasville's Governmental Activities. This increase is due to a restriction of funds for promotion of tourism, economic development, capital projects, and debt service, offset by decreases in restrictions for law enforcement.

For governmental activities, the City reported a negative balance of \$9,572,998 in unrestricted net position. This is an increase of \$4,398,102 from prior year and primarily the result of Net investment in capital assets increasing. The increase is due to the Capital



Assets that are depreciable from completing SPLOST projects and adding additional Capital Assets.

**City of Douglasville's Net Position  
June 30, 2020 and 2021  
Figure 2**



The general fund reported a positive balance of \$21,001,555 in unassigned fund balance. Unassigned fund balance represents the spendable resources available for governmental activities, without externally enforceable limitation. The major contributing factors to the difference between unassigned fund balance and unrestricted net position is the exclusion of long term debt and capital asset balances which are not part of the current financial resources measurement focus presentation required of governmental funds.

There was an increase of \$398,289 in connection with the City’s business type activities. This increase is primarily due to investment earnings, gains from the sale of capital assets and the result of fiscal year 2021 operations. There has not been any rate increases or any unusual funding source.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$8,042,703 from the prior fiscal year for an ending balance of \$79,502,558. While the pandemic certainly had an impact on the City of Douglasville, management was able to take various actions that neutralized its effect on governmental activities. Key elements of this increase in net position for governmental activities are as follows:

- Property taxes for the General Fund and Debt Service Fund increased a net amount of \$1,359,835 or 10% over the prior year.
- Sales taxes and other taxes increased \$1,203,625 or 8% over the prior year.
- Operating grants and contributions increased \$1,992,924 and capital grants and contributions decreased \$8,462,989 from prior year resulting in a net -60% change from prior year.
- Expenses for governmental activities decreased \$9,402,473 from the prior year.

### City of Douglasville Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 7,404,754	\$ 6,896,617	\$ 5,347,378	\$ 4,683,009	\$ 12,752,132	\$ 11,579,626
Operating grants and contributions	2,359,595	366,671	-	-	2,359,595	366,671
Capital grants and contributions	1,870,378	10,333,367	-	4,271,118	1,870,378	14,604,485
General revenues:						
Property taxes	14,485,665	13,125,830	-	-	14,485,665	13,125,830
Sales taxes	8,804,764	8,082,143	-	-	8,804,764	8,082,143
Other taxes and miscellaneous	8,388,279	7,847,344	-	-	8,388,279	7,847,344
Unrestricted investment earnings	227,672	320,383	1,897	90,877	229,569	411,260
Gain (loss) on sale of capital assets	221,003	-	26,251	-	247,254	-
Total revenues	43,762,110	46,972,355	5,375,526	9,045,004	49,137,636	56,017,359
Expenses:						
General government	9,134,244	12,381,071	-	-	9,134,244	12,381,071
Judicial	1,419,298	797,065	-	-	1,419,298	797,065
Public safety	14,615,873	14,957,786	-	-	14,615,873	14,957,786
Public works	3,244,703	8,270,801	-	-	3,244,703	8,270,801
Housing and development	547,631	1,874,376	-	-	547,631	1,874,376
Culture and recreation	6,229,073	6,194,551	-	-	6,229,073	6,194,551
Interest on long-term debt	847,387	965,032	-	-	847,387	965,032
Sanitation services	-	-	4,817,512	4,695,904	4,817,512	4,695,904
Total expenses	36,038,209	45,440,682	4,817,512	4,695,904	40,855,721	50,136,586
Increase in net position						
before transfers	7,723,901	1,531,673	558,014	4,349,100	8,281,915	5,880,773
Transfers	159,725	1,766,161	(159,725)	(1,766,161)	-	-
Change in net position	7,883,626	3,297,834	398,289	2,582,939	8,281,915	5,880,773
Net position - beginning	71,459,855	68,162,021	10,317,528	7,734,589	81,777,383	75,896,610
Net position - ending	\$ 79,343,481	\$ 71,459,855	\$ 10,715,817	\$ 10,317,528	\$ 90,059,298	\$ 81,777,383

The most significant expenses are for Public Safety for \$14,615,873 representing 41% of the total governmental expenses. Public Safety decreased by \$341,913 primarily attributable to a decrease in School Resource Officers. The next most significant program expense is General Government. General Government expense of \$9,134,244 represents 26% of total governmental expenses and decreased by \$3,421,827 primarily due to a decrease in Information Services, Communications, and Engineering offset in part by increases in General Administration and Building and Grounds.

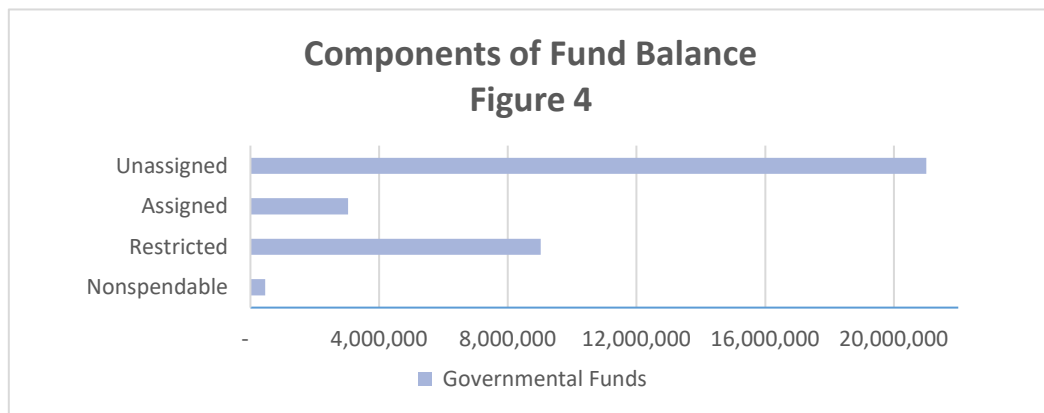
**Business-type activities:** For the City of Douglasville’s business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$398,289 to reach an ending balance of \$10,715,817. The most significant business-type activity of the city is the Sanitation Services provided to the citizens of the City of Douglasville. Revenues in the Sanitation Enterprise Fund is made up of a combination of user fees, grants, and SPLOST. Charges for services increased by \$664,369 or 14% from prior year. Capital grants and contributions decreased by \$4,271,118 or 100%. Expenses for providing sanitation services remained steady with a slight increase of \$121,608 or 3% over prior year.

## Financial Analysis of Governmental Funds

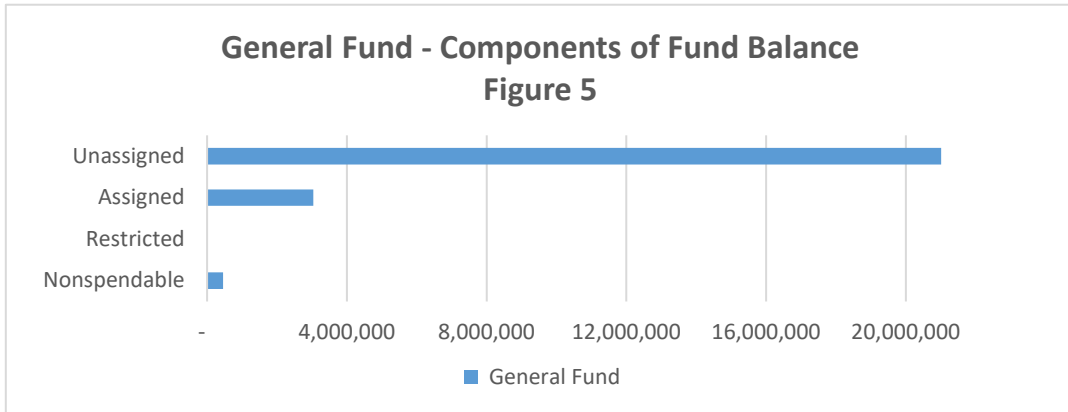
As noted earlier, the City of Douglasville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Douglasville’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 of Douglasville’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s resources available for discretionary use. Unassigned fund balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Douglasville itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Douglasville’s Council.

At June 30, 2021, the City of Douglasville’s governmental funds reported combined fund balances of \$33,541,948, an increase of \$6,610,395 in comparison with the prior year.



The general fund is the chief operating fund of the City of Douglasville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,001,555, an increase of \$5,643,996 in comparison with the prior year. As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. At the end of fiscal year 2021, unassigned fund balance represents approximately 72% of total General Fund expenditures, while total fund balance represents approximately 84% of that same amount.



The primary reasons for the increase in fund balance for the General Fund:

- General Fund property taxes increase of \$1,093,354 over the prior year with Title Ad Valorem Tax (TAVT) accounting for 32% of that increase or \$353,207. The General Fund property taxes increase is due to increases in the valuation of the city’s digest.
- Local Option Sales Taxes increased by \$655,289 or 8% over the prior year.
- Intergovernmental revenues increased by \$1,765,240 or 12,464% over the prior year due to CARES Act funding received in fiscal year 2021.
- General Fund expenditures remained steady with a slight decrease of \$1,892,808 or 6% under the prior year.

The SPLOST Fund, a major fund, had a \$1,848,669 decrease in fund balance during the current fiscal year which resulted in overall fund balance of \$2,422,457. The decrease in fund balance was caused mainly by the spending of resources obtained through sales tax collections, and issuance of long-term debt in prior periods on capital acquisition and construction in the current period. That is, fund balance that resulted from the previous long-term debt issuance and sales tax collections was spent down during the current period as the related capital projects progressed. Sales tax collections decreased by \$8,243,559 from prior year. Most of this decrease is attributable to reduction of SPLOST shared revenues.

At the end of the current fiscal year, restricted fund balance of the Confiscated Asset fund was \$1,792,427, an increase of \$146,280 over prior year. This fund received more in fines and forfeiture, interest, and miscellaneous revenue collections during fiscal year 2021 than expenditures.

**Proprietary Funds.** The City of Douglasville’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was \$2,446,450. The total increase in net position from the prior fiscal year was \$398,289.

## General Fund Budgetary Highlights

**Original budget compared to final budget.** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Final budget compared to actual results.** During the fiscal year actual revenues were ahead of budgeted amounts by \$2,595,593. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Taxes	\$ 26,079,765	\$ 27,490,428	\$ 1,410,663
Fines and forfeitures	1,357,194	1,968,759	611,565
Miscellaneous	249,056	475,177	226,121

Expenditures were \$5,767,639 less than the final approved budget. The most significant differences between appropriated expenditures and actual expenditures were as follows:

<u>Department</u>	<u>Appropriated Expenditures</u>	<u>Actual Expenditures</u>	<u>Difference</u>
Judicial	\$ 890,141	\$ 1,352,124	\$ (461,983)
General Government	10,936,468	8,464,861	2,471,607
Public Safety	13,941,820	12,073,894	1,867,926

## Capital Asset and Debt Administration

**Capital assets.** The City of Douglasville's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$115,913,594 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and other infrastructure. The total increase in capital assets for the current fiscal year was approximately 0.65%.

**City of Douglasville Changes in Net Position**  
**Figure 6**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 30,372,132	\$ 30,309,132	\$ -	\$ -	\$ 30,372,132	\$ 30,309,132
Construction in progress	3,603,455	996,019	-	-	3,603,455	996,019
Buildings	42,061,427	43,005,015	7,330,395	7,090,842	49,391,822	50,095,857
Other improvements	11,205,615	11,541,287	15,748	390,449	11,221,363	11,931,736
Infrastructure	14,894,364	15,610,902	-	-	14,894,364	15,610,902
Vehicles, machinery, and equipment	5,403,884	5,121,798	1,026,574	1,468,567	6,430,458	6,590,365
	<u>\$ 107,540,877</u>	<u>\$ 106,584,153</u>	<u>\$ 8,372,717</u>	<u>\$ 8,949,858</u>	<u>\$ 115,913,594</u>	<u>\$ 115,534,011</u>

Major capital asset events during the current fiscal year included the following:

- Town Green Amphitheater design
- Jessie Davis Park Improvements
- Fairburn Road Improvements
- Willing Worker’s Park Renovation
- West Pines Golf Club Improvements

Additional information on the City’s capital assets can be found in Note 7 of the Basic Financial Statements.

**Long-term Debt.** At the end of the fiscal year, the City of Douglasville had total bonded debt outstanding of \$26,627,195.

**City of Douglasville Changes in Net Position**  
**Figure 7**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$ 26,627,195	\$ 28,983,137	\$ -	\$ -	\$ 26,627,195	\$ 28,983,137
Premium	1,526,164	1,810,000	-	-	1,526,164	1,810,000
Discounts	(12,382)	(13,833)	-	-	(12,382)	(13,833)
Capital leases	215,267	421,816	103,350	238,066	318,617	659,882
Notes payable	403,868	496,652	-	-	403,868	496,652
Compensated absences	981,213	974,484	57,736	79,619	1,038,949	1,054,103
Net pension liability	6,568,896	5,364,346	527,926	463,340	7,096,822	5,827,686
Total OPEB liability	<u>32,198,208</u>	<u>26,795,871</u>	<u>-</u>	<u>-</u>	<u>32,198,208</u>	<u>26,795,871</u>
	<u>\$ 68,508,429</u>	<u>\$ 64,832,473</u>	<u>\$ 689,012</u>	<u>\$ 781,025</u>	<u>\$ 69,197,441</u>	<u>\$ 65,613,498</u>

The City of Douglasville’s total debt decreased \$3,583,943, (-5.46%) during the current fiscal year. This is due to the net effect of debt payments. Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for City of Douglasville is \$151,316,931. The City does not have a formal policy for credit risk beyond the types of investments authorized by state statute.

Additional information regarding the City of Douglasville's long-term debt can be found in Note 8 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the City.

- In 2020, the economy was weakened by the COVID-19 pandemic. It is anticipated the impact will be extended into 2021.
- The unemployment rate for the City of Douglasville as of June 2020 is 4.0%.
- In 2009, the Douglasville Development Authority was reactivated in an effort to generate economic growth and prosperity throughout our community.
- Opening of new businesses has proceeded at a positive rate for several years, which has created new service area jobs.
- The percentage the City receives of the 1% Local Option Sales tax increased per the Intergovernmental Agreement which was effective January 2014.

### **Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** The fiscal year 2022 General Fund budget is 4% lower than the 2021 amended General Fund budget. For the current adopted budget, the millage rate will remain the same as in the prior year at 7.211 mills.

The additional revenue will help fund capital outlay in the budget so that the City can keep on track with its capital improvement program. The City is expected to receive funds from the American Rescue Plan Act (ARPA), but that has not been included in fiscal year 2022 budgets.

The fiscal year 2022 budget is based on improving recovery after COVID-19.

Travel and training throughout all departments was reduced in fiscal year 2021 but is being increased to close to pre-COVID amounts.

The City programmed for an average 2% merit increase in the fiscal year 2022 budget. The City has also hired a firm for a compensation study in FY21. Salary increases based on the study were budgeted for FY22.

The City continues to provide funding for the City Development Authority to help seek out quality businesses to bring to the City.

The 2016 Special Local Option Sales tax fund which was adopted in fiscal year 2017 reflects the new SPLOST collections that started in April of 2017. Included in the SPLOST budget are funds for Public Safety 20%, Facilities 15%, Transportation 45%, and Parks and Recreation 20%.

The Public Safety budget is comprised primarily of the purchase of new equipment and vehicles suited for increasing public safety and/or enhancing current operations. The fiscal year 2022 budget includes funds per an intergovernmental agreement (IGA) between the City of Douglasville and Douglas County, \$4.5 million in contributions is earmarked for Douglas County's fire and EMS projects.

The Facilities portion of SPLOST is mostly completed as of March 2021; however, due to increased sales tax projections, an additional \$292,446 was allocated to Facilities to be used for the repair and replacement of the roof at City Hall.

The Parks and Recreation portion of SPLOST identifies key projects with the intent to improve, renovate, and/or replace infrastructure throughout the Douglasville Parks System. The fiscal year 2022 budget includes funds to complete the renovation and improvements to Willing Workers Park located at 8085 Thompson Street. Additionally, there are funds budgeted to complete the necessary design services for Jessie Davis Park.

The Transportation portion of SPLOST is primarily comprised of resurfacing projects and overall beautification of the City of Douglasville's roads, sidewalks, and right of ways identified through a pavement evaluation and various studies. In fiscal year 2022, there are funds budgeted for the construction of a monument sign to be located at the I-20 at SR92 interchange. Additionally, there are funds allocated for preliminary engineering services for the Dallas Highway and Fairburn Road corridor improvements. Those projects are matching projects with a 20% match obligation from the city with 80% of project expenditures being reimbursable through the Atlanta Regional Commission.

**Business-Type Activities:** The Sanitation rates increased in January of 2021 for the first time in 15 years. The increase in revenues will help fund a new garbage truck, as well as resume recycling services for the City in FY22. Front-end service will continue to be outsourced.

**Requests for Information:**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Douglasville, P.O. Box 219, Douglasville, GA 30133.



## **BASIC FINANCIAL STATEMENTS**

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**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

ASSETS	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Development Authority
Cash and cash equivalents	\$ 27,062,789	\$ 2,646,605	\$ 29,709,394	\$ 527,038
Investments	5,563,346	-	5,563,346	-
Taxes receivable, net of allowances	562,797	-	562,797	-
Accounts receivable, net of allowances	609,535	420,225	1,029,760	22
Other receivables	284	-	284	-
Due from other governments	1,021,905	-	1,021,905	-
Inventories	43,757	-	43,757	-
Prepaid items	419,759	13,237	432,996	-
Capital assets, non-depreciable	33,975,587	-	33,975,587	-
Capital assets, depreciable, net of accumulated depreciation	73,565,290	8,372,717	81,938,007	-
<b>Total assets</b>	<b>142,825,049</b>	<b>11,452,784</b>	<b>154,277,833</b>	<b>527,060</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	1,040,288	-	1,040,288	-
Accumulated decrease in fair value of hedging derivative	160,648	-	160,648	-
Pension related items	3,748,822	301,284	4,050,106	-
OPEB related items	7,579,107	-	7,579,107	-
<b>Total deferred outflows of resources</b>	<b>12,528,865</b>	<b>301,284</b>	<b>12,830,149</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	1,123,918	236,010	1,359,928	10,068
Claims and judgments payable	175,000	-	175,000	-
Accrued liabilities	478,561	35,417	513,978	-
Accrued interest payable	358,957	-	358,957	-
Noncurrent liabilities				
Due within one year				
Customer deposits payable	16,773	29,907	46,680	-
Compensated absences	782,593	46,189	828,782	-
Financed purchases	215,267	103,350	318,617	-
Notes payable	103,297	-	103,297	-
Bonds payable	2,438,576	-	2,438,576	-
Due in more than one year				
Compensated absences	198,620	11,547	210,167	-
Notes payable	300,571	-	300,571	-
Bonds payable	25,702,401	-	25,702,401	-
Fair value of hedging derivative	160,648	-	160,648	-
Net pension liability	6,568,896	527,926	7,096,822	-
Total OPEB liability	32,198,208	-	32,198,208	-
<b>Total liabilities</b>	<b>70,822,286</b>	<b>990,346</b>	<b>71,812,632</b>	<b>10,068</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	596,072	47,905	643,977	-
OPEB related items	4,592,075	-	4,592,075	-
<b>Total deferred inflows of resources</b>	<b>5,188,147</b>	<b>47,905</b>	<b>5,236,052</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	80,224,921	8,269,367	88,494,288	-
Restricted for:				
Economic development	327,711	-	327,711	-
Promotion of tourism	2,558,831	-	2,558,831	-
Capital projects	5,430,075	-	5,430,075	-
Debt service	374,941	-	374,941	-
Unrestricted (deficit)	(9,572,998)	2,446,450	(7,126,548)	516,992
<b>Total net position</b>	<b>\$ 79,343,481</b>	<b>\$ 10,715,817</b>	<b>\$ 90,059,298</b>	<b>\$ 516,992</b>

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 9,134,244	\$ 4,174,343	\$ 468,793	\$ 20,000
Judicial	1,419,298	1,657,485	-	-
Public safety	14,615,873	288,427	1,871,207	-
Public works	3,244,703	-	-	222,499
Culture and recreation	6,229,073	1,131,920	18,095	1,627,879
Housing and development	547,631	152,579	1,500	-
Interest and fiscal charges on long-term debt	847,387	-	-	-
Total governmental activities	<u>36,038,209</u>	<u>7,404,754</u>	<u>2,359,595</u>	<u>1,870,378</u>
Business-type activities:				
Sanitation	<u>4,817,512</u>	<u>5,347,378</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>4,817,512</u>	<u>5,347,378</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 40,855,721</u>	<u>\$ 12,752,132</u>	<u>\$ 2,359,595</u>	<u>\$ 1,870,378</u>
<b>Component unit:</b>				
Development Authority	\$ 105,642	\$ 455,938	\$ 133,425	\$ -
Total component unit	<u>\$ 105,642</u>	<u>\$ 455,938</u>	<u>\$ 133,425</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Sales taxes
- Hotel/Motel taxes
- Franchise taxes
- Insurance premium taxes
- Alcohol beverage taxes
- Unrestricted investment earnings
- Gain from sale of capital assets
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

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

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Development Authority
\$ (4,471,108)	\$ -	\$ (4,471,108)	\$ -	
238,187	-	238,187	-	
(12,456,239)	-	(12,456,239)	-	
(3,022,204)	-	(3,022,204)	-	
(3,451,179)	-	(3,451,179)	-	
(393,552)	-	(393,552)	-	
(847,387)	-	(847,387)	-	
<u>(24,403,482)</u>	<u>-</u>	<u>(24,403,482)</u>	<u>-</u>	
-	529,866	529,866	-	
-	529,866	529,866	-	
<u>\$ (24,403,482)</u>	<u>\$ 529,866</u>	<u>\$ (23,873,616)</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ 483,721	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,721</u>	
\$ 14,485,665	\$ -	\$ 14,485,665	\$ -	
8,804,764	-	8,804,764	-	
1,740,873	-	1,740,873	-	
2,594,381	-	2,594,381	-	
2,441,790	-	2,441,790	-	
1,333,757	-	1,333,757	-	
227,672	1,897	229,569	888	
221,003	26,251	247,254	-	
277,478	-	277,478	500	
159,725	(159,725)	-	-	
<u>32,287,108</u>	<u>(131,577)</u>	<u>32,155,531</u>	<u>1,388</u>	
7,883,626	398,289	8,281,915	485,109	
71,459,855	10,317,528	81,777,383	31,883	
<u>\$ 79,343,481</u>	<u>\$ 10,715,817</u>	<u>\$ 90,059,298</u>	<u>\$ 516,992</u>	

**CITY OF DOUGLASVILLE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

ASSETS	General	SPLOST 2016	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 19,060,478	\$ 2,656,259	\$ 5,346,052	\$ 27,062,789
Investments	4,511,558	-	1,051,788	5,563,346
Receivables, net:				
Taxes receivable	300,402	-	262,395	562,797
Accounts receivable	609,535	-	-	609,535
Other receivables	-	124	160	284
Due from other governments	992,602	-	29,303	1,021,905
Inventories	43,757	-	-	43,757
Prepaid items	416,542	-	2,630	419,172
Total assets	<u>\$ 25,934,874</u>	<u>\$ 2,656,383</u>	<u>\$ 6,692,328</u>	<u>\$ 35,283,585</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 837,566	\$ 233,926	\$ 52,426	\$ 1,123,918
Accrued liabilities	466,717	-	11,844	478,561
Deposits payable	16,773	-	-	16,773
Total liabilities	<u>1,321,056</u>	<u>233,926</u>	<u>64,270</u>	<u>1,619,252</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	<u>115,195</u>	<u>-</u>	<u>7,190</u>	<u>122,385</u>
<b>FUND BALANCES</b>				
Fund balances:				
Nonspendable:				
Prepaid items	416,542	-	2,630	419,172
Inventories	43,757	-	-	43,757
Restricted for:				
Economic development	-	-	327,711	327,711
Promotion of tourism	-	-	2,556,201	2,556,201
Capital projects	-	2,422,457	3,007,618	5,430,075
Debt service	-	-	726,708	726,708
Assigned:				
Retiree benefits	589,428	-	-	589,428
Fiscal year 2022 operations	2,447,341	-	-	2,447,341
Unassigned	<u>21,001,555</u>	<u>-</u>	<u>-</u>	<u>21,001,555</u>
Total fund balances	<u>24,498,623</u>	<u>2,422,457</u>	<u>6,620,868</u>	<u>33,541,948</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,934,874</u>	<u>\$ 2,656,383</u>	<u>\$ 6,692,328</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.	107,540,877
Other long-term assets (prepaid bond insurance) are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds.	587
Some revenues are not available in the current period and, therefore, are reported as deferred inflows of resources in the governmental funds.	122,385
The City's net pension and total OPEB liabilities, and the related deferred outflows of resources and deferred inflows of resources, are not expected to be liquidated with available financial resources and, therefore, are not reported in the governmental funds.	(32,627,322)
The impact on net position resulting from an effective hedging instrument is not recognized until the hedge is used by the holder and, therefore, is deferred.	160,648
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(29,395,642)</u>

Net position of governmental activities	<u>\$ 79,343,481</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>SPLOST 2016</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 27,490,428	\$ -	\$ 3,898,962	\$ 31,389,390
Licenses and permits	3,613,465	-	-	3,613,465
Intergovernmental	1,799,403	1,627,879	948,428	4,375,710
Fines and forfeitures	1,968,759	-	172,081	2,140,840
Charges for services	1,306,720	-	111,684	1,418,404
Investment income	203,242	16,870	24,430	244,542
Contributions	12,070	-	-	12,070
Miscellaneous	475,177	-	277,478	752,655
Total revenues	<u>36,869,264</u>	<u>1,644,749</u>	<u>5,433,063</u>	<u>43,947,076</u>
<b>Expenditures</b>				
Current:				
General government	8,464,861	8,947	21,688	8,495,496
Judicial	1,352,124	-	-	1,352,124
Public safety	12,073,894	-	220,579	12,294,473
Public works	2,264,288	97,817	-	2,362,105
Culture and recreation	3,215,688	922,198	1,698,635	5,836,521
Housing and development	1,282,522	-	5,000	1,287,522
Capital outlay	-	2,399,827	-	2,399,827
Debt service:				
Principal retirement	262,782	206,549	2,185,942	2,655,273
Interest and fiscal charges	134,017	17,805	935,349	1,087,171
Total expenditures	<u>29,050,176</u>	<u>3,653,143</u>	<u>5,067,193</u>	<u>37,770,512</u>
Excess (deficiency) of revenues over expenditures	7,819,088	(2,008,394)	365,870	6,176,564
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	196,909	-	77,197	274,106
Transfers in	-	159,725	1,591,094	1,750,819
Transfers out	(1,501,094)	-	(90,000)	(1,591,094)
Total other financing sources (uses)	<u>(1,304,185)</u>	<u>159,725</u>	<u>1,578,291</u>	<u>433,831</u>
Net change in fund balance	6,514,903	(1,848,669)	1,944,161	6,610,395
<b>Fund balances, beginning of year</b>	<u>17,983,720</u>	<u>4,271,126</u>	<u>4,676,707</u>	<u>26,931,553</u>
<b>Fund balances, end of year</b>	<u>\$ 24,498,623</u>	<u>\$ 2,422,457</u>	<u>\$ 6,620,868</u>	<u>\$ 33,541,948</u>

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds	\$	6,610,395
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.		1,009,827
Governmental funds report the proceeds from the sale of capital assets; however, the statement of activities reports the gain or loss on disposal. Therefore, the change in net position will differ from the change in fund balance by the net book value of the capital assets disposed.		(53,103)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(48,242)
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 and related items.		2,835,611
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.		(2,470,862)
Change in net position - governmental activities	\$	<u><u>7,883,626</u></u>

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2021**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 2,646,605
Accounts receivable, net of allowances	420,225
Prepaid items	13,237
Total current assets	3,080,067
<b>NON-CURRENT ASSETS</b>	
Depreciable capital assets, net of accumulated depreciation	8,372,717
Total non-current assets	8,372,717
Total assets	11,452,784
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	301,284
<b>CURRENT LIABILITIES</b>	
Accounts payable	236,010
Accrued liabilities	35,417
Customer deposits payable	29,907
Financed purchases, due within one year	103,350
Compensated absences, due within one year	46,189
Total current liabilities	450,873
<b>NON-CURRENT LIABILITIES</b>	
Compensated absences, due in more than one year	11,547
Net pension liability	527,926
Total non-current liabilities	539,473
Total liabilities	990,346
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	47,905
<b>NET POSITION</b>	
Net investment in capital assets	8,269,367
Unrestricted	2,446,450
Total net position	\$ 10,715,817

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



**CITY OF DOUGLASVILLE, GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 5,347,378
<b>OPERATING EXPENSES</b>	
Personnel costs	1,409,822
Purchased and contracted services	2,375,462
Other operating expenses	417,326
Depreciation	610,327
Total operating expenses	4,812,937
Operating income	534,441
<b>NON-OPERATING INCOME (EXPENSES)</b>	
Investment income	1,897
Gain on disposal of capital assets	26,251
Interest expense	(4,575)
Total non-operating income (expenses)	23,573
Income before transfers	558,014
<b>TRANSFERS OUT</b>	(159,725)
Change in net position	398,289
<b>NET POSITION, beginning of year</b>	10,317,528
<b>NET POSITION, end of year</b>	\$ 10,715,817

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 5,280,397
Payments to suppliers and service providers	(2,993,553)
Payments to employees	(1,383,971)
	902,873
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Transfers to other funds	(159,725)
Principal paid on financed purchase	(134,716)
Interest paid on financed purchase	(4,575)
Proceeds of sales of capital assets	26,251
Purchases of capital assets	(33,186)
	(305,951)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income on investments	1,897
	1,897
Increase in cash and cash equivalents	598,819
<b>Cash and cash equivalents:</b>	
Beginning of year	2,047,786
End of year	\$ 2,646,605

**(Continued)**

**CITY OF DOUGLASVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 534,441
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	610,327
(Increase) decrease in:	
Accounts receivable	(75,141)
Prepaid items	85,123
Increase (decrease) in:	
Accrued liabilities	6,486
Accounts payable	(218,018)
Due to other funds	(67,870)
Customer deposits payable	8,160
Compensated absences	(21,883)
Net pension liability (and related deferred outflows/inflows of resources)	41,248
Net cash provided by operating activities	\$ 902,873

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

## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

**A. Reporting Entity**

The City of Douglasville was incorporated in 1937 under the provisions of an Act of the General Assembly of Georgia. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter; public safety (police), highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered financially accountable. The blended component units are included within the City's funds as these entities provide services exclusively to the City although they are legally separate entities. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

***Blended Component Units***

The Douglasville Convention and Conference Center Authority (the "Authority") was organized to issue bonds to develop and promote commerce, industry and general welfare within the City. The Authority's board members are substantially the same as the City's council members and the City has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Authority. Therefore, as the Authority is purely a financing authority of the City and the existence of this financial benefit or burden relationship, the Authority is presented as a blended component unit. The Authority is typically presented as a capital projects fund of the City, however in the fiscal year ended June 30, 2021, the Authority had no activity and no fund balance and so is not reflected in the current year statements.

The Douglasville Public Purpose Corporation (the "Corporation") was organized to issue bonds to develop and promote commerce, industry and general welfare within the City. The Corporation's board members are substantially the same as the City's council members and the City has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Corporation. Therefore, as the Corporation is purely a financing authority of the City and the existence of this financial benefit or burden relationship, the Corporation is presented as a blended component unit. The Corporation is presented as a special revenue fund of the City.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**A. Reporting Entity (Continued)**

*Discretely Presented Component Unit*

The City of Douglasville Development Authority (the “Authority”) was created as a separate legal entity by an act of the state legislature and “activated” by action of the City Council to promote and expand industry, welfare and trade for the public good and welfare of the City, and make long-range plans for such development and expansion. The governing board of the Authority is appointed by the City Council for fixed terms and the City is considered to be able to impose its will on the Authority and thus the Authority is presented as a governmental fund-type discretely presented component.

Financial information with regard to all of the City’s component units can be obtained from the City’s finance department located at 6695 Church Street, Douglasville, Georgia 30134. Separate financial statements for the City’s component units are not prepared.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City’s capital assets. 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 considered program revenues are reported instead as *general revenues*.

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of* accounting, as is the proprietary. 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 sixty (60) days of the end of the current fiscal period, with the exception of intergovernmental revenues which are considered to be available if collected within nine (9) months of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claims 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.

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 2016 Fund** accounts for proceeds and expenditure of special purpose local option sales tax proceeds (SPLOST), Series 2016, received from Douglas County.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

The City reports the following major proprietary fund:

The *Sanitation Fund* accounts for the operation of the sanitation system including all revenues from sources applicable to these operations and all expenses of the operation.

The City also reports the following fund types:

The **Special Revenue funds** are used to account for revenue sources that are legally restricted to expenditures for specific purposes such as hotel/motel and car rental excise tax revenues, as well as various grants and contributions.

The **Conference Center Fund** is used to account for the construction of a conference center fund by bond proceeds. This fund reported no fund balance or activity in the fiscal year ended June 30, 2021.

The **Debt Service fund** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. Proprietary funds distinguish *operating revenues and expenses* from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for goods and services provided. Operating expenses of the enterprise fund include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. 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 (3) months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAs 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). 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 pool also adjusts the value of its investments to fair value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**D. Deposits and Investments (Continued)**

The City's nonparticipating interest-earning investment contracts are recorded at cost. All remaining investments are recorded at fair value. Increases or decreases in the fair value of the City's investments during the year are recognized as a component of investment income.

**E. Receivables and Payables**

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

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

**F. Inventories**

Inventories are valued at cost, which approximates market, using the weighted average cost method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

**H. Capital Assets**

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**H. Capital Assets (Continued)**

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each year, including infrastructure, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's lives are not capitalized.

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

Asset	Years
Buildings	50
Other Improvements	20
Infrastructure	30
Vehicles	5
Machinery & Equipment:	
Heavy	15
Small	10
Furniture and Office	5
Computer	5

**I. Compensated Absences**

The vacation policy of the City provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary fund, an expense and a liability for compensated absences and the salary-related payments are recorded as leave is earned.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has two (2) items which qualify for reporting in this category (aside from items related to pensions and OPEB which are discussed below): (1) the City's deferred charge on refunding qualifies for reporting in this category as the deferred charge results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt; and (2) the accumulated decrease in the fair value of the hedging derivative qualifies for reporting in this category. As the derivative qualifies as an effective hedge, the change in fair market value which occurs each fiscal year is deferred until the hedge is used by the holder.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one (1) item that qualifies for reporting in this category (aside from deferred inflows related to pensions and OPEB which are discussed below) and this item arises only in reporting that utilizes the modified accrual basis of accounting and accordingly, this item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines as these items are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in these liabilities are recognized as 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 and total OPEB 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 expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into 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 or OPEB plans before year-end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability and total OPEB liability in the next fiscal year.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**K. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are reported as expenses in the periods in which they are incurred, with the exception of prepaid bond insurance which is amortized over the life of the bond in accordance with Governmental Accounting Standards Board Statement No. 65.

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

**L. Fund Equity**

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

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources 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 purpose 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 enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, 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 the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**L. Fund Equity (Continued)**

Fund balances are classified as follows (continued):

*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 the adoption of a resolution, the City Council has expressly delegated to the City Manager and Finance Director the authority to assign fund balances for particular purposes.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the General Fund. For all other funds, any deficits in fund balance at year-end will be reported as unassigned.

**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, (3) Unassigned.

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Douglasville 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.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**N. Use of Estimates**

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

**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 “the net pension and total OPEB liabilities and related deferred outflows and inflows of resources are not expected to be liquidated with available financial resources and, therefore, are not reported in the funds.” The details of this \$32,627,322 difference are as follows:

Deferred outflows of resources - pension related items	\$ 3,748,822
Net pension liability	(6,568,896)
Deferred inflows of resources - pension related items	(596,072)
Deferred outflows of resources - OPEB related items	7,579,107
Total OPEB liability	(32,198,208)
Deferred inflows of resources - OPEB related items	(4,592,075)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (32,627,322)

Another 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 \$29,395,642 difference are as follows:

Accrued interest payable	\$ (358,957)
Claims and judgments payable	(175,000)
Financed purchases payable	(215,267)
Compensated absences payable	(981,213)
Notes payable	(403,868)
Bonds payable	(26,627,195)
Bond premiums, unamortized balance	(1,526,164)
Bond discounts, unamortized balance	12,382
Deferred charges from refunding, unamortized balance	1,040,288
Fair value of hedging derivative	(160,648)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (29,395,642)

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,009,827 difference are as follows:

Capital outlay	\$ 5,257,640
Depreciation expense	(4,247,813)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 1,009,827

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$2,835,611 difference are as follows:

Principal payments - financed purchases	\$ 206,549
Principal payments - notes payable	92,784
Principal payments - bonds	2,355,942
Amortization of bond premiums	283,836
Amortization of bond discounts	(1,451)
Amortization of deferred charges on refunding	(102,049)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 2,835,611

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$2,470,862 difference are as follows:

Compensated absences	\$ (6,729)
Accrued interest	59,446
Claims and judgments payable	(175,000)
Pension expense	(715,139)
OPEB expense	(1,630,689)
Amortization of prepaid bond insurance	<u>(2,751)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (2,470,862)</u></u>

**NOTE 3. LEGAL COMPLIANCE - BUDGETS**

An operating budget is legally adopted each fiscal year for the General Fund, Special Revenue Funds, and Debt Service Fund. The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the City Council by the Finance Director.
2. A public hearing on the budget is held.
3. The budget is then legally enacted through the passage of an ordinance.
4. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City Manager may make transfers of appropriations within a department without prior approval of the City Council with the following restrictions:
  - a) The City Manager may not transfer assets into or from any line item for expenditures for electric service, natural gas, telephone service, or water and sewer service where the City or any constituent organization is the customer; and
  - b) The City Manager may not transfer assets into or from any line item for expenditures for employee wages or related expenses for fringe benefits, including FICA taxes, health insurance premiums, life insurance premiums, workers’ compensation costs, or pension costs; and
  - c) The City Manager may not transfer more than \$25,000 into or from a line item within any department within any one amendment period; and
  - d) The City Manager may not transfer assets into or from any line item for expenditures for travel, training or attendance at civic events by any elected official.

Transfers of appropriations between departments require the approval of the Mayor and City Council.
5. Appropriations, except for encumbrances, lapse at year end.



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)**

The following General fund department and other governmental funds had actual expenditures in excess of appropriations for the fiscal year ended June 30, 2021:

General Fund - Judicial	\$ 461,983
Public Purpose Corporation	10,940
Debt Service Fund	17,350

These expenditures in excess of appropriations were funded by greater than anticipated revenues.

**NOTE 4. DEPOSITS AND INVESTMENTS**

The table below summarizes the City's cash and cash equivalents and investments by type as of June 30, 2021:

Investment	Maturities	Balance
Deposits with financial institutions	---	\$ 5,158,227
Certificate of deposit	May 15, 2022	1,051,788
Certificate of deposit	June 30, 2021	20,013
Certificate of deposit	September 11-16, 2021	1,318,509
Certificate of deposit	December 29, 2021	1,054,157
Certificate of deposit	December 29, 2021	1,054,142
Certificate of deposit	February 5, 2022	1,064,737
Georgia Fund 1	36 day WAM (1)	24,551,167
Total		\$ 35,272,740
<b>As reported in the Statement of Net Position:</b>		
Cash and cash equivalents		\$ 29,709,394
Investments		5,563,346
Total		\$ 35,272,740

(1) Weighted average maturity

**Credit risk:** 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 local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**

**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 are significant unobservable inputs.

As part of the issuance of the City's 2005 Series Revenue Bonds, the City entered into an interest rate swap agreement. The interest rate swap agreement is more fully described in Note 8. The fair value of the interest rate swap agreement is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

The Georgia Fund 1 is an investment pool, rated AAf by Standard & Poor's, 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 its investment in the Georgia Fund 1 within the fair value hierarchy.

The City's certificates of deposit are considered nonparticipating interest-earning investment contracts and, accordingly, are valued at cost.

**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 require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2021, the City had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had certificates of deposit with another financial institution that were collateralized by pledged securities, as defined above, such that all of the City's deposits with financial institutions as of June 30, 2021 were insured and/or collateralized as required by State statutes.

**Interest rate risk:** With regard to its investments, the City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5. RECEIVABLES**

Receivables at June 30, 2021, for the City’s individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST 2016</u>	<u>Non-major Governmental</u>	<u>Sanitation</u>	<u>Total</u>
Receivables:					
Taxes	\$ 300,402	\$ -	\$ 262,395	\$ -	\$ 562,797
Accounts receivables	4,049,973	-	-	480,173	4,530,146
Other receivables	-	124	160	-	284
Intergovernmental	992,602	-	29,303	-	1,021,905
Gross receivables	<u>5,342,977</u>	<u>124</u>	<u>291,858</u>	<u>480,173</u>	<u>6,115,132</u>
Less allowance for uncollectibles	<u>(3,440,438)</u>	<u>-</u>	<u>-</u>	<u>(59,948)</u>	<u>(3,500,386)</u>
Net total receivables	<u>\$ 1,902,539</u>	<u>\$ 124</u>	<u>\$ 291,858</u>	<u>\$ 420,225</u>	<u>\$ 2,614,746</u>

**NOTE 6. PROPERTY TAXES**

The City has contracted with the Douglas County Tax Commissioner’s Office for the billing and collection of its property taxes. All property tax revenues are recognized when levied to the extent that they result in current receivables. Property tax receivables outstanding more than 60 days after June 30 are recorded as deferred inflows of resources for unavailable revenue in the governmental funds. For the year ended June 30, 2021, property taxes were billed by Douglas County on September 19, 2020 and due November 19, 2020. Collections not received by December 15, 2021 are considered delinquent. Liens were attached to property for unpaid taxes on May 15, 2021.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

**A. Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 30,309,132	\$ 63,000	\$ -	\$ -	\$ 30,372,132
Construction in progress	996,019	2,783,687	(146,791)	(29,460)	3,603,455
Total	<u>31,305,151</u>	<u>2,846,687</u>	<u>(146,791)</u>	<u>(29,460)</u>	<u>33,975,587</u>
Capital assets, being depreciated:					
Infrastructure	99,474,687	7,141	146,791	-	99,628,619
Buildings	55,307,085	190,776	-	-	55,497,861
Other improvements	16,669,426	413,082	-	-	17,082,508
Machinery, equipment, and vehicles	20,675,565	1,799,954	-	(888,205)	21,587,314
Total	<u>192,126,763</u>	<u>2,410,953</u>	<u>146,791</u>	<u>(888,205)</u>	<u>193,796,302</u>
Less accumulated depreciation:					
Infrastructure	(83,863,785)	(870,470)	-	-	(84,734,255)
Buildings	(12,302,070)	(1,134,364)	-	-	(13,436,434)
Other improvements	(5,128,139)	(748,754)	-	-	(5,876,893)
Machinery, equipment, and vehicles	(15,553,767)	(1,494,225)	-	864,562	(16,183,430)
Total	<u>(116,847,761)</u>	<u>(4,247,813)</u>	<u>-</u>	<u>864,562</u>	<u>(120,231,012)</u>
Total assets, being depreciated, net	<u>75,279,002</u>	<u>(1,836,860)</u>	<u>146,791</u>	<u>(23,643)</u>	<u>73,565,290</u>
Governmental activities capital assets, net	<u>\$ 106,584,153</u>	<u>\$ 1,009,827</u>	<u>\$ -</u>	<u>\$ (53,103)</u>	<u>\$ 107,540,877</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7. CAPITAL ASSETS (CONTINUED)**

**B. Business-type Activities**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Business-type activities</b>					
Capital assets, being depreciated:					
Buildings	\$ 7,565,417	\$ -	\$ -	\$ -	\$ 7,565,417
Vehicles	4,124,524	-	(177,781)	-	3,946,743
Machinery and equipment	638,179	33,186	-	-	671,365
Improvements	19,091	-	-	-	19,091
Total	<u>12,347,211</u>	<u>33,186</u>	<u>(177,781)</u>	<u>-</u>	<u>12,202,616</u>
Less accumulated depreciation for:					
Buildings	(71,625)	(163,397)	-	-	(235,022)
Vehicles	(2,705,616)	(411,444)	177,781	-	(2,939,279)
Machinery and equipment	(617,724)	(34,531)	-	-	(652,255)
Improvements	(2,388)	(955)	-	-	(3,343)
Total	<u>(3,397,353)</u>	<u>(610,327)</u>	<u>177,781</u>	<u>-</u>	<u>(3,829,899)</u>
Total assets, being depreciated, net	<u>8,949,858</u>	<u>(577,141)</u>	<u>-</u>	<u>-</u>	<u>8,372,717</u>
Business-type activities capital assets, net	<u>\$ 8,949,858</u>	<u>\$ (577,141)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,372,717</u>

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

<b>Governmental activities:</b>	
General government	\$ 673,381
Public safety	1,435,149
Public works	834,763
Culture and recreation	911,124
Housing and development	393,396
Total depreciation expense - governmental activities	<u>\$ 4,247,813</u>
<b>Business-type activities</b>	
Sanitation	<u>\$ 610,327</u>
Total depreciation expense - business-type activities	<u>\$ 610,327</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Direct placement - bonds payable	\$ 28,983,137	\$ -	\$ (2,355,942)	\$ 26,627,195	\$ 2,438,576
Plus unamortized premiums	1,810,000	-	(283,836)	1,526,164	-
Less unamortized discounts	(13,833)	-	1,451	(12,382)	-
Bonds payable, net	<u>30,779,304</u>	-	<u>(2,638,327)</u>	28,140,977	2,438,576
Direct borrowing - financed purchases	421,816	-	(206,549)	215,267	215,267
Direct borrowing - notes payable	496,652	-	(92,784)	403,868	103,297
Claims and judgments payable	-	175,000	-	175,000	175,000
Net pension liability	5,364,346	5,066,043	(3,861,493)	6,568,896	-
Total OPEB liability	26,795,871	7,519,660	(2,117,323)	32,198,208	-
Compensated absences	974,484	675,183	(668,454)	981,213	782,593
Governmental activities Long-term liabilities	<u>\$ 64,832,473</u>	<u>\$ 13,435,886</u>	<u>\$ (9,584,930)</u>	<u>\$ 68,683,429</u>	<u>\$ 3,714,733</u>
<b>Business-type activities:</b>					
Direct borrowing - financed purchases	\$ 238,066	\$ -	\$ (134,716)	\$ 103,350	\$ 103,350
Compensated absences	79,619	44,196	(66,079)	57,736	46,189
Net pension liability	463,340	407,145	(342,559)	527,926	-
Business-type activity Long-term liabilities	<u>\$ 781,025</u>	<u>\$ 451,341</u>	<u>\$ (543,354)</u>	<u>\$ 689,012</u>	<u>\$ 149,539</u>

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

**Direct Placement Bonds**

**General Obligation Bonds.** On September 29, 2016, the City issued General Obligation Bonds, Series 2016 in the aggregate principal amount of \$13,600,000, the proceeds of which (when combined with the original issue premium of \$1,679,464) were used to refund \$13,870,000 of the previously outstanding General Obligation Bonds, Series 2009. The bonds bear interest at rates ranging from 2.25% to 4.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2020 until the bonds mature on February 1, 2029. Funds held in the City's Series 2016 Sinking Fund are kept separate from all other funds of the City and are pledged to be used to pay the debt service costs associated with the Series 2016 bonds. As of June 30, 2021, the outstanding balance of the Series 2009 bonds is \$11,225,000.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Revenue Bonds.** In September 2005, the Douglasville Public Purpose Corporation issued Series 2005 revenue bonds in the aggregate principal amount of \$7,253,713 (\$2,367,195 outstanding at June 30, 2021) for the purpose of financing the construction of a public service building. The bonds were issued at a variable rate equal to 61.1% of the one-month London Interbank Offered Rate (LIBOR) plus 115 basis points. Payments of principal and interest are due monthly, on the first of each month commencing on October 1, 2005 until the bonds mature on May 1, 2026. As of June 30, 2021, the outstanding balance of the Series 2005 bonds is \$2,367,195. As part of the issuance of the bonds, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to make a monthly interest payment to, or on behalf of the Swap Counterparty, equal to 4.11% times a notional amount specified in the Swap Agreement (which adjusts with each payment to be the outstanding balance of the Series 2005 revenue bonds) and the Swap Counterparty will pay to, or on behalf of, the City a monthly payment equal to 61.1% of one-month LIBOR plus 115 basis points times the notional amount specified in the Swap Agreement. The monthly payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the bonds and as noted above, the variable rate of interest on the bonds and the Swap Agreement are the same. Monthly interest payments between the City, the bondholders, and the Swap Counterparty can be made in net settlement form as part of this agreement. This agreement matures on May 1, 2026, at the same time of the bonds. This derivative qualifies as a cash flow hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated A3 by Moody's. At June 30, 2021, the floating rate being received by the City from the Swap Counterparty and paid by the City to bondholders is 1.15% and the market value of this agreement is (\$160,648), an increase of \$87,174 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2021 based on the derivative contract. This market value is reported as a liability in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the outflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred outflow of resources in the statement of net position.

On November 15, 2011, the Douglasville Convention and Conference Center Authority issued \$9,640,000 of Series 2011 revenue bonds for the purpose of financing the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities. The bonds bear interest at rates ranging from 3.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. As a result of the issuance of the 2017 bonds (below), the City only has one principal payment to make for the 2011 bonds in the amount of \$400,000 on February 1, 2022. As of June 30, 2021, the outstanding balance of the Series 2011 bonds is \$400,000.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Revenue Bonds (Continued).** On December 28, 2017, the City issued Douglasville Convention & Conference Center Authority Revenue Refunding Bonds, Series 2017 A & B in the aggregate principal amount of \$9,015,000 and \$465,000, respectively, the proceeds of which were used to refund \$9,240,000 of the previously outstanding Douglasville Convention & Conference Center Authority Series 2011 revenue bonds. The bonds bear interest at rates ranging from 2.85% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2023 until the bonds mature on February 1, 2035. As of June 30, 2021, the outstanding balance of the Series 2017A bonds is \$9,015,000 and Series 2017B bonds is \$375,000.

The refunding transaction undertaken by the City resulted in aggregate debt service savings of \$603,957 and an economic gain (net present value of the aggregate debt service savings) of \$512,883. As part of the refunding, the City defeased certain outstanding revenue bonds, Series 2011 by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2021, the outstanding amount of Douglasville Convention & Conference Center Authority Revenue Bonds, Series 2011 considered defeased is \$9,240,000.

The Douglasville Convention & Conference Center Authority's Series 2017 A & B revenue bonds contain a provision that in any event of default, a receiver appointed in accordance with law or any bond holder may proceed to protect and enforce the rights of the bond holders by a suit, action, or special proceedings in equity, or at law, for the special performance of any covenant or agreement contained in the bond resolution or in aid or execution of any power granted in the bond resolution, or contained in the contract, or for the enactment of any proper legal or equitable remedy as such bond holder shall deem most effectual to protect and enforce the rights authorized by law. An event of default is defined in the bond resolution as a default in the payment of the principal or interest of the bond when the payments are due and payable, the Authority admits in writing its inability to pay its debts generally as they become due, or the Authority files a petition for bankruptcy.

On January 4, 2012, the Douglasville Convention and Conference Center Authority issued \$3,770,000 of Series 2012 revenue bonds for the purpose of financing the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities. The bonds bear interest at rates ranging from 4.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually commencing on February 1, 2014 until the bonds mature on February 1, 2022. As of June 30, 2021, the outstanding balance of the Series 2012 bonds is \$150,000.



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Revenue Bonds (Continued).** On January 24, 2013, the Douglasville Convention and Conference Center Authority issued \$4,110,000 of Series 2013 revenue bonds for the purpose of financing the cost of the design, acquisition, and construction, of the West Pines Golf Course. The bonds bear interest at rates ranging from 2.00% to 3.25% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually commencing on August 1, 2013 until the bonds mature on August 1, 2035. As of June 30, 2021, the outstanding balance of the Series 2013 bonds is \$3,095,000.

The City's outstanding amounts from direct placement related to the West Pines Golf Course of \$3,095,000 contain a provision that in the event of default and the City is unable to make deposits to the trustee on time and sufficient to make debt service payments, the non-defaulting party or the bond holders may seek appointment of a receiver; the Authority or the bond holders may require the City to furnish copies of all books and records of the City pertaining to the project; or the non-defaulting party or the bond holders may take whatever action at law or equity may appear necessary or desirable to collect the contract payments. An event of default is defined as failure of the City to make contract payments or the failure of the City to observe and perform any covenant, condition, or agreement of the contract.

The annual debt service requirements to maturity on all of the City's bonds outstanding at June 30, 2021, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2022	\$ 2,438,576	\$ 868,328	\$ 3,306,904
2023	2,532,154	789,641	3,321,795
2024	2,621,421	711,328	3,332,749
2025	2,716,738	629,604	3,346,342
2026	2,753,306	562,830	3,316,136
2027-2031	9,300,000	1,620,519	10,920,519
2032-2036	4,265,000	379,638	4,644,638
Total	<u>\$ 26,627,195</u>	<u>\$ 5,561,888</u>	<u>\$ 32,189,083</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Direct Borrowings**

**Financed Purchases**

The City has entered into lease agreements as lessee for financing the acquisition of various items including equipment and improvements used in general governmental activities. The lease agreements qualify as capital leases for accounting purposes as the titles to the property transfer to the City at the end of the lease terms and therefore, the leases have been recorded at the present values of the future minimum lease payments as of the date of their inception. Lease payments are due in annual installments.

The original cost of the City's assets under financed purchase arrangements at June 30, 2021 is \$1,120,000 and there has been \$56,000 of accumulated depreciation as of year-end. Annual depreciation of these assets is included in depreciation expense.

Debt service requirements to maturity on the City's capital leases are as follows:

<b>Year Ending June 30,</b>	
<u>2022</u>	<u>\$ 224,354</u>
Total minimum lease payments	224,354
Less amount representing interest	<u>(9,087)</u>
Present value of future minimum lease payments	215,267
Less current maturities	<u>215,267</u>
Long term liabilities	<u>\$ -</u>

**Note Payable**

On April 30, 2020 the City entered into an agreement with Georgia Power, an electric utility, to facilitate the relocation of power distribution facilities in the City. The total estimated cost for the relocation was \$546,350 which the City reports as a fixed note payable, due in monthly principal and interest installments of \$11,820, maturing in November 2024. Debt service requirements on the City's note payable are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2022	\$ 103,297	\$ 38,538	\$ 141,835
2023	115,001	26,834	141,835
2024	128,032	13,803	141,835
2025	<u>57,538</u>	<u>1,560</u>	<u>59,098</u>
Total	<u>\$ 403,868</u>	<u>\$ 80,735</u>	<u>\$ 484,603</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**Business Type Activities**

The City's Sanitation Fund has entered into a lease agreement as lessee for financing the acquisition of a vehicle used in business type activities. The lease agreement qualifies as a capital lease for accounting purposes as the title to the property transfers to the City at the end of the lease term and therefore, the lease has been recorded at the present value of the future minimum lease payments as of the date of its inception. Lease payments are due in monthly installments.

The original cost of the Sanitation Fund's asset under the financed purchase arrangement at June 30, 2021 is \$271,204 and there has been \$75,334 of accumulated depreciation as of year-end. Annual depreciation of this asset is included in depreciation expense.

Debt service requirements to maturity on the Sanitation Fund's capital lease are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2022	<u>\$ 104,468</u>
Total minimum lease payments	104,468
Less amount representing interest	<u>(1,118)</u>
Present value of future minimum lease payments	103,350
Less current maturities	<u>103,350</u>
Long term liabilities	<u><u>\$ -</u></u>

**NOTE 9. INTERFUND TRANSFERS**

The composition of transfers to/from during the year ended June 30, 2021 is as follows:

Transfers in	Transfers Out			Total
	General Fund	Sanitation Fund	Other Governmental Funds	
SPLOST 2016 Fund	\$ -	\$ 159,725	\$ -	\$ 159,725
Other Governmental Funds	<u>1,501,094</u>	<u>-</u>	<u>90,000</u>	<u>1,591,094</u>
	<u><u>\$ 1,501,094</u></u>	<u><u>\$ 159,725</u></u>	<u><u>\$ 90,000</u></u>	<u><u>\$ 1,750,819</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 10. JOINT VENTURE**

Under Georgia law, the City in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The 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 an ARC. Separate financial statements may be obtained from the Atlanta Regional Commission, 229 Peachtree St. NE Suite 100, Atlanta, Georgia 30303.

**NOTE 11. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Douglasville Retirement Plan), covering all of the City’s full-time employees. The City’s pension plan is administered through the Georgia Municipal Employee Benefits System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, and death benefits to plan members and beneficiaries. All City employees, including elected officials, are eligible to participate in the Plan on the date of full-time employment (i.e., there is no waiting period to enroll in the Plan). Benefits are considered fully vested after five (5) years of service. Normal retirement is considered to be at age 65 with 5 years of service and participants may elect early retirement at age 55 with 10 years of service. The benefit is calculated based on total years of service and a 1.75% multiplier times their final average earnings for the 5 highest consecutive years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at [www.gacities.com](http://www.gacities.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

*Plan Membership.* As of January 1, 2021, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	129
Inactive plan members entitled to but not receiving benefits	131
Active plan members	248
Total plan membership	508

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Plan Description (Continued)**

*Contributions.* The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. Currently, active employees do not contribute to the Plan. For the year ended June 30, 2021, the City's recommended contribution rate was 10.19% of annual payroll; actual contributions came to 7.98%.

City contributions to the Plan were \$1,015,336 for the year ended June 30, 2021.

**Net Pension Liability of the City**

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

*Actuarial assumptions.* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2021 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study conducted in November and December of 2019.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 September 30, 2020 are summarized below.

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return*</b>
Domestic equity	45%	6.40%
International equity	20%	7.05
Domestic fixed income	20%	1.15
Global fixed income	5%	1.25
Real estate	10%	4.50
Cash	—%	
Total	<u>100%</u>	

\* Rates shown are net of the 2.25% assumed rate of inflation

*Discount rate.* The discount rate used to measure the total pension liability was 7.375%, the 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 year ended June 30, 2021 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 6/30/20</b>	<u>\$40,184,139</u>	<u>\$34,356,453</u>	<u>\$ 5,827,686</u>
<b>Changes for the year:</b>			
Service cost	586,291	-	586,291
Interest	2,943,831	-	2,943,831
Differences between expected and actual experience	1,880,573	-	1,880,573
Contributions—employer	-	930,992	(930,992)
Net investment income	-	3,273,060	(3,273,060)
Benefit payments, including refunds of employee contributions	(1,708,144)	(1,708,144)	-
Administrative expense	-	(62,493)	62,493
<b>Net changes</b>	<u>3,702,551</u>	<u>2,433,415</u>	<u>1,269,136</u>
<b>Balances at 6/30/21</b>	<u><u>\$43,886,690</u></u>	<u><u>\$36,789,868</u></u>	<u><u>\$ 7,096,822</u></u>

The required schedule of changes in the City’s net pension liability and related ratios immediately following the notes to the financial statements presents 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 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	<b>1% Decrease (6.375%)</b>	<b>Discount Rate (7.375%)</b>	<b>Current 1% Increase (8.375%)</b>
City's net pension liability (asset)	\$ 13,026,124	\$ 7,096,822	\$ 2,188,135

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Net Pension Liability of the City (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 September 30, 2020 and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2021, the City recognized pension expense of \$1,828,924. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,196,544	\$ (107,378)
Differences resulting from changes in actuarial assumptions	838,226	(126,974)
Net difference between projected and actual earnings on pension plan investments	-	(409,625)
City contributions subsequent to the measurement date	1,015,336	-
Total	\$ 4,050,106	\$ (643,977)

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

City contributions subsequent to the measurement date of \$1,015,336 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30		
2022	\$	717,372
2023		1,204,018
2024		623,449
2025		(154,046)
Total	\$	2,390,793



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 12. 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 Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member City contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded insurance coverage.

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is party to various legal proceedings and claims that arise in the ordinary course of operation. Among these as of June 30, 2021 are three matters in which the City's legal counsel believes there is a possible likelihood of an unfavorable outcome with an estimated loss of approximately \$40,000.

**B. 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 disallowance of certain expenditures previously reimbursed by those agencies.

**C. Commitments**

The City has executed contracts with third parties for various projects throughout the City. As of June 30, 2021, the balance of those contracts representing commitments made by the City for work not yet completed is \$1,800,806.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 14. HOTEL/MOTEL LODGING TAX**

Under the provisions of the Official Code of Georgia Annotated (OCGA) Section §48-13-51, the City has imposed and collected hotel/motel taxes at a rate of 8%. The Code section requires that the City expend a percentage of the taxes collected for the purpose of promoting tourism, conventions, trade shows, etc., and promoting the City and business therein. During the year ended June 30, 2021, the City expended for promotional purposes approximately 100% of such taxes collected.

The following is a summary of the collections and expenditures for the year ended June 30, 2021:

Total Collected	\$1,740,873
Amount Expended for Promotional Purposes	1,740,873

**NOTE 15. RENTAL CAR EXCISE TAX**

Under the provisions of the Official Code of Georgia Annotated (OCGA) Section §48-13-93, the City has imposed an excise tax on the rental of motor vehicles within the City. The Code section requires that the City expend these funds for the acquisition, construction, renovation, improvement, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety or public improvements for sports and recreational facilities.

The following is a summary of the collections and expenditures for the year ended June 30, 2021:

Total Collected	\$235,379
Amount Expended for Recreational Facilities	90,000

**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The City of Douglasville Other Postemployment Benefits Plan (the “OPEB Plan”) is a defined benefit postretirement health care, prescription drug, and life insurance plan. The OPEB Plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent-multiple employer OPEB Plan administered by the Georgia Municipal Association (GMA). The City Council has the authority to establish and amend the OPEB Plan, including any amendments to the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. However, the GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS as a whole. That report may be obtained at [www.gmanet.com](http://www.gmanet.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Plan Description (Continued)**

*Eligibility.* Everyone who retires from the City is eligible for life insurance benefits, regardless of length of service. For medical, dental and vision coverage, the retiree must be hired prior to January 1, 2016, continue coverage immediately upon retirement, and meet at least one of the following criteria:

- Retire on or after age 65 with at least 5 years of service;
- Retire on or after age 55 with at least 10 years of service;
- Retire as a police officer and be at least age 50 with at least 25 years of service; or
- Be hired prior to 2006 and have age plus service equal to 75 or more.

Based on the criteria noted above, the OPEB Plan was effectively closed to new entrants for medical, dental, and vision coverage as of January 1, 2016.

*Benefits.* Medical, prescription drug, dental and life benefits are provided to all eligible retirees depending upon whether the retiree had medical, prescription drug, dental and life benefits at the time of retirement. Benefits are payable for the duration of the retiree's life and include spousal benefits as well at the same level as the retiree. The portion of the monthly premium paid by the City and the retiree will vary depending on the plan selected by the retiree (PPO, HMO, etc.). Benefits are payable to a surviving spouse for one (1) year after the retiree's death.

*Plan Membership.* As of January 1, 2020, the date of the most recent actuarial valuation, OPEB plan membership consisted of the following:

Retirees and spouses currently receiving benefits	80
Active employees	<u>252</u>
Total plan membership	<u><u>332</u></u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City Contributions**

The City has elected to fund the OPEB plan on a pay-as-you-go basis. OPEB plan members, once retired, contribute to the OPEB plan based on numbers of years of creditable service and level/type of benefits selected. Per a resolution of the City Council, the City is required to contribute the current year benefits costs of the OPEB plan which are not paid by the retiree. For the year ended June 30, 2021, the City contributed \$386,471 for the pay as you go benefits of the OPEB plan.

**Total OPEB Liability of the City**

The City's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of January 1, 2020 with the actuary using standard techniques to roll forward the liability to the measurement date.

*Actuarial assumptions:* The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.21%
Healthcare Cost Trend Rate:	7.50% - 4.50%, Ultimate Trend in 2031 (Medical and drug) 5.00% - 4.50%, Ultimate Trend in 2029 (Medicare Advantage) 3.00% Dental
Inflation Rate:	2.25%
Salary increase:	2.25% plus service based merit increases
Participation rate:	95%

Mortality rates were based on the Pri-2012 head count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The Pri-2012 head count weighted Healthy Retiree Mortality was determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Mortality experience will be reviewed periodically and updated if necessary.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability of the City (Continued)**

**Discount rate.** The discount rate used to measure the total OPEB liability was 2.21%, a decrease from the prior year of 3.50%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 2.21% as determined by the Bond Buyer 20-Bond GO Index Rate published closest to, but no later than, the measurement date of June 30, 2020.

**Changes in the Total OPEB Liability of the City.** The changes in the total OPEB liability of the City for the year ended June 30, 2021, were as follows:

	<b>Total OPEB Liability (a)</b>
<b>Balances at 6/30/20</b>	<b>\$ 26,795,871</b>
<b>Changes for the year:</b>	
Service cost	732,995
Interest	955,122
Change of benefit terms	135,528
Differences between expected and actual experience	(1,633,848)
Assumption changes	5,696,015
Benefit payments	(483,475)
<b>Net changes</b>	<b>5,402,337</b>
<b>Balances at 6/30/21</b>	<b>\$ 32,198,208</b>

The required schedule of changes in the City’s total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$38,105,763	\$32,198,208	\$27,485,779

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates noted above in the actuarial assumptions:

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB liability	\$27,313,328	\$32,198,208	\$38,472,439

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 revisions 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 June 30, 2021 and the current sharing pattern of costs between employer and inactive employees.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,017,160. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 386,471	\$ -
Differences between expected and actual experience	-	2,772,309
Changes in assumptions	7,192,636	1,819,766
Total	\$ 7,579,107	\$ 4,592,075

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

City contributions subsequent to the measurement date of \$386,471 will reduce the total OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2022	\$ 193,511
2023	193,511
2024	193,511
2025	630,831
2026	808,888
Thereafter	<u>580,309</u>
Total	<u><u>\$ 2,600,561</u></u>

**NOTE 17. TAX ABATEMENTS**

The City, through its Development Authority, enters into property tax abatement agreements with local businesses under the economic development laws of the State of Georgia. Under these laws, localities may grant property tax abatements for the purpose of attracting businesses within their jurisdiction.

For the fiscal year ended June 30, 2021, the City abated property tax revenues totaling \$186,380 under its economic development program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 50% abatement on real property taxes to a distribution company amounting to \$40,766. In exchange for the tax incentives, the company has committed to creating at least 115 full-time jobs.
- A 90% abatement on personal property taxes and a second 70% abatement on personal property taxes to a medical products manufacturing company amounting to \$139,589. In exchange for the tax incentives, the company has committed to creating at least 138 and 57 new full-time jobs, respectively, with a minimum average hourly rate of \$18.75.

For each of the above agreements, the mechanism by which the taxes are being abated is a reduction of assessed value. Furthermore, if either of the companies fail to meet the economic investment targets, the percentage of assessed value being reduced will be changed based on a sliding scale. For any period in which the actual amount of abated taxes exceeds the adjusted amount per the sliding scale, a payment-in-lieu-of-tax (PILOT) payment will be required to be made for the difference.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 18. SUBSEQUENT EVENT**

In September 2021, the Douglasville Convention and Conference Center Authority issued \$14,375,000 in revenue bonds to finance the construction of an amphitheater and related park facilities and improvements. The bonds are limited obligations of the Authority, payable solely from amounts paid to the Authority under an Intergovernmental Contract (the "Contract") dated October 1, 2021 between the Authority and the City of Douglasville. Under the Contract, the City has agreed to pay the Authority amounts sufficient to pay the debt service on the Series 2021 Bonds. The City has agreed, to the extent necessary, to levy an ad valorem property tax on all property in the City subject to taxation for such purposes in order to make the Contract payments.



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF DOUGLASVILLE, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GAAP BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 24,498,267	\$ 26,079,765	\$ 27,490,428	\$ 1,410,663
Licenses and permits	2,884,713	3,364,086	3,613,465	249,379
Intergovernmental revenues	20,000	1,799,403	1,799,403	-
Fines and forfeitures	982,194	1,357,194	1,968,759	611,565
Charges for services	1,168,406	1,307,683	1,306,720	(963)
Interest income	289,000	102,584	203,242	100,658
Contributions	12,900	13,900	12,070	(1,830)
Miscellaneous	116,056	249,056	475,177	226,121
Total revenues	29,971,536	34,273,671	36,869,264	2,595,593
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Mayor and Council				
Personal services	208,163	209,374	196,841	12,533
Other operating expenditures	150,801	149,590	64,881	84,709
Total Mayor and Council	358,964	358,964	261,722	97,242
Clerk of Council				
Personal services	166,658	169,741	161,757	7,984
Other operating expenditures	35,430	35,430	17,805	17,625
Total Clerk of Council	202,088	205,171	179,562	25,609
City Manager				
Personal services	579,657	589,357	563,996	25,361
Other operating expenditures	31,956	32,951	28,409	4,542
Total City Manager	611,613	622,308	592,405	29,903
Financial administration				
Personal services	568,034	570,501	546,603	23,898
Other operating expenditures	215,188	224,220	189,622	34,598
Capital outlay	-	6,500	6,500	-
Total Financial administration	783,222	801,221	742,725	58,496
Legal				
Personal services	149,142	302,350	221,960	80,390
Other operating expenditures	142,499	142,499	37,935	104,564
Total Legal	291,641	444,849	259,895	184,954
Information services				
Personal services	200,362	210,566	184,558	26,008
Other operating expenditures	873,300	938,771	597,917	340,854
Capital outlay	90,500	96,288	30,021	66,267
Total Information services	1,164,162	1,245,625	812,496	433,129

Continued

**CITY OF DOUGLASVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Human resources				
Personal services	\$ 444,049	\$ 450,909	\$ 375,178	\$ 75,731
Other operating expenditures	454,955	572,921	464,982	107,939
Total Human resources	<u>899,004</u>	<u>1,023,830</u>	<u>840,160</u>	<u>183,670</u>
Building and grounds				
Personal services	521,578	517,603	425,534	92,069
Other operating expenditures	197,703	356,047	228,085	127,962
Capital outlay	125,000	191,276	137,504	53,772
Total Building and grounds	<u>844,281</u>	<u>1,064,926</u>	<u>791,123</u>	<u>273,803</u>
Communications				
Personal services	637,164	644,294	512,644	131,650
Other operating expenditures	80,715	121,736	81,380	40,356
Total Communications	<u>717,879</u>	<u>766,030</u>	<u>594,024</u>	<u>172,006</u>
Engineering				
Personal services	92,500	93,759	85,526	8,233
Other operating expenditures	104,000	103,788	5,191	98,597
Total Engineering	<u>196,500</u>	<u>197,547</u>	<u>90,717</u>	<u>106,830</u>
General administration				
Personal services	835,463	743,515	564,485	179,030
Other operating expenditures	3,236,664	3,462,482	2,735,547	726,935
Total General administration	<u>4,072,127</u>	<u>4,205,997</u>	<u>3,300,032</u>	<u>905,965</u>
Total General Government	<u>10,141,481</u>	<u>10,936,468</u>	<u>8,464,861</u>	<u>2,471,607</u>
<b>Judicial:</b>				
Municipal court				
Personal services	540,172	567,392	548,895	18,497
Other operating expenditures	296,010	305,313	787,016	(481,703)
Capital Outlay	3,079	17,436	16,213	1,223
Total Municipal court	<u>839,261</u>	<u>890,141</u>	<u>1,352,124</u>	<u>(461,983)</u>
Total Judicial	<u>839,261</u>	<u>890,141</u>	<u>1,352,124</u>	<u>(461,983)</u>
<b>Public Safety:</b>				
Police				
Personal services	9,964,155	10,064,734	9,209,412	855,322
Other operating expenditures	2,839,391	2,824,678	2,369,424	455,254
Capital outlay	116,300	1,052,408	495,058	557,350
Total Police	<u>12,919,846</u>	<u>13,941,820</u>	<u>12,073,894</u>	<u>1,867,926</u>
Total Public Safety	<u>12,919,846</u>	<u>13,941,820</u>	<u>12,073,894</u>	<u>1,867,926</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Public Works:</b>				
Street Maintenance				
Personal services	\$ 1,229,868	\$ 1,219,577	\$ 928,441	\$ 291,136
Other operating expenditures	1,166,136	1,206,575	855,409	351,166
Capital outlay	333,959	255,455	213,771	41,684
Total Street Maintenance	<u>2,729,963</u>	<u>2,681,607</u>	<u>1,997,621</u>	<u>683,986</u>
Garage				
Personal services	210,268	210,616	147,511	63,105
Other operating expenditures	99,400	84,394	60,776	23,618
Capital outlay	11,500	58,380	58,380	-
Total Garage	<u>321,168</u>	<u>353,390</u>	<u>266,667</u>	<u>86,723</u>
Total Public Works	<u>3,051,131</u>	<u>3,034,997</u>	<u>2,264,288</u>	<u>770,709</u>
<b>Culture and Recreation:</b>				
Parks Administration				
Personal services	651,996	671,592	595,115	76,477
Other operating expenditures	297,029	264,142	163,514	100,628
Capital outlay	-	24,873	24,873	-
Total Parks Administration	<u>949,025</u>	<u>960,607</u>	<u>783,502</u>	<u>177,105</u>
Parks Maintenance				
Personal services	404,848	402,596	365,655	36,941
Other operating expenditures	647,673	642,595	616,687	25,908
Capital outlay	22,000	27,493	27,493	-
Total Parks Maintenance	<u>1,074,521</u>	<u>1,072,684</u>	<u>1,009,835</u>	<u>62,849</u>
Jessie Davis Park				
Personal services	338,612	314,146	227,456	86,690
Other operating expenditures	77,015	102,200	82,791	19,409
Total Jessie Davis Park	<u>415,627</u>	<u>416,346</u>	<u>310,247</u>	<u>106,099</u>
West Pines Golf Course				
Personal services	811,540	801,206	742,339	58,867
Other operating expenditures	263,034	365,278	362,135	3,143
Total West Pines Golf Course	<u>1,074,574</u>	<u>1,166,484</u>	<u>1,104,474</u>	<u>62,010</u>
Town Green				
Other operating expenditures	-	9,530	7,630	1,900
Total Town Green	<u>-</u>	<u>9,530</u>	<u>7,630</u>	<u>1,900</u>
Total Culture and Recreation	<u>3,513,747</u>	<u>3,625,651</u>	<u>3,215,688</u>	<u>409,963</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Housing and Development:</b>				
Inspections				
Personal services	\$ 322,367	\$ 325,424	\$ 274,410	\$ 51,014
Other operating expenditures	29,393	68,693	24,290	44,403
Capital outlay	-	9,000	7,141	1,859
Total Inspections	<u>351,760</u>	<u>403,117</u>	<u>305,841</u>	<u>97,276</u>
Planning and Zoning				
Personal services	342,863	345,869	301,728	44,141
Other operating expenditures	21,818	567,651	75,900	491,751
Total Planning and Zoning	<u>364,681</u>	<u>913,520</u>	<u>377,628</u>	<u>535,892</u>
Code Enforcement				
Personal services	339,194	340,936	305,306	35,630
Other operating expenditures	10,360	14,321	8,350	5,971
Total Code Enforcement	<u>349,554</u>	<u>355,257</u>	<u>313,656</u>	<u>41,601</u>
Community Development				
Personal services	260,807	267,317	247,756	19,561
Other operating expenditures	3,982	52,722	37,641	15,081
Total Community Development	<u>264,789</u>	<u>320,039</u>	<u>285,397</u>	<u>34,642</u>
Total Housing and Development	<u>1,330,784</u>	<u>1,991,933</u>	<u>1,282,522</u>	<u>709,411</u>
<b>Debt Service:</b>				
Principal	170,000	262,784	262,782	2
Interest	84,969	134,021	134,017	4
Total debt service	<u>254,969</u>	<u>396,805</u>	<u>396,799</u>	<u>6</u>
Total expenditures	<u>32,051,219</u>	<u>34,817,815</u>	<u>29,050,176</u>	<u>5,767,639</u>
Excess (deficiency) of revenues over expenditures	<u>(2,079,683)</u>	<u>(544,144)</u>	<u>7,819,088</u>	<u>8,363,232</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	207,519	196,909	(10,610)
Transfers in	3,196,126	2,049,135	-	(2,049,135)
Transfers out	(1,116,443)	(1,712,510)	(1,501,094)	211,416
Total other financing sources (uses)	<u>2,079,683</u>	<u>544,144</u>	<u>(1,304,185)</u>	<u>(1,848,329)</u>
Net change in fund balance	-	-	6,514,903	6,514,903
<b>Fund balances, beginning of year</b>	<u>17,983,720</u>	<u>17,983,720</u>	<u>17,983,720</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 17,983,720</u>	<u>\$ 17,983,720</u>	<u>\$ 24,498,623</u>	<u>\$ 6,514,903</u>

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

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>							
Service cost	\$ 586,291	\$ 517,922	\$ 539,128	\$ 525,247	\$ 533,286	\$ 497,420	\$ 550,294
Interest on total pension liability	2,943,831	2,655,705	2,571,950	2,481,442	2,270,884	2,139,272	2,094,469
Differences between expected and actual experience	1,880,573	1,262,479	(429,512)	774,375	991,040	(167,287)	(669,619)
Changes of assumptions	-	1,676,451	-	(634,870)	-	-	(332,866)
Changes of benefit terms	-	-	-	-	274,636	439,139	2,683
Benefit payments, including refunds of employee contributions	(1,708,144)	(1,639,780)	(1,447,495)	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
<b>Net change in total pension liability</b>	<b>3,702,551</b>	<b>4,472,777</b>	<b>1,234,071</b>	<b>1,771,170</b>	<b>2,738,943</b>	<b>1,818,791</b>	<b>600,990</b>
<b>Total pension liability - beginning</b>	<b>\$ 40,184,139</b>	<b>\$ 35,711,362</b>	<b>\$ 34,477,291</b>	<b>\$ 32,706,121</b>	<b>\$ 29,967,178</b>	<b>\$ 28,148,387</b>	<b>\$ 27,547,397</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 43,886,690</b>	<b>\$ 40,184,139</b>	<b>\$ 35,711,362</b>	<b>\$ 34,477,291</b>	<b>\$ 32,706,121</b>	<b>\$ 29,967,178</b>	<b>\$ 28,148,387</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 930,992	\$ 923,923	\$ 875,663	\$ 817,751	\$ 744,784	\$ 756,309	\$ 851,364
Contributions - employee	-	-	-	-	45,462	34,663	-
Net investment income	3,273,060	994,449	3,120,799	4,188,234	2,859,566	303,266	2,668,243
Benefit payments, including refunds of member contributions	(1,708,144)	(1,639,780)	(1,447,495)	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
Administrative expenses	(62,493)	(59,205)	(61,715)	(65,126)	(38,372)	(42,494)	(33,695)
<b>Net change in plan fiduciary net position</b>	<b>2,433,415</b>	<b>219,387</b>	<b>2,487,252</b>	<b>3,565,835</b>	<b>2,280,537</b>	<b>(38,009)</b>	<b>2,441,941</b>
<b>Plan fiduciary net position - beginning</b>	<b>34,356,453</b>	<b>34,137,066</b>	<b>31,649,814</b>	<b>28,083,979</b>	<b>25,803,442</b>	<b>25,841,451</b>	<b>23,399,510</b>
<b>Plan fiduciary net position - ending (a)</b>	<b>\$ 36,789,868</b>	<b>\$ 34,356,453</b>	<b>\$ 34,137,066</b>	<b>\$ 31,649,814</b>	<b>\$ 28,083,979</b>	<b>\$ 25,803,442</b>	<b>\$ 25,841,451</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 7,096,822</b>	<b>\$ 5,827,686</b>	<b>\$ 1,574,296</b>	<b>\$ 2,827,477</b>	<b>\$ 4,622,142</b>	<b>\$ 4,163,736</b>	<b>\$ 2,306,936</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.83%	85.50%	95.59%	91.80%	85.87%	86.11%	91.80%
<b>Covered payroll</b>	\$ 12,034,313	\$ 11,048,927	\$ 10,646,935	\$ 9,952,049	\$ 9,680,685	\$ 8,950,694	\$ 8,713,629
<b>City's net pension liability as a percentage of covered payroll</b>	58.97%	52.74%	14.79%	28.41%	47.75%	46.52%	26.48%

**Notes to the Schedule:**

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

**CITY OF DOUGLASVILLE, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
CITY OF DOUGLASVILLE RETIREMENT PLAN**

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,216,993	\$ 873,792	\$ 933,949	\$ 864,006	\$ 807,180	\$ 732,305	\$ 761,110
Contributions in relation to the actuarially determined contribution	1,015,336	878,805	1,089,607	865,105	868,206	735,755	763,749
Contribution deficiency (excess)	<u>\$ 201,657</u>	<u>\$ (5,013)</u>	<u>\$ (155,658)</u>	<u>\$ (1,099)</u>	<u>\$ (61,026)</u>	<u>\$ (3,450)</u>	<u>\$ (2,639)</u>
Covered payroll	\$ 12,721,556	\$ 11,805,232	\$ 10,796,825	\$ 10,596,972	\$ 9,737,074	\$ 9,661,889	\$ 8,713,629
Contributions as a percentage of covered payroll	7.98%	7.44%	10.09%	8.16%	8.92%	7.62%	8.76%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	2.25% for employees hired on or before 10/2/2006; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 17 years

(2) Benefit Changes:

- (a) An early retirement window (ERIP) was offered between 8/18/2015 and 1/24/2016.
- (b) Effective 8/1/2014, Police have an alternate normal retirement eligibility at age 50 with 25 years of service.
- (c) Effective 1/1/2015, the Plan was amended to provide for immediate participation for employees.
- (d) Effective 4/5/2016, all employees (employed on or after 4/5/2016) have a flat benefit multiplier of 1.75% for all years of service.

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**CITY OF DOUGLASVILLE OPEB PLAN**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 732,995	\$ 1,066,754	\$ 1,084,483	\$ 1,279,279
Interest on total OPEB liability	955,122	952,400	869,290	736,593
Differences between expected and actual experience	(1,633,848)	(1,634,425)	(195,291)	(216,594)
Changes of assumptions	5,696,015	3,234,478	(1,051,103)	(2,844,647)
Changes in benefit terms	135,528	(168,685)	-	-
Benefit payments	(483,475)	(395,430)	(327,943)	(318,771)
<b>Net change in total OPEB liability</b>	<u>5,402,337</u>	<u>3,055,092</u>	<u>379,436</u>	<u>(1,364,140)</u>
<b>Total OPEB liability - beginning</b>	<u>26,795,871</u>	<u>23,740,779</u>	<u>23,361,343</u>	<u>24,725,483</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 32,198,208</u>	<u>\$ 26,795,871</u>	<u>\$ 23,740,779</u>	<u>\$ 23,361,343</u>
<b>Covered employee payroll</b>	\$ 12,721,556	\$ 11,805,232	\$ 10,080,226	\$ 10,080,226
<b>Total OPEB liability as a percentage of covered employee payroll</b>	253.10%	226.98%	235.52%	231.75%

**Notes to the Schedule:**

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

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75.



**CITY OF DOUGLASVILLE, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
CITY OF DOUGLASVILLE OPEB PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 386,471	\$ 483,475	\$ 395,430	\$ 327,943
Contributions in relation to the contractually required contributions	<u>386,471</u>	<u>483,475</u>	<u>395,430</u>	<u>327,943</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	12,721,556	11,805,232	10,080,226	10,080,226
Contributions as a percentage of covered-employee payroll	3.04%	4.10%	3.92%	3.25%

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

**Multiple Grant Fund** – This fund accounts for the restricted revenue streams resulting from various capital and operating grants awarded to the City.

**Hotel/Motel Tax Fund** – This fund accounts for the collection of the restricted portion of hotel/motel taxes as required by the Official Code of Georgia Annotated (OCGA) §48-13-51.

**Rental Car Excise Tax Fund** – This fund accounts for the rental car excise taxes collected that are restricted for construction of convention centers, public safety, and recreation facilities by State of Georgia law.

**Public Purpose Corporation Fund** – This fund accounts for the debt service payments on the Series 2005 revenue bonds which were used to construct a public service building. Paragraph 54 of Governmental Accounting Standards Board (GASB) Statement No. 14 requires the general fund of a blended component unit to be reported as a special revenue fund of the primary government.

**Tax Allocation District Fund** – This fund is used to account for property taxes collected on property value increases resulting from the public improvements and private investments taking place within the Douglasville Tax Allocation District authorized by referendum in 2019, and to account for the expenditure of those taxes to pay off any debt incurred by the City to fund those public improvements.

**Confiscated Assets Fund** – This fund accounts for the cash received either as a result of cash confiscation or cash received from a sale of capital assets acquired from drug raids.

## Debt Service Fund

**Debt Service Fund** – This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

**CITY OF DOUGLASVILLE, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

<b>ASSETS</b>	<b>Special Revenue Funds</b>			
	<b>Multiple Grant</b>	<b>Hotel/Motel Tax</b>	<b>Rental Car Excise Tax</b>	<b>Public Purpose Corporation</b>
Cash and cash equivalents	\$ 1,195,793	\$ 2,188,921	\$ 185,757	\$ 92,267
Investments	-	-	-	-
Receivables, net:				
Taxes receivable	-	216,490	24,677	-
Other receivables	51	59	8	-
Due from other governments	20,871	-	-	-
Prepaid items	-	2,630	-	-
Total assets	\$ 1,216,715	\$ 2,408,100	\$ 210,442	\$ 92,267
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,524	\$ 47,867	\$ -	\$ 65
Accrued liabilities	-	11,844	-	-
Total liabilities	1,524	59,711	-	65
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	-	2,630	-	-
Restricted for:				
Economic development	-	-	-	-
Promotion of tourism	-	2,345,759	210,442	-
Capital projects	1,215,191	-	-	-
Debt service	-	-	-	92,202
Total fund balances	1,215,191	2,348,389	210,442	92,202
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,216,715	\$ 2,408,100	\$ 210,442	\$ 92,267

<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Tax Allocation District</b>	<b>Confiscated Assets</b>		
\$ 327,168	\$ 743,607	\$ 612,539	\$ 5,346,052
-	1,051,788	-	1,051,788
529	-	20,699	262,395
14	2	26	160
-	-	8,432	29,303
-	-	-	2,630
<u>\$ 327,711</u>	<u>\$ 1,795,397</u>	<u>\$ 641,696</u>	<u>\$ 6,692,328</u>
\$ -	\$ 2,970	\$ -	\$ 52,426
-	-	-	11,844
-	2,970	-	64,270
-	-	7,190	7,190
-	-	-	2,630
327,711	-	-	327,711
-	-	-	2,556,201
-	1,792,427	-	3,007,618
-	-	634,506	726,708
<u>327,711</u>	<u>1,792,427</u>	<u>634,506</u>	<u>6,620,868</u>
<u>\$ 327,711</u>	<u>\$ 1,795,397</u>	<u>\$ 641,696</u>	<u>\$ 6,692,328</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Special Revenue Funds</b>			
	<b>Multiple Grant</b>	<b>Hotel/Motel Tax</b>	<b>Rental Car Excise Tax</b>	<b>Public Purpose Corporation</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,740,873	\$ 235,379	\$ -
Charges for services	-	111,684	-	-
Intergovernmental	405,109	-	-	543,319
Fines and forfeitures	-	-	-	-
Investment income	2,740	6,197	443	44
Miscellaneous	-	277,478	-	-
Total revenues	<u>407,849</u>	<u>2,136,232</u>	<u>235,822</u>	<u>543,363</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	21,688
Public safety	108,214	-	-	-
Culture and recreation	-	1,698,635	-	-
Housing and development	5,000	-	-	-
Debt service:				
Principal retirement	-	555,000	-	425,942
Interest and fiscal charges	-	401,918	-	107,981
Total expenditures	<u>113,214</u>	<u>2,655,553</u>	<u>-</u>	<u>555,611</u>
Excess (deficiency) of revenues over expenditures	294,635	(519,321)	235,822	(12,248)
<b>Other financing sources (uses):</b>				
Transfers in	347,537	1,243,557	-	-
Transfers out	-	-	(90,000)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>347,537</u>	<u>1,243,557</u>	<u>(90,000)</u>	<u>-</u>
Net change in fund balances	642,172	724,236	145,822	(12,248)
<b>Fund balances, beginning of year</b>	<u>573,019</u>	<u>1,624,153</u>	<u>64,620</u>	<u>104,450</u>
<b>Fund balances, end of year</b>	<u>\$ 1,215,191</u>	<u>\$ 2,348,389</u>	<u>\$ 210,442</u>	<u>\$ 92,202</u>

<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Tax Allocation District</b>	<b>Confiscated Assets</b>		
\$ 326,514	\$ -	\$ 1,596,196	\$ 3,898,962
-	-	-	111,684
-	-	-	948,428
-	172,081	-	172,081
1,197	9,367	4,442	24,430
-	-	-	277,478
<u>327,711</u>	<u>181,448</u>	<u>1,600,638</u>	<u>5,433,063</u>
-	-	-	21,688
-	112,365	-	220,579
-	-	-	1,698,635
-	-	-	5,000
-	-	1,205,000	2,185,942
-	-	425,450	935,349
<u>-</u>	<u>112,365</u>	<u>1,630,450</u>	<u>5,067,193</u>
327,711	69,083	(29,812)	365,870
-	-	-	1,591,094
-	-	-	(90,000)
<u>-</u>	<u>77,197</u>	<u>-</u>	<u>77,197</u>
<u>-</u>	<u>77,197</u>	<u>-</u>	<u>1,578,291</u>
327,711	146,280	(29,812)	1,944,161
<u>-</u>	<u>1,646,147</u>	<u>664,318</u>	<u>4,676,707</u>
<u>\$ 327,711</u>	<u>\$ 1,792,427</u>	<u>\$ 634,506</u>	<u>\$ 6,620,868</u>

**CITY OF DOUGLASVILLE, GEORGIA  
 MULTIPLE GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,283,800	\$ 1,482,138	\$ 405,109	\$ (1,077,029)
Investment income	-	-	2,740	2,740
Total revenues	<u>1,283,800</u>	<u>1,482,138</u>	<u>407,849</u>	<u>(1,077,029)</u>
<b>Expenditures:</b>				
Current:				
Public safety	35,456	89,006	108,214	(19,208)
Public works	491,193	491,193	-	491,193
Housing and development	1,167,902	1,408,757	5,000	1,403,757
Total expenditures	<u>1,694,551</u>	<u>1,988,956</u>	<u>113,214</u>	<u>1,875,742</u>
Excess (deficiency) of revenues over expenditures	(410,751)	(506,818)	294,635	801,453
<b>Other financing sources:</b>				
Issuance of long term debt	58,781	58,781	-	(58,781)
Transfers in	351,970	448,037	347,537	(100,500)
Total other financing sources	<u>410,751</u>	<u>506,818</u>	<u>347,537</u>	<u>(159,281)</u>
Net changes in fund balance	-	-	642,172	642,172
<b>Fund balances, beginning of year</b>	<u>573,019</u>	<u>573,019</u>	<u>573,019</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 573,019</u>	<u>\$ 573,019</u>	<u>\$ 1,215,191</u>	<u>\$ 642,172</u>



**CITY OF DOUGLASVILLE, GEORGIA**  
**HOTEL/MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Budget</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 873,302	\$ 1,028,302	\$ 1,740,873	\$ 712,571
Charges for services	241,450	91,587	111,684	20,097
Investment income	2,000	2,000	6,197	4,197
Miscellaneous	240,029	240,029	277,478	37,449
Total revenues	<u>1,356,781</u>	<u>1,361,918</u>	<u>2,136,232</u>	<u>774,314</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	1,182,875	1,713,997	1,698,635	15,362
Debt service:				
Principal retirement	555,000	555,000	555,000	-
Interest and fiscal charges	401,918	401,918	401,918	-
Total expenditures	<u>2,139,793</u>	<u>2,670,915</u>	<u>2,655,553</u>	<u>15,362</u>
Deficiency of revenues over expenditures	(783,012)	(1,308,997)	(519,321)	789,676
<b>Other financing sources:</b>				
Transfers in	743,557	743,557	1,243,557	500,000
Total other financing sources	<u>743,557</u>	<u>743,557</u>	<u>1,243,557</u>	<u>500,000</u>
Net changes in fund balance	(39,455)	(565,440)	724,236	1,289,676
<b>Fund balances, beginning of year</b>	<u>1,624,153</u>	<u>1,624,153</u>	<u>1,624,153</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,584,698</u>	<u>\$ 1,058,713</u>	<u>\$ 2,348,389</u>	<u>\$ 1,289,676</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**RENTAL CAR EXCISE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 90,000	\$ 90,000	\$ 235,379	\$ 145,379
Investment income	-	-	443	443
Total revenues	90,000	90,000	235,822	145,822
<b>Other financing uses:</b>				
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing uses	(90,000)	(90,000)	(90,000)	-
Net changes in fund balance	-	-	145,822	145,822
<b>Fund balances, beginning of year</b>	64,620	64,620	64,620	-
<b>Fund balances, end of year</b>	\$ 64,620	\$ 64,620	\$ 210,442	\$ 145,822

**CITY OF DOUGLASVILLE, GEORGIA  
PUBLIC PURPOSE CORPORATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 543,321	\$ 543,321	\$ 543,319	\$ (2)
Investment income	1,350	1,350	44	(1,306)
Total revenues	<u>544,671</u>	<u>544,671</u>	<u>543,363</u>	<u>(1,308)</u>
<b>Expenditures:</b>				
Current:				
General government	25,000	25,000	21,688	3,312
Debt service:				
Principal retirement	408,405	408,405	425,942	(17,537)
Interest and fiscal charges	111,266	111,266	107,981	3,285
Total expenditures	<u>544,671</u>	<u>544,671</u>	<u>555,611</u>	<u>(10,940)</u>
Net changes in fund balance	-	-	(12,248)	(12,248)
<b>Fund balances, beginning of year</b>	<u>104,450</u>	<u>104,450</u>	<u>104,450</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 104,450</u>	<u>\$ 104,450</u>	<u>\$ 92,202</u>	<u>\$ (12,248)</u>

**CITY OF DOUGLASVILLE, GEORGIA  
TAX ALLOCATION DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Tax Allocation District			
	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 331,013	\$ 331,013	\$ 326,514	\$ (4,499)
Interest	609	609	1,197	588
Total revenues	<u>331,622</u>	<u>331,622</u>	<u>327,711</u>	<u>(3,911)</u>
Net changes in fund balance	331,622	331,622	327,711	(3,911)
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 331,622</u>	<u>\$ 331,622</u>	<u>\$ 327,711</u>	<u>\$ (3,911)</u>

**CITY OF DOUGLASVILLE, GEORGIA  
CONFISCATED ASSETS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 172,081	\$ 163,081
Investment income	15,300	15,300	9,367	(5,933)
Total revenues	<u>24,300</u>	<u>24,300</u>	<u>181,448</u>	<u>157,148</u>
<b>Expenditures:</b>				
Current:				
Public safety	310,000	310,000	112,365	197,635
Total expenditures	<u>310,000</u>	<u>310,000</u>	<u>112,365</u>	<u>197,635</u>
Excess (deficiency) of revenues over expenditures	(285,700)	(285,700)	69,083	354,783
<b>Other financing sources:</b>				
Proceeds from sale of capital assets	-	-	77,197	77,197
Total other financing sources	<u>-</u>	<u>-</u>	<u>77,197</u>	<u>77,197</u>
Net changes in fund balance	(285,700)	(285,700)	146,280	431,980
<b>Fund balances, beginning of year</b>	<u>1,646,147</u>	<u>1,646,147</u>	<u>1,646,147</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,360,447</u>	<u>\$ 1,360,447</u>	<u>\$ 1,792,427</u>	<u>\$ 431,980</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,608,100	\$ 1,608,100	\$ 1,596,196	\$ (11,904)
Investment income	5,000	5,000	4,442	(558)
Total revenues	<u>1,613,100</u>	<u>1,613,100</u>	<u>1,600,638</u>	<u>(12,462)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	1,170,000	1,170,000	1,205,000	(35,000)
Interest and fiscal charges	443,100	443,100	425,450	17,650
Total expenditures	<u>1,613,100</u>	<u>1,613,100</u>	<u>1,630,450</u>	<u>(17,350)</u>
Net changes in fund balance	-	-	(29,812)	(29,812)
<b>Fund balances, beginning of year</b>	<u>664,318</u>	<u>664,318</u>	<u>664,318</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 664,318</u>	<u>\$ 664,318</u>	<u>\$ 634,506</u>	<u>\$ (29,812)</u>

**CITY OF DOUGLASVILLE, GEORGIA  
SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
2016 ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Percentage Complete</u>
Public Safety (20%)	\$ 7,500,800	\$ 7,955,217	\$ 4,571,952	\$ 295,958	\$ 4,867,910	61.19 %
Transportation and Streets (45%)	16,876,800	17,845,438	10,035,137	1,329,185	11,364,322	63.68
Facility and Infrastructure Improvements (15%)	5,625,600	5,876,700	5,689,515	13,424	5,702,939	97.04
Parks and Recreation (20%)	<u>7,500,800</u>	<u>8,366,908</u>	<u>2,674,620</u>	<u>2,014,576</u>	<u>4,689,196</u>	56.04
Total 2016 Issue	<u>\$ 37,504,000</u>	<u>\$ 40,044,263</u>	<u>\$ 22,971,224</u>	<u>\$ 3,653,143</u>	<u>\$ 26,624,367</u>	

**CITY OF DOUGLASVILLE, GEORGIA**  
**BALANCE SHEET**  
**COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY**  
**JUNE 30, 2021**

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**ASSETS**

Cash and cash equivalents	\$ 527,038
Accounts receivable	<u>22</u>
Total assets	<u><u>\$ 527,060</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 10,068
Total liabilities	<u>10,068</u>

**FUND BALANCE**

Fund balances:	
Unassigned	<u>516,992</u>
Total liabilities and fund balance	<u><u>\$ 527,060</u></u>



**CITY OF DOUGLASVILLE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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<b>Revenues</b>	
Charges for services	\$ 455,938
Intergovernmental	133,425
Interest income	888
Miscellaneous	500
Total revenues	<u>590,751</u>
<b>Expenditures</b>	
Current:	
Housing and development	<u>105,642</u>
Total expenditures	<u>105,642</u>
Net change in fund balance	485,109
<b>Fund balances, beginning of year</b>	<u>31,883</u>
<b>Fund balances, end of year</b>	<u><u>\$ 516,992</u></u>

## **STATISTICAL SECTION**

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# STATISTICAL SECTION

## (Unaudited)

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

### Contents

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

**City of Douglasville, Georgia**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 67,152,166	\$ 64,611,565	\$ 64,633,326	\$ 64,472,022	\$ 64,515,086	\$ 64,221,327	\$ 67,123,600	\$ 71,092,887	\$ 76,525,370	\$ 80,224,921
Restricted	4,458,968	3,896,412	3,214,142	3,223,039	3,418,778	3,658,043	6,525,844	8,682,986	8,548,665	8,691,558
Unrestricted	80,364	(3,106,956)	(8,544,416)	(7,106,171)	(6,908,885)	(17,458,063)	(14,886,166)	(11,622,846)	(13,614,180)	(9,572,998)
Total governmental activities net position	\$ 71,691,498	\$ 65,401,021	\$ 59,303,052	\$ 60,588,890	\$ 61,024,979	\$ 50,421,307	\$ 58,763,278	\$ 68,153,027	\$ 71,459,855	\$ 79,343,481
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 1,402,308	\$ 1,352,601	\$ 1,299,214	\$ 1,372,590	\$ 1,367,872	\$ 1,374,200	\$ 1,507,616	\$ 4,565,218	\$ 8,711,792	\$ 8,269,367
Unrestricted	2,531,539	2,826,979	2,954,370	3,374,718	3,978,860	4,206,517	4,349,246	3,169,371	1,605,736	2,446,450
Total business-type activities net position	\$ 3,933,847	\$ 4,179,580	\$ 4,253,584	\$ 4,747,308	\$ 5,346,732	\$ 5,580,717	\$ 5,856,862	\$ 7,734,589	\$ 10,317,528	\$ 10,715,817
<b>Primary government</b>										
Net Investment in capital assets	\$ 68,554,474	\$ 65,964,166	\$ 65,964,166	\$ 65,932,540	\$ 65,844,612	\$ 65,882,958	\$ 68,631,216	\$ 75,658,105	\$ 85,237,162	\$ 88,494,288
Restricted	4,458,968	3,896,412	3,896,412	3,214,142	3,223,039	3,418,778	6,525,844	8,682,986	8,548,665	8,691,558
Unrestricted	2,611,903	(279,977)	(279,977)	(5,590,046)	(3,731,453)	(2,930,025)	(10,536,920)	(8,453,475)	(12,008,444)	(7,126,548)
Total primary government net position	\$ 75,625,345	\$ 69,580,601	\$ 69,580,601	\$ 63,556,636	\$ 65,336,198	\$ 66,371,711	\$ 64,620,140	\$ 75,887,616	\$ 81,777,383	\$ 90,059,298

**Notes:**

- Restatement to 2012's ending net position as a result of implementing GASB Statement 65.
- Restatement to 2014's ending net position as a result of implementing GASB Statement 68.
- Restatement to 2017's ending net position as a result of implementing GASB Statement 75.

**City of Douglasville, Georgia**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 5,177,481	\$ 5,733,608	\$ 4,809,968	\$ 6,069,013	\$ 7,020,218	\$ 9,747,658	\$ 8,842,137	\$ 12,155,560	\$ 12,381,071	\$ 9,134,244
Judicial	837,390	814,164	466,150	746,284	824,031	789,823	684,795	750,348	797,065	1,419,298
Public safety	11,442,340	11,920,070	11,527,647	10,823,733	11,761,412	11,249,398	12,130,090	12,532,675	14,957,786	14,615,873
Public works	2,813,452	2,736,609	3,132,100	2,686,734	2,682,503	2,409,663	3,646,251	6,953,668	8,270,801	3,244,703
Housing and development	1,255,019	929,920	1,236,085	2,050,572	1,996,326	1,372,370	1,485,874	1,979,936	1,874,376	547,631
Health and Welfare	144,708	144,708	144,708	-	-	-	-	-	-	-
Culture and recreation	3,619,609	5,492,366	4,207,443	4,263,526	4,517,173	4,845,801	5,119,399	4,612,966	6,194,551	6,229,073
Interest on long-term debt	1,791,352	2,400,937	1,708,638	1,652,409	1,603,148	1,250,809	967,705	960,813	965,032	847,387
<b>Total governmental activities expenses</b>	<b>27,081,351</b>	<b>30,172,382</b>	<b>27,232,739</b>	<b>28,292,271</b>	<b>30,404,811</b>	<b>31,665,522</b>	<b>32,876,251</b>	<b>39,945,966</b>	<b>45,440,682</b>	<b>36,038,209</b>
Business-type activities:										
Sanitation	3,420,209	3,339,378	3,244,222	3,375,445	3,317,568	3,695,797	4,013,420	4,758,192	4,695,904	4,817,512
<b>Total business-type activities expenses</b>	<b>3,420,209</b>	<b>3,339,378</b>	<b>3,244,222</b>	<b>3,375,445</b>	<b>3,317,568</b>	<b>3,695,797</b>	<b>4,013,420</b>	<b>4,758,192</b>	<b>4,695,904</b>	<b>4,817,512</b>
<b>Total primary government expenses</b>	<b>\$ 30,501,560</b>	<b>\$ 30,501,560</b>	<b>\$ 30,476,961</b>	<b>\$ 31,667,716</b>	<b>\$ 33,722,379</b>	<b>\$ 35,361,319</b>	<b>\$ 36,889,671</b>	<b>\$ 44,704,158</b>	<b>\$ 50,136,586</b>	<b>\$ 40,855,721</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for service:										
General government	\$ 2,224,532	\$ 2,220,908	\$ 2,253,020	\$ 2,413,872	\$ 2,434,206	\$ 2,944,164	\$ 3,794,094	\$ 3,901,502	\$ 3,990,452	\$ 4,174,343
Housing and development	216,306	331,530	410,570	557,320	439,654	765,360	226,426	267,579	198,264	152,579
Judicial	1,644,337	1,439,864	1,116,850	2,216,583	1,274,224	1,570,466	1,877,717	1,873,705	1,159,756	1,657,485
Public safety	368,658	408,686	331,947	317,080	362,911	473,587	532,349	377,214	532,917	288,427
Public works	-	-	-	-	17,750	-	-	-	-	-
Culture and recreation	1,204,061	1,323,745	1,438,449	1,443,399	1,550,758	1,101,870	977,333	1,219,544	1,015,228	1,131,920
Operating grants and contributions	671,401	470,025	450,109	1,002,645	300,897	529,559	489,644	489,693	366,671	2,359,595
Capital grants and contributions	1,179,720	1,495,070	749,654	544,223	233,612	1,277,414	7,194,611	11,132,780	10,333,367	1,870,378
<b>Total governmental activities program revenues</b>	<b>7,509,015</b>	<b>7,689,828</b>	<b>6,750,599</b>	<b>8,495,122</b>	<b>6,614,012</b>	<b>8,662,420</b>	<b>15,092,174</b>	<b>19,262,017</b>	<b>17,596,655</b>	<b>11,634,727</b>
Business-type activities:										
Charges for services:										
Sanitation	3,610,033	3,628,855	3,689,973	3,911,692	3,999,390	4,023,039	4,560,797	4,603,302	4,683,009	5,347,378
Capital grants and contributions	-	-	-	-	-	-	-	3,351,119	4,271,118	-
<b>Total business-type activities program revenues</b>	<b>3,610,033</b>	<b>3,628,855</b>	<b>3,689,973</b>	<b>3,911,692</b>	<b>3,999,390</b>	<b>4,023,039</b>	<b>4,560,797</b>	<b>7,954,421</b>	<b>8,954,127</b>	<b>5,347,378</b>
<b>Total primary government program revenues</b>	<b>\$ 11,119,048</b>	<b>\$ 11,318,683</b>	<b>\$ 10,440,572</b>	<b>\$ 12,406,814</b>	<b>\$ 10,613,402</b>	<b>\$ 12,685,459</b>	<b>\$ 19,652,971</b>	<b>\$ 27,216,438</b>	<b>\$ 26,550,782</b>	<b>\$ 16,982,105</b>

**Note:** FY 2014 has been restated and the effect of implementing GASBs No. 68 and 75 to previously reported changes in net position has not been determined.

**City of Douglasville, Georgia**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (19,572,336)	\$ (22,482,554)	\$ (20,482,140)	\$ (19,797,149)	\$ (23,790,799)	\$ (23,003,102)	\$ (17,784,077)	\$ (20,683,949)	\$ (27,844,027)	\$ (24,403,482)
Business-type activities	189,824	289,477	445,751	536,247	681,822	327,242	547,377	3,196,229	4,258,223	529,866
Total primary government net expense	<u>\$ (19,382,512)</u>	<u>\$ (22,193,077)</u>	<u>\$ (20,036,389)</u>	<u>\$ (19,260,902)</u>	<u>\$ (23,108,977)</u>	<u>\$ (22,675,860)</u>	<u>\$ (17,236,700)</u>	<u>\$ (17,487,720)</u>	<u>\$ (23,585,804)</u>	<u>\$ (23,873,616)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,934,651	\$ 5,780,387	\$ 6,041,140	\$ 7,943,693	\$ 9,922,506	\$ 10,300,396	\$ 11,026,570	\$ 12,612,306	\$ 13,125,830	\$ 14,485,665
Sales taxes	4,434,938	4,789,513	5,156,024	6,048,402	6,204,621	6,281,217	6,971,616	7,718,366	8,082,143	8,804,764
Other taxes and miscellaneous	6,250,535	6,274,184	6,313,992	6,948,787	7,897,884	7,348,719	7,645,137	7,920,208	7,847,344	8,388,279
Unrestricted investment earnings	55,101	32,437	27,055	27,105	30,854	44,327	153,883	368,044	320,383	227,672
Gain on sale of capital assets	-	-	-	-	71,023	-	25,107	27,630	-	221,003
Transfers	45,000	45,000	100,000	115,000	100,000	100,000	303,735	1,427,144	1,766,161	159,725
Total governmental activities	<u>\$ 16,720,225</u>	<u>\$ 16,921,521</u>	<u>\$ 17,638,211</u>	<u>\$ 21,082,987</u>	<u>\$ 24,226,888</u>	<u>\$ 24,074,659</u>	<u>\$ 26,126,048</u>	<u>\$ 30,073,698</u>	<u>\$ 31,141,861</u>	<u>\$ 32,287,108</u>
Business-type activities										
Investment earnings	\$ 348	\$ 1,256	\$ 1,802	\$ 238	\$ 2,257	\$ 6,743	\$ 26,202	\$ 108,642	\$ 90,877	\$ 1,897
Gain on sale of capital assets	-	-	-	72,239	15,345	-	6,301	-	-	26,251
Transfers	(45,000)	(45,000)	(100,000)	(115,000)	(100,000)	(100,000)	(303,735)	(1,427,144)	(1,766,161)	(159,725)
Total business-type activities	<u>(44,652)</u>	<u>(43,744)</u>	<u>(98,198)</u>	<u>(42,523)</u>	<u>(82,398)</u>	<u>(93,257)</u>	<u>(271,232)</u>	<u>(1,318,502)</u>	<u>(1,675,284)</u>	<u>(131,577)</u>
Total primary government	<u>\$ 16,675,573</u>	<u>\$ 16,675,573</u>	<u>\$ 17,540,013</u>	<u>\$ 21,040,464</u>	<u>\$ 24,144,490</u>	<u>\$ 23,981,402</u>	<u>\$ 25,854,816</u>	<u>\$ 28,755,196</u>	<u>\$ 29,466,577</u>	<u>\$ 32,155,531</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (2,852,111)	\$ (5,561,033)	\$ (2,843,929)	\$ 1,285,838	\$ 436,089	\$ 1,071,557	\$ 8,341,971	\$ 9,389,749	\$ 3,297,834	\$ 7,883,626
Business-type activities	145,172	245,733	347,553	493,724	599,424	233,985	276,145	1,877,727	2,582,939	398,289
Total primary government	<u>\$ (2,706,939)</u>	<u>\$ (5,315,300)</u>	<u>\$ (2,496,376)</u>	<u>\$ 1,779,562</u>	<u>\$ 1,035,513</u>	<u>\$ 1,305,542</u>	<u>\$ 8,618,116</u>	<u>\$ 11,267,476</u>	<u>\$ 5,880,773</u>	<u>\$ 8,281,915</u>

**Note:** FY 2014 and FY2017 have been restated and the effect of implementing GASBs No. 68 and 75 to previously reported changes in net position has not been determined.

**City of Douglasville, Georgia**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 140,232	\$ 265,788	\$ 220,958	\$ 522,637	\$ 176,909	\$ 697,430	\$ 640,857	\$ 575,973	\$ 609,281	\$ 460,299
Restricted	365,777	-	-	-	-	-	-	-	-	-
Assigned	402,225	103,494	104,849	104,849	-	518,159	1,687,713	2,598,191	2,016,880	3,036,769
Unassigned	6,354,443	5,480,501	5,236,868	6,097,136	8,658,815	10,096,493	12,185,372	14,487,097	15,357,559	21,001,555
Total general fund	<u>\$ 7,262,677</u>	<u>\$ 5,849,783</u>	<u>\$ 5,562,675</u>	<u>\$ 6,724,622</u>	<u>\$ 8,835,724</u>	<u>\$ 11,312,082</u>	<u>\$ 14,513,942</u>	<u>\$ 17,661,261</u>	<u>\$ 17,983,720</u>	<u>\$ 24,498,623</u>
All Other Governmental Funds										
Nonspendable	\$ 13,567	\$ 1,250	\$ 2,814	\$ 6,759	\$ 726	\$ 75,972	\$ 74,589	\$ 49,137	\$ 39,491	\$ 2,630
Restricted	9,843,790	3,895,162	3,211,328	3,216,280	3,418,052	3,956,270	6,904,212	9,061,573	8,908,342	9,040,695
Committed	93,071	82,792	-	-	-	-	-	-	-	-
Unassigned	(270,264)	(972,951)	(1,457,099)	(1,073,220)	(1,073,220)	(715,924)	(361,389)	-	-	-
Total all other governmental funds	<u>\$ 9,680,164</u>	<u>\$ 3,006,253</u>	<u>\$ 1,757,043</u>	<u>\$ 2,149,819</u>	<u>\$ 2,345,558</u>	<u>\$ 3,316,318</u>	<u>\$ 6,617,412</u>	<u>\$ 9,110,710</u>	<u>\$ 8,947,833</u>	<u>\$ 9,043,325</u>

**Note:** Restatement to 2013 ending Fund balance due to a correction of an error in the GEMA flood fund.

**City of Douglasville, Georgia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 16,340,755	\$ 16,556,891	\$ 17,289,758	\$ 20,692,270	\$ 23,692,430	\$ 23,957,036	\$ 25,578,276	\$ 28,209,926	\$ 28,744,291	\$ 31,389,390
Licenses and permits	1,907,723	1,833,050	2,124,865	2,435,307	2,280,227	2,801,140	3,156,667	3,232,355	3,400,336	3,613,465
Intergovernmental	2,509,829	2,026,572	822,471	653,037	491,732	1,563,539	8,085,336	11,632,635	10,983,223	4,375,710
Fines and forfeitures	2,106,797	1,755,313	1,591,145	2,310,910	1,936,467	1,801,475	1,923,209	1,914,322	1,707,961	2,140,840
Charges for service	1,688,574	2,172,256	1,906,925	1,875,617	2,006,316	1,805,462	1,618,886	1,934,033	1,570,287	1,418,404
Interest Income	55,112	32,437	27,055	24,928	33,354	59,825	159,939	396,363	347,592	244,542
Other Revenues	780,298	692,180	734,377	677,521	724,008	788,990	485,665	661,581	576,392	764,725
<b>Total revenues</b>	<b>25,389,088</b>	<b>25,068,699</b>	<b>24,496,596</b>	<b>28,669,590</b>	<b>31,164,534</b>	<b>32,777,467</b>	<b>41,007,978</b>	<b>47,981,215</b>	<b>47,330,082</b>	<b>43,947,076</b>
<b>Expenditures</b>										
General government	4,115,058	4,949,931	4,055,572	5,579,408	6,786,783	7,099,575	8,504,662	12,692,624	9,953,363	8,495,496
Judicial	762,214	730,670	730,699	693,350	767,006	798,380	664,316	748,965	759,475	1,352,124
Public safety	9,841,597	9,853,814	9,530,484	9,641,067	10,470,274	10,522,209	10,720,402	11,832,548	12,826,208	12,294,473
Public works	2,041,926	1,871,927	1,733,633	1,694,505	1,911,541	1,766,111	2,973,074	6,584,228	7,401,349	2,362,105
Culture and recreation	3,571,491	3,551,336	3,647,892	3,812,069	4,261,087	3,866,921	3,960,766	5,427,391	4,794,840	5,836,521
Housing and development	1,429,359	1,744,156	1,465,802	1,889,726	1,203,446	1,755,616	2,180,607	1,838,037	1,644,433	1,287,522
Capital outlay	9,371,480	6,974,022	1,227,558	172,828	114,672	-	2,467,516	1,057,952	9,177,724	2,399,827
Debt service										
Interest	1,518,752	2,243,242	1,900,149	1,735,405	1,670,103	2,166,042	2,276,805	1,223,779	2,781,109	2,655,273
Principal	1,397,918	1,493,900	1,803,076	2,011,508	2,090,263	1,458,783	1,179,759	2,397,218	1,167,970	1,087,171
Bond Issuance Cost	302,967	84,494	-	-	-	207,594	173,589	-	-	-
<b>Total expenditures</b>	<b>34,352,762</b>	<b>33,497,492</b>	<b>26,094,865</b>	<b>27,229,866</b>	<b>29,275,175</b>	<b>29,641,231</b>	<b>35,101,496</b>	<b>43,802,742</b>	<b>50,506,471</b>	<b>37,770,512</b>
Excess of revenues over (under) expenditures	(8,963,674)	(8,428,793)	(1,598,269)	1,439,724	1,889,359	1,889,359	5,906,482	4,178,473	(3,176,389)	6,176,564
<b>Other Financing Sources (Uses)</b>										
Transfers in	17,407,513	1,866,957	3,136,389	2,953,188	3,140,934	1,327,110	1,547,418	3,237,807	5,108,425	1,750,819
Transfers out	(17,362,513)	(1,821,957)	(3,036,389)	(2,838,188)	(3,040,934)	(1,227,110)	(1,243,683)	(1,810,663)	(2,939,304)	(1,591,094)
Bonds issued	13,410,000	4,110,000	-	-	-	13,600,000	9,480,000	-	-	-
Premium on bonds issued	742,580	-	-	-	-	1,679,464	979,522	-	-	-
Payment to refunded bond escrow agent	-	(4,000,154)	-	-	-	(15,072,082)	(10,286,145)	-	-	-
Long term debt issued	-	187,142	-	-	-	-	-	-	1,166,350	-
Sale of capital assets	-	-	-	-	317,482	3,500	119,360	35,000	500	274,106
<b>Total other financing sources (uses)</b>	<b>14,197,580</b>	<b>14,197,580</b>	<b>100,000</b>	<b>115,000</b>	<b>417,482</b>	<b>310,882</b>	<b>596,472</b>	<b>1,462,144</b>	<b>3,335,971</b>	<b>433,831</b>
<b>Net change in fund balances</b>	<b>\$ 5,233,906</b>	<b>\$ 5,233,906</b>	<b>\$ (1,498,269)</b>	<b>\$ 1,554,724</b>	<b>\$ 2,306,841</b>	<b>\$ 2,200,241</b>	<b>\$ 6,502,954</b>	<b>\$ 5,640,617</b>	<b>\$ 159,582</b>	<b>\$ 6,610,395</b>
Debt service as a percentage of noncapital expenditures	12%	14%	15%	14%	13%	13%	11%	9%	9%	12%



**City of Douglasville, Georgia**  
**Tax Revenue by Source, Governmental Funds**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Excise Tax</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>	<b>Hotel Motel &amp; Car Rental</b>	<b>Other</b>	<b>Total</b>
2012	\$5,907,201	\$4,434,938	\$972,000	\$2,072,783	\$1,452,201	\$1,442,351	\$59,281	\$ 21,384,974
2013	5,723,361	4,789,513	980,438	1,983,582	1,542,480	1,492,717	44,800	16,556,891
2014	6,022,126	5,156,024	1,010,390	1,878,032	1,597,091	1,577,730	48,365	17,289,758
2015	7,915,893	6,048,402	1,003,239	2,211,816	1,669,605	1,791,318	51,997	20,692,270
2016	9,855,187	6,159,621	1,009,969	2,836,620	1,783,698	1,970,096	77,238	23,692,429
2017	10,285,412	6,281,217	1,006,718	2,422,009	1,932,092	1,930,978	98,610	23,957,036
2018	10,955,642	6,756,996	1,078,828	2,424,509	2,057,499	2,192,676	112,126	23,957,036
2019	12,514,156	7,506,899	1,114,355	2,596,920	2,218,053	2,123,558	135,985	28,209,926
2020	12,966,633	7,889,488	1,127,396	2,622,637	2,357,132	1,670,398	110,607	28,744,291
2021	14,312,831	10,197,264	1,426,806	2,594,381	2,441,790	1,976,252	161,555	33,110,879

**City of Douglasville, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Digest Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utilities Property</u>	<u>Motor Vehicles Mobile Homes Heavy Equipment</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2012	2011	\$ 901,158,038	\$ 166,199,636	\$ 11,994,773	\$ 47,778,023	\$ (33,073,096)	\$ 1,094,057,374	5.404	\$ 2,735,143,435	40.00
2013	2012	863,062,342	148,464,889	11,717,620	50,152,681	(25,636,479)	1,047,761,053	5.497	2,734,763,435	40.00
2014	2013	842,583,657	152,016,398	11,717,620	54,417,138	(31,176,370)	1,029,558,443	5.496	2,619,402,633	40.00
2015	2014	845,498,290	147,369,572	13,020,716	46,858,796	(32,694,757)	1,020,052,617	7.454	2,550,131,543	40.00
2016	2015	887,125,894	174,819,620	15,610,515	33,682,970	(40,551,254)	1,070,687,745	8.954	2,676,719,363	40.00
2017	2016	947,207,458	188,873,041	14,673,241	23,900,314	(46,625,780)	1,128,028,274	8.437	2,820,070,685	40.00
2018	2017	998,735,137	214,933,082	15,656,810	18,059,341	(42,973,923)	1,204,410,447	8.261	3,011,026,118	40.00
2019	2018	1,150,783,616	243,299,200	16,396,689	13,639,527	(57,923,333)	1,366,195,699	8.451	3,415,489,248	40.00
2020	2019	1,238,226,353	291,846,648	20,074,485	10,772,368	(88,773,912)	1,472,145,942	8.331	3,680,364,855	40.00
2021	2020	1,327,022,013	274,949,099	20,074,485	11,302,693	(82,777,159)	1,550,571,131	8.279	3,876,427,828	40.00

**Notes:** Property in the county is reassessed each year. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

\* Bond Millage added

**City of Douglasville, Georgia**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

Tax Year	Direct Rates			Overlapping Rates				Total Direct & Overlapping Rates
	City of Douglasville	Bond City of Douglasville	Total Direct	Douglas County	Douglas County Board of Education	Douglas County Board of Education	State of Georgia	
2012	3.854	1.643	5.497	9.900	21.950		0.200	37.547
2013	3.853	1.643	5.496	12.250	21.650		0.150	39.546
2014	5.784	1.670	7.454	12.153	21.350		0.100	41.057
2015	7.338	1.616	8.954	11.809	21.100		0.050	41.913
2016	6.911	1.526	8.437	11.267	21.000		0.050	40.754
2017	6.911	1.350	8.261	10.768	20.950		0.000	39.979
2018	7.211	1.240	8.451	10.213	20.900		0.000	39.564
2019	7.211	1.120	8.331	10.213	19.700		0.000	38.244
2020	7.211	1.068	8.279	12.563	19.600	1.000	0.000	41.442
2021	7.211	0.900	8.111	12.563	19.550	0.500	0.000	40.724

Source: Georgia Department of Revenue

**Note:** Overlapping rates are those of local and county governments that apply to property owners within the City of Douglasville.

**City of Douglasville, Georgia**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City of Douglasville/ Douglas County/BOE</u>	<u>SPLOST Sales Tax</u>	<u>State of Georgia Sales Tax</u>	<u>Total Direct &amp; Overlapping Rates</u>
2012	2.00	1.00	4.00	7.00
2013	2.00	1.00	4.00	7.00
2014	2.00	1.00	4.00	7.00
2015	2.00	1.00	4.00	7.00
2016	2.00	1.00	4.00	7.00
2017	2.00	1.00	4.00	7.00
2018	2.00	1.00	4.00	7.00
2019	2.00	1.00	4.00	7.00
2020	2.00	1.00	4.00	7.00
2021	2.00	1.00	4.00	7.00

**Source:** Georgia Department of Revenue

**City of Douglasville, Georgia**  
**Sales and Use Tax Revenues by Category**  
**Last Ten Years**  
**(In Thousands of Dollars)**

<b>Category</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021<sup>(1)</sup></b>
Accommodations	\$ 156,383	\$ 173,072	\$ 246,938	\$ 289,916	\$ 311,047	\$ 324,023	\$ 383,109	\$ 382,805	\$ 274,440	\$ 284,128
Automotive	2,327,988	1,305,341	677,508	732,343	785,155	746,299	757,758	753,157	899,744	799,411
Construction	111,136	101,765	170,593	230,438	189,842	155,212	268,014	217,734	191,920	195,860
Food/Bars	3,843,608	4,073,763	4,263,736	4,515,450	4,734,483	4,764,124	4,636,837	4,889,394	5,222,073	4,279,766
General Merchandise	4,172,725	4,008,131	4,030,292	4,164,612	3,861,740	3,938,706	3,966,830	4,476,581	6,068,552	3,889,497
Home Furnishing	1,749,940	1,990,815	2,004,988	1,992,955	2,221,464	2,044,811	1,975,474	1,960,083	2,038,744	1,774,316
Manufacturing	777,370	859,197	1,190,029	1,180,927	1,314,683	1,112,913	1,403,981	1,361,828	1,166,020	1,017,615
Misc Service	1,761,989	1,859,793	2,092,904	2,353,688	2,525,176	2,258,121	2,473,394	2,519,057	2,650,588	2,362,262
Other Retail	2,490,501	2,596,063	3,029,861	3,138,120	3,177,548	3,046,707	3,741,918	3,881,439	4,426,081	3,992,564
Other Service	724,381	480,804	522,537	633,729	651,344	792,409	1,393,981	1,444,170	1,509,504	1,325,975
Utility	1,376,047	1,504,646	1,649,436	1,570,595	1,468,460	1,407,637	1,553,798	1,655,432	1,539,234	1,222,356
Wholesale	2,689,609	3,033,358	3,272,752	2,983,190	2,416,181	2,420,912	2,778,984	3,103,178	2,553,960	2,440,937
<b>Total</b>	<b>\$ 22,181,677</b>	<b>\$ 21,986,748</b>	<b>\$ 23,151,574</b>	<b>\$ 23,785,963</b>	<b>\$ 23,657,123</b>	<b>\$ 23,011,874</b>	<b>\$ 25,334,078</b>	<b>\$ 26,644,858</b>	<b>\$ 28,540,860</b>	<b>\$ 23,584,687</b>
Sales Tax Rate ***	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Note: Information above specific to the Douglas County and not the City of Douglasville.

Source: Georgia Department of Revenue Sales Tax Commodity Report

Note: Sales Tax Rate for Local Option sales tax (1%) and ELOST (1%)

<sup>(1)</sup> Through September 2021.

## City of Douglasville, Georgia Principal Property Taxpayers Current Year and Ten Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mcmaster-Carr Supply Company	\$ 60,316,033	1	3.89%			
Gordon Food Services, Inc.	23,997,327	2	1.55%			
Arbor Place II, LLC	16,847,640	3	1.09%	\$ 13,318,520	1	1.22%
Development Auth. Of City of Douglasville	15,455,120	4	1.00%			
Crestmark Community, LLC	13,701,472	5	0.88%			
One Rocky Ridge, LP	13,518,000	6	0.87%			
Douglas Acquisition, LLC	13,065,800	7	0.84%			
IP Brodick Owner, LLC	12,800,001	8	0.83%			
Staples Contract and Commercial, Inc.	21,514,319	9	1.39%	15,899,773	2	1.45%
Prologis TLF (New Manchester)	14,200,840	10	0.92%			
DDRTC Douglasville Pavilion, LLC				8,944,960	3	0.82%
Trikell, LLC				8,613,920	4	0.79%
Centerpoint Properties Trust				8,210,320	5	0.75%
Carlyle Centennial Lenox LP				7,647,280	6	0.70%
CAM Crestmark, LLC				7,160,001	7	0.65%
WPRE I Rocky Ridge, LLC				7,000,000	8	0.64%
SCI Brodick Hill Fund LLC ETAL				6,800,000	9	0.62%
Development Authority of Douglas				6,794,742	10	0.62%
Total	<u>\$ 205,416,552</u>		<u>13.25%</u>	<u>\$ 90,389,516</u>		<u>8.26%</u>

Source: Douglas County Tax\Commissioner's Office  
Total Gross City Tax Digest

**City of Douglasville, Georgia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended 30-Jun	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	2011	\$5,688,810	\$5,641,595	99.17%	\$46,992	\$ 5,688,587	100.00%
2013	2012	5,483,852	5,299,807	96.64%	183,636	5,483,443	99.99%
2014	2013	5,358,823	5,189,421	96.84%	169,105	5,358,526	99.99%
2015	2014	7,316,371	7,158,035	97.84%	157,966	7,316,001	99.99%
2016	2015	9,359,932	9,117,159	97.41%	241,410	9,358,569	99.99%
2017	2016	9,395,185	9,298,745	98.97%	95,018	9,393,763	99.98%
2018	2017	9,866,902	9,856,186	99.89%	7,896	9,864,082	99.97%
2019	2018	9,851,637	11,205,582	113.74%	(1,369,953)	9,835,629	99.84%
2020	2019	10,615,239	10,296,186	96.99%	297,431	10,593,617	99.80%
2021	2020	11,181,168	10,973,656	98.14%	53,564	11,027,220	98.62%

**Sources:** City of Douglasville Finance Department

**Note:** The taxes levied in this table consist of M&O only. No debt service tax levies are included.

**City of Douglasville, Georgia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita	Population
	Note Payable	Capital Leases	Revenue Bonds	GO Bonds				
2012	\$	\$ 1,775,558	\$ 17,405,000	\$ 26,327,576	\$ 45,508,134	0.000235%	1,459	30,748
2013	-	1,730,831	18,183,996	25,615,573	45,530,400	0.000191%	1,442	31,181
2014	-	1,497,116	17,698,735	24,366,887	43,562,738	0.000188%	1,380	31,573
2015	-	1,253,449	21,243,243	17,980,000	40,476,692	0.000173%	1,268	31,917
2016	-	999,626	20,376,802	17,010,000	38,386,428	0.000154%	1,188	32,317
2017	-	735,203	19,943,116	17,359,448	38,037,767	0.000141%	1,161	32,768
2018	-	499,836	19,747,553	16,099,826	36,347,215	0.000125%	1,094	33,210
2019	-	254,822	18,562,549	14,798,482	33,615,853	0.000108%	1,017	33,052
2020	496,652	421,816	17,356,467	13,422,837	31,697,772	0.000094%	920	34,455
2021	403,868	215,267	16,113,079	12,027,898	28,760,112	0.000083%	824	34,918

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Source: Debt Schedule Finance Department

Source: Schedule of Demographic and Economic Statistics for personal income and population data.



**City of Douglasville, Georgia**  
**Ratios of General Bonded Debt Outstanding (Unaudited)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted for GO Debt Service</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>	<b>Population</b>
2012	\$ 26,327,576	\$ -	26,327,576	2.41%	856	30,748
2013	25,615,573	-	25,615,573	2.44%	822	31,181
2014	24,366,887	-	24,366,887	2.37%	772	31,573
2015	17,980,000	-	17,980,000	1.76%	563	31,917
2016	17,010,000	-	17,010,000	1.59%	526	32,317
2017	17,359,448	276,144	17,083,304	1.51%	521	32,768
2018	16,099,826	91,692	16,008,134	1.33%	482	33,210
2019	14,798,482	-	14,798,482	1.08%	448	33,052
2020	13,422,837	-	13,422,837	0.91%	390	34,455
2021	12,027,898	-	12,027,898	0.78%	344	34,918

**Note 1:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**Note 2:** Amounts shown above as restricted for GO Debt Service are amounts reported as restricted in the Statement of Net Position as these amounts represent the remainder of the restricted fund balance from the Debt Service Fund minus accrued interest payable and are considered to represent the amount available to pay principal on the City's outstanding bonds.

Source: Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Schedule of Assessed Value for estimated actual taxable value.

**City of Douglasville, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**For the Fiscal Year Ended June 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct General Obligation Debt			
Lease/Purchase	\$ 215,267	100.00%	\$ 215,267
Bonds	28,140,977	100.00%	28,140,977
Note Payable :	403,868	100.00%	403,868
	<u>\$ 28,760,112</u>		<u>\$ 28,760,112</u>
Overlapping General Obligation Debt			
Douglas County	\$ 20,887,352		
Capital Lease	3,219,443		
Total :	<u>\$ 24,106,795</u>	29.12%	<u>\$ 7,019,899</u>
Douglas County School District			
Finance Purchase Payable :	\$ 2,453,823.00		
Bonds	\$ 88,474,000		
	<u>\$ 90,927,823</u>	29.12%	<u>\$ 26,478,182</u>
	<u>\$ 115,034,618</u>		<u>\$ 33,498,081</u>
Total Direct and Overlapping Debt	<u>\$ 143,794,730</u>		<u>\$ 62,258,193</u>

The percentage of overlapping debt applicable is estimated using taxable assessed property values. The overlapping debt outstanding from other entities above has been taken from the most recent available audited financial statements for the Douglas County School District and Douglas County, Georgia, as applicable.

**City of Douglasville, Georgia  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year								
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 112,713,047	\$ 107,339,753	\$ 106,073,481	\$ 105,274,737	\$ 111,123,900	\$ 117,465,405	\$ 124,792,437	\$ 142,411,903	\$ 155,838,277
Total net debt applicable to limit	26,327,576	25,615,573	24,366,887	17,980,000	17,010,000	17,359,448	16,099,826	14,798,482	13,422,837
Legal debt margin	<u>\$ 86,385,471</u>	<u>\$ 81,724,180</u>	<u>\$ 81,706,594</u>	<u>\$ 87,294,737</u>	<u>\$ 94,113,900</u>	<u>\$ 100,105,957</u>	<u>\$ 108,692,611</u>	<u>\$ 127,613,421</u>	<u>\$ 142,415,440</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>23.36%</u>	<u>23.86%</u>	<u>22.97%</u>	<u>17.08%</u>	<u>15.31%</u>	<u>14.78%</u>	<u>12.90%</u>	<u>10.39%</u>	<u>8.61%</u>

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed value  
Add back exempt real property  
Total assessed value

Debt limit (10% of total assessed value)  
Debt applicable to limit:  
    General obligation bonds  
    Less: Amount set aside for repayment of  
        general obligation debt  
Total net debt applicable to limit  
Legal debt margin

Info gathered from:  
2020 Tax Millage Rate and 5 Year History

**City of Douglasville, Georgia**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Median Age<sup>1</sup></b>	<b>County School Enrollment</b>	<b>School Enrollment<sup>1</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
2012	30,748	\$ 621,946,801	\$ 25,011	34.1	24,500	8,916	10.90%
2013	31,181	756,014,526	24,246	33.8	24,500	9,283	12.20%
2014	31,573	733,882,812	23,244	34.0	25,500	9,813	11.20%
2015	31,917	734,378,253	23,009	34.0	25,668	9,569	11.60%
2016	32,317	772,893,372	23,916	33.6	25,668	10,069	11.40%
2017	32,768	820,805,632	25,049	33.9	28,820	9,715	11.10%
2018	33,210	872,360,280	26,268	34.7	25,483	9,698	9.20%
2019	33,052	941,320,960	28,480	34.9	26,000	8,865	8.80%
2020(2) (3)	34,455	981,278,400	28,480	34.9	25,770	8,865	8.80%
2021(2)	34,918	994,464,640	28,480	34.9	26,668	8,865	8.80%

**Data sources**

<sup>1</sup>United States Census Bureau

<sup>2</sup>Data is updated in July following the end of the calendar year. Prior year data in current year will be updated next year.

**Note:** School enrollment from Douglas County, Email Portia Lake (DCSD PIO)  
 Unemployment Rate for Metro Atlanta area DOL

**City of Douglasville, Georgia  
Principal Employers  
Current Year and Ten Years Ago**

2021				2012			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
American Red Cross	682	1	3.45%	Wal-Mart Super Center	750	1	5.42%
McMaster Carr Supply	598	2	3.02%	Wellstar Douglas Hospital	700	2	5.06%
Medline Medical Ind., Inc.	511	3	2.58%	American Red Cross	450	3	3.25%
Wal-Mart Super Center	416	4	2.10%	Benton Georgia	300	4	2.17%
Lowe's	142	5	0.72%	Staples Customer Center	258	5	1.87%
Atlanta Bonded Warehouse	71	6	0.36%	Medline Medical Ind., Inc.	250	6	1.81%
Academy Sports & Outdoors	66	7	0.33%	Cahaba Healthcare	100	7	0.73%
Anderson Distribution, Inc.	52	8	0.26%	Relfex	100	8	0.73%
Hyundai Thornton Rd	50	9	0.25%	A.L.P. Lighting Components	100	9	0.73%
Chapel Hill Golf Club	48	10	0.24%	DeNyse Signs	75	10	0.55%
Total	<u>2,636</u>		<u>13.31%</u>	Total	<u>3,083</u>		<u>22.32%</u>

**Source: Finance Occupational Tax Returns**

Note: This data is obtained from various sources including but not limited to press releases, private discussion, company disclosures and other sources.

**City of Douglasville, Georgia**  
**Full-time-Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
General Government:										
Governing Body	9	9	9	8	8	8	8	8	8	
Chief Executive (Mgr. Or Admin.)	5	5	5	5	4	7	9	8	9	
IT/MIS	2	3	3	3	3	3	3	3	3	
Police Records & Court	12	12	11	9	9	13	12	13	24	
Financial Administration	8	8	7	7	7	7	7	10	8	
General Govt. Bldgs. & Plant	1	1	1	1	1	3	5	5	7	
Human Resources	2	2	2	3	4	5	5	5	4	
Public Safety:										
Police Administration	9	9	8	8	9	10	18	7	9	
Police - IT	2	2	2	2	2	2	2	2	3	
Police Detective	14	17	17	19	15	17	18	18	17	
Police Special OPS	8	8	8	8	6	4	3	5	5	
Police Patrol	53	53	48	62	55	57	53	64	56	
Police Motors	5	6	5	5	3	2	3	5	5	
Police Training	2	3	6	10	5	3	3	3	3	
Police SRO	4	4	4	4	4	6	7	6	-	
Police Building Maintenance	1	1	1	1	1	1	1	1	1	
Building Inspections	4	3	3	4	4	4	5	5	2	
Code Enforcement	3	4	4	4	4	5	4	4	4	
Planning & Zoning	2	2	3	3	3	3	2	3	4	
Engineering	3	3	-	-	-	-	-	-	1	
Community Development	2	4	1	4	3	3	2	3	3	
Tourism	3	3	3	4	3	2	2	2	2	
Culture/Recreation Administration	6	7	8	8	8	6	6	17	17	
Conference Center	4	5	4	6	6	6	3	9	3	
West Pines Golf		8	8	11	8	9	8	13	25	
Parks Areas	6	8	7	9	7	11	9	9	7	
Highways & Streets Admin.	17	17	17	16	15	13	16	16	15	
Traffic Engineering										
Sanitary Administration	22	22	22	26	21	23	20	30	22	
Maintenance & Shop	2	2	2	2	2	2	2	2	2	
Video Production	4	3	4	4	4	4	4	4	6	
Development Authority	1	1	-	-	-	-	-	-	-	
Keep Douglasville Beautiful	3	4	4	4	4	4	4	4	2	
<b>Total</b>	<b>219</b>	<b>239</b>	<b>227</b>	<b>260</b>	<b>228</b>	<b>243</b>	<b>244</b>	<b>284</b>	<b>277</b>	

Source: City of Douglasville Human Resources Dept

**City of Douglasville, Georgia  
Operating Indicators by Function  
Last Ten Fiscal Years**

<b>Function</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Works:									
Street resurfacing (feet)	13,886	11,051	23,707	69,696	9,979	7,723	53,559	50,283	106,647
Planning and Zoning:									
Building permits issued	177	248	566	157	192	323	267	366	334
Permits issued (excl. sign)	-	-	-	-	-	-	-	1,563	1,590
Police protection*:									
Number of citations written	9,915	8,613	7,031	8,779	10,088	7,760	10,256	9,869	5,973
Number of automobile accidents	2,397	2,483	2,530	2,684	3,029	2,991	3,033	2,948	2,485
Number of reported crimes	4,160	4,160	4,836	4,941	5,515	5,403	5,969	5,337	4,734
Sanitation**:									
Large items pickup	63	88	100	141	183	148	74	117	140

**Sources: \*City of Douglasville Courts and Records**

**\*\* City Sanitation Department**

**City of Douglasville, Georgia  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal year</b>								
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Public works:									
Miles of streets	166.00	166.00	166.00	150.67	150.67	150.67	150.67	150.67	150.67
Number of street lights	2,048	2,048	2,048	2,293	2,293	2,574	2,511	2,518	2,518
Police protection:									
Number of stations	2	2	2	2	2	2	2	2	2
Number of police officers positions	94	94	94	97	97	102	117	101	112
Building permits issued	-	-	-	-	-	-	-	-	-
Recreation and culture:									
Number of parks	8	8	8	8	8	8	8	8	8
Park acreage	420	420	420	420	420	420	420	420	420

**Sources:** Various city departments.



## **COMPLIANCE SECTION**

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

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**Honorable Mayor and Members  
Of City Council  
City of Douglasville, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Douglasville, Georgia's Response to Finding**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 14, 2021



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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**Honorable Mayor and Members  
Of City Council  
City of Douglasville, Georgia**

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Douglasville, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

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**Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 14, 2021

**CITY OF DOUGLASVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor Number	Total Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Awards			
COVID-19 - Coronavirus Emergency Supplemental Fund	16.034	2020-VD-BX-1029	\$ 62,680
Bulletproof Vest Partnership Program	16.607	2019BUBX19099344	13,890
Edward Byrne Memorial Justice Assistance Grant	16.740	2020-DJ-BX-0401	17,024
<b>Total U.S. Department of Justice</b>			<u>93,594</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
Passed through the State of Georgia			
COVID-19 - Coronavirus Relief Fund	21.019	CARES	1,779,403
<b>Total U.S. Department of the Treasury</b>			<u>1,779,403</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,872,997</u>

See accompanying notes to schedule of expenditures of federal awards

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**(1) Summary of Significant Accounting Policies**

***Basis of Presentation and Accounting***

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded from the accompanying schedule of expenditures of federal awards.

Federal grant programs that are administered through State agencies (pass-through awards) have been included in the accompanying schedule of expenditures of federal awards. These programs are operated according to federal regulations promulgated by the originating federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City does not utilize the 10% de minimis indirect cost rate.



**CITY OF DOUGLASVILLE, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION I  
SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?   X   yes        no

Significant deficiencies identified        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major program:

Material weaknesses identified?        yes   X   no

Significant deficiencies identified        yes   X   none reported

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

**Identification of major program:**

21.019 COVID-19: Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee?        yes   X   no

**CITY OF DOUGLASVILLE, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS**

**2021 – 001      Accounts Payable**

Criteria:                      Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition:                    At year-end, accounts payable was not properly recorded.

Context:                      During our testing of accounts payable, we noted material amounts payable that were not accrued as of June 30, 2021.

Cause                         Invoices received in the month subsequent to fiscal year end were not adequately evaluated for accrual as of June 30, 2021.

Effect:                        Audit adjustments to correct accounts payable and related expenditures as of June 30, 2021 were required in the amount of \$183,176.

Recommendation:         We recommend internal controls over accounts payable and related expenditures be strengthened to ensure amounts payable as of year-end are properly reported.

Views of Responsible  
Officials and Planned  
Corrective Action:         Management concurs with this finding. Management has implemented policies and procedures to ensure that accounts payable and related expenditures are properly recorded. This action was taken immediately upon receipt of the comment from the auditors.

**SECTION III  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**None Reported**



**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**2021-001**

**Accounts Payable**

*Contact Person Responsible for the Corrective Action Plan:* Karin Callan, Finance Director

*Corrective Action Plan:* The City agrees with this finding and has implemented policies and procedures to ensure that accounts payable and related expenditures are properly recorded. The processes for check verification was in place; however, new staff were not properly trained and failed to detect the time period in which the expense occurred.

*Anticipated Completion Date:* Implemented upon notice