

CITY OF DOUGLASVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010



CITY OF DOUGLASVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

**Prepared By:
Karin E. Callan, C.P.A.
Director of Finance**

**CITY OF DOUGLASVILLE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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INTRODUCTORY SECTION

City of Douglasville

MICKEY THOMPSON
Mayor

WILLIAM D. OSBORNE
City Manager

JOEL DODSON
City Attorney

JOYCE STONE
City Clerk



Council Members:

LaSHUN B. DANLEY - Ward 3, Post 1

SAMUEL DAVIS - Ward 3, Post 2

DENNIS McLAIN - Ward 2

TERRY MILLER - Ward 5, Post 2

ROY E. MIMS - Ward 5, Post 1

JOHN R. SCHILDROTH - Ward 4

LARRY G. YOCKEY - Ward 1

December 20, 2010

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

The Comprehensive Annual Financial Report of the City of Douglasville, Georgia (the City), for the fiscal year ended June 30, 2010, 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, 2010, the City has three component units: the Douglasville Convention and Conference Center Authority, the Douglasville Public Purpose Corporation, and the Douglasville 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 capital projects 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.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK



City of Douglasville is strategically located west of I-285 perimeter on I-20. Douglasville is the largest city in
County, one of the fastest growing counties in the State of Georgia.

A Georgia Classic

Located on O'Neal Plaza in Historic Downtown Douglasville
6695 Church Street • P.O. Box 219 • Douglasville, Georgia 30133-0219
770-920-3000 • Fax 770-920-0499
www.ci.douglasville.ga.us



Main Street City

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 has an existing contract for commercial garbage pickup. This contract affords a significant savings to commercial customers, as the City is not required to invest in significant assets and reserve equipment needed to provide commercial service. The commercial contract is between two vendors providing this service split between front end with recycling and rear loader. The City contracts with the Water and Sewer Authority to provide residential billing and collections.

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 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 in an effort 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 and with a skilled workforce and great location, Douglasville is an excellent choice for companies seeking to grow their operations and increase productivity and to reduce operating expenses.

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.

Property tax revenues have increased due to the bond millage levy. This was the first year that the City levied a bond millage for the Public Safety Building. However, the total tax digest decreased by 2% due to declining property values and foreclosures.

Long Term Financial Planning

As in the previous year, fiscal year 2009-2010 has been marked by numerous improvements in service delivery and infrastructure, which will enhance the quality of life for the City's residents. In March 2002, the residents of Douglas County voted for a Special Purpose Local Option Sales Tax. This tax is to fund streets, recreation, and fire facilities in the Douglas County and the City of Douglasville. This tax will provide for renovation of existing park facilities, a new recreation center and purchase of land for future development as well as improving intersections, resurfacing streets, and improving the traffic flow throughout the city. The completion of the \$2.3 million Livable Centers Initiative program has given the streets of Douglasville a facelift with new sidewalks and greenery. This was funded through a combination of state funds and SPLOST funds. In addition, the City of Douglasville issued bonds through the Conference Center Authority to complete a state of the art golf course, which was completed in December 2005. The City of Douglasville leases the golf course to a management company and the proceeds will pay the debt service. In addition, the City of Douglasville issued bonds through the Douglasville Public Purpose Corporation to construct a human services building. This building will be leased to three state government operations: Douglas County Family and Children Services, State Board of Pardons and Paroles, and the Department of Corrections. These bonds were

issued over a 20 year term and the City will own the building at the end of the term. The lease proceeds are used to pay the debt service. There is also an amount built into the lease payments to cover maintenance of the building. The City also completed the construction of a new fire station with a budget of \$1.4 million funded by the General Fund. During September of 2008 the voters of the City of Douglasville voted to build a Police Administration building that should be completed by Fiscal year 2011. The building is close to completion at this time.

The City of Douglasville is preparing for operating costs of the Police Administration building. Preliminary projections indicate that the utilities might be less expensive than the current utilities due moving from 7 older buildings to one building with newer efficient energy systems. We do not expect to have more than 5% of an increase of personnel costs but there will be additional costs for cleaning and maintenance which is programmed in the current year budget. The City has also agreed to keep a precinct in the downtown area that will have some renovation costs. The 2002 SPLOST dollars are coming to an end. Looking ahead at future road projects, the city is exploring options provided from the newly formed Tollway Authority Infrastructure Bank which will provide loans for road projects. The City is continuing to finish major projects over the next few years which will be funded by General Fund Reserves.

In December 2001, the Downtown Conference Center opened in the heart of downtown Douglasville. The center is funded through rental revenues and a 2% Hotel/Motel tax specified for the conference center. The Downtown Conference Center can be rented a year in advance.

The City of Douglasville has completed building a major connector artery to improve traffic congestion and flow through the City of Douglasville: the Bright Star Connector.

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

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

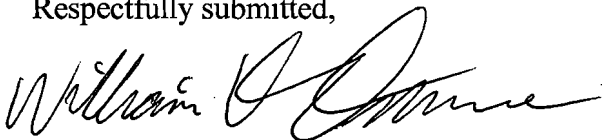
Independent Audits. State statutes require an annual audit by independent certified public accountants. The firm of Moore and Cubbege LLP was selected by the City to perform audit services. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government 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 Comprehensive Annual Financial Report for year ended June 30, 2009. 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 comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual 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 comprehensive annual 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,



William D. Osborne
City Manager



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Douglasville
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

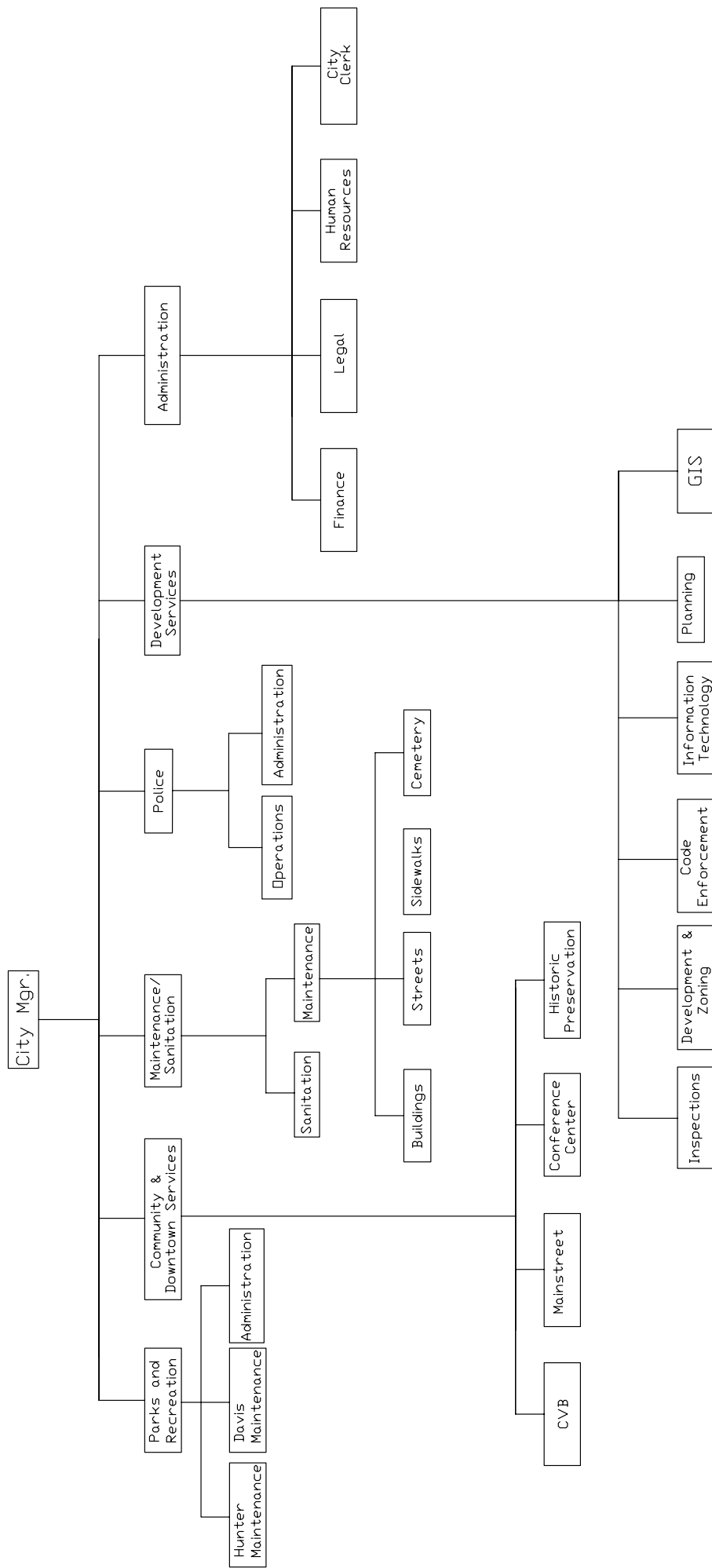


A stylized, handwritten signature in black ink, appearing to be "JHE".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



City of Douglasville, Georgia
LISTING OF PRINCIPAL OFFICIALS

June 30, 2010

Mayor: Mickey Thompson
City Manager: William D. Osborne

Council Members

Ward 1	Larry G. Yockey
Ward 2	Dennis McClain
Ward 3, Post 1	LaShun B. Danley
Ward 3, Post 2	Samuel Davis
Ward 4	John R. Schildroth
Ward 5, Post 1	Roy E. Mims
Ward 5, Post 2	Terry Miller

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mickey Thompson, Mayor
Members of the City Council
City of Douglasville
Douglasville, Georgia

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Douglasville, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2010, and the respective changes in financial position and the cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010 on our consideration of the City of Douglasville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3-14, the schedule of funding progress on page 42 and the budgetary comparison information for the General Fund, Multiple Grant Fund, and Confiscated Assets Fund on pages 43-48, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Douglasville, Georgia's basic financial statements. The introductory section, combining and individual fund statements and schedules, statistical section, and compliance section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The combining and individual fund statements and schedules and the compliance section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in blue ink that reads "Moore & Cubbedge, LLP". The signature is written in a cursive, flowing style.

Moore & Cubbedge, LLP
Marietta, Georgia

December 20, 2010

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, 2010. 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

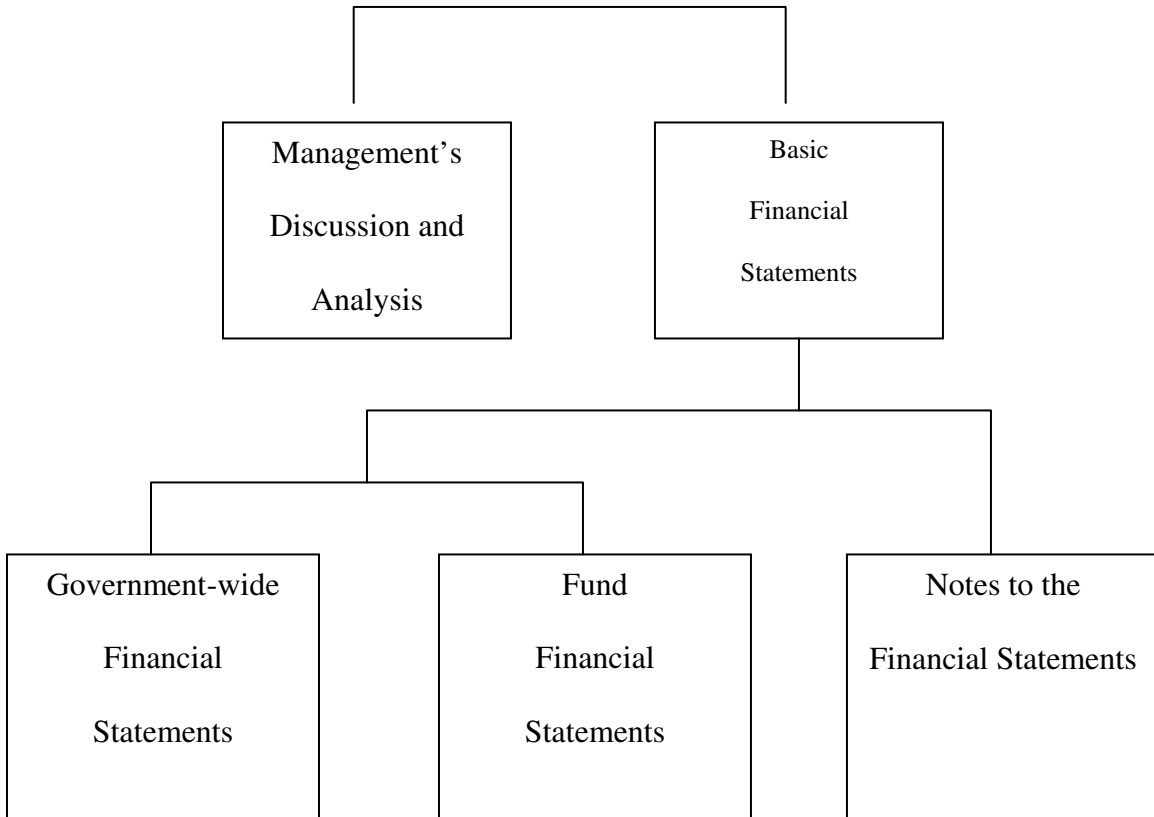
- The assets of the City of Douglasville exceeded its liabilities at the close of the fiscal year by \$73,218,309. (*net assets*).
- The government's total net assets increased by \$4,682,671 as a result of fiscal year 2010 operations.
- As of the close of the current fiscal year, the City of Douglasville's governmental funds reported combined ending fund balances of \$23,792,363, an increase of \$12,829,297 in comparison with the prior year. At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,524,890 or 51 percent of total general fund expenditures for the fiscal year.
- The City of Douglasville's Government wide debt (bonds and capital leases) increased by \$21,849,750. The increase is due to the G.O. bond issue for the Police Administration and Municipal Court Building.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of Douglasville's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Douglasville.

Required Components of Annual Financial Report

Figure 1



Summary → Detail

Basic Financial Statements

The first two statements (pages 15 and 16) 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 17-23) 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the agency 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, the Statement of Net Assets and the Statement of Activities are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property and Sales taxes, state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the sanitation services offered by the City.

The government-wide financial statements are on pages 15 and 16 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of 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. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or

less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Douglasville maintains the following individual governmental funds. The Major Funds which are presented separately are: General Fund, Confiscated Assets Fund, Multiple Grant Fund, Police Station Fund, and the Special Purpose Local Option Sales Tax Fund. The funds that are presented as combined in the Other Governmental Funds column are: Conference Center Fund, Hotel/Motel Tax Fund, Youth Against Violence Fund, Convention and Visitors Bureau Fund, Convention and Conference Center Authority, West Pines Fund, Conference Center Fund, Fire Station Fund, Public Purpose Corporation Fund, Bright Star Connector Fund, GEMA Fund and Rental Car Tax Fund. Separate information about the Other Governmental funds can be found in the combining statements in the report on pages 49-52.

The City of Douglasville adopts an annual budget for its General Fund, as required by the 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 Board 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. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Proprietary funds are activities that a City operates similar to a business in that it attempts to recover costs through charges to the user. The City of Douglasville has only one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Douglasville uses enterprise funds to account for its sanitation operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 24-41 of this report.

Government-Wide Financial Analysis

The City of Douglasville's Net Assets Figure 2

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The total assets of the City of Douglasville exceeded total liabilities by \$73,218,309 as of June 30, 2010. The City's net assets increased by \$4,682,671 for the fiscal year ended June 30, 2010. This was primarily due to the increase in capital assets.

	Governmental		Business-Type		Total 2010	Total 2009
	Activities	Activities	Activities	Activities		
	2010	2009	2010	2009		
Current and other assets	\$ 31,995,815	\$ 14,247,708	\$ 3,637,620	\$ 2,931,395	\$ 35,633,435	\$ 17,179,103
Capital assets	81,495,009	68,521,690	636,678	768,628	82,131,687	69,290,318
Total assets	<u>113,490,824</u>	<u>82,769,398</u>	<u>4,274,298</u>	<u>3,700,023</u>	<u>117,765,122</u>	<u>86,469,421</u>
Long-term liabilities outstanding	37,612,346	15,190,931	4,550	35,370	37,616,896	15,226,301
Other liabilities	6,523,007	2,306,392	406,910	105,066	6,929,917	2,411,458
Total liabilities	<u>44,135,353</u>	<u>17,497,323</u>	<u>411,460</u>	<u>140,436</u>	<u>44,546,813</u>	<u>17,637,759</u>
Net assets:						
Invested in capital assets, net of related debt	60,337,266	55,527,069	636,678	768,628	60,973,944	56,295,697
Restricted	4,213,000	365,659	-	-	4,213,000	365,659
Unrestricted	4,805,205	9,379,347	3,226,160	2,790,959	8,031,365	11,874,282
Total net assets	<u>\$ 69,355,471</u>	<u>\$ 65,272,075</u>	<u>\$ 3,862,838</u>	<u>\$ 3,559,587</u>	<u>\$ 73,218,309</u>	<u>\$ 68,535,638</u>

The largest portion of net assets is the City's investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure); less any related debt still outstanding that was issued to acquire those items. The City of Douglasville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Douglasville's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

There was an increase of \$3,847,341 in restricted net assets in connection with the City of Douglasville's Governmental Activities. This increase is due to the reclassification of the Confiscated Asset Fund and Rental Car fund. In the prior years, they were classified as unrestricted and this year they are classified as restricted. The reason these two funds are restricted is because their revenue is collected by enabling legislation. The Confiscated asset fund dollars are restricted to public safety items and the Rental Car fund dollars must be used for Parks and Recreation. The remaining \$4,805,205 may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the current fiscal year, the City of Douglasville is able to report positive balances in all three categories of net assets, both for the government as a whole as well

as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$303,251 in connection with the City's business type activities. This increase resulted from the funds ability to increase fund balance based pricing sanitation services and managing expenses.

Governmental activities. Governmental activities increased the City's net assets by \$4,083,396 thereby accounting for 93% of the total increase in the net assets of the City of Douglasville. Key elements of this change are as follows:

- Property Taxes increased by \$1,669,421 due to a bond millage assessed to fund the Public Safety Municipal Court Building.
- Sales tax increased by \$521,018. Part of this increase was due to a restatement. The restatement was due to the Georgia Department of Revenue and the transition to an electronic system and the timeliness of the collections. The other portion of this increase is due to a tax levy on rental car businesses.
- Other additions to assets were the purchase of vehicles. The City purchased a transport bus an armored vehicle and 13 vehicles. The armored vehicle and two other vehicles were purchased through drug funds.
- A capital grant was received for governmental activities in the amount of \$2,653,946 which was funded by GEMA.

City of Douglasville Changes in Net Assets Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 5,070,117	\$ 6,733,993	\$ 3,760,796	\$ 3,823,295	\$ 8,830,913	\$ 10,557,288
Operating grants and contributions	1,506,986	18,015			1,506,986	18,015
Capital grants and contributions	2,827,459	173,513			2,827,459	173,513
General revenues:						
Property taxes	6,421,627	4,752,206			6,421,627	4,752,206
Sales Taxes	5,768,997	5,247,979			5,768,997	5,247,979
Other Taxes and Miscellaneous	5,726,915	5,672,736			5,726,915	5,672,736
Unrestricted Investment Earnings	59,994	358,889	221	5,478	60,215	364,367
Gain on Sale of Capital Assets					-	-
Total revenues	27,382,095	22,957,331	3,761,017	3,828,773	31,143,112	26,786,104
Expenses:						
General government	4,503,356	4,749,197	-	-	4,503,356	4,749,197
Judicial	630,881	395,824	-	-	630,881	395,824
Public safety	10,583,333	10,372,768	-	-	10,583,333	10,372,768
Health and Welfare	144,708	108,384	-	-	144,708	108,384
Public Works	4,116,124	2,024,312	-	-	4,116,124	2,024,312
Housing and Development	1,147,220	1,478,029	-	-	1,147,220	1,478,029
Culture and Recreation	1,132,943	2,279,545	-	-	1,132,943	2,279,545
Interest on long-term debt	789,110	620,554	-	-	789,110	620,554
Sanitation Services	-	-	3,412,766	3,485,237	3,412,766	3,485,237
Total expenses	23,047,675	22,028,613	3,412,766	3,485,237	26,460,441	25,513,850
Increase(decrease)in net assets						
before transfers	4,334,420	928,718	348,251	343,536	4,682,671	1,272,254
Transfers	45,000	45,000	(45,000)	(45,000)	-	-
Change in net assets	4,379,420	973,718	303,251	298,536	4,682,671	1,272,254
Net assets, restated July 1	64,976,051	64,002,333	3,559,587	3,261,051	68,535,638	67,263,384
Net assets, June 30	\$ 69,355,471	\$ 64,976,051	\$ 3,862,838	\$ 3,559,587	\$ 73,218,309	\$ 68,535,638

The most significant expenses are for Public Safety for \$10,583,333 representing 46% of the total governmental expenses. The next most significant program expense is General Government expense of \$4,503,356 representing 20% of total governmental expenses.

Business-type activities: Business-type activities increased the City of Douglasville's net assets by \$303,251 accounting for 7 % increase in the government's total net assets. The most significant business-type activity of the City is the Sanitation Services provided to the citizens of the City of Douglasville. The majority of its revenue was derived from user fees.

Governmental Funds. The focus of the City of Douglasville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Douglasville's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Douglasville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,524,890 compared to last year at \$8,564,961 an increase of \$959,929. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. In 2009, unreserved fund balance represents 50% of total General Fund expenditures. The primary reasons for the increase in fund balance for the General Fund were due to reduction of expenses:

- Housing and Development had a reduction in expenses of \$ 294,077 from the prior year. This is due to a reduction in force. Due to the economy the demand for services lessened. However, unemployment costs have increased.
- Other factors were to minimize capital purchases.
- Conservative budgeting of Sales Tax.
- Culture and Recreation reduced expenses from the prior year by \$226,675. This was due to reducing staff expenses and operating expenses. Hunter Park was shut down the majority of the fiscal year for renovation.

At the end of the current fiscal year, unreserved fund balance of the Confiscated Assets Fund was \$3,625,715 compared to last year at \$3,145,006 an increase of \$480,709. This was due to additional seizures throughout the year.

At the end of the current fiscal year, unreserved fund deficit of the SPLOST Fund was \$1,698,190 compared to last year's fund balance of \$29,275. When SPLOST was approved by the voters in 2002, the intergovernmental agreement that was set up between the City and the County dictated that Douglas County would collect revenues and the City would submit reimbursement requests. The reimbursements were not received timely from Douglas County. Revenue is reported when it is considered available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The revenue was finally reimbursed in October for June requests and this was recorded as deferred revenue.

At June 30, 2010, the governmental funds of City of Douglasville reported a combined fund balance of \$23,792,363. Last year the combined fund balance was \$10,667,042 which represents an increase of 123% over last year. The Police Station and Municipal Court Building account for 51% of the total increase. This is due to the issuance of bonds to construct the building and receiving the bond proceeds. The project is only partially complete at the close of FY 2010.

General Fund Budgetary Highlights: 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.

During the fiscal year actual revenues exceeded the budgeted amount by \$384,633. The city had \$268,031 more in sales taxes than budgeted. Sales taxes were amended through the year. It was unclear how much of a decline we would see in Sales tax. Therefore, a conservative approach was used. During the current year, revenues fell short of the budgeted amounts primarily due to the economy. A decrease was budgeted but not such a sharp decrease. We have more uncollected fines than we had in the prior year. The expenditure amount was \$3,128,054 less than budgeted. This was due to unfilled positions: Inspections and Public Safety had turnover and vacant positions throughout the year.

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 assets of the Sanitation Fund at the end of the fiscal year amounted to \$3,226,160. The total increase in net assets from the prior fiscal year was \$303,251. The increase is due to increased charges for services with decreased Commercial Sanitation expense.

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, 2010, totals \$82,053,159 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, vehicles and infrastructure.

Major capital asset transactions during the year include the following additions:

A prisoner bus was purchased to transport prisoners from court to a jail. A total of 15 vehicles were purchased for the Police Department. There is a normal cycle of 8 cars purchased per year and due to budget constraints the number of cars purchased fell behind. A GEMA grant provided the City of Douglasville the funds necessary to upgrade our Motorola 800 MHz analog system to a Motorola 800 MHz digital Project 25 Astro system to provide seamless communication between the City of Douglasville and Cobb County. The grant also upgraded the Douglas County 911 City dispatch consoles and upgraded our outdoor emergency warning system to digital.

City of Douglasville's Capital Assets
Figure 4

	Governmental	Buisness-Type	Total
	Activities	Activities	
	2010	2010	2010
Land	\$ 28,673,265	\$ -	\$ 28,673,265
Construction in progress	14,364,070	-	14,364,070
Buildings	13,831,834	-	13,831,834
Other improvements	4,956,257	-	4,956,257
Infrastructure	14,198,432	-	14,198,432
Equipment	5,392,623	636,678	6,029,301
	<u>\$ 81,416,481</u>	<u>\$ 636,678</u>	<u>\$ 82,053,159</u>

Additional information on the City's capital assets can be found in note 6 page 32 of the Basic Financial Statements.

Long-term Obligations. As of June 30, 2010, the City of Douglasville had had bonded debt outstanding of \$32,708,895. The City had capital leases in the amount of \$2,135,476 all of which is collateralized by the financed asset and debt backed by the full faith and credit of the City.

City of Douglasville's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Capital leases	\$ 2,135,476	\$ 2,304,617	\$ -	\$ -	\$ 2,135,476	\$ 2,304,617
Comp. Absences	732,394	703,737	41,360	35,370	773,754	739,107
Bonds Payable	32,708,895	10,690,004	-	-	32,708,895	10,690,004
Premium	557,702	-	-	-	557,702	-
Interest rate swap	589,424	-	-	-	589,424	-
Net OPEB obligation	2,889,007	1,492,573	-	-	2,889,007	1,492,573
Total	<u>\$ 39,612,898</u>	<u>\$ 15,190,931</u>	<u>\$ 41,360</u>	<u>\$ 35,370</u>	<u>\$ 39,654,258</u>	<u>\$ 15,226,301</u>

Figure 5

The City of Douglasville's total debt increased \$21,879,847 during the past fiscal year. This was due to the General Obligation bond issue. This bond issue was to build the Public Safety and Municipal Court Building.

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 \$96,650,247. 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 7 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.

- The unemployment rate for the City of Douglasville is 5.4%, compared to 9.6% in Georgia
- In 2009, the Douglasville Development Authority was reactivated in an effort generate economic growth and prosperity throughout our community.
- Opening of new businesses has proceeded at a positive rate for several years, which have created new service area jobs.
- In March 2002, the residents of Douglas County approved a Special Local Option Sales Tax. This tax is to fund streets, recreation and fire facilities in Douglas County and Douglasville. The City will renovate existing park facilities, build a new recreation center and purchase land for future recreation use.
- The city of Douglasville elected not to increase the millage rate when property value reassessments declined.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: The FY 11 budget is 5% lower than the prior year estimated ending balance. Property taxes are budgeted to decrease. Budgeted expenditures in the General Fund are expected to increase slightly. The Mayor and Council do not intend to use fund balance to balance the budget. The sales taxes budget was projected to decrease by 3%; Occupational License revenue was budgeted to decrease by 10% due to the City's large number of small businesses and the state of the economy. Expenses were affected by the current Health care plan. The City adopted a four tiered plan instead of a 2 tiered plan which enabled the City and the employees to reduce their expenses. The actuaries for the City's retirement program lengthened the amortization period of the future liability which resulted in a considerable savings to the City. A Workers Comp Committee has been formed to review claims and to disseminate information to each department to promote ways to reduce workers comp claims. There were no salary

increases programmed in the FY 11 Budget. Personnel Services account for 65% of the General Fund budget.

Business – type Activities: The Sanitation rates in the City have increased, in conjunction with a new plan which provided different levels of service. In addition, the City has taken over recycling services which were outsourced in prior years. New crews have been added and new trucks have been purchased to handle recycling.

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.

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash	\$ 17,063,631	\$ 306,121	\$ 17,369,752	\$ 52,986
Receivables, net:				
Trade	-	436,713	436,713	-
Taxes	309,608	-	309,608	-
Other	3,016,119	-	3,016,119	-
Internal balances	(2,876,079)	2,876,079	-	-
Due from other governments	1,788,118	-	1,788,118	-
Inventories	22,679	-	22,679	-
Prepaid items	112,196	18,707	130,903	-
Investments	11,266,119	-	11,266,119	-
Capital assets, non depreciated	43,037,335	-	43,037,335	-
Capital assets, depreciated, net	38,379,146	636,678	39,015,824	-
Other assets, net	1,371,952	-	1,371,952	-
Total assets	113,490,824	4,274,298	117,765,122	52,986
Liabilities:				
Accounts payable and other current liabilities	4,487,216	370,100	4,857,316	7,885
Unearned revenue	35,239	-	35,239	-
Noncurrent liabilities:				
Due within one year	2,000,552	36,810	2,037,362	-
Due in more than one year	37,612,346	4,550	37,616,896	-
Total liabilities	44,135,353	411,460	44,546,813	7,885
Net Assets:				
Invested in capital assets, net of related debt	60,337,266	636,678	60,973,944	-
Restricted for:				
Culture and recreation	221,586	-	221,586	-
Debt service	365,699	-	365,699	-
Public safety	3,625,715	-	3,625,715	-
Unrestricted	4,805,205	3,226,160	8,031,365	45,101
Total net assets	\$ 69,355,471	\$ 3,862,838	\$ 73,218,309	\$ 45,101

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ 4,503,356	\$ 2,254,399	\$ 91,588	-	\$ (2,157,369)	\$ -	(2,157,369)
Judicial	630,881	2,040,382	-	-	1,409,501	-	1,409,501
Public safety	10,583,333	314,151	852,195	2,238,542	(7,178,445)	-	(7,178,445)
Health and welfare	144,708	-	-	-	(144,708)	-	(144,708)
Public works	4,116,124	-	563,203	588,917	(2,964,004)	-	(2,964,004)
Housing and development	1,147,220	234,665	-	-	(912,555)	-	(912,555)
Culture and recreation	1,132,943	226,520	-	-	(906,423)	-	(906,423)
Interest & fiscal charges on long-term debt	789,110	-	-	-	(789,110)	-	(789,110)
Total governmental activities	23,047,675	5,070,117	1,506,986	2,827,459	(13,643,113)	-	(13,643,113)
Business-type activities:							
Water and Sewer	3,412,766	3,760,796	-	-	-	348,030	348,030
Total business-type activities	3,412,766	3,760,796	-	-	-	348,030	348,030
Total Primary Government	\$ 26,460,441	\$ 8,830,913	\$ 1,506,986	\$ 2,827,459	\$ (13,643,113)	\$ 348,030	\$ (13,295,083)
Component Unit	\$ 192,656	\$ -	\$ 120,000	\$ -			\$ (72,656)

General revenues:							
Property taxes	6,421,627						6,421,627
Sales and use taxes	5,768,997						5,768,997
Hotel, motel tax	1,273,757						1,273,757
Franchise taxes	1,914,034						1,914,034
Insurance premium tax	1,112,466						1,112,466
Alcohol taxes	1,145,592						1,145,592
Miscellaneous	281,066					221	281,066
Unrestricted investment earnings	59,994					(45,000)	60,215
Transfers	45,000						-
Total general revenues and transfers	18,022,533					(44,779)	17,977,754
Change in net assets	4,379,420					303,251	4,682,671
Net assets - beginning, before restatement	65,272,075					3,559,587	68,831,662
Restatement	(296,024)					-	(296,024)
Net assets - beginning, after restatement	64,976,051					3,559,587	68,535,638
Net assets - ending	\$ 69,355,471					\$ 3,862,838	\$ 73,218,309

See accompanying notes to financial statements.

CITY OF DOUGLASVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Confiscated Assets	Multiple Grant	SPLOST	Police Station	Other Governmental Funds	Total Governmental Funds
Assets							
Cash	\$ 4,010,945	\$ 1,866,816	\$ -	\$ -	\$ 9,822,858	\$ 1,363,012	\$ 17,063,631
Receivables, net:							
Taxes	309,608	-	-	-	-	-	309,608
Other	1,048,304	27,027	1,472,406	-	15,189	453,193	3,016,119
Due from other funds	694,405	-	-	-	-	-	694,405
Due from other governments	398,323	-	-	1,389,795	-	-	1,788,118
Inventories	22,679	-	-	-	-	-	22,679
Investments	5,026,956	1,739,163	-	-	4,500,000	-	11,266,119
Prepaid items	112,167	-	-	-	-	29	112,196
Total assets and other debits	\$ 11,623,387	\$ 3,633,006	\$ 1,472,406	\$ 1,389,795	\$ 14,338,047	\$ 1,816,234	\$ 34,272,875
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ 740,477	\$ 7,291	\$ 117,980	\$ 640,022	\$ 1,490,817	\$ 187,309	\$ 3,183,896
Accrued liabilities	387,582	-	6,465	-	-	7,205	401,252
Retainage payable	-	-	-	102,973	799,095	-	902,068
Deferred revenue	835,592	-	-	1,175,173	-	412,047	2,422,812
Due to other funds	-	-	1,455,846	1,169,817	-	944,821	3,570,484
Total liabilities	1,963,651	7,291	1,580,291	3,087,985	2,289,912	1,551,382	10,480,512
Fund balances:							
Reserved for:							
Inventories	22,679	-	-	-	-	-	22,679
Prepays	112,167	-	-	-	-	29	112,196
Unreserved-undesignated, reported in:							
General fund	9,524,890	-	-	-	-	-	9,524,890
Capital projects funds	-	-	-	(1,698,190)	12,048,135	(218,063)	10,131,882
Special revenue funds	-	3,625,715	(107,885)	-	-	482,886	4,000,716
Total fund balances	9,659,736	3,625,715	(107,885)	(1,698,190)	12,048,135	264,852	23,792,363
Total liabilities and fund balances	\$ 11,623,387	\$ 3,633,006	\$ 1,472,406	\$ 1,389,795	\$ 14,338,047	\$ 1,816,234	
Amounts reported for governmental activities in the statement of net assets are different because:							
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.							81,416,481
Revenue earned but unavailable is not reported in the funds.							2,387,573
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:							
Unamortized bond costs							782,528
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:							
Net OPEB obligation							(2,889,007)
Unmatured bonds payable							(32,708,895)
Unamortized premium							(557,702)
Capital leases payable							(2,135,476)
Accrued compensated absences							(732,394)
Net assets of governmental activities							\$ 69,355,471

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Confiscated Assets	Multiple Grant	SPLOST	Police Station	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 14,492,649	\$ -	\$ -	\$ -	\$ -	\$ 1,273,757	\$ 15,766,406
Charges for services	521,885	-	-	-	-	137,897	659,782
Licenses and permits	1,800,170	-	-	-	-	-	1,800,170
Fines and forfeitures	1,946,911	738,047	-	-	-	-	2,684,958
Intergovernmental	7,900	-	2,368,615	923,785	-	185,938	3,486,238
Investment earnings	116,671	112,323	-	-	55,506	1,776	286,276
Miscellaneous revenue	327,267	-	-	-	-	785,464	1,112,731
Total revenues	19,213,453	850,370	2,368,615	923,785	55,506	2,384,832	25,796,561
Expenditures:							
Current:							
General government	3,836,292	-	-	-	-	145,665	3,981,957
Judicial	583,930	-	-	-	-	-	583,930
Public safety	8,818,207	373,840	2,477,248	-	-	13,243	11,682,538
Public works	1,811,247	-	-	-	-	-	1,811,247
Culture and recreation	1,051,507	-	-	-	-	712,960	1,764,467
Housing and development	989,040	-	-	-	-	-	989,040
Capital Projects	-	-	-	2,651,250	8,021,927	2,247,562	12,920,739
Debt Service							
Principal, interest, and fees	1,350,383	-	-	-	442,275	845,843	2,638,501
Total expenditures	18,440,606	373,840	2,477,248	2,651,250	8,464,202	3,965,273	36,372,419
Excess (deficiency) of revenues over expenditures	772,847	476,530	(108,633)	(1,727,465)	(8,408,696)	(1,580,441)	(10,575,858)
Other financing sources (uses):							
Insurance recoveries	-	-	-	-	-	71,688	71,688
Transfers in	561,073	4,179	-	-	-	1,200,506	1,765,758
Long term debt issued	-	-	-	-	23,000,000	-	23,000,000
Premium on long term debt issued	-	-	-	-	584,491	-	584,491
Transfers out	(239,145)	-	-	-	-	(1,481,613)	(1,720,758)
Total other financing sources (uses)	321,928	4,179	-	-	23,584,491	(209,419)	23,701,179
Net change in fund balance	1,094,775	480,709	(108,633)	(1,727,465)	15,175,795	(1,789,860)	13,125,321
Fund balance at beginning of year, before restatement	8,860,985	3,145,006	748	29,275	(3,127,660)	2,054,712	10,963,066
Restatement	(296,024)	-	-	-	-	-	(296,024)
Fund balance at beginning of year, after restatement	8,564,961	3,145,006	748	29,275	(3,127,660)	2,054,712	10,667,042
Fund balance at end of year	\$ 9,659,736	\$ 3,625,715	\$ (107,885)	\$ (1,698,190)	\$ 12,048,135	\$ 264,852	\$ 23,792,363

See accompanying notes to 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, 2010**

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

Net change in fund balances - total governmental funds		\$ 13,125,321
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense	(2,069,248)	
Capital outlays	<u>14,989,451</u>	12,920,203
The net effect of miscellaneous transactions involving capital assets (sales) is to decrease net assets		(25,411)
The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,740,128
Pension contributions in deficiency of annual actuarial costs are not recorded as expenses in the governmental funds		(42,402)
OPEB contributions in deficiency of annual actuarial costs are not recorded as expenses in the governmental funds		(1,396,434)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.		(23,000,000)
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets.		1,150,250
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Bond issue costs	442,275	
Premium on bonds issued	<u>(584,491)</u>	(142,216)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Accrued interest expense	107,917	
Accrued compensated absences	(28,658)	
Amortization of bond costs and deferred charges	<u>(29,278)</u>	<u>49,981</u>
Change in net assets of governmental activities		<u><u>\$ 4,379,420</u></u>

**CITY OF DOUGLASVILLE, GEORGIA
BALANCE SHEET
PROPRIETARY FUND
JUNE 30, 2010**

<u>ASSETS</u>		<u>Sanitation Enterprise Fund</u>
Current assets:		
Cash		\$ 306,121
Receivables, net		436,713
Due from other funds		2,876,079
Prepaid expenses		18,707
Total current assets		<u>3,637,620</u>
Noncurrent assets		
Property, plant and equipment, net		<u>636,678</u>
Total assets		<u><u>\$ 4,274,298</u></u>
 <u>LIABILITIES AND FUND EQUITY</u> 		
Current liabilities:		
Accounts payable		\$ 344,573
Accrued liabilities		25,527
Compensated absences		36,810
Total current liabilities		<u>406,910</u>
Long-term liabilities (net of current portion):		
Compensated absences		<u>4,550</u>
Total liabilities		<u>411,460</u>
Fund equity:		
Invested in capital assets, net of related debt		636,678
Unrestricted		3,226,160
Total fund equity		<u>3,862,838</u>
Total liabilities and fund equity		<u><u>\$ 4,274,298</u></u>

See accompanying notes to financial statements.

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Sanitation Enterprise Fund</u>
Operating revenues:	
Charges for services	\$ 3,760,796
Total operating revenues	<u>3,760,796</u>
Operating expenses:	
Personal services and employee benefits	1,095,459
Contracted services	1,828,568
Other operating expenses	356,789
Depreciation	131,950
Total operating expenses	<u>3,412,766</u>
Operating income	<u>348,030</u>
Nonoperating revenues (expenses):	
Interest income	221
Total nonoperating revenues (expenses)	<u>221</u>
Income (loss) before transfers	<u>348,251</u>
Transfers out	<u>(45,000)</u>
Change in fund equity	303,251
Total fund equity, beginning	<u>3,559,587</u>
Total fund equity, ending	<u><u>\$ 3,862,838</u></u>

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Sanitation Enterprise Fund
Cash flows from (to) operating activities:	
Cash received from customers	\$ 3,570,207
Cash payments to suppliers for goods and services	(3,402,422)
Cash payments for employee services and fringe benefits	<u>(1,094,307)</u>
Net cash from (to) operating activities	<u>(926,522)</u>
Cash flows from (to) noncapital financing activities:	
Transfers out	<u>(45,000)</u>
Net cash from (to) noncapital financing activities	<u>(45,000)</u>
Cash flows from (to) investing activities:	
Interest earned on assets	<u>221</u>
Net cash from (to) investing activities	<u>221</u>
Net increase (decrease) in cash	(971,301)
Cash at beginning of year	<u>1,277,422</u>
Cash at end of year	<u><u>\$ 306,121</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 348,030
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	131,950
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(190,589)
(Increase) decrease in due from other funds	(1,461,290)
(Increase) decrease in prepaid expenses	19,353
Increase (decrease) in accounts payable	269,872
Increase (decrease) in due to other funds	(45,000)
Increase (decrease) in accrued liabilities	(4,838)
Increase (decrease) in compensated absences	<u>5,990</u>
Net cash from operating activities	<u><u>\$ (926,522)</u></u>

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2010**

	<u>Beneficiary Fund</u>
Assets:	
Current assets:	
Cash	<u>\$ 37,450</u>
Total assets	<u><u>\$ 37,450</u></u>
Liabilities	
Due to other governments and individuals	<u>\$ 37,450</u>
Total liabilities	<u><u>\$ 37,450</u></u>

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The accounting methods and procedures adopted by the City of Douglasville, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was created in 1937 and operates under an elected Mayor/Council form of government. The City's major operations included public safety, culture-recreation, water and sewer services, highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of the City of Douglasville (the primary government) and its component units. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14. "The Financial Reporting Entity", the financial statements of the component units have been included as either a blended component unit or a discretely presented component unit. The fiscal year end of the component units is June 30. The component units do not issue separate Component Unit Financial Statements. A brief description of the component units is as follows:

Blended Component Units: The Douglasville Convention and Conference Center Authority was organized to issue bonds to develop and promote commerce, industry and general welfare with the City. The City appoints the Authority's board members and has contractually obligated itself to use its taxing power to guarantee repayment of principal and interest on certain revenue bonds issued by the Authority; therefore, the Authority is fiscally dependent and is purely a financing authority of the City. The Authority is presented as a capital projects fund.

The Douglasville Public Purpose 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 have contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Corporation; therefore, the Corporation is fiscally dependent and is purely a financing authority of the City. The Corporation is presented as a capital projects fund.

Discretely Presented Component Units: The City of Douglasville Development Authority was created by the City as a separate legal entity by an act of the state legislature 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. The Authority is fiscally dependent upon the City because the City Council has the sole authority to levy taxes for the Authority.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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. The City's net assets are reported in three parts -invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when a payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Confiscated Assets Fund – The Confiscated Assets Fund accounts for money received from cash confiscations or sales of confiscated assets.

Multiple Grant Fund – The Multiple Grant Fund accounts for money received from grants.

SPLOST Fund - The City’s SPLOST Fund is used to account for financial resources to be used for SPLOST projects.

Police Station Fund - The Police Station fund accounts for the construction of a police station funded by bond proceeds.

The government reports the following major proprietary fund:

The Sanitation accounts for the operations of providing sanitation to the residents of the City.

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City’s special revenue funds account for financial resources related to the operations of the Douglasville Downtown Conference Center, hotel/motel taxes, grants, and rental car excise taxes.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Agency Fund – The Agency fund accounts for the collection and disbursement of monies by the Municipal Court on behalf of other entities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are charges between the government’s water, sewer, sanitation and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General Fund and Special Revenue Funds. Project length budgets are adopted for the Capital Project Funds.

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 and Finance Committee.
2. A public hearing on the budget is held.
3. The budget is then legally enacted through a passage of an ordinance.
4. The 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's Manager may make transfers of appropriations within a department without prior approval of the City Council if it is not capital related and is less than \$5,000. Transfers of appropriations between departments require the approval of the Mayor and City Council.

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end are not reported as reservations of fund balances because the commitments will be reappropriated as part of next year's budget.

E. Cash and Investments

For the purpose of the statement of cash flows, cash and cash equivalents include restricted and unrestricted amounts in demand accounts and all highly liquid investments with a maturity of three months or less when purchased.

Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations,

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. See note (2) for additional information regarding Cash and Investments.

F. Short-Term/Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories consist of expendable supplies held for consumption and items needed for repairs or improvements. The consumption method is used to account for inventories.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective in the first year of implementing GASB No. 34. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The City implemented the retroactive infrastructure provisions for all previous infrastructure assets.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalized threshold for capital assets is \$5,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on an estimated useful life as follows:

Buildings and Improvements	50 years
Vehicles, machinery, furniture and equipment	5-15 years
Infrastructure and improvements	30 years
Other improvements	20-50 years

J. Compensated Absences

Accumulated unpaid vacation pay and comp time amounts are accrued when incurred by the City in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

L. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

M. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) DEPOSITS AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City reduces its exposure to this risk by requiring deposits of public funds to be collateralized in accordance with State law. As of June 30, 2010, deposits of public funds totaling \$4,339 were uninsured and uncollateralized and confiscated asset funds totaling \$164,467 were uninsured and uncollateralized.

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of June 30, 2010, none of the government's investments were exposed to custodial credit risk.

Investments of the City were comprised entirely of certificates of deposits.

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City does not have a formal policy for credit risk beyond the types of investments authorized by state statute.

(3) RECEIVABLES

Receivables at June 30, 2010 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 309,608	\$ -	\$ 2,786,027	\$ (1,737,723)	\$ 1,357,912
Police Station Fund	-	-	15,189	-	15,189
Multiple Grant Fund	-	-	1,472,406	-	1,472,406
Confiscated Assets Fund	-	-	27,027	-	27,027
Nonmajor Governmental Funds	-	-	548,453	(95,260)	453,193
Sanitation Fund	-	475,887	-	(39,174)	436,713
Total	\$ 309,608	\$ 475,887	\$ 4,849,102	\$ (1,872,157)	\$ 3,762,440

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

(4) DUE FROM OTHER GOVERNMENTS

Due From Other Governments at June 30, 2010 consist of the following:

	State of Georgia Department of Revenue	State of Georgia Department of Transportation	Douglas County	Total
General Fund	\$ 398,323	\$ -	\$ -	\$ 398,323
SPLOST	-	133,447	1,256,348	1,389,795
	<u>\$ 398,323</u>	<u>\$ 133,447</u>	<u>\$ 1,256,348</u>	<u>\$ 1,788,118</u>

(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans receivable are considered "available spendable resources."

Such balances at June 30, 2010 include Due from (to) and are summarized as follows:

PAYABLE FROM	RECEIVABLE TO		
	General Fund	Sanitation Fund	Total
SPLOST Fund	\$ -	\$ 1,169,817	\$ 1,169,817
Multiple Grant Fund		1,455,846	1,455,846
Nonmajor Governmental Funds	694,405	250,416	944,821
Total	<u>\$ 694,405</u>	<u>\$ 2,876,079</u>	<u>\$ 3,570,484</u>

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds.

Interfund transfers for the current year were as follows:

TRANSFER IN TO	TRANSFER OUT FROM			Total
	General Fund	Nonmajor Governmental Funds	Sanitation Fund	
General Fund	\$ -	\$ 516,073	\$ 45,000	\$ 561,073
Confiscated Assets Fund	313,263	4,179	-	317,442
Nonmajor Governmental Funds	239,145	648,098	-	887,243
Total	<u>\$ 552,408</u>	<u>\$ 1,168,350</u>	<u>\$ 45,000</u>	<u>\$ 1,765,758</u>

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisition or in accordance with budgetary authorizations.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

(6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,639,530	\$ 33,735	\$ -	\$ 28,673,265
Construction in progress	2,193,593	12,170,477	-	14,364,070
Total capital assets not being depreciated	<u>30,833,123</u>	<u>12,204,212</u>	<u>-</u>	<u>43,037,335</u>
Capital assets, being depreciated:				
Infrastructure	90,128,729	-	-	90,128,729
Buildings	16,729,143	20,952	-	16,750,095
Other improvements	5,795,131	-	-	5,795,131
Machinery, equipment and vehicles	11,593,315	2,764,287	(466,211)	13,891,391
Total capital assets being depreciated	<u>124,246,318</u>	<u>2,785,239</u>	<u>(466,211)</u>	<u>126,565,346</u>
Less accumulated depreciation for:				
Infrastructure	(75,428,650)	(501,647)	-	(75,930,297)
Buildings	(2,572,071)	(346,190)	-	(2,918,261)
Other improvements	(687,957)	(150,917)	-	(838,874)
Machinery, equipment and vehicles	(7,869,073)	(1,070,494)	440,799	(8,498,768)
Total accumulated depreciation	<u>(86,557,751)</u>	<u>(2,069,248)</u>	<u>440,799</u>	<u>(88,186,200)</u>
Total capital assets being depreciated, net	<u>37,688,567</u>	<u>715,991</u>	<u>(25,412)</u>	<u>38,379,146</u>
Governmental activities capital assets, net	<u>\$ 68,521,690</u>	<u>\$ 12,920,203</u>	<u>\$ (25,412)</u>	<u>\$ 81,416,481</u>
Business-type activities:				
Capital assets, being depreciated:				
Vehicles	\$ 1,164,409	\$ -	\$ -	\$ 1,164,409
Machinery and equipment	527,768	-	-	527,768
Total capital assets being depreciated	<u>1,692,177</u>	<u>-</u>	<u>-</u>	<u>1,692,177</u>
Less accumulated depreciation for:				
Vehicles	(679,181)	(108,857)	-	(788,038)
Machinery and equipment	(244,368)	(23,093)	-	(267,461)
Total accumulated depreciation	<u>(923,549)</u>	<u>(131,950)</u>	<u>-</u>	<u>(1,055,499)</u>
Total capital assets being depreciated, net	<u>768,628</u>	<u>(131,950)</u>	<u>-</u>	<u>636,678</u>
Business-type activities capital assets, net	<u>\$ 768,628</u>	<u>\$ (131,950)</u>	<u>\$ -</u>	<u>\$ 636,678</u>

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

Governmental activities:	
General government	\$ 502,029
Public safety	568,802
Public works, including depreciation of general infrastructure	495,584
Health and welfare	144,708
Housing and development	46,332
Culture and recreation	<u>311,793</u>
Total depreciation expense - governmental activities	<u>\$ 2,069,248</u>
Business-type activities:	
Sanitation	<u>\$ 131,950</u>

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

(7) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds	\$ 10,690,004	\$ 23,000,000	\$ (981,109)	\$ 32,708,895	\$ 1,172,464
Premium	-	584,491	(26,789)	557,702	-
Interest rate swap	-	589,424	-	589,424	-
Capital leases	2,304,617	-	(169,141)	2,135,476	176,245
Net OPEB obligation	1,492,573	1,641,384	(244,950)	2,889,007	-
Compensated absences	703,737	642,071	(613,414)	732,394	651,843
Governmental activities long-term liabilities	<u>\$ 15,190,931</u>	<u>\$ 26,457,370</u>	<u>\$ (2,035,403)</u>	<u>\$ 39,612,898</u>	<u>\$ 2,000,552</u>
Business-type activities:					
Compensated absences	\$ 35,370	\$ 41,208	\$ (35,218)	\$ 41,360	\$ 36,810
Business-type activities long-term liabilities	<u>\$ 35,370</u>	<u>\$ 41,208</u>	<u>\$ (35,218)</u>	<u>\$ 41,360</u>	<u>\$ 36,810</u>

For governmental activities, compensated absences are typically liquidated in the general fund. For business type activities compensated absences are liquidated in the Sanitation Fund.

Governmental Activities:

General Obligation

General Obligation bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2010:

\$7,253,713 Series 2005 Douglasville Public Purpose Corporation Authority bonds, serviced through lease payments from the City, due in annual installments commencing September 2, 2005 of \$19,062 to \$478,306 through April 1, 2026, bond interest at a variable rate (\$6,213,895 outstanding). The bonds were issued to finance the cost of constructing a public service building. When the bonds were issued, the City entered into an interest rate swap transaction with a hedge provider. The fair value balance of the City's derivative instruments outstanding at June 30, 2010, was (\$589,424). The notional amount of the City's derivative instruments was \$6,213,895 as of June 30, 2010. The fair values were estimated using a proprietary pricing models based on past, present, and estimated future market conditions. As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance in 2005, the City entered into an interest rate swap in connection with the variable-rate bonds. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 4.11 percent. The swap counterparty was rated A by Standard & Poor's. The bonds and the related swap agreement mature on April 1, 2026. Under the swap, the City pays the counterparty a fixed payment of 4.11 percent and receives a variable payment based on the one month USA-LIBOR-BBA plus 1.15%. The bond's variable-rate coupons are based on the one month USA-LIBOR-BBA plus 1.15%. At June 30, 2010, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the derivative's fair value. The City is exposed to interest rate risk. As the LIBOR rate

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

decreases, the City's net payment on the swap increases. The City is exposed to basis risk because the variable-rate payments received by the City on the hedging derivative instrument are based on a index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed weekly. The City or the counterparty may terminate the derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability.

\$23,000,000 Series 2009 Douglasville Police Station Authority bonds, serviced through lease payments from the City, due in annual installments commencing February 1, 2010 of \$645,000 to \$1,680,000 through February 1, 2029; interest at 2.0 to 5.0 percent (\$22,355,000 outstanding). The bonds were issued to finance the cost of the acquisition, construction and furnishing of a facility to house public safety and municipal courts operations.

Revenue Bonds

Revenue bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2010:

\$4,325,000 Series 2005 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing December 1, 2005 of \$60,000 to \$300,000 through December 1, 2035; interest at 5.95 percent (\$4,140,000 outstanding). The bonds were issued to construct a golf course. The following is a schedule of the future payments on outstanding Governmental Activities bonds as of June 30, 2010:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,172,464	\$ 1,385,760	\$ 2,558,224
2012	1,213,855	1,344,705	2,558,560
2013	1,262,031	1,310,535	2,572,566
2014	1,304,461	1,270,545	2,575,006
2015	1,357,841	1,224,581	2,582,422
2016-2020	7,660,106	5,282,186	12,942,292
2021-2025	9,474,831	3,432,346	12,907,177
2026-2030	7,708,306	1,369,892	9,078,198
2031-2035	1,255,000	321,598	1,576,598
2036	300,000	17,850	317,850
Total	<u>\$ 32,708,895</u>	<u>\$ 16,959,998</u>	<u>\$ 49,668,893</u>

Capital Leases

The City leases certain equipment with costs totaling \$4,658,373. The interest rates for the leases are 4.05% - 4.24%. The leases qualify as capital leases.

The following is a schedule of the future payments on outstanding Governmental Activities capital leases as of June 30, 2010:

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Year Ending June 30,	Principal	Interest	Total
2011	\$ 176,245	\$ 89,714	\$ 265,959
2012	183,650	82,310	265,960
2013	191,160	74,800	265,960
2014	199,395	66,565	265,960
2015	207,771	58,188	265,959
2016-2020	1,177,255	152,564	1,329,819
Total	<u>\$ 2,135,476</u>	<u>\$ 524,141</u>	<u>\$ 2,659,617</u>

(8) PROPERTY TAXES

Douglas County Georgia bills and collects real and personal property taxes for the City. Ad valorem tax on motor vehicles and mobile homes is collected by the Douglas County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in October of each year on the assessed valuation of property as of the preceding January 1. Taxes were levied on October 15, 2009. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 60 days after the tax bill mailing. At that later date, generally mid-December, the bill becomes delinquent, subject to lien, and penalties and interest may be assessed by the City. Assessed values are established by the Douglas County Tax Assessor's office and are currently calculated at 40% of the market value.

(9) EMPLOYEE RETIREMENT SYSTEM

The City contributes to the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions and all other requirements are established by the System and the Adoption Agreement executed by the City.

All City employees are eligible to participate in the System upon completion of one year of service; elected officials have no waiting period for eligibility. Benefits vest after completing five years of service. Elected officials are immediately vested.

Normal retirement age is 65 with 5 years of credited service. A reduced benefit is payable at age 55 with 10 years of service. An early unreduced benefit is payable after achieving the Rule of 75 (minimum age of 55 plus years of service to equal 75).

The January 1, 2009 valuation is used to determine the recommended contribution for the fiscal year 2010. During the plan year, total pension contributions were \$1,442,100. The City's payroll for employees covered by the System's defined benefit plan was \$8,083,208 as of January 1, 2010. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75% a year, (b) projected salary increases of 3.5% a year, (c) additional projected salary increases attributable to seniority or merit, (d) cost of living adjustments of 3.5% a year, and (e) no post retirement benefit increases.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The City makes all contributions to the plan. Employees are not required to contribute to the plan. Contributions are determined under the projected unit credit actuarial cost method and the asset valuation method (roll forward prior years actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains (losses) during 10 prior years).

The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Employer contributions represented 17.8% of current year covered payroll and were in accordance with actuarial recommendations. The contribution requirement was \$1,442,100.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)	Annual Amount Contributed
6/30/10	\$ 1,484,502	97%	\$ -	\$ 1,442,100
6/30/09	954,780	98%	(42,402)	932,764
6/30/08	810,263	100%	(64,418)	808,642

The following table shows the components of the City's annual pension cost for the year, the amount actually contributed to the plan, and changes in the net pension obligation (asset):

Annual required contribution	\$ 1,442,100
Interest on net pension asset	42,402
Annual pension cost	<u>1,484,502</u>
Contributions made	<u>(1,442,100)</u>
Decrease in net pension asset	42,402
Net pension obligation (asset), beginning of year	<u>(42,402)</u>
Net pension obligation (asset), end of year	<u>\$ -</u>

The following is the funding status of the Plan as of the most recent valuation date:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/10	\$ 18,945,505	\$ 18,194,052	\$ (751,453)	104.1%	\$ 8,083,208	-9.3%

The Schedule of Funding Progress presented as required supplemental information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The Georgia Municipal Employee Benefit System issues a publicly available financial report. That report may be obtained by writing to:

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Georgia Municipal Association
Risk Management and Employee Benefit Service
201 Pryor Street, SW
Atlanta, Georgia 30303

(10) POST EMPLOYMENT HEALTH CARE PLAN

The City implemented GASB 45 prospectively during the year ended June 30, 2009.

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee post employment health care plan system that acts as a common investment and administrative agent for cities in the state of Georgia. All of the City's employees may become eligible for post employment healthcare benefits if they retire on or after the age of 55 with at least 20 years of service. As of January 1, 2009, there were 39 retirees eligible for the benefits and 221 active participants. The benefit provisions and all other requirements are established by the System and the Adoption Agreement executed by the City. The City has the authority to establish and amend benefit provisions.

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. The plan is financed on a pay-as-you-go basis. During the fiscal year 2010, the City contributed \$244,950 to the plan. The cost of benefits for retirees is paid entirely by the City.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)	Annual Amount Contributed
6/30/10	\$ 1,641,384	15%	\$ 2,889,007	\$ 244,950
6/30/09	1,700,611	12%	1,492,573	208,038

The following is the funding status of the Plan as of the most recent valuation date:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/09	\$ -	\$ 12,403,797	\$ 12,403,797	0.0%	\$ 8,340,917	148.7%

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a thirty year period. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Annual required contribution	\$ 1,700,611
Interest on net OPEB obligation	59,703
Adjustment to annual required contribution	<u>(118,930)</u>
Annual OPEB cost	1,641,384
Contributions made	<u>(244,950)</u>
(Increase) decrease in net OPEB obligation	1,396,434
Net OPEB obligation, beginning of year	<u>1,492,573</u>
Net OPEB obligation, end of year	<u><u>\$ 2,889,007</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a thirty year period. The schedule of funding progress, presented above, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation date	1/2009
Actuarial cost method	Projected unit credit with benefits attributed From date of hire to date of decrement
Amortization method	Level dollar closed
Remaining amortization period	24 years as of July 1, 2009
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	4%
Medical and Drug Costs	9.00% graded to 5.00% over 8 years
Dental Cost trend rate	7.00% graded to 5% over 4 years

The Georgia Municipal Employee Benefit System issues a publicly available financial report. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Service, 201 Pryor Street, SW., Atlanta, Georgia 30303.

(11) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

To select a person to serve as a Member representative.

To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

To allow attorneys appointed by GIRMA 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 Fund or Funds established by GIRMA.

To assist and cooperate in the defense and settlement of claims against the City.

To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.

To follow all loss reduction and prevention procedures established by GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Group Self Insurance Workers'

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Compensation Fund whereby the risk is pooled with other entities.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, 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 Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

(12) JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the ten county Atlanta region is a member of the Atlanta Regional Commission (ARC). Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the officials of political subdivisions and private citizens representing districts with the Atlanta region. OCGA 50-8-39.1 provides that certain member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from the Atlanta Regional Commission, 40 Courtland Street, NE, Atlanta, Georgia 30303.

(13) COMMITMENTS AND CONTINGENCIES

Litigation: The City is involved in various claims and matters of litigation which, in the opinion of the City Attorney, the potential claims against the City by insurance resulting from such litigation would not materially affect the financial statements of the City.

Grant Contingencies: The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to disallowance of certain expenditures previously reimbursed by those agencies.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

(14) FUND BALANCE/NET ASSETS (DEFICIT)

Multiple Grant Fund	<u>\$ (107,885)</u>
SPLOST fund	<u>\$ (1,698,190)</u>
GEMA Flood Fund	<u>\$ (250,416)</u>
Conference Center Fund	<u>\$ (721,385)</u>
Bright Star Connector	<u>\$ (63,988)</u>

Deficits in the Multiple Grant Fund, SPLOST Fund, and GEMA Flood Fund will be funded by future intergovernmental revenues. Deficits in the Conference Center Fund and the Bright Start Connector Fund will be funded by transfers from the General Fund.

(15) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2010:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund:			
General Government:			
Building and grounds:			
Other operating expenditures	\$ 57,350	\$ 57,425	\$ (75)
Engineering:			
Personal services	236,269	237,184	(915)
Multiple Grant Fund	165,014	327,299	(162,285)
Public safety			

(16) RESTATEMENT

Net assets in the Governmental Activities column in the Government Wide Statements and fund balance of the General fund in the Governmental fund statements have been restated to correct local option sales tax revenues that were overstated in the prior year. Below is a summary of restated accounts.

	<u>Governmental Activities</u>	<u>General Fund</u>
Net assets/fund balance as previously reported	\$ 65,272,075	\$ 8,860,985
Restatement	(296,024)	(296,024)
Net assets/fund balance as adjusted	<u>\$ 64,976,051</u>	<u>\$ 8,564,961</u>
Net change in net assets/fund balance as previously reported for FY09	\$ 1,269,742	\$ 1,004,284
Effect of restatement	(296,024)	(296,024)
Net change in net assets/fund balance as restated for FY09	<u>\$ 973,718</u>	<u>\$ 708,260</u>

**CITY OF DOUGLASVILLE, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS**

Retirement Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/10	\$ 18,945,505	\$ 18,194,052	\$ (751,453)	104.1%	\$ 8,083,208	-9.3%
01/01/09	14,609,394	19,481,401	4,872,007	75.0%	7,685,037	63.4%
01/01/08	16,743,892	17,914,829	1,170,937	93.5%	6,826,261	17.2%

OPEB Health Care Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/09	\$ -	\$ 12,403,797	\$ 12,403,797	0.0%	\$ 8,340,917	148.7%

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 12,763,461	\$ 14,239,434	\$ 14,492,649	\$ 253,215
Charges for services	613,806	560,466	521,885	(38,581)
Licenses and permits	1,764,179	1,763,350	1,800,170	36,820
Fines and forfeitures	1,769,000	2,029,232	1,946,911	(82,321)
Intergovernmental revenues	15,000	15,000	7,900	(7,100)
Investment earnings	165,000	165,000	116,671	(48,329)
Miscellaneous revenue	38,277	56,338	327,267	270,929
Total revenues	17,128,723	18,828,820	19,213,453	384,633
Expenditures:				
Current:				
General government				
Mayor and council				
Personal services	212,277	212,277	202,486	9,791
Other operating expenditures	96,623	92,201	51,520	40,681
	<u>308,900</u>	<u>304,478</u>	<u>254,006</u>	<u>50,472</u>
Clerk of Council				
Personal services	66,481	70,154	70,154	-
Other operating expenditures	31,488	38,179	35,089	3,090
	<u>97,969</u>	<u>108,333</u>	<u>105,243</u>	<u>3,090</u>
City Manager				
Personal services	256,791	256,791	238,000	18,791
Other operating expenditures	108,457	114,654	71,179	43,475
	<u>365,248</u>	<u>371,445</u>	<u>309,179</u>	<u>62,266</u>
Financial administration				
Personal services	435,708	435,708	431,848	3,860
Other operating expenditures	164,406	164,406	154,539	9,867
Capital outlay	3,000	3,000	2,298	702
	<u>603,114</u>	<u>603,114</u>	<u>588,685</u>	<u>14,429</u>
Legal				
Personal services	111,715	111,715	109,421	2,294
Other operating expenditures	42,025	78,025	61,127	16,898
	<u>153,740</u>	<u>189,740</u>	<u>170,548</u>	<u>19,192</u>
Information services				
Personal services	181,146	193,248	186,667	6,581
Other operating expenditures	431,525	419,423	351,353	68,070
	<u>612,671</u>	<u>612,671</u>	<u>538,020</u>	<u>74,651</u>
Human resources				
Personal services	141,764	142,729	142,729	-
Other operating expenditures	18,335	17,370	10,404	6,966
	<u>160,099</u>	<u>160,099</u>	<u>153,133</u>	<u>6,966</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Building and grounds				
Personal services	67,162	67,162	57,152	10,010
Other operating expenditures	57,350	57,350	57,425	(75)
	<u>124,512</u>	<u>124,512</u>	<u>114,577</u>	<u>9,935</u>
Communications				
Personal services	277,339	277,339	266,126	11,213
Other operating expenditures	82,160	69,716	43,726	25,990
Capital outlay	27,540	39,984	39,984	-
	<u>387,039</u>	<u>387,039</u>	<u>349,836</u>	<u>37,203</u>
Engineering				
Personal services	231,173	236,269	237,184	(915)
Other operating expenditures	15,616	13,616	9,193	4,423
	<u>246,789</u>	<u>249,885</u>	<u>246,377</u>	<u>3,508</u>
General administration				
Personal services	299,731	396,361	396,361	-
Other operating expenditures	896,944	627,543	610,327	17,216
	<u>1,196,675</u>	<u>1,023,904</u>	<u>1,006,688</u>	<u>17,216</u>
Total general government	<u>4,256,756</u>	<u>4,135,220</u>	<u>3,836,292</u>	<u>298,928</u>
Judicial				
Municipal court				
Personal services	275,890	358,856	358,856	-
Other operating expenditures	148,508	230,758	225,074	5,684
Total judicial	<u>424,398</u>	<u>589,614</u>	<u>583,930</u>	<u>5,684</u>
Public safety				
Police				
Personal services	7,302,744	7,184,070	7,139,226	44,844
Other operating expenditures	1,120,049	1,390,490	1,334,349	56,141
Capital outlay	17,650	366,621	344,632	21,989
Total public safety	<u>8,440,443</u>	<u>8,941,181</u>	<u>8,818,207</u>	<u>122,974</u>
Public Works				
Street maintenance				
Personal services	948,310	914,916	875,934	38,982
Other operating expenditures	778,268	811,662	811,662	-
	<u>1,726,578</u>	<u>1,726,578</u>	<u>1,687,596</u>	<u>38,982</u>
Garage				
Personal services	104,002	109,099	109,099	-
Other operating expenditures	43,194	38,097	14,552	23,545
	<u>147,196</u>	<u>147,196</u>	<u>123,651</u>	<u>23,545</u>
Total public works	<u>1,873,774</u>	<u>1,873,774</u>	<u>1,811,247</u>	<u>62,527</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Culture and recreation				
Hunter Park				
Personal services	541,916	541,916	486,849	55,067
Other operating expenditures	414,200	380,934	364,335	16,599
Capital outlay	19,558	19,588	7,639	11,949
	<u>975,674</u>	<u>942,438</u>	<u>858,823</u>	<u>83,615</u>
Jessie Davis Park				
Personal services	159,037	159,037	140,111	18,926
Other operating expenditures	72,062	72,062	52,573	19,489
	<u>231,099</u>	<u>231,099</u>	<u>192,684</u>	<u>38,415</u>
Total culture and recreation	<u>1,206,773</u>	<u>1,173,537</u>	<u>1,051,507</u>	<u>122,030</u>
Housing and development				
Inspections				
Personal services	290,505	293,898	293,898	-
Other operating expenditures	38,078	34,685	22,844	11,841
	<u>328,583</u>	<u>328,583</u>	<u>316,742</u>	<u>11,841</u>
Planning and zoning				
Personal services	156,043	156,043	155,418	625
Other operating expenditures	203,616	203,616	13,674	189,942
	<u>359,659</u>	<u>359,659</u>	<u>169,092</u>	<u>190,567</u>
Code enforcement				
Personal services	199,347	199,347	183,255	16,092
Other operating expenditures	13,632	13,632	11,158	2,474
	<u>212,979</u>	<u>212,979</u>	<u>194,413</u>	<u>18,566</u>
Community development				
Personal services	142,552	144,458	135,364	9,094
Other operating expenditures	252,348	252,337	173,429	78,908
Capital outlay	500	511	-	511
	<u>395,400</u>	<u>397,306</u>	<u>308,793</u>	<u>88,513</u>
Total housing and development	<u>1,296,621</u>	<u>1,298,527</u>	<u>989,040</u>	<u>309,487</u>
Debt Service				
Principal	169,140	1,185,891	814,140	371,751
Interest	96,818	536,245	536,243	2
Total debt service	<u>265,958</u>	<u>1,722,136</u>	<u>1,350,383</u>	<u>371,753</u>
Total expenditures	<u>17,764,723</u>	<u>19,733,989</u>	<u>18,440,606</u>	<u>1,293,383</u>
Excess (deficiency) of revenues over expenditures	<u>(636,000)</u>	<u>(905,169)</u>	<u>772,847</u>	<u>1,678,016</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other financing sources (uses):				
Transfers in	645,000	610,000	561,073	(48,927)
Sale of capital assets	10,000	10,000	-	(10,000)
Transfers out	(20,000)	(239,145)	(239,145)	-
Total other financing sources (uses)	635,000	380,855	321,928	(58,927)
Net change in fund balance	<u>\$ (1,000)</u>	<u>\$ (524,314)</u>	1,094,775	<u>\$ 1,619,089</u>
Fund balance at beginning of year- GAAP basis, before restatement			8,860,985	
Restatement			296,024	
Fund balance at beginning of year- GAAP basis, after restatement			<u>9,157,009</u>	
Fund balance at end of year- GAAP basis			<u>\$ 9,955,760</u>	

**CITY OF DOUGLASVILLE, GEORGIA
 MULTIPLE GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 2,665,014	\$ 2,368,615	\$ (296,399)
Total Revenues	-	2,665,014	2,368,615	(296,399)
Expenditures:				
Current:				
Public safety	-	165,014	327,299	(162,285)
Capital outlay	-	2,500,000	2,149,949	350,051
Total Expenditures	-	2,665,014	2,477,248	187,766
Excess (deficiency) of revenues over expenditures	-	-	(108,633)	(108,633)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(108,633)	<u>\$ (108,633)</u>
Fund balance at beginning of year-GAAP basis			<u>748</u>	
Fund balance at end of year-GAAP basis			<u>\$ (107,885)</u>	

**CITY OF DOUGLASVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Fines and forfeitures	\$ -	\$ 738,047	\$ 738,047	\$ -
Investment earnings	-	112,323	112,323	-
Total Revenues	-	850,370	850,370	-
Expenditures:				
Current:				
Public safety	-	373,840	373,840	-
Total Expenditures	-	373,840	373,840	-
Excess (deficiency) of revenues over expenditures	-	476,530	476,530	-
Other financing sources (uses):				
Transfers in	-	-	4,179	4,179
Net change in fund balance	<u>\$ -</u>	<u>\$ 476,530</u>	480,709	<u>\$ 4,179</u>
Fund balance at beginning of year-GAAP basis			<u>3,145,006</u>	
Fund balance at end of year-GAAP basis			<u>\$ 3,625,715</u>	

**CITY OF DOUGLASVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Special Revenue Funds				
	Conference Center	Hotel/Motel Tax	Youth Against Violence	Convention and Visitors Bureau	Rental Car Tax Fund
ASSETS					
Cash	\$ 373,266	\$ -	\$ 7,027	\$ 100,862	\$ 210,158
Receivables, net:					
Other	32,479	-	-	32,478	11,428
Prepaid items	16	-	-	13	-
Total assets	\$ 405,761	\$ -	\$ 7,027	\$ 133,353	\$ 221,586
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 15,659	\$ -	\$ 300	\$ 11,232	\$ -
Accrued liabilities	4,772	-	-	2,433	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	20,431	-	300	13,665	-
Fund balances:					
Reserved for:					
Prepays	16	-	-	13	-
Unreserved-undesignated	385,314	-	6,727	119,675	221,586
Total fund balance (deficit)	385,330	-	6,727	119,688	221,586
Total liabilities and fund balance	\$ 405,761	\$ -	\$ 7,027	\$ 133,353	\$ 221,586

**CITY OF DOUGLASVILLE, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010**

Capital Projects Funds							Total
GEMA Flood	Convention and Conference Center Authority	West Pines	Conference Center	Fire Station	Bright Star Connector	Public Purpose Corporation	Non-Major Governmental Funds
\$ -	\$ -	\$ 513,962	\$ -	\$ 7,976	\$ 69,085	\$ 80,676	\$ 1,363,012
376,808	-	-	-	-	-	-	453,193
-	-	-	-	-	-	-	29
<u>\$ 376,808</u>	<u>\$ -</u>	<u>\$ 513,962</u>	<u>\$ -</u>	<u>\$ 7,976</u>	<u>\$ 69,085</u>	<u>\$ 80,676</u>	<u>\$ 1,816,234</u>
\$ -	\$ -	\$ -	\$ 26,980	\$ -	\$ 133,073	\$ 65	\$ 187,309
-	-	-	-	-	-	-	7,205
376,808	-	-	-	-	-	35,239	412,047
250,416	-	-	694,405	-	-	-	944,821
<u>627,224</u>	<u>-</u>	<u>-</u>	<u>721,385</u>	<u>-</u>	<u>133,073</u>	<u>35,304</u>	<u>1,551,382</u>
-	-	-	-	-	-	-	29
(250,416)	-	513,962	(721,385)	7,976	(63,988)	45,372	264,823
(250,416)	-	513,962	(721,385)	7,976	(63,988)	45,372	264,852
<u>\$ 376,808</u>	<u>\$ -</u>	<u>\$ 513,962</u>	<u>\$ -</u>	<u>\$ 7,976</u>	<u>\$ 69,085</u>	<u>\$ 80,676</u>	<u>\$ 1,816,234</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, 2010**

	Special Revenue Funds				
	Conference Center	Hotel/Motel Tax	Youth Against Violence	Convention and Visitors Bureau	Rental Car Tax Fund
Revenues:					
Taxes	\$ -	\$ 1,134,171	\$ -	\$ -	\$ 139,586
Charges for services	125,894	-	-	12,003	-
Intergovernmental	-	-	-	-	-
Investment earnings	1,585	-	-	146	-
Miscellaneous revenues	15,950	-	3,775	2,205	-
Total revenues	<u>143,429</u>	<u>1,134,171</u>	<u>3,775</u>	<u>14,354</u>	<u>139,586</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	12,869	-	-
Culture and recreation	313,330	-	-	321,511	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	<u>313,330</u>	<u>-</u>	<u>12,869</u>	<u>321,511</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(169,901)</u>	<u>1,134,171</u>	<u>(9,094)</u>	<u>(307,157)</u>	<u>139,586</u>
Other financing sources (uses):					
Insurance recoveries	-	-	-	-	-
Transfers in	324,049	-	20,000	324,049	-
Transfers out	(10,000)	(1,134,171)	(4,179)	(20,000)	-
Total other financing sources (uses)	<u>314,049</u>	<u>(1,134,171)</u>	<u>15,821</u>	<u>304,049</u>	<u>-</u>
Net change in fund balance	<u>144,148</u>	<u>-</u>	<u>6,727</u>	<u>(3,108)</u>	<u>139,586</u>
Fund balance (deficit) at beginning of year	<u>241,182</u>	<u>-</u>	<u>-</u>	<u>122,796</u>	<u>82,000</u>
Fund balance (deficit) at end of year	<u>\$ 385,330</u>	<u>\$ -</u>	<u>\$ 6,727</u>	<u>\$ 119,688</u>	<u>\$ 221,586</u>

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Capital Projects Funds							Total
GEMA Flood	Convention and Conference Center Authority	West Pines	Conference Center	Fire Station	Bright Star Connector	Public Purpose Corporation	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,273,757
-	-	-	-	-	-	-	137,897
185,938	-	-	-	-	-	-	185,938
-	-	-	-	36	-	9	1,776
457	-	219,757	-	-	-	543,320	785,464
186,395	-	219,757	-	36	-	543,329	2,384,832
-	-	145,665	-	-	-	-	145,665
-	-	-	-	374	-	-	13,243
-	-	-	-	-	-	78,119	712,960
-	313,263	-	-	-	-	532,580	845,843
655,956	-	-	718,611	-	872,995	-	2,247,562
655,956	313,263	145,665	718,611	374	872,995	610,699	3,965,273
(469,561)	(313,263)	74,092	(718,611)	(338)	(872,995)	(67,370)	(1,580,441)
-	-	-	-	-	-	71,688	71,688
219,145	313,263	-	-	-	-	-	1,200,506
-	-	(313,263)	-	-	-	-	(1,481,613)
219,145	313,263	(313,263)	-	-	-	71,688	(209,419)
(250,416)	-	(239,171)	(718,611)	(338)	(872,995)	4,318	(1,789,860)
-	-	753,133	(2,774)	8,314	809,007	41,054	2,054,712
\$ (250,416)	\$ -	\$ 513,962	\$ (721,385)	\$ 7,976	\$ (63,988)	\$ 45,372	\$ 264,852

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
CONFERENCE CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ 130,000	\$ 125,894	\$ (4,106)
Investment earnings	5,000	1,585	(3,415)
Total Revenues	<u>135,000</u>	<u>127,479</u>	<u>(7,521)</u>
Expenditures:			
Current:			
Culture and recreation	<u>320,458</u>	<u>313,330</u>	<u>7,128</u>
Total Expenditures	<u>320,458</u>	<u>313,330</u>	<u>7,128</u>
Excess (deficiency) of revenues over expenditures	<u>(185,458)</u>	<u>(185,851)</u>	<u>(393)</u>
Other financing sources (uses):			
Transfers in	370,000	324,049	(45,951)
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>360,000</u>	<u>314,049</u>	<u>(45,951)</u>
Net change in fund balance	<u>\$ 174,542</u>	128,198	<u>\$ (46,344)</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Miscellaneous revenues		15,950	
Fund balance at beginning of year-GAAP basis		<u>241,182</u>	
Fund balance at end of year-GAAP basis		<u>\$ 385,330</u>	

**CITY OF DOUGLASVILLE, GEORGIA
HOTEL / MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes	\$ 1,275,000	\$ 1,134,171	\$ (140,829)
Total Revenues	<u>1,275,000</u>	<u>1,134,171</u>	<u>(140,829)</u>
Other financing sources (uses):			
Transfers out	<u>(1,275,000)</u>	<u>(1,134,171)</u>	<u>140,829</u>
Total other financing sources (uses)	<u>(1,275,000)</u>	<u>(1,134,171)</u>	<u>140,829</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year-GAAP basis		<u>-</u>	
Fund balance at end of year-GAAP basis		<u>\$ -</u>	

**CITY OF DOUGLASVILLE, GEORGIA
YOUTH AGAINST VIOLENCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Miscellaneous revenues	\$ 3,775	\$ 3,775	\$ -
Total Revenues	<u>3,775</u>	<u>3,775</u>	<u>-</u>
Expenditures:			
Current:			
Public safety	23,775	12,869	10,906
Total Expenditures	<u>23,775</u>	<u>12,869</u>	<u>10,906</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(9,094)</u>	<u>10,906</u>
Other financing sources (uses):			
Transfers in	20,000	20,000	-
Transfers out	<u>-</u>	<u>(4,179)</u>	<u>(4,179)</u>
Total other financing sources (uses)	<u>20,000</u>	<u>15,821</u>	<u>(4,179)</u>
Net change in fund balance	<u>\$ -</u>	6,727	<u>\$ 6,727</u>
Fund balance at beginning of year-GAAP basis		<u>-</u>	
Fund balance at end of year-GAAP basis		<u>\$ 6,727</u>	

**CITY OF DOUGLASVILLE, GEORGIA
CONVENTION AND VISITORS BUREAU SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ 8,000	\$ 12,003	\$ 4,003
Investment earnings	1,200	146	(1,054)
Total Revenues	<u>9,200</u>	<u>12,149</u>	<u>2,949</u>
Expenditures:			
Current:			
Culture and recreation	426,578	321,511	105,067
Total Expenditures	<u>426,578</u>	<u>321,511</u>	<u>105,067</u>
Excess (deficiency) of revenues over expenditures	<u>(417,378)</u>	<u>(309,362)</u>	<u>108,016</u>
Other financing sources (uses):			
Transfers in	370,000	324,049	(45,951)
Transfers out	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>350,000</u>	<u>304,049</u>	<u>(45,951)</u>
Net change in fund balance	<u>\$ (67,378)</u>	<u>(5,313)</u>	<u>\$ 62,065</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Miscellaneous revenues		2,205	
Fund balance at beginning of year-GAAP basis		<u>122,796</u>	
Fund balance at end of year-GAAP basis		<u>\$ 119,688</u>	

**CITY OF DOUGLASVILLE, GEORGIA
 RENTAL CAR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes	\$ 139,586	\$ 139,586	\$ -
Total Revenues	<u>139,586</u>	<u>139,586</u>	<u>-</u>
Expenditures:			
Current:			
Capital outlay	139,586	-	139,586
Total Expenditures	<u>139,586</u>	<u>-</u>	<u>139,586</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>139,586</u>	<u>139,586</u>
Net change in fund balance	<u>\$ -</u>	<u>139,586</u>	<u>\$ 139,586</u>
Fund balance at beginning of year-GAAP basis		<u>82,000</u>	
Fund balance at end of year-GAAP basis		<u>\$ 221,586</u>	

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
BENEFICIARY FUND				
Assets:				
Cash	\$ 21,697	\$ 538,412	\$ 522,659	\$ 37,450
Liabilities:				
Due to other governments and individuals	\$ 21,697	\$ 538,412	\$ 522,659	\$ 37,450

STATISTICAL SECTION

(Unaudited)

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 Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Governmental Activities							
Invested in capital assets, net of related debt	\$ 33,043,038	\$ 30,120,795	\$ 34,002,999	\$ 43,749,967	\$ 53,151,651	\$ 55,527,069	\$ 60,337,266
Restricted	-	321,480	333,076	349,394	362,639	365,659	4,213,000
Unrestricted	1,805,625	9,211,347	9,892,792	12,980,486	10,488,043	9,143,182	4,805,205
Total governmental activities net assets	<u>\$ 34,848,663</u>	<u>\$ 39,653,622</u>	<u>\$ 44,228,867</u>	<u>\$ 57,079,847</u>	<u>\$ 64,002,333</u>	<u>\$ 65,035,910</u>	<u>\$ 69,355,471</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 291,754	\$ 353,353	\$ 517,311	\$ 707,981	\$ 741,194	\$ 768,628	\$ 636,678
Unrestricted	562,948	927,972	1,494,217	2,056,286	2,519,857	2,835,959	3,226,160
Total business-type activities net assets	<u>\$ 854,702</u>	<u>\$ 1,281,325</u>	<u>\$ 2,011,528</u>	<u>\$ 2,764,267</u>	<u>\$ 3,261,051</u>	<u>\$ 3,604,587</u>	<u>\$ 3,862,838</u>
Primary government							
Invested in capital assets, net of related debt	\$ 33,334,792	\$ 30,474,148	\$ 34,520,310	\$ 44,457,948	\$ 53,892,845	\$ 56,295,697	\$ 60,973,944
Restricted	-	321,480	333,076	349,394	362,639	365,659	4,213,000
Unrestricted	2,368,573	10,139,319	11,387,009	15,036,772	13,007,900	11,979,141	8,031,365
Total primary government net assets	<u>\$ 35,703,365</u>	<u>\$ 40,934,947</u>	<u>\$ 46,240,395</u>	<u>\$ 59,844,114</u>	<u>\$ 67,263,384</u>	<u>\$ 68,640,497</u>	<u>\$ 73,218,309</u>

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. Restatement to 2009's ending net assets was made to correct Local Option Sales Tax revenues.

City of Douglasville, Georgia
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities:							
General government	\$ 8,372,757	\$ 3,506,276	\$ 3,693,108	\$ 4,125,003	\$ 4,520,811	\$ 4,729,133	\$ 4,503,356
Judicial	-	375,125	268,309	261,879	320,989	400,197	630,881
Public safety	7,425,906	7,209,476	7,371,184	8,199,075	9,467,312	10,525,769	10,583,333
Public works	1,634,846	1,816,799	1,583,598	2,519,655	2,031,641	2,041,937	4,116,124
Housing and development	-	1,082,001	1,626,733	2,398,897	1,613,271	1,491,222	1,147,220
Health and Welfare	-	-	-	-	-	108,384	144,708
Culture and recreation	1,673	3,279,811	1,157,181	1,275,954	5,144,631	2,302,582	1,132,943
Interest on long-term debt	116,825	172,643	667,393	689,096	625,884	620,554	789,110
Total governmental activities expenses	<u>17,552,007</u>	<u>17,442,131</u>	<u>16,367,506</u>	<u>19,469,559</u>	<u>23,724,539</u>	<u>22,219,778</u>	<u>23,047,675</u>
Business-type activities:							
Sanitation	2,924,030	2,975,147	2,952,907	3,351,924	3,410,936	3,485,237	3,412,766
Total business-type activities expenses	<u>2,924,030</u>	<u>2,975,147</u>	<u>2,952,907</u>	<u>3,351,924</u>	<u>3,410,936</u>	<u>3,485,237</u>	<u>3,412,766</u>
Total primary government expenses	<u>\$ 20,476,037</u>	<u>\$ 20,417,278</u>	<u>\$ 19,320,413</u>	<u>\$ 22,821,483</u>	<u>\$ 27,135,475</u>	<u>\$ 25,705,015</u>	<u>\$ 26,460,441</u>
Program Revenues							
Governmental Activities:							
Charges for service:							
General government	\$ 1,154,694	\$ 2,975,276	\$ 3,227,607	\$ 3,987,106	\$ 3,844,037	3,559,677	2,254,399
Housing	-	-	-	-	-	-	234,665
Judicial	1,284,445	1,137,021	1,178,890	1,192,270	1,475,400	1,650,572	2,040,382
Public safety	-	547,185	778,756	1,914,549	521,733	1,377,450	314,151
Culture and recreation	-	-	129,580	126,518	150,823	146,294	226,520
Operating grants and contributions	2,070,187	172,168	90,662	43,747	65,296	18,015	1,506,986
Capital grants and contributions	-	1,308,711	29,456	5,090,781	4,152,586	173,513	2,827,459
Total governmental activities program revenues	<u>4,509,326</u>	<u>6,140,361</u>	<u>5,434,951</u>	<u>12,354,971</u>	<u>10,209,875</u>	<u>6,925,521</u>	<u>9,404,562</u>
Business-type activities:							
Charges for services:							
Sanitation	3,316,190	3,429,919	3,699,760	4,082,617	3,942,026	3,823,295	3,760,796
Total business-type activities program revenues	<u>3,316,190</u>	<u>3,429,919</u>	<u>3,699,760</u>	<u>4,082,617</u>	<u>3,942,026</u>	<u>3,823,295</u>	<u>3,760,796</u>
Total primary government program revenues	<u>\$ 7,825,516</u>	<u>\$ 9,570,280</u>	<u>\$ 9,134,711</u>	<u>\$ 16,437,588</u>	<u>\$ 14,151,901</u>	<u>\$ 10,748,816</u>	<u>\$ 13,165,358</u>

City of Douglasville, Georgia
Changes in Net Assets
Last Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental activities	\$ (22,343,974)	\$ (11,302,070)	\$ (10,932,555)	\$ (7,114,588)	\$ (13,514,624)	\$ (15,294,257)	\$ (13,643,113)
Business-type activities	1,139,086	454,772	746,853	730,693	531,090	338,058	348,030
Total primary government net expense	<u>\$ (21,204,888)</u>	<u>\$ (10,847,298)</u>	<u>\$ (10,185,702)</u>	<u>\$ (6,383,895)</u>	<u>\$ (12,983,534)</u>	<u>\$ (14,956,199)</u>	<u>\$ (13,295,083)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 2,993,398	\$ 3,289,001	\$ 3,566,065	\$ 3,845,787	\$ 4,522,459	\$ 4,752,206	\$ 6,421,627
Sales taxes	10,618,202	6,218,268	6,168,327	9,728,513	9,441,788	5,544,003	5,768,997
Other taxes and miscellaneous	6,124,794	4,800,167	5,264,655	5,828,816	5,775,782	5,672,736	5,726,915
Unrestricted investment earnings	17,131	64,616	468,956	537,630	445,450	358,889	59,994
Gain on sale of capital assets	-	(308,145)	4,797	24,822	206,631	-	-
Transfers	-	35,000	35,000	-	45,000	-	45,000
Total governmental activities	<u>\$ 19,753,525</u>	<u>\$ 14,098,907</u>	<u>\$ 15,507,800</u>	<u>\$ 19,965,568</u>	<u>\$ 20,437,110</u>	<u>\$ 16,327,834</u>	<u>\$ 18,022,533</u>
Business-type activities							
Investment earnings	\$ (2,352)	\$ 6,851	\$ 18,350	\$ 22,046	\$ 10,694	\$ 5,478	\$ 221
Transfers	-	(35,000)	(35,000)	-	(45,000)	-	(45,000)
Total business-type activities	<u>(2,352)</u>	<u>(28,149)</u>	<u>(16,650)</u>	<u>22,046</u>	<u>(34,306)</u>	<u>5,478</u>	<u>(44,779)</u>
Total primary government	<u>\$ 19,751,173</u>	<u>\$ 14,070,758</u>	<u>\$ 15,491,150</u>	<u>\$ 19,987,614</u>	<u>\$ 20,402,804</u>	<u>\$ 16,333,312</u>	<u>\$ 17,977,754</u>
Change in Net Assets							
Governmental activities	\$ 6,710,844	\$ 3,404,104	\$ 4,575,245	\$ 12,850,980	\$ 6,922,486	\$ 1,033,577	\$ 4,379,420
Business-type activities	394,512	426,623	730,203	752,739	496,784	343,536	303,251
Total primary government	<u>\$ 7,105,356</u>	<u>\$ 3,830,727</u>	<u>\$ 5,305,448</u>	<u>\$ 13,603,719</u>	<u>\$ 7,419,270</u>	<u>\$ 1,377,113</u>	<u>\$ 4,682,671</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 625,930	\$ 1,616,197	\$ -	\$ 425,369	\$ 495,996	\$ 103,672	\$ 848,165	\$ 426,792	\$ 243,496	\$ 134,846
Unreserved	3,415,309	1,935,233	1,674,435	43,120	3,071,609	6,683,356	9,130,852	7,423,336	8,617,489	9,524,890
Total general fund	\$ 4,041,239	\$ 3,551,430	\$ 1,674,435	\$ 468,489	\$ 3,567,605	\$ 6,787,028	\$ 9,979,017	\$ 7,850,128	\$ 8,860,985	\$ 9,659,736
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 149,318	\$ 1,074,726	\$ 121	\$ 2,164	\$ -	\$ 2,486	\$ 29
Unreserved, reported in:										
Special revenue funds	-	-	767,761	1,094,542	1,396,598	1,724,090	3,168,666	2,340,670	3,589,246	4,000,716
Capital projects funds	(2,905,003)	-	-	-	3,085,512	1,882,725	313,027	226,185	(1,489,651)	10,131,882
Total all other governmental funds	\$ (2,905,003)	\$ -	\$ 767,761	\$ 1,243,860	\$ 5,556,836	\$ 3,606,936	\$ 3,483,857	\$ 2,566,855	\$ 2,102,081	\$ 14,132,627

Note: The increase in unreserved Capital Projects in fiscal year 2005 is due to bonds being issued for improving parks and recreation facilities.

Note: The increase in unreserved General Fund in fiscal year 2006 and 2007 is due to conservative budgeting with respect to revenues, a budgetary item to increase fund balance and budgeted positions that were unfilled.

Note: Restatement to 2009's ending fund balance was made to correct Local Option Sales Tax.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 11,348,315	\$ 11,507,150	\$ 12,892,314	\$ 19,558,420	\$ 14,285,636	\$ 14,977,323	\$ 19,385,214	\$ 19,619,663	\$ 16,009,963	\$ 15,766,406
Licenses and permits	646,134	971,629	850,218	732,456	2,052,650	2,321,229	2,419,479	2,181,608	1,913,722	1,800,170
Intergovernmental	221,500	591,191	356,391	2,075,950	480,879	120,118	1,402,168	485,522	191,528	3,486,238
Fines and forfeitures	1,231,027	1,350,673	1,967,707	1,808,834	1,137,021	1,388,503	1,142,319	1,425,449	1,640,407	2,684,958
Charges for service	166,613	178,127	164,443	315,379	1,227,266	646,577	651,004	721,576	759,114	659,782
Contributions	-	-	-	-	1,000,000	-	-	-	-	-
Interest Income	157,162	46,814	26,112	17,131	64,616	468,956	537,630	445,450	358,889	286,276
Other Revenues	1,883,780	1,393,995	504,137	373,729	242,515	1,169,187	2,957,690	1,613,449	2,410,585	1,112,731
Total revenues	15,654,531	16,039,579	16,761,322	24,881,899	20,490,583	21,091,893	28,495,504	26,492,717	23,284,208	25,796,561
Expenditures										
General government	4,061,917	3,784,522	3,907,679	4,268,128	3,229,943	3,459,868	3,745,071	3,875,742	\$ 4,173,384	\$ 3,981,957
Judicial	-	-	418,269	511,747	374,280	269,336	261,351	319,960	369,494	583,930
Public safety	5,920,604	7,175,396	7,757,531	7,300,642	6,926,533	7,142,253	7,866,159	8,895,892	9,014,053	11,682,538
Public works	2,805,047	2,536,751	2,053,477	1,832,470	1,205,661	1,409,621	1,295,048	1,515,114	1,567,043	1,811,247
Culture and recreation	784,632	935,402	738,830	727,785	1,507,168	1,379,683	2,164,752	4,732,364	1,977,135	1,764,467
Housing and development	527,917	651,173	448,647	409,320	1,082,001	1,161,612	1,142,823	1,378,811	1,283,117	989,040
Capital outlay	1,619,593	2,424,574	2,129,719	9,494,874	5,245,872	10,866,209	7,375,488	8,104,995	3,295,180	12,920,739
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	21,157	68,967	125,233	127,668	119,418	700,294	894,588	465,002	627,081	985,231
Principal	132,733	14,630	852,988	505,189	601,756	590,212	706,136	631,772	482,738	1,210,995
Bond Issuance Cost	-	-	-	-	379,525	140,750	-	-	-	442,275
Total expenditures	15,873,600	17,591,415	18,432,373	25,177,823	20,672,157	27,119,838	25,451,416	29,919,652	22,789,225	36,372,419
Excess of revenues over (under) expenditures	(219,069)	(1,551,836)	(1,671,051)	(295,924)	(181,574)	(6,027,945)	3,044,088	(3,426,935)	494,983	(10,575,858)
Other Financing Sources (Uses)										
Transfers in	3,058,893	94,688	1,359,670	806,614	4,237,263	1,714,861	1,923,855	4,168,395	7,266,785	1,765,758
Transfers out	(3,058,893)	(83,597)	(1,359,670)	(806,614)	(4,202,263)	(1,679,861)	(1,923,855)	(4,123,395)	(7,266,785)	(1,720,758)
Insurance recoveries	-	-	-	-	-	-	-	-	-	71,688
Bonds issued	-	-	-	-	4,325,000	7,253,713	-	-	-	23,000,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	584,491
Capital leases	-	1,050,936	554,577	232,524	2,964,000	-	-	-	-	-
Sale of capital assets	-	-	-	-	35,755	8,755	24,822	336,044	6,100	-
Total other financing sources (uses)	-	1,062,027	554,577	232,524	7,359,755	7,297,468	24,822	381,044	6,100	23,701,179
Net change in fund balances	\$ (219,069)	\$ (489,809)	\$ (1,116,474)	\$ (63,400)	\$ 7,178,181	\$ 1,269,523	\$ 3,068,910	\$ (3,045,891)	\$ 501,083	\$ 13,125,321
Debt service as a percentage of noncapital expenditures	1%	1%	6%	4%	4%	8%	8%	5%	6%	10%

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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Excise Tax	Franchise Tax	Premium Tax	Hotel Motel & Car Rental	Other	Total
2001	4,004,968	3,227,758	868,801	1,624,486	502,437	1,107,394	13,752	11,349,596
2002	5,049,190	3,328,567	1,082,503	1,265,437	728,842	1,045,819	13,395	12,513,753
2003	2,869,772	3,387,802	931,939	1,674,989	799,707	734,030	12,615	10,410,854
2004	3,205,315	3,730,010	912,106	1,449,937	861,895	695,921	44,075	10,899,259
2005	3,267,201	4,056,623	941,340	1,441,884	934,059	493,621	13,636	11,148,364
2006	3,544,341	6,168,327	957,140	1,547,376	1,004,925	1,420,772	334,442	14,977,323
2007	3,827,885	5,305,914	954,123	1,748,191	1,051,403	1,420,772	364,980	14,673,268
2008	4,402,093	9,441,788	954,492	1,800,208	1,096,730	1,573,772	350,580	19,619,663
2009	4,752,206	5,544,003	980,503	1,844,589	1,123,002	1,385,477	339,165	15,968,945
2010	6,287,017	5,182,714	883,142	1,914,034	1,112,466	1,273,757	37,034	16,690,164

Note: SPLOST revenues are included with Sales Tax.

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

Digest Year	Real Property	Personal Property	Public Utilities Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2000	\$ 206,544,898	\$ 223,921,150	\$37,377,605	\$ 32,142,939	\$ (1,416,249)	\$ 498,570,343	4.60	\$ 1,246,425,858	40.00
2001	213,096,922	327,294,915	35,860,578	33,831,705	(3,324,294)	606,759,826	4.59	1,516,899,565	40.00
2002	240,847,012	377,823,176	31,782,865	38,364,862	(4,391,966)	684,425,949	4.41	1,711,064,873	40.00
2003	315,503,582	446,771,709	30,553,434	41,697,733	(6,963,647)	827,562,811	3.897	2,068,907,028	40.00
2004	722,831,878	112,407,141	25,331,668	40,343,687	(6,283,741)	894,630,633	3.897	2,236,576,583	40.00
2005	804,547,973	125,355,175	21,300,701	39,940,488	(11,405,495)	979,738,842	3.854	2,449,347,105	40.00
2006	870,063,249	123,175,612	21,222,763	40,436,924	(15,239,802)	1,039,722,922	3.854	2,599,307,305	40.00
2007	1,050,196,963	146,729,540	21,046,457	46,944,204	(28,385,502)	1,236,531,662	3.854	3,091,329,155	40.00
2008	1,100,345,728	154,867,223	11,727,391	52,957,564	(29,684,849)	1,290,213,057	3.854	3,225,532,643	40.00
2009	1,068,869,950	153,968,444	12,696,315	58,056,715	(29,613,729)	1,263,977,695	5.120	3,159,944,238	40.00

Source: Douglas County Tax Digest

Notes: Property in the county is reassessed once every three years. 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.

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

Digest Year	Direct		Total Direct	Overlapping Rates			Total Direct & Overlapping Rates
	City of Douglasville	Bond City of Douglasville		Douglas County	Douglas County Board of Education	State of Georgia	
2000	4.59	-	4.59	9.48	18.1	0.25	32.42
2001	4.41	-	4.410	9.46	20.1	0.25	34.22
2002	3.897	-	3.897	9.19	19.52	0.25	32.86
2003	3.897	-	3.897	7.73	19.77	0.25	31.65
2004	3.854	-	3.854	7.73	19.48	0.25	31.32
2005	3.854	-	3.854	7.35	18.40	0.25	29.85
2006	3.854	-	3.854	8.24	19.30	0.25	31.64
2007	3.854	-	3.854	8.24	19.70	0.25	32.04
2008	3.854	-	3.854	8.24	20.30	0.25	32.64
2009	3.854	1.266	5.120	7.932	21.35	0.25	34.65

Source: Douglas County Board of Tax Assessors

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</u>	<u>City SPLOST Sales Tax</u>	<u>State of Georgia Sales Tax</u>	<u>Total Direct & Overlapping Rates</u>
2001	2.00	-	4.00	6.00
2002	2.00	1.00	4.00	7.00
2003	2.00	1.00	4.00	7.00
2004	2.00	1.00	4.00	7.00
2005	2.00	1.00	4.00	7.00
2006	2.00	1.00	4.00	7.00
2007	2.00	1.00	4.00	7.00
2008	2.00	-	4.00	6.00
2009	2.00	-	4.00	6.00
2010	2.00	1.00	4.00	6.00

Source: City of Douglasville Department of Finance

Note: * The City and County negotiate every 10 years on the split of Sales Tax proceeds, currently the split is 22% (City) and 78% (County).

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

Category	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Food	\$ 631,722	\$ 689,228	\$ 695,741	\$ 728,477	\$ 747,671	\$ 735,960	\$ 819,634	\$ 819,441	845,618	815,033
Apparel	141,017	150,043	153,679	157,202	164,444	182,225	198,801	213,481	207,470	194,325
General Merchandise	622,777	644,603	653,915	660,093	683,158	700,580	747,110	774,009	759,189	766,099
Automotive	708,989	726,590	754,206	747,453	781,142	802,723	852,560	896,204	847,972	627,651
Home	453,574	462,252	413,206	390,914	416,875	458,021	526,192	533,673	5,003	424,237
Lumber	426,396	428,043	422,478	419,651	469,784	527,019	591,547	587,397	471,709	329,606
Service	453,058	479,684	435,276	408,805	390,625	389,003	431,632	442,189	484,621	504,260
Manufacturers	244,583	247,772	225,248	203,946	236,040	251,923	293,166	299,505	282,586	284,720
Utilities	492,097	560,184	516,350	540,911	548,445	596,235	664,579	707,998	760,253	816,291
Misc	417,838	445,075	447,258	307,399	491,542	520,524	615,590	634,977	625,189	535,641
Total	\$ 4,592,051	\$ 4,833,474	\$ 4,717,357	\$ 4,564,851	\$ 4,929,726	\$ 5,164,213	\$ 5,740,811	\$ 5,908,874	\$ 5,289,610	\$ 5,297,863
Total County/ City Sales Tax Rate*	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Note: * The City and County negotiate every 10 years on the split of Sales Tax proceeds, currently the split is 22% (City) and 78% (County).

Source: Georgia Department of Revenue

**** Information above specific to the State of Georgia and not to Douglas County or Douglasville.**
**** State of Georgia 2009 Statistical Report**

City of Douglasville, Georgia
Principal Property Taxpayers
Current Year and Prior Year

Taxpayer	2010			2008 *		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arbor Place II, LLC	\$ 11,161,960	1	1.00%	\$ 13,589,346	1	1.05%
DDRTC Douglasville Pavilion, LLC	9,107,680	2	0.82%	9,459,535	2	0.73%
WPRE I Rocky Ridge, LLC	8,788,720	3	0.79%	8,800,000	4	0.68%
Centerpoint Properties Trust	8,305,800	4	0.75%	8,317,171	6	0.64%
Carlyle Centennial Lenox LP	7,671,000	5	0.69%	7,905,946	7	0.61%
Mt. Vernon Associates LP	7,324,688	6	0.66%	7,440,000	8	0.58%
SCI Brodick Hill Fund LLC ETAL	7,199,992	7	0.65%	8,669,883	5	0.67%
Carlyle Centennial Sweetwater Creek LP	6,968,680	8	0.63%			
SMF Crestmark LLC	6,588,300	9	0.59%			
Carlyl Centennial Park West L.P.	6,550,160	10	0.59%			
Douglasville Development, LLC				9,036,849	3	0.70%
Total	\$ 79,666,980		6.44%	\$ 64,181,881		4.96%

Source: Douglas County Tax Asssors

* Information for nine years prior is not readily available.

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

Fiscal Year Ended June 30,	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
2001	2,785,634	2,507,533	90.02%	77,025	2,584,558	92.78%
2002	3,014,896	2,754,769	91.37%	56,248	2,811,017	93.24%
2003	3,225,914	2,834,189	87.86%	84,785	2,918,974	90.49%
2004	3,299,427	2,993,398	90.72%	45,290	3,038,688	92.10%
2005	3,447,903	3,215,977	93.27%	28,268	3,244,245	94.09%
2006	3,775,914	3,537,107	93.68%	52,987	3,590,094	95.08%
2007	4,007,092	3,774,897	94.21%	52,370	3,827,267	95.51%
2008	4,765,593	4,402,093	92.37%	148,781	4,550,874	95.49%
2009	4,971,710	4,793,224	96.41%	99,837	4,893,061	98.42%
2010	6,471,566	5,930,292	91.64%	-	5,930,292	91.64%

Sources: City of Douglasville Finance Department

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 ²	Per Capita ²
	Note Payable	Capital Leases	Revenue Bonds	GO Bonds			
2001	-	296,992	-	-	296,992	-	13
2002	1,200,000	954,722	-	-	2,154,722	-	95
2003	2,234,665	871,612	-	-	3,106,277	-	133
2004	2,007,543	852,372	-	-	2,859,915	-	117
2005 ¹	519,563	3,445,630	4,325,000	-	8,290,193	-	352
2006	267,025	3,016,939	4,325,000	7,234,651	14,843,615	0.000099%	589
2007	-	2,622,422	4,325,000	6,994,939	13,942,361	0.000064%	468
2008	-	2,466,649	4,265,000	6,745,710	13,477,359	0.000064%	427
2009		2,304,617	4,205,000	6,485,004	12,994,621	0.000067%	432
2010		2,135,476	4,140,000	28,568,895	34,844,371	0.000154%	1,159

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

¹ No principal payments made until 2008

² See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Douglasville, Georgia
Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct General Obligation Debt			
Lease/Purchase	\$ 2,135,476	100.00%	\$ 2,135,476
Bonds	32,708,895	100.00%	32,708,895
	<u>\$ 34,844,371</u>		<u>\$ 34,844,371</u>
Overlapping General Obligation Debt			
Douglas County	\$ -	27.383%	\$ -
Douglas County School District FY 09	226,915,000	27.383%	62,135,059
	<u>\$ 226,915,000</u>		<u>\$ 62,135,059</u>
 Total Direct and Overlapping Debt			 <u>\$ 96,979,430</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 49,857,034	\$ 60,675,982	\$ 68,442,594	\$ 82,760,931	\$ 84,665,822	\$ 90,091,337	\$ 103,972,292	\$ 126,491,716	\$ 131,969,791	\$ 129,359,142
Total net debt applicable to limit	-	-	-	-	-	11,559,651	11,319,939	11,010,710	10,690,004	32,708,895
Legal debt margin	\$ 49,857,034	\$ 60,675,982	\$ 68,442,594	\$ 82,760,931	\$ 84,665,822	\$ 78,531,686	\$ 92,652,353	\$ 115,481,006	\$ 121,279,787	\$ 96,650,247
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	12.83%	10.89%	8.70%	8.10%	25.29%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 1,263,977,695
Add back exempt real property	29,613,729
Total assessed value	<u>1,293,591,424</u>
Debt limit (10% of total assessed value)	129,359,142
Debt applicable to limit:	
Revenue bonds	
General obligation bonds	4,140,000
Less: Amount set aside for repayment of general obligation debt	28,568,895
Total net debt applicable to limit	<u>32,708,895</u>
Legal debt margin	<u>\$ 96,650,247</u>

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

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age¹	County School Enrollment	Unemployment Rate³
2001	22,085	\$ -	\$ -	-	18,037	3.30%
2002	22,609	-	-	-	18,775	5.80%
2003	23,437	-	-	-	19,738	5.70%
2004	24,449	-	-	34	20,896	5.60%
2005	23,562	-	-	-	21,928	5.40%
2006	25,216	594,391,552	23,572	-	23,951	5.20%
2007	29,776	727,904,096	24,446	-	24,162	5.00%
2008	31,163	667,044,015	21,405	33	24,403	4.80%
2009	30,098	644,247,690	21,405	33	24,355	12.60%
2010	31,004	753,118,164	24,291	29.5	24,417	9.40%

Data sources

¹Census GR2 2000 / Douglasville Development Authority

²Douglas County Development Authority

³Douglasville Development Authority

Note: School enrollment provided by The Douglas County Board of Education.
Population provided by ARC
Unemployment Rate for Metro Atlanta area

City of Douglasville, Georgia
Principal Employers
Current Year and Prior Year

Employer	2010			2008*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Super Center	750	1	3.85%	847	1	4.35%
Kroger	487	2	2.50%	487	2	2.50%
American Red Cross	450	3	2.31%	450	3	2.31%
Benton Georgia	244	4	1.25%	350	4	1.80%
Sams Club	180	5	0.92%	180	5	0.92%
Home Depot	151	6	0.78%	160	6	0.82%
ALP Lighting Systems	105	7	0.54%	120	7	0.62%
Nioxin	98	8	0.50%	112	8	0.58%
Publix	97	9	0.50%	100	9	0.51%
Total	2,562		13.16%	2,806		14.41%

Source: Douglas County Development Authority

*Information for nine years prior is not readily available.

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

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30,</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government:										
Governing Body	9	9	9	9	9	9	9	8	8	8
Chief Executive (Mgr. Or Admin.)	6	4	4	4	5	5	4	4	5	5
IT / MIS	3	3	3	3	3	2	4	4	5	5
Police Records & Court	-	10	9	10	9	8	10	10	10	10
Financial Administration	9	9	8	8	7	8	8	8	8	8
General Govt. Bldgs. & Plant	-	11	10	8	8	7	2	2	2	1
Human Resources	-	1	2	1	2	2	2	2	2	2
Public Safety:										
Police Administration	102	10	8	6	6	6	5	5	5	9
Police Detective	-	14	14	15	14	12	17	15	15	18
Police Special OPS	-	7	7	8	6	4	8	8	6	7
Police Patrol	-	54	41	41	41	55	53	45	52	46
Police Motors	-		10	10	5	4	5	6	6	6
Police SRO	-	8	9	9	8	5	7	10	6	4
Building Inspections	14	8	8	8	8	8	7	8	3	5
Code Enforcement	-	3	2	3	3	3	4	4	3	3
Planning & Zoning	6	6	3	3	2	2	2	2	1	1
Engineering		6	2	2	1	2	2	4	3	3
Community Development	-	-	-	-	-	-	2	3	4	4
Tourism	-	-	-	-	-	-	3	5	3	2
Culture/Recreation Administration	5	6	5	6	3	4	4	6	5	4
Conference Center	-	4	3	3	3	4	3	3	3	2
West Pines Golf	-	-	-	2	1	-	-	-	-	-
Parks Areas	7	7	8	9	9	9	9	8	9	9
Highways & Streets Admin.	31	20	18	16	14	12	17	18	18	18
Sanitary Administration	12	14	14	16	14	19	22	21	17	17
Maintenance & Shop	2	2	2	2	2	2	2	2	2	2
Video Production	-	-	-	-	-	-	-	-	4	4
Development Authority	-	-	-	-	-	-	-	-	1	1
Keep Douglasville Beautiful	-	-	-	-	-	-	-	-	3	3
Total	206	216	199	202	183	192	211	211	209	207

Source: City of Douglasville Finance Dept

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

Function	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Works:										
Street resurfacing (feet)	26,073	11,386	33,426	68,595	15,810	59,638	34,266	15,167	12,883	5280
Police protection*:										
Number of citations written	7,456	7,870	6,505	6,027	6,060	8,909	10,096	10,322	11,744	14165
Number of automobile accidents	2,665	2,696	2,748	2,863	2,785	1,371	2,739	2,675	2,359	1989
Number of reported crimes	2,425	2,243	2,475	2,693	3,121	1,548	3,288	3,050	5,452	3894
**Sanitation:										
Large items pickup	-	-	-	-	-	-	510	217	56	123

Sources: *City of Douglasville Courts and Records
** City Sanitation Department

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

Function	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public works:										
Miles of streets	95	95	162	162	162	162	164	164	165	165
Number of street lights	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,044	2046	2406
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	92	95	93	93	95	95	95	89	89	82
Building permits issued	420	498	698	443	511	742	503	411	377	179
Recreation and culture:										
Number of parks	5	5	7	7	7	7	8	8	8	8
Park acreage	108	108	288	288	288	288	420	420	420	420

Sources: Various city departments.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON CAR RENTAL TAX SCHEDULE OF REVENUE
RECEIVED AND EXPENDITURES INCURRED

City of Douglasville
Douglasville, Georgia

We have audited the accompanying Car Rental Tax Schedule of Revenue Received and Expenditures Incurred for the City of Douglasville, Georgia for the year ended June 30, 2010. This schedule is the responsibility of the City of Douglasville's management. Our responsibility is to express an opinion on the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred 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 Car Rental Tax Schedule of Revenue Received and Expenditures Incurred is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Car Rental Tax Schedule of Revenue Received and Expenditures Incurred was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-13-93 using the modified accrual basis of accounting and is not intended to be a complete presentation of the City of Douglasville's revenues and expenses.

In our opinion, the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred referred to above presents fairly, in all material respects, the revenues and expenditures for each project in the City of Douglasville's resolution or ordinance calling for the tax for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP
Marietta, Georgia

December 20, 2010

CITY OF DOUGLASVILLE, GEORGIA
CAR RENTAL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Revenues</u>	<u>Expenditures</u>	<u>Percentage Expended</u>
<u>\$ 139,586</u>	<u>\$ -</u>	<u>0%</u>

INDEPENDENT AUDITOR'S REPORT ON HOTEL/MOTEL TAX SCHEDULE OF REVENUE
RECEIVED AND EXPENDITURES INCURRED

City of Douglasville
Douglasville, Georgia

We have audited the accompanying Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred for the City of Douglasville, Georgia for the year ended June 30, 2010. This schedule is the responsibility of the City of Douglasville's management. Our responsibility is to express an opinion on the Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred 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 Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-13-51 using the modified accrual basis of accounting and is not intended to be a complete presentation of the City of Douglasville's revenues and expenses.

In our opinion, the Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred referred to above presents fairly, in all material respects, the revenues and expenditures for each project in the City of Douglasville's resolution or ordinance calling for the tax for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP
Marietta, Georgia

December 20, 2010

CITY OF DOUGLASVILLE, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Revenues</u>	<u>Expenditures *</u>	<u>Percentage Expended</u>
<u>\$ 1,134,171</u>	<u>\$ 1,134,171</u>	<u>100%</u>

* Expended in Conference Center Special Revenue Fund, Convention and Visitors Bureau Fund, and the General Fund.

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE LOCAL SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL SALES TAX
PROCEEDS

City of Douglasville
Douglasville, Georgia

We have audited the accompanying Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds for the City of Douglasville, Georgia for the year ended June 30, 2010. This schedule is the responsibility of the City of Douglasville's management. Our responsibility is to express an opinion on the 1 Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds 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 Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 using the modified accrual basis of accounting and is not intended to be a complete presentation of the City of Douglasville's revenues and expenses.

In our opinion, the Special Purpose Local Sales Tax Schedule of Projects Constructed with Special Purpose Local Sales Tax Proceeds referred to above presents fairly, in all material respects, the original estimated cost, the revised estimated cost, and the current and prior year expenditures for each project in the City of Douglasville's resolution or ordinance calling for the tax for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP
Marietta, Georgia

December 20, 2010

Michael R. Crace Jean K. Hawkins Richard H. Lewis Tammy A. Galvis Donald L. McGrath Jr. Retired: C. Frank Moore Edwin W. Cubbedge III

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**CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL
PURPOSE LOCAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Prior Years (1)	Current Year	Total	
2002:						
Public works:						
Stewart Mill/ Douglas BLVD	\$ -	\$ 409,952	\$ 408,983	\$ -	\$ 408,983	100%
Hospital Drive Widening	331,000	3,689,735	3,690,725	-	3,690,725	100%
Sidewalks	83,864	1,038,358	879,518	55,279	934,797	90%
Hwy 92	231,818	1,219,544	1,058,857	207,926	1,285,993	105%
Bright Star Connector	-	2,922,772	1,403,082	1,284,608	2,687,690	92%
Timber Ridge/ Chapel Hill	-	4,634,654	4,696,371	-	4,696,371	101%
Resurfacing	196,490	2,032,488	2,025,527	6,406	2,031,933	100%
LCI 03 Streetscape	2,742,000	2,627,960	2,582,348	8,814	2,591,162	99%
LCI 04 Gateway & sidewalks	-	148,786	176,907	-	176,907	119%
LCI 05	-	317,616	146,499	-	146,499	46%
	<u>3,585,172</u>	<u>19,041,865</u>	<u>17,068,817</u>	<u>1,563,033</u>	<u>18,651,060</u>	
Culture and recreation:						
West Pines Golf Course	6,427,960	6,405,737	6,355,736	1,587	6,357,323	99%
Hunter Park	4,788,355	8,056,432	799,530	1,086,630	1,886,160	23%
Jessie Davis Park Renovation	1,650,754	1,958,997	1,953,342	-	1,953,342	100%
Fowler Field	-	80,300	80,300	-	80,300	100%
Administrative Fees	-	193,210	193,210	-	193,210	100%
Contingency	-	-	-	-	-	0%
	<u>12,867,069</u>	<u>16,694,676</u>	<u>9,382,118</u>	<u>1,088,217</u>	<u>10,470,335</u>	
Total	<u>\$ 16,452,241</u>	<u>\$ 35,736,541</u>	<u>\$ 26,450,935</u>	<u>\$ 2,651,250</u>	<u>\$ 29,121,395</u>	

(1) Prior year information has been adjusted to correctly reflect expenditures