

CITY OF DOUGLASVILLE, GEORGIA

Annual Financial Report

For the Fiscal Year Ended June 30, 2015



CITY OF DOUGLASVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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

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**CITY OF DOUGLASVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rochelle Robinson, Mayor
Members of the City Council
City of Douglasville
Douglasville, Georgia

Report on the Financial Statements

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 (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios, the schedule of pension contributions, and the schedule of funding progress on page 39-41 and the budgetary comparison information for the General Fund and Confiscated Assets Special Revenue Fund on pages 42-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 combining and individual fund statements and schedules and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred, the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred, and the Schedule of Projects Constructed with Special Local Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, 48-13-93, and 48-8-121, respectively, and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the compliance section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the compliance section are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2016, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Douglasville, Georgia's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Nichols, Cauley & Associates, LLC
Kennesaw, Georgia

July 28, 2016

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FINANCIAL SECTION

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CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash	\$ 6,127,742	\$ 2,514,626	\$ 8,642,368	\$ 103,481
Receivables, net:				
Trade	-	326,109	326,109	-
Taxes	329,721	-	329,721	-
Other	1,917,724	-	1,917,724	-
Internal balances	(1,073,219)	1,073,219	-	-
Due from other governments	511,135	-	511,135	-
Inventories	13,627	-	13,627	-
Prepaid items	708,198	38,557	746,755	-
Investments	3,099,876	-	3,099,876	-
Capital assets, non depreciated	29,815,507	-	29,815,507	-
Capital assets, depreciated, net	76,147,699	1,372,590	77,520,289	-
Total assets	117,598,010	5,325,101	122,923,111	103,481
Deferred outflows of resources:				
Related to pensions	525,010	45,823	570,833	-
Accumulated fair value of hedge transaction	468,751	-	468,751	-
Total deferred outflows of resources	993,761	45,823	1,039,584	-
Liabilities:				
Accounts payable and other current liabilities	1,718,786	280,754	1,999,540	184
Unearned revenue	54,030	-	54,030	-
Deposits payable	135,419	-	135,419	-
Noncurrent liabilities:				
Due within one year	2,173,021	53,444	2,226,465	-
Due in more than one year	52,540,169	178,046	52,718,215	-
Total liabilities	56,621,425	512,244	57,133,669	184
Deferred inflows of resources:				
Related to pensions	1,381,456	111,372	1,492,828	-
Net Position:				
Net investment in capital assets	64,472,022	1,372,590	65,844,612	-
Restricted for:				
Culture and recreation	425,550	-	425,550	-
Debt service	44,472	-	44,472	-
Completion of projects	82,927	-	82,927	-
Public safety	2,670,090	-	2,670,090	-
Unrestricted	(7,106,171)	3,374,718	(3,731,453)	103,297
Total net position	\$ 60,588,890	\$ 4,747,308	\$ 65,336,198	\$ 103,297

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 6,069,013	\$ 2,413,872	\$ -	\$ -	\$ (3,655,141)	\$ -	(3,655,141)	
Judicial	746,284	2,216,583	-	-	1,470,299	-	1,470,299	
Public safety	10,823,733	317,080	777,138	18,028	(9,711,487)	-	(9,711,487)	
Public works	2,686,734	-	225,507	332,195	(2,129,032)	-	(2,129,032)	
Housing and development	2,050,572	557,320	-	194,000	(1,299,252)	-	(1,299,252)	
Culture and recreation	4,263,526	1,443,399	-	-	(2,820,127)	-	(2,820,127)	
Interest & fiscal charges on long-term debt	1,652,409	-	-	-	(1,652,409)	-	(1,652,409)	
Total governmental activities	28,292,271	6,948,254	1,002,645	544,223	(19,797,149)	-	(19,797,149)	
Business-type activities:								
Sanitation	3,375,445	3,911,692	-	-	536,247	-	536,247	
Total business-type activities	3,375,445	3,911,692	-	-	536,247	-	536,247	
Total Primary Government	\$ 31,667,716	\$ 10,859,946	\$ 1,002,645	\$ 544,223	\$ (19,797,149)	\$ 536,247	\$ (19,260,902)	
Component Unit	\$ 150,096	\$ 99,474	\$ 150,059	\$ -	\$ -	\$ -	\$ 99,437	
General revenues:								
Property taxes					7,943,693	-	7,943,693	
Sales and use taxes					6,048,402	-	6,048,402	
Hotel, motel tax					1,783,378	-	1,783,378	
Franchise taxes					2,211,815	-	2,211,815	
Insurance premium tax					1,669,605	-	1,669,605	
Alcohol taxes					1,283,989	-	1,283,989	
Unrestricted investment earnings					27,105	238	27,343	
Gain on disposal of assets					-	72,239	72,239	
Transfers					115,000	(115,000)	-	
Total general revenues and transfers					21,082,987	(42,523)	21,040,464	
Change in net position					1,285,838	493,724	1,779,562	
Net position - beginning, before restatement					62,518,743	4,527,133	67,045,876	
Restatement					(3,215,691)	(273,549)	(3,489,240)	
Net position - beginning, after restatement					59,303,052	4,253,584	63,556,636	
Net position - ending					60,588,890	4,747,308	65,336,198	

See accompanying notes to financial statements.

**CITY OF DOUGLASVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Confiscated Assets	GEMA Flood	Conference Center	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 4,768,359	\$ 881,963	\$ -	\$ -	\$ 477,420	\$ 6,127,742
Receivables, net:						
Taxes	329,721	-	-	-	-	329,721
Other	1,450,876	826	296,026	-	169,996	1,917,724
Due from other governments	511,135	-	-	-	-	511,135
Investments	1,268,013	1,831,863	-	-	-	3,099,876
Prepaid items	509,010	-	-	-	6,759	515,769
Inventories	13,627	-	-	-	-	13,627
Total assets	\$ 8,850,741	\$ 2,714,652	\$ 296,026	\$ -	\$ 654,175	\$ 12,515,594
<u>Liabilities, deferred inflows of resources, and fund balances</u>						
Liabilities:						
Accounts payable	\$ 572,914	\$ 44,562	\$ -	\$ -	\$ 26,367	\$ 643,843
Accrued liabilities	445,250	-	-	-	20,830	466,080
Unearned revenue	-	-	-	-	54,030	54,030
Due to other funds	-	-	293,131	737,793	42,295	1,073,219
Deposits payable	135,419	-	-	-	-	135,419
Total liabilities	1,153,583	44,562	293,131	737,793	143,522	2,372,591
Deferred inflows of resources:						
Unavailable revenues	972,536	-	296,026	-	-	1,268,562
Fund balances:						
Nonspendable	522,637	-	-	-	6,759	529,396
Restricted	-	2,670,090	-	-	546,190	3,216,280
Assigned	104,849	-	-	-	-	104,849
Unassigned	6,097,136	-	(293,131)	(737,793)	(42,296)	5,023,916
Total fund balances	6,724,622	2,670,090	(293,131)	(737,793)	510,653	8,874,441
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,850,741	\$ 2,714,652	\$ 296,026	\$ -	\$ 654,175	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	105,963,206
The cumulative outflow from hedge transactions are not financial resources and therefore, are deferred outflows in the statement of net position.	468,751
Revenue earned but unavailable is not reported in the funds.	1,268,562
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unamortized bond insurance	192,429
Deferred outflows of resources are not available resource and, therefore, are not reported in the funds	525,010
Long-term liabilities and deferred inflows are not due and payable in the current period and therefore are not reported in the funds:	
Net OPEB obligation	(9,790,852)
Deferred inflows of resources related to pensions	(1,381,456)
Net pension liability	(2,134,828)
Unmatured bonds payable	(39,223,243)
Unamortized discount	22,557
Unamortized premium	(1,037,049)
Capital leases payable	(1,253,449)
Accrued interest expense	(608,863)
Interest rate swap payable	(468,751)
Accrued compensated absences	(827,575)
Net position of governmental activities	\$ 60,588,890

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Confiscated Assets	GEMA Flood	Conference Center	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 18,900,950	\$ -	\$ -	\$ -	\$ 1,791,320	\$ 20,692,270
Charges for services	1,667,536	-	-	-	208,081	1,875,617
Licenses and permits	2,435,307	-	-	-	-	2,435,307
Fines and forfeitures	1,536,020	774,890	-	-	-	2,310,910
Intergovernmental	10,711	-	96,605	-	545,721	653,037
Investment earnings	10,992	13,405	-	-	531	24,928
Miscellaneous revenue	75,901	-	-	-	601,620	677,521
Total revenues	24,637,417	788,295	96,605	-	3,147,273	28,669,590
Expenditures:						
Current:						
General government	5,563,892	-	-	-	15,516	5,579,408
Judicial	693,350	-	-	-	-	693,350
Public safety	8,982,252	570,753	-	-	88,062	9,641,067
Public works	1,694,505	-	-	-	-	1,694,505
Housing and development	1,345,687	-	-	-	544,039	1,889,726
Culture and recreation	2,824,900	-	-	-	987,169	3,812,069
Capital Projects	-	-	35,174	-	137,654	172,828
Debt Service						
Principal, interest, and fees	2,042,631	-	-	-	1,704,282	3,746,913
Total expenditures	23,147,217	570,753	35,174	-	3,476,722	27,229,866
Excess (deficiency) of revenues over expenditures	1,490,200	217,542	61,431	-	(329,449)	1,439,724
Other financing sources (uses):						
Transfers in	731,552	-	-	181,332	2,040,304	2,953,188
Transfers out	(1,059,804)	-	-	-	(1,778,384)	(2,838,188)
Total other financing sources (uses)	(328,252)	-	-	181,332	261,920	115,000
Net change in fund balance	1,161,948	217,542	61,431	181,332	(67,529)	1,554,724
Fund balance at beginning of year	5,562,674	2,452,548	(354,562)	(919,125)	578,182	7,319,717
Fund balance at end of year	\$ 6,724,622	\$ 2,670,090	\$ (293,131)	\$ (737,793)	\$ 510,653	\$ 8,874,441

**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, 2015**

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

Net change in fund balances - total governmental funds		\$ 1,554,724
<p style="margin-left: 40px;">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	(3,303,814)	
Capital outlays	<u>1,070,956</u>	(2,232,858)
<p style="margin-left: 40px;">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.</p>		
		793,519
<p style="margin-left: 40px;">OPEB contributions in deficiency of annual actuarial costs are not recorded as expenses in the governmental funds</p>		
		(1,227,416)
<p style="margin-left: 40px;">Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position</p>		
		2,011,508
<p style="margin-left: 40px;">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	22,950	
Prepaid expense	(14,429)	
Accrued compensated absences	53,378	
Claims payable	39,999	
Net pension liability and changes in related deferred inflows/ outflows of resources	224,417	
Amortization of bond discounts and premium	<u>60,046</u>	<u>386,361</u>
Change in net position of governmental activities		<u>\$ 1,285,838</u>

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	<u>Sanitation Enterprise Fund</u>
Assets:	
Current assets:	
Cash	\$ 2,514,626
Receivables, net	326,109
Due from other funds	1,073,219
Prepaid expenses	38,557
Total current assets	<u>3,952,511</u>
Noncurrent assets	
Property, plant and equipment, net	<u>1,372,590</u>
Total assets	<u>5,325,101</u>
Deferred outflows of resources:	
Related to pensions	<u>45,823</u>
Liabilities:	
Current liabilities:	
Accounts payable	240,493
Accrued liabilities	40,261
Compensated absences	53,444
Total current liabilities	<u>334,198</u>
Long-term liabilities (net of current portion):	
Compensated absences	5,938
Net pension liability	172,108
Total noncurrent liabilities	<u>178,046</u>
Total liabilities	<u>512,244</u>
Deferred inflows of resources:	
Related to pensions	<u>111,372</u>
Net position:	
Invested in capital assets	1,372,590
Unrestricted	3,374,718
Total net position	<u>\$ 4,747,308</u>

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Sanitation Enterprise Fund</u>
Operating revenues:	
Charges for services	\$ 3,911,692
Total operating revenues	<u>3,911,692</u>
Operating expenses:	
Personal services and employee benefits	1,150,675
Contracted services	1,424,504
Other operating expenses	570,665
Depreciation	229,601
Total operating expenses	<u>3,375,445</u>
Operating income	<u>536,247</u>
Nonoperating revenues (expenses):	
Interest income	238
Gain(loss) on disposal of assets	72,239
Total nonoperating revenues (expenses)	<u>72,477</u>
Income before transfers	<u>608,724</u>
Transfers out	<u>(115,000)</u>
Change in net position	<u>493,724</u>
Total net position, beginning - before restatement	4,527,133
Restatement	(273,549)
Total net position, beginning - after restatement	<u>4,253,584</u>
Total net position, ending	<u><u>\$ 4,747,308</u></u>

See accompanying notes to financial statements. 10

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Sanitation Enterprise Fund</u>
Cash flows from (to) operating activities:	
Cash received from customers	\$ 3,864,510
Cash payments to suppliers for goods and services	(1,386,925)
Cash payments for employee services and fringe benefits	<u>(1,163,965)</u>
Net cash from (to) operating activities	<u>1,313,620</u>
Cash flows from (to) noncapital financing activities:	
Transfers out	<u>(115,000)</u>
Net cash from (to) noncapital financing activities	<u>(115,000)</u>
Cash flows from (to) capital and related financing activities:	
Acquisition of capital assets	(459,777)
Cash payments received on disposal of assets	<u>229,039</u>
Net cash from (to) capital and related financing activities	<u>(230,738)</u>
Cash flows from (to) investing activities:	
Interest earned on assets	<u>238</u>
Net cash from (to) investing activities	<u>238</u>
Net increase (decrease) in cash	968,120
Cash at beginning of year	<u>1,546,506</u>
Cash at end of year	<u><u>\$ 2,514,626</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 536,247
Adjustments to reconcile operating income to net cash from (to) operating activities:	
Depreciation	229,601
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(47,182)
(Increase) decrease in due from other funds	(142,161)
(Increase) decrease in prepaid expenses	(10,078)
(Increase) decrease in advances to other funds	754,125
(Increase) decrease in deferred outflows of resources	(9,920)
Increase (decrease) in net pension liability	(137,344)
Increase (decrease) in accounts payable	6,358
Increase (decrease) in accrued liabilities	10,841
Increase (decrease) in compensated absences	11,761
Increase (decrease) in deferred inflows of resources	<u>111,372</u>
Net cash from (to) operating activities	<u><u>\$ 1,313,620</u></u>

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2015

	<u>Beneficiary Fund</u>
Assets-	
Current assets-	
Cash	<u>\$ 25,260</u>
 Liabilities-	
Due to other governments and individuals	<u>\$ 25,260</u>

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 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 in accordance with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 61 "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*", the financial statements of its component units. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

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 on and is purely a financing authority of the City. The Authority is presented as a special revenue 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 special revenue fund.

Discretely Presented Component Units:

The City of Douglasville Development Authority was created by the City as a separate legal

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. 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 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 revenue as soon as all eligibility requirements imposed by the provider have been met. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 all revenues except intergovernmental revenue to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue is considered available if considered collectible within 9 months after the end of the 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.

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.

GEMA Flood Fund - The GEMA Flood Fund is used to account for a grant awarded to the City for capital improvements.

Conference Center Fund - The Conference Center fund accounts for the construction of a convention center funded by bond proceeds.

The government reports the following major proprietary fund:

Sanitation Fund - The Sanitation Fund 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 Douglasville Downtown Conference Center, the Public Purpose Corporation's building, hotel/motel taxes, grants, and rental car excise taxes.

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

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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 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 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 with the exception of the Multiple Grant Fund. 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.
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 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,

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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, 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.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 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.

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

See note (6) for additional information regarding capital assets.

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.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

See note (7) for additional information regarding long-term obligations.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualifies for reporting in this category. They are the accumulated fair value of the City's hedge transaction and the deferred outflow of resources relating to pensions. See notes (7) and (9) for information regarding the City's interest rate swap agreement and pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents a part of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, unavailable revenues reported only in the governmental funds balance sheet and the deferred inflows related to pensions reported in the government wide statement of net position and in the proprietary funds statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors,

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of a fiscal year, committed fund balances. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. The City Council has by resolution authorized the City's Finance Director to assign fund balance. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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, 2015, none of the deposits of the City were subject to custodial credit risk.

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, 2015, a certificate of deposit of the confiscated asset fund totaling \$1,327,340 was uninsured and uncollateralized.

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The City's investments at June 30, 2015 are comprised 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, 2015 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 329,721	\$ -	\$ 1,450,876	\$ -	\$ 1,780,597
Confiscated Assets Fund	-	-	826	-	826
GEMA Flood Fund	-	-	296,026	-	296,026
Nonmajor Governmental Funds	-	-	169,996	-	169,996
Sanitation Fund	-	416,063	-	(89,954)	326,109
Total	\$ 329,721	\$ 416,063	\$ 1,917,724	\$ (89,954)	\$ 2,573,554

(4) DUE FROM OTHER GOVERNMENTS

Due From Other Governments at June 30, 2015 consist of the following:

	State of Georgia Department of Revenue
General Fund	<u>\$ 511,135</u>

(5) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

Interfund loans receivable are considered "available spendable resources." Such balances at June 30, 2015 include Due from (to) and are summarized as follows:

PAYABLE FROM	<u>RECEIVABLE TO</u> Sanitation Fund
GEMA Flood Fund	\$ 293,131
Conference Center Fund	737,793
Nonmajor Governmental Funds	42,295
Total	<u>\$ 1,073,219</u>

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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:

<u>TRANSFER IN TO</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitation Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 616,552	\$ 115,000	\$ 731,552
Conference Center Fund	-	181,332	-	181,332
Nonmajor Governmental Funds	1,059,804	980,500	-	2,040,304
Total	<u>\$ 1,059,804</u>	<u>\$ 1,778,384</u>	<u>\$ 115,000</u>	<u>\$ 2,953,188</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, 2015

(6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 29,465,527	\$ -	\$ -	\$ 29,465,527
Construction in progress	364,272	48,503	(62,795)	349,980
Total capital assets not being depreciated	<u>29,829,799</u>	<u>48,503</u>	<u>(62,795)</u>	<u>29,815,507</u>
Capital assets, being depreciated:				
Infrastructure	97,700,820	504,740	-	98,205,560
Buildings	53,341,687	-	-	53,341,687
Other improvements	11,420,361	58,515	-	11,478,876
Machinery, equipment and vehicles	14,883,421	521,993	-	15,405,414
Total capital assets being depreciated	<u>177,346,289</u>	<u>1,085,248</u>	<u>-</u>	<u>178,431,537</u>
Less accumulated depreciation for:				
Infrastructure	(78,863,367)	(823,725)	-	(79,687,092)
Buildings	(5,921,404)	(1,070,577)	-	(6,991,981)
Other improvements	(2,118,515)	(499,314)	-	(2,617,829)
Machinery, equipment and vehicles	(12,076,738)	(910,198)	-	(12,986,936)
Total accumulated depreciation	<u>(98,980,024)</u>	<u>(3,303,814)</u>	<u>-</u>	<u>(102,283,838)</u>
Total capital assets being depreciated, net	<u>78,366,265</u>	<u>(2,218,566)</u>	<u>-</u>	<u>76,147,699</u>
Governmental activities capital assets, net	<u>\$ 108,196,064</u>	<u>\$ (2,170,063)</u>	<u>\$ (62,795)</u>	<u>\$ 105,963,206</u>
Business-type activities:				
Capital assets, being depreciated:				
Vehicles	\$ 2,301,489	\$ 459,777	\$ (196,000)	\$ 2,565,266
Machinery and equipment	579,141	-	-	579,141
Total capital assets being depreciated	<u>2,880,630</u>	<u>459,777</u>	<u>(196,000)</u>	<u>3,144,407</u>
Less accumulated depreciation for:				
Vehicles	(1,217,215)	(171,837)	39,200	(1,349,852)
Machinery and equipment	(364,201)	(57,764)	-	(421,965)
Total accumulated depreciation	<u>(1,581,416)</u>	<u>(229,601)</u>	<u>39,200</u>	<u>(1,771,817)</u>
Total capital assets being depreciated, net	<u>1,299,214</u>	<u>230,176</u>	<u>(156,800)</u>	<u>1,372,590</u>
Business-type activities capital assets, net	<u>\$ 1,299,214</u>	<u>\$ 230,176</u>	<u>\$ (156,800)</u>	<u>\$ 1,372,590</u>

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Governmental activities:	
General government	\$ 798,084
Public safety	782,945
Public works, including depreciation of general infrastructure	658,164
Culture and recreation	1,064,621
Total depreciation expense - governmental activities	<u>\$ 3,303,814</u>
Business-type activities:	
Sanitation	<u>\$ 229,601</u>

(7) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds	\$ 40,991,084	\$ -	\$ (1,767,841)	\$ 39,223,243	\$ 1,836,440
Premium	1,098,213	-	(61,164)	1,037,049	-
Discount	(23,675)	-	1,118	(22,557)	-
Interest rate swap	508,370	108,422	(148,041)	468,751	-
Capital leases	1,497,116	-	(243,667)	1,253,449	253,824
Net pension liability	3,838,435	2,478,633	(4,182,240)	2,134,828	
Net OPEB obligation	8,563,436	1,527,818	(300,402)	9,790,852	-
Compensated absences	880,953	562,814	(616,192)	827,575	82,757
Governmental activities long-term liabilities	<u>\$ 57,353,932</u>	<u>\$ 4,677,687</u>	<u>\$ (7,318,429)</u>	<u>\$ 54,713,190</u>	<u>\$ 2,173,021</u>
Business-type activities:					
Net pension liability	\$ 309,452	\$ 199,825	\$ (337,169)	\$ 172,108	\$ -
Compensated absences	47,621	51,343	(39,582)	59,382	53,444
Business-type activities long-term liabilities	<u>\$ 357,073</u>	<u>\$ 251,168</u>	<u>\$ (376,751)</u>	<u>\$ 231,490</u>	<u>\$ 53,444</u>

For governmental activities, compensated absences, pension, and OPEB liabilities are typically liquidated in the general 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, 2015:

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

\$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 (\$4,678,243 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, 2015, was (\$468,751). The notional amount of the City's derivative instruments was \$4,678,243 as of June 30, 2015. The fair values were estimated using a proprietary pricing model 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, 2015, 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 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 an 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 City of Douglasville bonds, 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 (\$17,980,000 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, 2015:

\$9,640,000 Series 2011 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing February 1, 2022 of \$400,000 to \$3,860,000 through February 1, 2035; interest at 3.0 to 5.0 percent (\$9,640,000 outstanding). The bonds were issued to finance the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities.

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\$3,770,000 Series 2012 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing February 1, 2014 of \$150,000 to \$525,000 through February 1, 2022; interest at 4.0 to 5.0 percent (\$2,975,000 outstanding). The bonds were issued to finance the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities.

\$4,110,000 Series 2013 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing August 1, 2014 of \$160,000 to \$640,000 through August 1, 2035; interest at 1.00 to 3.25% percent (\$3,950,000 outstanding). The bonds were issued to refund the 2005 bond series used to construct a golf course.

The following is a schedule of the future payments on outstanding Governmental Activities bonds as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,836,440	\$ 1,610,917	\$ 3,447,357
2017	1,901,619	1,548,298	3,449,917
2018	2,041,438	1,462,403	3,503,841
2019	2,122,204	1,393,016	3,515,220
2020	2,213,405	1,294,346	3,507,751
2021-2025	12,499,831	4,994,944	17,494,775
2026-2030	11,303,306	2,367,444	13,670,750
2031-2035	5,050,000	667,719	5,717,719
2036	255,000	4,144	259,144
Total	<u>\$ 39,223,243</u>	<u>\$ 15,343,231</u>	<u>\$ 54,566,474</u>

Capital Leases

The City leases certain equipment with costs totaling \$3,267,546. The interest rates for the leases are 4.05% - 4.24%. The leases qualify as capital leases. As of June 30, 2015, accumulated depreciation expense totaled \$719,937. This year \$81,635 was included in depreciation expense.

The following is a schedule of the future payments on outstanding Governmental Activities capital leases as of June 30, 2015:

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Year Ending June 30,	Principal	Interest	Total
2016	\$ 253,824	\$ 52,810	\$ 306,634
2017	264,518	42,186	306,704
2018	235,068	30,891	265,959
2018	244,945	21,015	265,960
2020	255,094	10,724	265,818
Total	<u>\$ 1,253,449</u>	<u>\$ 157,626</u>	<u>\$ 1,411,075</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 September 15, 2014. 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-November, 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. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling 404-688-0472.

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).

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Employees covered by benefit terms. At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	97
Inactive employees entitled to but not yet receiving benefits	93
Active employees	208
 Total	 398

Contributions. Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions. For the year ended June 30, 2015, the actuarially determined rate was 8.39% of annual pay. The January 1, 2015 valuation is used to determine the recommended contribution for the fiscal year 2015. During the plan year, total pension contributions were \$763,549 from the City.

Net Pension Liability

The City's net pension liability was measured as of January 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%	
Salary increases	3.25% plus age and service based merit increases	
Investment rate of return	7.75%	
Cost of living adjustments	3.25% for employees hired on or before October 2, 2006; 0% otherwise	

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at 9/30/2013	\$ 27,547,397	\$ 23,399,510	\$ 4,147,887
Changes for the year:			
Service cost	550,294	-	550,294
Interest	2,094,469	-	2,094,469
Differences between expected and actual experience	(669,619)	-	(669,619)
Contributions - employer	-	851,364	(851,364)
Contributions - employee	-	-	-
Net investment income	-	2,668,243	(2,668,243)
Benefit payments, including refunds of employee contributions	(1,043,971)	(1,043,971)	-
Administrative expense	-	(33,695)	33,695
Other	(330,183)	-	(330,183)
Net changes	<u>600,990</u>	<u>2,441,941</u>	<u>(1,840,951)</u>
Balances at 9/30/2014	<u>\$ 28,148,387</u>	<u>\$ 25,841,451</u>	<u>\$ 2,306,936</u>

Changes in Assumptions

Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014, the following assumptions were changed in this valuation:

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- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 %) or 1-percentage-point higher (8.75 %) than the current rate:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 6,463,745	\$ 2,306,936	\$ (1,094,735)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System Retirement Trust financial report. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the System. The net appreciation (depreciation) in the fair value of investments held by the System is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position.

Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when

**CITY OF DOUGLASVILLE, GEORGIA
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payment is made. Investments are reported at fair value as of the Statement of Net Position date.

Investments of the System consist of common and preferred stocks, corporate fixed income securities, equity and fixed income mutual funds, governmental and governmental agency securities, and real estate. There are no investments in any one organization other than the securities guaranteed by the U.S. government that represent five percent or more of plan net position. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in real estate funds are valued based on appraisals and valuations prepared by American Realty Advisors. Temporary cash and cash equivalent investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

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

For the year ended June 30, 2015, the City recognized pension expense of \$503,241. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (535,696)
Changes of assumptions	-	(266,292)
Net difference between projected and actual earnings on pension plan investments	-	(690,840)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	<u>570,833</u>	<u>-</u>
Total	<u>\$ 570,833</u>	<u>\$ (1,492,828)</u>

\$570,833 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (373,207)
2017	(373,207)
2018	(373,207)
2019	(373,207)
2020	-
Thereafter	-

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(10) POST EMPLOYMENT HEALTH CARE PLAN

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

Plan Description - The City participates in 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, 2013, there were 40 retirees eligible for the benefits and 209 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 2015, the City contributed \$300,402 to the plan. The cost of benefits for retirees is paid entirely by the City.

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation	Annual Amount Contributed
6/30/15	\$ 1,527,818	20%	\$ 9,790,852	\$ 300,402
6/30/14	1,616,016	15%	8,563,436	249,145
6/30/13	1,838,450	15%	7,196,565	273,146

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)
01/01/15	\$ -	\$ 13,982,771	\$ 13,982,771	0.0%	\$ 8,831,986	158.3%

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.

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 twenty-five 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:

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Annual required contribution	\$ 1,812,212
Interest on net OPEB obligation	342,537
Adjustment to annual required contribution	<u>(626,931)</u>
Annual OPEB cost	1,527,818
Contributions made	<u>(300,402)</u>
(Increase) decrease in net OPEB obligation	1,227,416
Net OPEB obligation, beginning of year	<u>8,563,436</u>
Net OPEB obligation, end of year	<u><u>\$ 9,790,852</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.

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	1/2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	19 years as of July 1, 2014
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	4.0%
Inflation rate	3.25%
Medical and drug costs	8.0% graded to 5.00% over 6 years
Dental cost trend rate	4.00%

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.

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(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 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

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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' 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 (RC). Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC 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 RC. Separate financial statements may be obtained from the Atlanta Regional Commission, 40 Courtland Street, NE, Atlanta, Georgia 30303.

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(13) DEFICIT FUND BALANCES

The deficits in the GEMA Flood and Bright Star Connector Funds will be funded by future intergovernmental revenues. The Conference Center Fund deficit will be funded by a transfer from the Rental Car Tax Fund.

GEMA Flood Fund	\$ (293,131)
Conference Center Fund	\$ (737,793)
Bright Star Connector Fund	\$ (42,296)

(14) 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.

Encumbrances: Encumbrances outstanding as of June 30, 2015 are as follows:

General Fund	\$ 2,500
Confiscated Assets Fund	23,628
Sanitation Fund	3,681
Nonmajor Funds:	1,211
	\$ 31,020

(15) FUND BALANCE

The composition of the City's fund balances is as follows:

	General Fund	Confiscated Assets Fund	GEMA Flood Fund	Conference Center Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepays	\$ 509,010	\$ -	\$ -	\$ -	\$ 6,759	\$ 515,769
Inventories	13,627	-	-	-	-	13,627
Restricted for:						
Capital projects	-	-	-	-	82,927	82,927
Promotion of tourism	-	-	-	-	418,791	418,791
Debt service	-	-	-	-	44,472	44,472
Law enforcement	-	2,670,090	-	-	-	2,670,090
Assigned for-						
General government	104,849	-	-	-	-	104,849
Unassigned	6,097,136	-	(293,131)	(737,793)	(42,296)	5,023,916
	\$ 6,724,622	\$ 2,670,090	\$ (293,131)	\$ (737,793)	\$ 510,653	\$ 8,874,441

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In the General Fund, assigned fund balances are encumbrances, which include amounts for vehicle communications equipment, professional engineering services, computer maintenance, street striping and site improvements.

(16) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund:			
General government:			
Mayor and Council-			
Other operating expenditures	\$ 64,231	\$ 75,335	\$ (11,104)
Clerk of Council-			
Other operating expenditures	7,149	9,489	(2,340)
City Manager-			
Other operating expenditures	54,452	60,870	(6,418)
Legal-			
Other operating expenditures	264,202	318,381	(54,179)
Human Resources:			
Personal services	164,381	181,569	(17,188)
Other operating expenditures	57,030	90,981	(33,951)
Communications:			
Personal services	285,941	287,702	(1,761)
Capital outlay	7,593	23,032	(15,439)
General administration:			
Personal services	310,403	472,858	(162,455)
Other operating expenditures	1,415,466	1,464,810	(49,344)
Public safety:			
Police-			
Personal services	7,298,124	7,312,674	(14,550)
Public works:			
Street maintenance-			
Other operating expenditures	714,560	724,080	(9,520)
Garage-			
Other operating expenditures	21,851	56,854	(35,003)
Culture and Recreation:			
Parks Administration:			
Personal services	388,160	402,562	(14,402)
Other operating expenditures	216,231	239,016	(22,785)
Jessie Davis Park-			
Personal services	149,116	167,232	(18,116)
West Pines Golf Course-			
Capital outlay	58,500	59,267	(767)
Housing and development:			
Planning and zoning-			
Personal services	183,870	212,080	(28,210)
Code enforcements-			
Personal services	220,387	231,602	(11,215)
Community development-			
Other operating expenditures	217,839	226,938	(9,099)
Debt service:			
Principal	1,870,756	1,871,125	(369)
Interest and fiscal charges	167,352	171,506	(4,154)
Public Purpose Corporation Fund-			
Debt service	393,537	532,138	(138,601)

**CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(17) CONDUIT DEBT OBLIGATIONS

The City of Douglasville Development Authority has issued bonds to provide financial assistance to a local business owner for the improvement of property and facilities. At June 30, 2015, \$73,024,922 was outstanding. The bonds are secured by the property and facilities financed and are payable solely from the payments from the underlying funding agreement. Upon payment of the bonds, ownership of the property and facilities transfers to the local business owner. Neither the Authority nor the City is obligated in any manner for the repayment of the bonds. In accordance with Governmental Accounting Standards Board Interpretation 2 “Disclosure of Conduit Debt Obligations,” the bonds are not reported as liabilities in the accompanying financial statements.

(18) RESTATEMENT

The City implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions” during fiscal year 2015. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. See also Note (9) for disclosures relating to the City’s Pension Plan. The implementation of GASB Statement No. 68 resulted in the following restatements to the City’s beginning net position:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Sanitation Fund</u>
Beginning Net Position before Restatement	\$ 62,518,743	\$ 4,527,133	\$ 4,527,133
Restatement - Deferred Outflows of Resources	622,744	35,903	35,903
Restatement - Net Pension Liability	<u>(3,838,435)</u>	<u>(309,452)</u>	<u>(309,452)</u>
Ending Net Position after Restatement	<u>\$ 59,303,052</u>	<u>\$ 4,253,584</u>	<u>\$ 4,253,584</u>

The effect of implementing GASB Statement No. 68 to previously reported changes in net position has not been determined.

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

	2015
Total pension liability	
Service cost	\$ 550,294
Interest	2,094,469
Differences between expected and actual experience	(669,619)
Changes of assumptions	(332,866)
Changes of benefit items	2,683
Benefit payments, including refunds of employee contributions	(1,043,971)
Net change in total pension liability	600,990
Total pension liability - beginning	27,547,397
Total pension liability - ending (a)	\$ 28,148,387
 Plan fiduciary net position	
Contributions - employer	\$ 851,364
Contributions - employee	-
Net investment income	2,668,243
Benefit payments including refunds of employee contributions	(1,043,971)
Administrative expense	(33,695)
Net change in plan fiduciary net position	2,441,941
 Plan fiduciary net position - beginning	23,399,510
Plan fiduciary net position - ending (b)	\$ 25,841,451
 City's net pension liability - ending (a) - (b)	\$ 2,306,936
 Plan fiduciary net position as a percentage of the total pension liability	91.80%
 Covered employee payroll	\$ 8,713,629
 City's net pension liability as a percentage of covered employee payroll	26.48%

Notes to Schedule:

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

**CITY OF DOUGLASVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS**

	6/30/2015
Actuarially determined contribution	\$ 732,305
Contributions in relation to the actuarially determined contribution	763,549
Contribution deficiency (excess)	\$ (31,244)
 Covered-employee payroll	 \$ 10,949,260
 Contributions as a percentage of covered-employee payroll	 6.97%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary increases	3.25% plus age and service based merit increases
Investment rate of return	7.75%
Cost of living adjustments	3.25% for employees hired on or before October 2, 2006; 0% otherwise
Retirement age	Class 00 - age 60 with 5 years of service; Class 01 and Class 02 - age 62 with 5 years of service
Mortality	RP-2000 Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Notes to Schedule:

Benefit changes : Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

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

Post Employment Healthcare 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)
01/01/15	\$ -	\$ 13,982,771	\$ 13,982,771	0.0%	\$ 8,831,986	158.3%
01/01/13	-	16,108,511	16,108,511	0.0%	8,898,121	181.0%
01/01/11	-	13,214,736	13,214,736	0.0%	8,247,391	160.2%

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 16,781,451	\$ 18,123,735	\$ 18,900,950	\$ 777,215
Charges for services	1,761,658	1,704,658	1,667,536	(37,122)
Licenses and permits	1,948,237	2,419,799	2,435,307	15,508
Fines and forfeitures	1,686,416	1,536,416	1,536,020	(396)
Intergovernmental revenues	6,500	6,500	10,711	4,211
Investment earnings	5,000	5,000	10,992	5,992
Miscellaneous revenue	63,180	37,680	75,901	38,221
Total revenues	22,252,442	23,833,788	24,637,417	803,629
Expenditures:				
Current:				
General government				
Mayor and council				
Personnel services	228,136	228,136	219,597	8,539
Other operating expenditures	64,231	64,231	75,335	(11,104)
	<u>292,367</u>	<u>292,367</u>	<u>294,932</u>	<u>(2,565)</u>
Clerk of Council				
Personnel services	82,623	100,623	93,087	7,536
Other operating expenditures	7,149	7,149	9,489	(2,340)
Capital outlay	3,000	3,000	2,995	5
	<u>92,772</u>	<u>110,772</u>	<u>105,571</u>	<u>5,201</u>
City Manager				
Personnel services	333,218	376,898	365,163	11,735
Other operating expenditures	54,452	54,452	60,870	(6,418)
Capital outlay	-	4,995	4,995	-
	<u>387,670</u>	<u>436,345</u>	<u>431,028</u>	<u>5,317</u>
Financial administration				
Personnel services	415,324	430,342	417,899	12,443
Other operating expenditures	174,335	179,335	156,317	23,018
Capital outlay	15,000	11,000	7,500	3,500
	<u>604,659</u>	<u>620,677</u>	<u>581,716</u>	<u>38,961</u>
Legal				
Personnel services	102,862	115,912	107,007	8,905
Other operating expenditures	184,202	264,202	318,381	(54,179)
	<u>287,064</u>	<u>380,114</u>	<u>425,388</u>	<u>(45,274)</u>
Information services				
Personnel services	205,803	213,903	212,788	1,115
Other operating expenditures	664,587	664,587	661,005	3,582
Capital outlay	270,277	270,277	140,979	129,298
	<u>1,140,667</u>	<u>1,148,767</u>	<u>1,014,772</u>	<u>133,995</u>

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Human resources				
Personnel services	140,381	164,381	181,569	(17,188)
Other operating expenditures	41,030	57,030	90,981	(33,951)
	<u>181,411</u>	<u>221,411</u>	<u>272,550</u>	<u>(51,139)</u>
Building and grounds				
Personnel services	121,707	109,799	108,723	1,076
Other operating expenditures	60,900	60,900	52,988	7,912
	<u>182,607</u>	<u>170,699</u>	<u>161,711</u>	<u>8,988</u>
Communications				
Personnel services	241,941	285,941	287,702	(1,761)
Other operating expenditures	86,995	86,995	18,733	68,262
Capital outlay	-	7,593	23,032	(15,439)
	<u>328,936</u>	<u>380,529</u>	<u>329,467</u>	<u>51,062</u>
Engineering				
Operating expenditures	30,000	20,000	9,089	10,911
	<u>30,000</u>	<u>20,000</u>	<u>9,089</u>	<u>10,911</u>
General administration				
Personnel services	300,400	310,403	472,858	(162,455)
Other operating expenditures	566,466	1,415,466	1,464,810	(49,344)
	<u>866,866</u>	<u>1,725,869</u>	<u>1,937,668</u>	<u>(211,799)</u>
Total general government	<u>4,395,019</u>	<u>5,507,550</u>	<u>5,563,892</u>	<u>(56,342)</u>
Judicial				
Municipal court				
Personnel services	550,399	545,534	528,577	16,957
Other operating expenditures	179,125	180,157	164,773	15,384
Capital outlay	12,200	12,200	-	12,200
Total judicial	<u>741,724</u>	<u>737,891</u>	<u>693,350</u>	<u>44,541</u>
Public safety				
Police				
Personnel services	7,164,815	7,298,124	7,312,674	(14,550)
Other operating expenditures	1,502,178	1,510,178	1,497,844	12,334
Capital outlay	212,000	212,000	171,734	40,266
Total public safety	<u>8,878,993</u>	<u>9,020,302</u>	<u>8,982,252</u>	<u>38,050</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Public Works				
Street maintenance				
Personnel services	815,056	855,056	799,213	55,843
Other operating expenditures	706,560	714,560	724,080	(9,520)
	<u>1,521,616</u>	<u>1,569,616</u>	<u>1,523,293</u>	<u>46,323</u>
Garage				
Personnel services	119,544	119,544	114,358	5,186
Other operating expenditures	21,851	21,851	56,854	(35,003)
	<u>141,395</u>	<u>141,395</u>	<u>171,212</u>	<u>(29,817)</u>
Total public works	<u>1,663,011</u>	<u>1,711,011</u>	<u>1,694,505</u>	<u>16,506</u>
Housing and development				
Inspections				
Personnel services	278,635	256,886	248,571	8,315
Other operating expenditures	18,857	253,805	217,301	36,504
Capital outlay	-	25,000	23,870	1,130
	<u>297,492</u>	<u>535,691</u>	<u>489,742</u>	<u>45,949</u>
Planning and zoning				
Personnel services	172,870	183,870	212,080	(28,210)
Other operating expenditures	32,050	32,050	17,018	15,032
Capital outlay	-	1,000	406	594
	<u>204,920</u>	<u>216,920</u>	<u>229,504</u>	<u>(12,584)</u>
Code enforcement				
Personnel services	220,387	220,387	231,602	(11,215)
Other operating expenditures	11,575	19,917	13,598	6,319
	<u>231,962</u>	<u>240,304</u>	<u>245,200</u>	<u>(4,896)</u>
Community development				
Personnel services	184,304	189,304	154,303	35,001
Other operating expenditures	217,839	217,839	226,938	(9,099)
	<u>402,143</u>	<u>407,143</u>	<u>381,241</u>	<u>25,902</u>
Total housing and development	<u>1,136,517</u>	<u>1,400,058</u>	<u>1,345,687</u>	<u>54,371</u>
Culture and recreation				
Parks Administration				
Personnel services	383,052	388,160	402,562	(14,402)
Other operating expenditures	209,916	216,231	239,016	(22,785)
Capital outlay	39,500	42,047	33,087	8,960
	<u>632,468</u>	<u>646,438</u>	<u>674,665</u>	<u>(28,227)</u>
Parks Maintenance				
Personnel services	346,705	346,705	311,635	35,070
Other operating expenditures	525,466	525,466	492,640	32,826
Capital outlay	119,380	119,380	118,630	750
	<u>991,551</u>	<u>991,551</u>	<u>922,905</u>	<u>68,646</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Jessie Davis Park				
Personnel services	148,616	149,116	167,232	(18,116)
Other operating expenditures	74,093	74,093	69,062	5,031
Capital outlay	47,000	47,000	43,672	3,328
	<u>269,709</u>	<u>270,209</u>	<u>279,966</u>	<u>(9,757)</u>
West Pines Golf Course				
Personnel services	498,457	520,457	505,620	14,837
Other operating expenditures	417,890	412,890	382,477	30,413
Capital outlay	58,500	58,500	59,267	(767)
	<u>974,847</u>	<u>991,847</u>	<u>947,364</u>	<u>44,483</u>
Total culture and recreation	<u>2,868,575</u>	<u>2,900,045</u>	<u>2,824,900</u>	<u>75,145</u>
Debt Service				
Principal	1,870,756	1,870,756	1,871,125	(369)
Interest and fiscal charges	167,352	167,352	171,506	(4,154)
	<u>2,038,108</u>	<u>2,038,108</u>	<u>2,042,631</u>	<u>(4,523)</u>
Total expenditures	<u>21,721,947</u>	<u>23,314,965</u>	<u>23,147,217</u>	<u>167,748</u>
Excess (deficiency) of revenues over expenditures	<u>530,495</u>	<u>518,823</u>	<u>1,490,200</u>	<u>971,377</u>
Other financing sources (uses):				
Transfers in	686,499	686,499	731,552	45,053
Transfers out	(1,316,994)	(1,305,322)	(1,059,804)	245,518
Total other financing sources (uses)	<u>(630,495)</u>	<u>(618,823)</u>	<u>(328,252)</u>	<u>290,571</u>
Net change in fund balance	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	1,161,948	<u>\$ 1,261,948</u>
Fund balance at beginning of year			<u>5,562,674</u>	
Fund balance at end of year			<u>\$ 6,724,622</u>	

CITY OF DOUGLASVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ 192,620	\$ 774,890	\$ 582,270
Investment earnings	5,000	15,170	13,405	(1,765)
Total revenues	<u>5,000</u>	<u>207,790</u>	<u>788,295</u>	<u>580,505</u>
Expenditures-				
Current-				
Public safety	171,000	594,382	570,753	23,629
Total expenditures	<u>171,000</u>	<u>594,382</u>	<u>570,753</u>	<u>23,629</u>
Excess (deficiency) of revenues over expenditures	<u>(166,000)</u>	<u>(386,592)</u>	<u>217,542</u>	<u>604,134</u>
Net change in fund balance	<u>\$ (166,000)</u>	<u>\$ (386,592)</u>	<u>217,542</u>	<u>\$ 604,134</u>
Fund balance at beginning of year			<u>2,452,548</u>	
Fund balance at end of year			<u>\$ 2,670,090</u>	

**CITY OF DOUGLASVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds				Capital Projects Funds			Total Non-Major Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Rental Car Tax	Convention and Conference Center Authority	Public Purpose Corporation	SPLOST	Bright Star Connector	
ASSETS								
Cash	\$ 200,248	\$ 142,620	\$ -	\$ -	\$ 44,537	\$ 90,015	\$ -	\$ 477,420
Receivables, net:								
Other	55,810	111,143	3,043	-	-	-	-	169,996
Prepaid items	-	6,759	-	-	-	-	-	6,759
Total assets	\$ 256,058	\$ 260,522	\$ 3,043	\$ -	\$ 44,537	\$ 90,015	\$ -	\$ 654,175

LIABILITIES AND FUND BALANCES

Liabilities:								
Accounts payable	\$ 2,174	\$ 17,039	\$ -	\$ -	\$ 65	\$ 7,088	\$ 1	\$ 26,367
Accrued liabilities	-	20,830	-	-	-	-	-	20,830
Unearned revenue	54,030	-	-	-	-	-	-	54,030
Due to other funds	-	-	-	-	-	-	42,295	42,295
Total liabilities	56,204	37,869	-	-	65	7,088	42,296	143,522
Fund balances:								
Nonspendable	-	6,759	-	-	-	-	-	6,759
Restricted	199,854	215,894	3,043	-	44,472	82,927	-	546,190
Unassigned	-	-	-	-	-	-	(42,296)	(42,296)
Total fund balance (deficit)	199,854	222,653	3,043	-	44,472	82,927	(42,296)	510,653
Total liabilities and fund balance	\$ 256,058	\$ 260,522	\$ 3,043	\$ -	\$ 44,537	\$ 90,015	\$ -	\$ 654,175

CITY OF DOUGLASVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				Capital Projects Funds			Total Non-Major Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Rental Car Tax	Convention and Conference Center Authority	Public Purpose Corporation	SPLOST	Bright Star Connector	
Revenues:								
Taxes	\$ -	\$ 1,630,805	\$ 160,515	\$ -	\$ -	\$ -	\$ -	\$ 1,791,320
Charges for services	-	208,081	-	-	-	-	-	208,081
Intergovernmental	445,721	-	-	-	-	-	100,000	545,721
Investment earnings	-	520	-	-	11	-	-	531
Miscellaneous revenues	750	57,550	-	-	543,320	-	-	601,620
Total revenues	446,471	1,896,956	160,515	-	543,331	-	100,000	3,147,273
Expenditures:								
Current:								
General government	15,516	-	-	-	-	-	-	15,516
Public safety	88,062	-	-	-	-	-	-	88,062
Housing and development	544,039	-	-	-	-	-	-	544,039
Culture and recreation	-	984,990	-	-	2,179	-	-	987,169
Debt service	-	-	-	1,172,144	532,138	-	-	1,704,282
Capital projects	-	-	-	-	-	28,948	108,706	137,654
Total expenditures	647,617	984,990	-	1,172,144	534,317	28,948	108,706	3,476,722
Excess (deficiency) of revenues over expenditures	(201,146)	911,966	160,515	(1,172,144)	9,014	(28,948)	(8,706)	(329,449)
Other financing sources (uses):								
Transfers in	151,839	566,499	-	1,172,144	-	-	149,822	2,040,304
Transfers out	-	(1,597,052)	(181,332)	-	-	-	-	(1,778,384)
Total other financing sources (uses)	151,839	(1,030,553)	(181,332)	1,172,144	-	-	149,822	261,920
Net change in fund balance	(49,307)	(118,587)	(20,817)	-	9,014	(28,948)	141,116	(67,529)
Fund balance (deficit) at beginning of year	249,161	341,240	23,860	-	35,458	111,875	(183,412)	578,182
Fund balance (deficit) at end of year	\$ 199,854	\$ 222,653	\$ 3,043	\$ -	\$ 44,472	\$ 82,927	\$ (42,296)	\$ 510,653

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, 2015

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,767,398	\$ 445,721	\$ (1,321,677)
Miscellaneous revenues	1,000	750	(250)
	1,768,398	446,471	(1,321,927)
Expenditures:			
Current:			
General government	20,650	15,516	5,134
Public safety	245,243	88,062	157,181
Housing and development	2,133,812	544,039	1,589,773
	2,399,705	647,617	1,752,088
Excess (deficiency) of revenues over expenditures	(631,307)	(201,146)	430,161
Other financing sources (uses)-			
Transfers in	631,307	151,839	(479,468)
	631,307	151,839	(479,468)
Net change in fund balance	\$ -	(49,307)	\$ (49,307)
Fund balance (deficit) at beginning of year		249,161	
Fund balance at end of year		\$ 199,854	

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, 2015

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 944,165	\$ 1,630,805	\$ 686,640
Charges for services	215,250	208,081	(7,169)
Investment earnings	560	520	(40)
Miscellaneous revenues	55,500	57,550	2,050
	<u>1,215,475</u>	<u>1,896,956</u>	<u>681,481</u>
Expenditures-			
Current-			
Culture and recreation	<u>1,107,142</u>	<u>984,990</u>	<u>122,152</u>
	<u>1,107,142</u>	<u>984,990</u>	<u>122,152</u>
Excess (deficiency) of revenues over expenditures	<u>108,333</u>	<u>911,966</u>	<u>803,633</u>
Other financing sources (uses):			
Transfers in	883,017	566,499	(316,518)
Transfers out	<u>(991,300)</u>	<u>(1,597,052)</u>	<u>(605,752)</u>
	<u>(108,283)</u>	<u>(1,030,553)</u>	<u>(922,270)</u>
Net change in fund balance	<u>\$ 50</u>	<u>(118,587)</u>	<u>\$ (118,637)</u>
Fund balance at beginning of year		<u>341,240</u>	
Fund balance at end of year		<u>\$ 222,653</u>	

CITY OF DOUGLASVILLE, GEORGIA
RENTAL CAR TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues-			
Taxes	<u>\$ 165,000</u>	<u>\$ 160,515</u>	<u>\$ (4,485)</u>
Total revenues	<u>165,000</u>	<u>160,515</u>	<u>(4,485)</u>
Other financing sources (uses)-			
Transfers out	<u>(165,000)</u>	<u>(181,332)</u>	<u>(16,332)</u>
Total other financing sources (uses)	<u>(165,000)</u>	<u>(181,332)</u>	<u>(16,332)</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 <u>(20,817)</u>	 <u><u>\$ (20,817)</u></u>
 Fund balance at beginning of year		 <u>23,860</u>	
Fund balance at end of year		<u><u>\$ 3,043</u></u>	

**CITY OF DOUGLASVILLE, GEORGIA
CONVENTION AND CONFERENCE CENTER AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures-			
Debt service	\$ 1,179,944	\$ 1,172,144	\$ 7,800
Total expenditures	1,179,944	1,172,144	7,800
Excess (deficiency) of revenues over expenditures	(1,179,944)	(1,172,144)	7,800
Other financing sources (uses)-			
Transfers in	1,179,944	1,172,144	(7,800)
Total other financing sources (uses)	1,179,944	1,172,144	(7,800)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>\$ -</u>	

**CITY OF DOUGLASVILLE, GEORGIA
PUBLIC PURPOSE CORPORATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment earnings	\$ -	11	\$ 11
Miscellaneous revenues	395,985	543,320	147,335
Total revenues	395,985	543,331	147,346
Expenditures:			
Current-			
Culture and recreation	2,448	2,179	269
Debt service	393,537	532,138	(138,601)
Total expenditures	395,985	534,317	(138,332)
Excess (deficiency) of revenues over expenditures	-	9,014	9,014
Net change in fund balance	\$ -	9,014	\$ 9,014
Fund balance at beginning of year		35,458	
Fund balance at end of year		\$ 44,472	

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
BENEFICIARY FUND				
Assets-				
Cash	\$ 22,159	\$ 514,930	\$ 511,829	\$ 25,260
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities-				
Due to other governments and individuals	\$ 22,159	\$ 514,930	\$ 511,829	\$ 25,260
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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CITY OF DOUGLASVILLE, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Revenues</u>	<u>Expenditures</u>	<u>Percentage Expended</u>
<u>\$ 1,630,805</u>	<u>\$ 1,630,805</u>	<u>100%</u>

**CITY OF DOUGLASVILLE, GEORGIA
CAR RENTAL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Revenues</u>	<u>Expenditures</u>	<u>Percentage Expended</u>
<u>\$ 160,515</u>	<u>\$ 160,515</u>	<u>100%</u>

**CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Project	Original Estimated Cost	Current Estimated Cost	Funding Sources Other than SPLOST				Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percent Complete
			Grants/ General Fund	Cost	Prior Years	Current Year					
2002:											
Public works:											
Stewart Mill/ Douglas Blvd.	\$ -	\$ 172,473	\$ 236,510	\$ 408,983	\$ 408,983	\$ -	\$ 408,983	\$ -	\$ 408,983	100%	
Hospital Drive Widening	331,000	2,338,748	1,351,977	3,690,725	3,690,725	-	3,690,725	-	3,690,725	100%	
Sidewalks	83,864	960,977	811,956	1,772,933	1,760,150	-	1,760,150	-	1,760,150	99%	
Hwy 92	231,818	1,131,544	173,529	1,305,073	1,305,073	-	1,305,073	-	1,305,073	100%	
Bright Star Connector	-	2,372,028	640,254	3,012,282	3,012,282	-	3,012,282	-	3,012,282	100%	
Timber Ridge/ Chapel Hill	-	3,943,773	742,598	4,686,371	4,686,371	-	4,686,371	-	4,686,371	100%	
Resurfacing	196,490	1,564,324	467,609	2,031,933	2,031,933	-	2,031,933	-	2,031,933	100%	
LCI 03 Streetscape	2,742,000	523,760	2,067,402	2,591,162	2,591,162	-	2,591,162	-	2,591,162	100%	
LCI 04 Gateway & sidewalks	-	113,619	63,288	176,907	176,907	-	176,907	-	176,907	100%	
Chicago Avenue Widening	-	47	146,452	146,499	146,499	-	146,499	-	146,499	100%	
	3,585,172	13,121,293	6,701,575	19,822,868	19,810,085	-	19,810,085	-	19,810,085		
Culture and recreation:											
West Pines Golf Course	6,427,960	6,467,727	-	6,467,727	6,438,779	28,948	6,467,727	28,948	6,467,727	100%	
Hunter Park	4,788,355	8,056,432	854,490	8,910,922	8,910,922	-	8,910,922	-	8,910,922	100%	
Jessie Davis Park Renovation	1,650,754	1,953,342	-	1,953,342	1,953,342	-	1,953,342	-	1,953,342	100%	
Fowler Field	-	80,300	-	80,300	80,300	-	80,300	-	80,300	100%	
Administrative Fees	-	193,210	-	193,210	193,210	-	193,210	-	193,210	100%	
	12,867,069	16,751,011	854,490	17,605,501	17,576,553	28,948	17,605,501	28,948	17,605,501		
Total Roads and Parks	\$ 16,452,241	\$ 29,872,304	\$ 7,556,065	\$ 37,428,369	\$ 37,386,638	\$ 28,948	\$ 37,415,586	\$ 28,948	\$ 37,415,586		