



# DOUGLASVILLE

— — — — — G E O R G I A — — — — —

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR  
ENDED JUNE 30, 2018**

**CITY OF DOUGLASVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2018**

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

## **INTRODUCTORY SECTION**

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CITY OF DOUGLASVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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**Rochelle Robinson**  
Mayor

**Marcia Hampton**  
City Manager

**Vicki L. Acker**  
City Clerk



**CITY COUNCIL**  
Mark Adams  
Dr. LaShun Burr-Danley  
Sam Davis  
Michael J. Miller, Esq.  
Terry S. Miller  
Richard S. Segal  
Coach Chris Watts

December 5, 2018

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

The Comprehensive Annual Financial Report of the City of Douglasville, Georgia (the City), for the fiscal year ended June 30, 2018, is hereby submitted as mandated by both local and state government. These ordinances and statutes require that the City issue annually, a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City of Douglasville, Georgia's financial affairs are included.

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

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

Component units are legally separate entities for which the primary government is financially accountable. The City considers all potential component units for inclusion in these financial statements because of significant operational or financial relationships as required by generally accepted accounting principles.

For year ended June 30, 2018, the City has three component units: the Douglasville Convention and Conference Center Authority, the Douglasville Public Purpose Corporation and the Douglasville Development Authority. The Douglasville Convention and Conference Center Authority and the Douglasville Public Purpose Corporation are presented as blended component units and are presented as special revenue funds. The Douglasville Development Authority is a discretely presented component unit. For additional information, see "NOTE 1.A" of the Notes to the Financial Statements.

## **Our History**

Located at a natural rise in the topography, Douglasville was originally known as Skint Chestnut. The name derived from a large tree used by Native Americans as a landmark, which was stripped of its bark so as to be more conspicuous. The Town of Douglasville was established by the Georgia General Assembly on February 25, 1875. The boundaries were as follows: The center shall be a point directly opposite the court house in said town, on the Georgia Western Railroad, thence running along the center of said road each way three-fourths of a mile and extending one half mile each way from the center of said road, the form of said territory to be an oblong square. An election was held on the first Saturday in March 1875, and a mayor, treasurer, records (secretary), and Marshall were chosen. Thus, began the official history of Douglasville, today one of the most attractive, historic parts of the Atlanta metro area.

## **Profile of the Government**

The city of Douglasville operates under a council-manager form of government. The Douglasville City Council is comprised of a Mayor and 7 council members elected by the people on a nonpartisan ballot for four-year terms. The council serves as the legislative and policymaking body of the municipal government. They enact city ordinances and appropriate funds to conduct city business. The City Manager works closely with the City Council to assist them in adopting policies and programs.



The City is strategically located west of I-285 perimeter on I-20. Douglasville is the largest city in Douglas County, one of the fastest growing counties in the State of Georgia. The City's major operations include public safety, culture-recreation, highways and streets, sanitation services, planning and zoning and general administrative services. Some services are provided by Douglas County such as fire protection, E-911 Services, animal control services and collection of ad valorem taxes. The City also contracts with the county to provide housing/jailing of prisoners. The City handles residential and commercial garbage pickup. The City contracts with the Douglasville-Douglas County Water and Sewer Authority to provide residential billing and collections.

Based on the 2010 US census, the city of Douglasville has a population of 30,961. The population estimates for July 2017 are 33,675.

### **Local Economy**

Douglasville is 20 miles from Hartsfield Jackson International Airport and it is 20 miles from downtown Atlanta. The infrastructure improvements completed over the past several years only emphasize the additional economic possibilities for Douglasville. In September 2008, the City reactivated the Douglasville Development Authority in an effort to provide the services of business recruitment, business retention and expansion, target Industry development, national and international marketing, building and site selection among others. This Government is pro-business with a skilled workforce and great location. Douglasville is an excellent choice for companies seeking to grow their operations, increase productivity and reduce operating expenses, ensuring a strong economic environment for the government.

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

The Federal Highway Administration has approved the Highway 92 overpass project and Georgia Department of Transportation has assumed responsibility for implementation. This is an extremely important north-south artery through Douglasville. Phase 1 is construction of a railroad grade separation, with the relocated six-lane Georgia Highway 92 to cross under U. S. Highway 78 (Bankhead Highway) and East Strickland Street. Phase 2 will expand the road's capacity along a relocated route between Fairburn Road to U. S. 78, and Phase 3 will do the same between U. S. 78 and Dallas Highway. The City of Douglasville has spent over \$3 million over the past decade on preliminary engineering and environmental assessments. During the

past two years, \$43 million has been spent on right of way acquisition, and utility costs total some \$ 65.5 million. All costs of this project will be more than \$111 million. This project has officially started construction and is due to be complete in 2020.

The City of Douglasville Development Authority has initiated several economic development projects, which will result in a projected \$210 million and 900 new jobs for the City. This includes McMaster-Carr, Gordon Foods, Baxter Healthcare, Tremron, Kehe, and a new addition to Med-line.

The Douglasville City Council changed the zoning ordinance to better able facilitate growth of the motion picture industry. The filming industry has been brought to the historic downtown district and nearby areas have become backdrops for the film industry. Movies include Netflix’s Stranger Things (2016), The Founder (2015), Mocking Jay Part I (2014), Catching Fire (2013), Finding Carter (MTV Series 2014), and Kill the Messenger (2014).

**Long Term Financial Planning**

The City of Douglasville has a strong financial position. Unassigned fund balance in the General Fund falls within the guidelines set by the Council. A resolution was adopted in 2005 to maintain a \$2.5 million fund balance; however, the city follows GFOA best practices of maintaining a minimum of 3 months of operating supply in the fund balance. The City has as diverse revenue base and has continued to attract businesses.

As in the previous year, fiscal year 2017-2018 has been marked by improvements in service delivery and infrastructure, which will enhance the quality of life for the City’s residents.

In April of 2016, the residents of Douglas County voted for a Special Purpose Local Option Sales Tax. This tax is collected to fund transportation projects, parks and recreation, public safety and facility improvements in Douglas County and the City of Douglasville.

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

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

The 1% LOST is split between the City of Douglasville, Douglas County, Villa Rica and Austell.

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

The City operates a Convention and Conference Center with a three-story parking deck. The facility is 38,000 square feet which includes the largest ballroom on the west side of metro Atlanta and which has various other meeting and event rooms that feature state of the art equipment. City Officials asked for Legislation to be passed to allow the City to collect another 1% of Hotel Motel Tax. The legislation was passed, and the Hotel Motel tax went from 7% to 8% which the City will use to pay debt service for the Center. The City also receives rental car tax revenue. This tax revenue will also pay a portion of the debt service allocated to the parking deck. The parking deck is enjoyed by citizens that visit downtown Douglasville and hosts conferences which spur economic activity within the city.

## **City Council Budget Priorities**

During fiscal year 2018, A budget was adopted which included performance measures tied to Mayor and Council Goals and Objectives among other significant data.

### **I. Improve Public Safety:**

- Public safety in the community is a critical priority for the Mayor and City Council. City Manager and staff will review the existing public safety manning study for the Police Department to determine the number of new slots for patrol officers to recommend in the next fiscal year budget. This recommendation will be made in alignment with maintaining the appropriate level in the budget that is dedicated to personnel costs. This was accomplished by increasing the number of police officers per population.
- Code Enforcement – research and prepare a plan to reorganize and relocate this function to the Community and Development Services Department. Support code enforcement personnel in pursuing certification through the Georgia Association of Code Enforcement. This was accomplished by identifying funding to complete the Code re-write and UDO.
- Initiate communications in pursuit of a partnership with Douglas County to purchase new radios and locate a second radio tower site in order to maximize the purchasing and cost efficiency of equipment and installation, and the cost of the property for the tower site. This will also provide for consistency for the county and city with Cobb County’s public safety radio communication system. This was accomplished by allocating funding to a radio tower site.

### **II. Economic Development:**

- Conduct a comprehensive analysis of the proposed city hall and police department precinct projects in support of the potential hotel project for downtown. Secure occupancy study from the hotel developer that was utilized to support their proposed project. Additionally, require the developer to provide a report that outlines the previous, current, and future projects they have conducted in Georgia. The analysis by the City Manager and staff will include an assessment of potential sites for a new city hall and an overall financial plan for the private and public partnership to support the hotel project and the city hall project.

- Work with the Douglas County Development Authority to insure their input and participation in the upcoming Downtown Master Plan in order to address the old jail site within the downtown development district. The City is working towards completing the purchase of the old Jail Site.

### III. Beautification:

- Work with Douglas County to identify transportation corridors to work in partnership to plan, fund, and implement beautification projects. This was accomplished by identifying beautification projects and starting the design of intersection improvement projects funded by SPLOST.
- Solicit bids from salvage companies for removal of materials from the Old Mill site. Upon completion of the salvage project, the City will solicit bids for a clean-up of the remaining property. Bids for both phases of the clean-up project will be submitted to the Mayor and Council to determine the financial feasibility of moving forward with the effort. The City has contracted with a firm to assess the feasibility.

### IV. Other:

- Conduct a comprehensive study of the functions of the Communications Department to determine the desired roles, function, and staffing levels in conjunction with the goals of the department. The analysis will include a review of current and proposed services and projects, and staffing needs to support those services and projects. Additionally, seek proposals from a professional firm to develop a brand for the City. Upon completion, adopt the brand and policies to support a consistent and unified message on behalf of the City by all departments. This was accomplished by completing a branding study.
- Research information to assist in defining the different forms of senior housing. Additional information will be gathered through site visits to comparable communities. The City will conduct a comprehensive housing study to analyze and assess the overall housing needs in the community and to define the specific types of housing needed to support the existing residents.

- Initiate Request for Qualification process to conduct the Parks and Recreation Master Plan. This plan will look at all existing City parks and facilities in the scope of the plan. The City has completed the Master Plan Study.

## **FINANCIAL INFORMATION**

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

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

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

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

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

*Awards.* The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Douglasville for its Comprehensive Annual Financial Report for year ended June 30, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Marcia Hampton  
City Manager



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





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Douglasville  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**CITY OF DOUGLASVILLE, GEORGIA**

**LISTING OF PRINCIPAL OFFICIALS**

June 30, 2018

Mayor Rochelle Robinson

City Manager Marcia Hampton

**Council Members**

Ward 1 Terry S. Miller

Ward 2, Post 1 Mike Miller

Ward 2, Post 2 Mark Adams

Ward 3, Post 1 LaShun Burr Danley

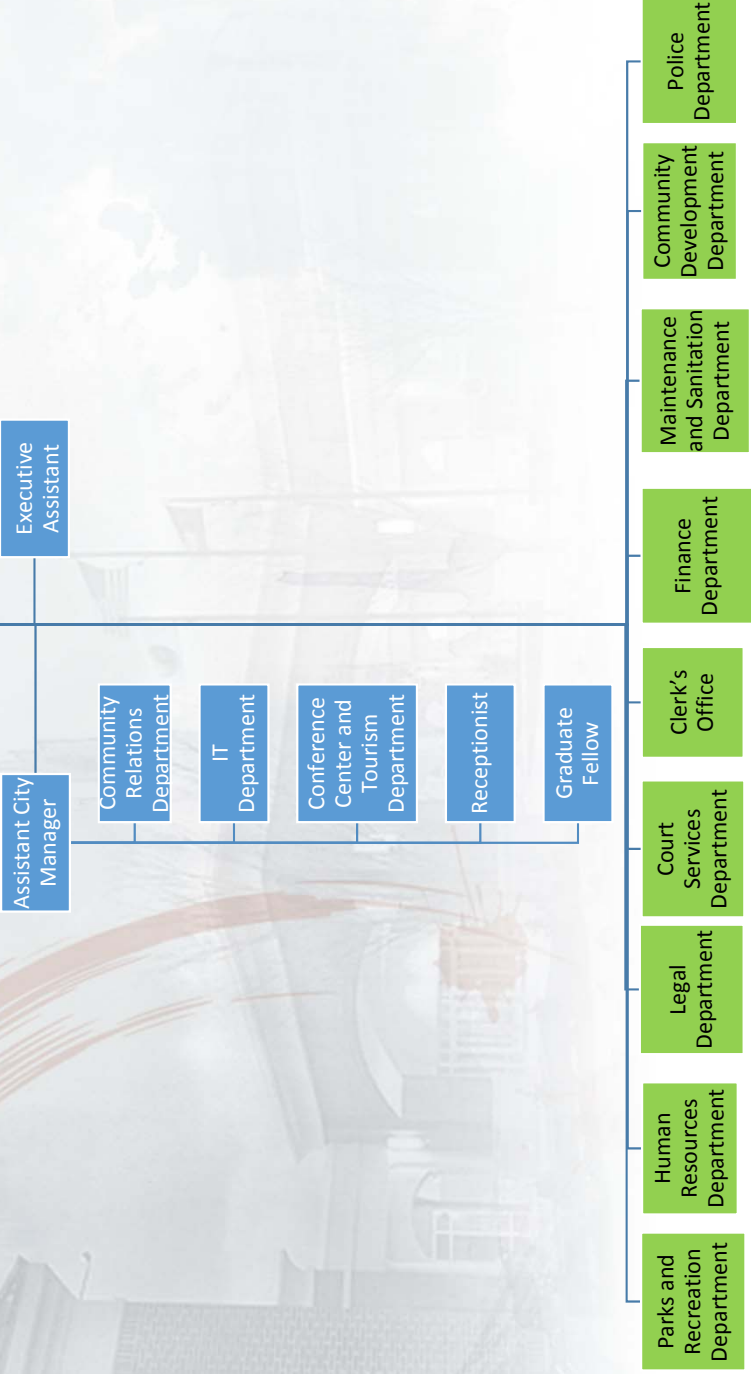
Ward 3, Post 2 Samuel Davis

Ward 4 Chris Watts

Ward 5, Mayor Pro Tem Richard S. Segal

# CITY OF DOUGLASVILLE

## CITY MANAGER



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Douglasville, Georgia** (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2018, 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.

***Emphasis of Matter***

As discussed in Notes 16 and 19, the City of Douglasville implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for the City's total other postemployment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4-15), General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Pension Contributions, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 59-65) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated §48-8-121, the schedule of expenditures of federal awards, as required by Title 2, U.S. *Code of Federal Regulations*, (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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 statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 5, 2018

## **Management's Discussion and Analysis**

As management of the City of Douglasville, Georgia, we offer readers of the City of Douglasville's financial statements this narrative overview and analysis of the financial activities of the City of Douglasville for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Douglasville exceeded its liabilities and deferred inflows of resources at the end of the fiscal year. This amount includes \$68,631,216 net investment in capital assets, restricted portion of \$6,524,020 and unrestricted net position at a negative \$10,535,096.
- The government's total net position (after the restatement to the beginning net position from 2017 required by the implementation of GASB Statement No. 75) increased by \$8,618,116 as a result of fiscal year 2018 operations.
- As of the close of the current fiscal year, the City of Douglasville's governmental funds reported combined ending fund balances of \$21,131,354, an increase of \$6,502,954 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,185,372 or 48% of total general fund expenditures for the fiscal year.
- The City of Douglasville's governmental activities debt (bonds and capital leases) decreased by \$2,036,805.

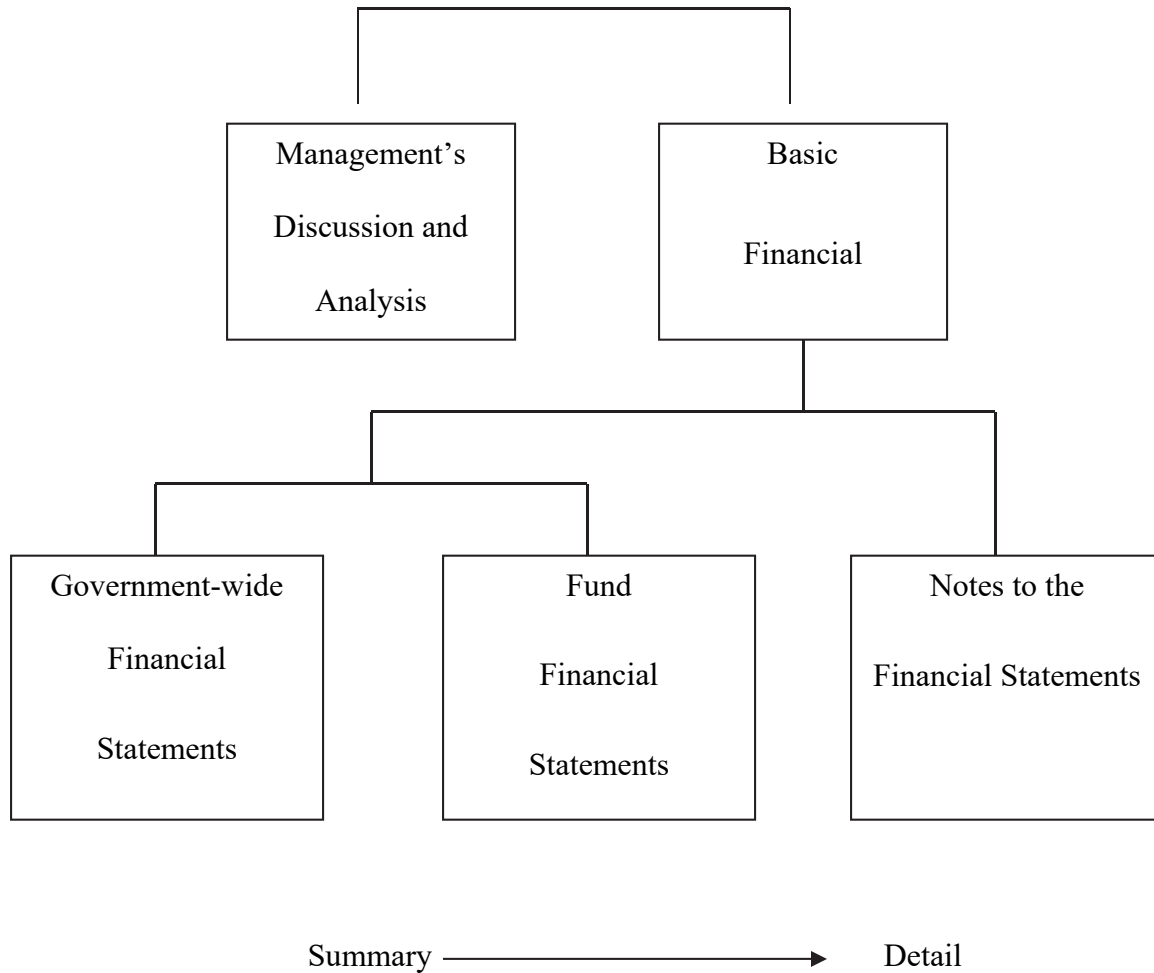
### **Overview of the Financial Statements**

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



## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

The next statements (pages 18-25) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the agency fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## **Government-wide Financial Statements**

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property and sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the sanitation services offered by the City. The government-wide financial statements are on pages 16 and 17 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Douglasville, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Douglasville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Douglasville maintains the following individual governmental funds. The Major Funds which are presented separately are: General Fund, 2016 SPLOST Fund, and Conference Center Fund. The funds that are presented as combined in the Other Governmental Funds column are: Multiple Grant Fund, Hotel/Motel Tax Fund, Public Purpose Corporation Fund, Rental Car Fund, GEMA Flood Fund, Confiscated Assets Fund, Roads Fund, and a Debt Service Fund. Separate information about the Other Governmental funds can be found in the combining statements in the report on pages 66 and 67.

The City of Douglasville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 26-58 of this report.

## Government-Wide Financial Analysis

### The City of Douglasville's Net Position Figure 2

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The total assets and deferred outflows of resources of the City of Douglasville exceeded total liabilities and deferred inflows of resources by \$64,620,140 as of June 30, 2018. The City's net position increased by \$8,618,116 for the fiscal year ended June 30, 2018.

	Governmental Activities		Business-type Activities		Total	
	2018	2017 Restated	2018	2017	2018	2017 Restated
Current and other assets	\$ 23,044,390	\$ 16,496,610	\$ 5,036,399	\$ 4,826,558	\$ 28,080,789	\$ 21,323,168
Capital assets	102,124,380	101,482,307	1,507,616	1,374,200	103,631,996	102,856,507
Total assets	125,168,770	117,978,917	6,544,015	6,200,758	131,712,785	124,179,675
Deferred outflows of resources	3,632,839	2,763,414	160,246	115,493	3,793,085	2,878,907
Long-term liabilities outstanding	60,258,956	65,132,162	251,197	387,903	60,510,153	65,520,065
Other liabilities	4,925,367	4,692,630	394,743	303,020	5,320,110	4,995,650
Total liabilities	65,184,323	69,824,792	645,940	690,923	65,830,263	70,515,715
Deferred inflows of resources	4,854,008	496,232	201,459	44,611	5,055,467	540,843
Net Investment in capital assets	67,123,600	64,221,327	1,507,616	1,374,200	68,631,216	65,595,527
Restricted	6,525,844	3,658,043	-	-	6,525,844	3,658,043
Unrestricted	(14,886,166)	(17,458,063)	4,349,246	4,206,517	(10,536,920)	(13,251,546)
Total net position	\$ 58,763,278	\$ 50,421,307	\$ 5,856,862	\$ 5,580,717	\$ 64,620,140	\$ 56,002,024

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

An additional portion of the City of Douglasville's net position represent resources that are subject to external restrictions (11%) on how they may be used. There was an increase of \$2,867,801 in restricted net position in connection with the City of Douglasville's Governmental Activities. This increase is due to a restriction of funds for capital projects, debt service, and promotion of tourism.

For governmental activities, the City reported a negative balance of \$14,886,166 in unrestricted net position. This increase of \$2,571,897 is from the increase in net position from Governmental activities.

The general fund reported a positive balance of \$12,185,372 in unassigned fund balance. Unassigned fund balance represents the spendable resources available for governmental activities, without externally enforceable limitation. The major contributing factors to the difference between unassigned fund balance and unrestricted net position is the exclusion of long term debt and capital asset balances which are not part of the current financial resources measurement focus presentation required of governmental funds.

There was an increase of \$276,145 connection with the City's business type activities. This increase results from increased revenues from roll off debris, which increases as building permit revenue increases. There has not been any rate increases or any unusual funding sources.

**Governmental Activities.** Governmental activities increased the City's net position by \$8,341,971 thereby accounting for 97% of the total increase in the net position of the City of Douglasville. Key elements of this change are as follows:

- SPLOST Revenue increased \$5,869,000 over the prior year, which is due to the City collecting amounts from Douglas County for a full fiscal year, as opposed to just a portion of the prior year.
- Property Taxes for the General Fund and Debt Service Fund increased a net amount of \$448,000 over the prior year due to additional property taxes received from higher tax assessments.
- LOST Revenue increased \$680,000 over the prior year due to the increase in sales tax percentage that the city receives in the Local Option Sales tax agreement
- Insurance Premium Taxes increased \$125,000 over the prior year.
- Occupational Taxes increased \$132,000 over the prior year.
- Building Permits increased \$224,000 over the prior year.
- Seized Funds increased \$100,000 over the prior year due to additional drug seizures.
- Hotel/Motel Taxes increased \$82,000 over the prior year due to higher occupancy.

At the end of the current fiscal year, restricted fund balance of the SPLOST 2016 fund was \$2,466,258 compared to the fund not having a fund balance at the end of the prior year. The reason for the increase is the City collecting SPLOST revenues from Douglas County for a full fiscal year, as opposed to just a portion of 2017.

The Conference Center construction fund had a negative fund balance of \$257,773. The City is reducing this deficit by transferring rental car revenue to this fund each year. It will take two more years to decrease the deficit to zero and fully reimburse the other funds of the City that contributed towards the initial construction of the conference center.

City of Douglasville Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 7,407,919	\$ 6,855,447	\$ 4,560,797	\$ 4,023,039	\$ 11,968,716	\$ 10,878,486
Operating grants and contributions	489,644	529,559	-	-	489,644	529,559
Capital grants and contributions	7,194,611	1,277,414	-	-	7,194,611	1,277,414
<b>General revenues:</b>						
Property taxes	11,026,570	10,300,396	-	-	11,026,570	10,300,396
Sales taxes	6,971,616	6,281,217	-	-	6,971,616	6,281,217
Other taxes and miscellaneous	7,645,137	7,348,719	-	-	7,645,137	7,348,719
Unrestricted Investment earnings	153,883	44,327	26,202	6,743	180,085	51,070
Gain on Sale of Capital Assets	25,107	-	6,301	-	31,408	-
<b>Total Revenues</b>	<b>40,914,487</b>	<b>32,637,079</b>	<b>4,593,300</b>	<b>4,029,782</b>	<b>45,507,787</b>	<b>36,666,861</b>
<b>Expenses:</b>						
General Government	8,842,137	9,747,658	-	-	8,842,137	9,747,658
Judicial	684,795	789,823	-	-	684,795	789,823
Public Safety	12,130,090	11,249,398	-	-	12,130,090	11,249,398
Public Works	3,646,251	2,409,663	-	-	3,646,251	2,409,663
Housing and Development	1,485,874	1,372,370	-	-	1,485,874	1,372,370
Culture and Recreation	5,119,399	4,845,801	-	-	5,119,399	4,845,801
Interest on long-term debt	967,705	1,250,809	-	-	967,705	1,250,809
Sanitation Services			4,013,420	3,695,797	4,013,420	3,695,797
<b>Total Expenses</b>	<b>32,876,251</b>	<b>31,665,522</b>	<b>4,013,420</b>	<b>3,695,797</b>	<b>36,889,671</b>	<b>35,361,319</b>
Increase (decrease) in net position before transfers	8,038,236	971,557	579,880	333,985	8,618,116	1,305,542
Transfers	303,735	100,000	(303,735)	(100,000)	-	-
<b>Change in net position</b>	<b>8,341,971</b>	<b>1,071,557</b>	<b>276,145</b>	<b>233,985</b>	<b>8,618,116</b>	<b>1,305,542</b>
Net position - beginning	50,421,307	61,024,979	5,580,717	5,346,732	56,002,024	66,371,711
Restatement of Net Position (OPEB)	-	(11,675,229)	-	-	-	(11,675,229)
<b>Net position - ending</b>	<b>\$ 58,763,278</b>	<b>\$ 50,421,307</b>	<b>\$ 5,856,862</b>	<b>\$ 5,580,717</b>	<b>\$ 64,620,140</b>	<b>\$ 56,002,024</b>

The most significant expenses are for Public Safety for \$12,130,090 representing 37% of the total governmental expenses. The next most significant program expense is General Government. General Government expense of \$8,842,137 represents 27% of total governmental expenses. These expenses increased by \$1,210,729 primarily due to increases in pension and OPEB liabilities.

**Business-type activities:** Business-type activities increased the City of Douglasville's net position by \$276,145 accounting for 3% of the total increase in the government's total net position. The most significant business-type activity of the City is the Sanitation Services provided to the citizens of the City of Douglasville. The majority of its revenue was derived from user fees.

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

The general fund is the chief operating fund of the City of Douglasville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,185,372 compared to last year at \$10,096,493. This is an increase of \$2,088,879. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. In 2018, unassigned fund balance represents 48% of total General Fund expenditures. The primary reasons for the increase in fund balance for the General Fund:

- General Fund Property Tax increase by \$567,000 over the prior year.
- LOST revenue increase by \$680,000 over the prior year.
- Occupational Taxes, Building Permit revenues, and Insurance Premium Taxes increased by \$132,000, \$224,000, and \$125,000, respectively, over the prior year. These increases are all due to the continued improvement in the local economy.

At June 30, 2018, the governmental funds of City of Douglasville reported a combined fund balance of \$21,131,354. Last year the combined fund balance was \$14,628,400 this represents an increase of 44% over last year.

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

At the end of the fiscal year actual revenues were below the budgeted amount by \$117,385. This was due to the following: police fines and probation revenue lower than the budgeted amount by \$102,753; Charges for services were lower than the final budget by \$65,964, mostly related to West Pines Golf Course being closed for renovations during a portion of the year. Expenditures were \$2,612,204 less than the projected budget. The Street Maintenance department did not fill positions that were programmed in the budget throughout the year, merit raises came in lower than budgeted, legal settlements were less than budgeted, property insurance and full-time salaries were less than budgeted. The City had \$1.4 million worth of projects in the General Fund that were not complete but they were programmed into the budget. The budgeted funds were programmed into the Fiscal Year 19 budget through a budget ordinance amendment. These projects were: Jacobs Consulting, which provided staffing and consulting services to the Community Development department, to finish the Unified Development Code update, for a facility assessment project, a study for the northside of the City to discover additional economic opportunities, and for the redevelopment of the textile mill site.

**Proprietary Funds.** The City of Douglasville’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sanitation Fund at the end of the fiscal year amounted to \$4,349,246. The total increase in net position from the prior fiscal year was \$276,145.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Douglasville’s investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$103,631,996 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, vehicles and infrastructure.

Major capital asset transactions during the year include the following additions: Eighteen vehicles were purchased. For the Police department, fifteen of those were purchased with SPLOST funds and one was purchased with Confiscated Asset funds. The Parks department and West Pines Golf Course were also able to purchase one vehicle a piece from the SPLOST funds. The total vehicle purchases were \$437,466.

The City also purchased a new financial software, a microwave link between Cobb and Douglas county for radio tower communication, a controlled communications device for negotiators to be used during tactical situations, a 3D laser scanner to map crime scenes, tag reader systems, emergency equipment for twelve of the new police vehicles and many pieces of equipment and machinery for the golf course. Machinery and equipment purchases total \$1,169,608.

Improvements totaled \$600,544. These improvements consisted of improvements to the West Pines Golf pro shop and cart path, a lighted lake fountain for Hunter Park, generator replacements for our radio towers, an upgrade to our fuel software system as well as an upgrade of the firing range and a Wi-Fi network upgrade.



## CITY OF DOUGLASVILLE'S CAPITAL ASSETS

**FIGURE 4**

	Governmental Activities		Business-type Activites		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 29,459,132	\$ 29,459,132	\$ -	\$ -	\$ 29,459,132	\$ 29,459,132
Construction in Progress	2,429,188	848,872	-	-	2,429,188	848,872
Buildings	42,978,225	44,035,490	-	-	42,978,225	44,035,490
Other Improvements	7,765,194	7,650,064	18,613	-	7,783,807	7,650,064
Infrastructure	16,161,715	16,924,133	-	-	16,161,715	16,924,133
Vehicles , Machinery and Equipment	3,330,926	2,564,616	1,489,004	1,374,200	4,819,930	3,938,816
	<u>\$ 102,124,380</u>	<u>\$ 101,482,307</u>	<u>\$ 1,507,617</u>	<u>\$ 1,374,200</u>	<u>\$ 103,631,997</u>	<u>\$ 102,856,507</u>

Additional information on the City's capital assets can be found in note 7 page 40 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2018, the City of Douglasville had bonded debt outstanding of \$33,413,745. The City had capital leases in the amount of \$499,836 all of which is collateralized by the financed asset and debt backed by the full faith and credit of the City.

## CITY OF DOUGLASVILLE'S OUTSTANDING DEBT

**FIGURE 5**

	Governmental Activities		Business-type Activites		Total	
	2018	2017 Restatement	2018	2017	2018	2017
Capital Leases	\$ 499,836	\$ 735,203	\$ -	\$ -	\$ 499,836	\$ 735,203
Compensated Absences	848,764	812,778	84,682	66,504	933,446	879,282
Premium	2,450,544	2,105,915	-	-	2,450,544	2,105,915
Discount	(16,910)	(18,534)	-	-	(16,910)	(18,534)
Net Pension Liability	2,593,216	4,240,889	234,261	381,353	2,827,477	4,622,242
Total OPEB Liability	23,361,343	24,725,483	-	-	23,361,343	24,725,483
Bonds Payable	33,413,745	35,215,183	-	-	33,413,745	35,215,183
Total	<u>\$ 63,150,538</u>	<u>\$ 67,816,917</u>	<u>\$ 318,943</u>	<u>\$ 447,857</u>	<u>\$ 63,469,481</u>	<u>\$ 68,264,774</u>

The City of Douglasville's total debt decreased \$4,795,193 during the past fiscal year. This is due to the net effect of debt payments, partial debt refunding, and the restatement of the June 30, 2017 OPEB liability. The City is working on a plan to better fund the total OPEB liability. The City partially refunded the 2011 Conference Center Revenue Bonds in 2018.

Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Douglasville is \$110,194,129.

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

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

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

- The unemployment rate for the City of Douglasville as of June 2018 is 3.9%, the same rate as the State of Georgia as of the same period.
- In 2009, the Douglasville Development Authority was reactivated in an effort generate economic growth and prosperity throughout our community.
- Opening of new businesses has proceeded at a positive rate for several years, which have created new service area jobs.
- The percentage the City receives of the 1% Local Option Sales tax provides for an increase at an escalating rate. This became effective January 2014 at a rate of 22.50% and the contract extends until December 2022. The rate reaches the highest percentage took effect in January of 2018 at 28.57%
- A SPLOST referendum was passed in November of 2016 which is expected to generate more than \$32,000,000 in revenues for the City over the next 6 years.

### **Budget Highlights for the Fiscal Year Ending June 30, 2019**

**Governmental Activities:** The FY 19 General Fund budget is 2% lower than the 2018 amended General fund budget. The Millage rate increased because of higher demand for infrastructure and services. The M&O tax rate went from 6.911 to 7.211. The City also realized some increases in revenue due to a 13% increase in property assessments.

This additional revenue will fund the assessment of the Community Development operation. The City hired a specialized firm to make recommendations about staff augmentation, operational assessments, planning and zoning code, code enforcement operations and business license operations. These costs cover multiple fiscal years.

The City programmed merit increases in the FY19 budget. The City hired a firm for a compensation study. Salary increases based on the compensation study were budgeted for the last quarter of FY 19.

The City also contracted with an agency during fiscal year 18 to assist with the information technology operations and infrastructure. This was a two-year contract which started in FY 18. The decision to continue this service continues during the 2019 budget.

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

The City has programmed funds for clean-up and pollution remediation of a textile mill that burned.

The Special Local Option Sales tax fund which was adopted in FY 19 reflects the new SPLOST collections that started in April of 2016. Included in the SPLOST budget are funds for Public Safety 20%, Facilities 15%, Transportation 45% and Parks and Recreation 20%.

Public Safety budget includes body cameras, police vehicles, and tag readers and portion for radio tower. The Parks and Recreation budget includes funds for a town Green project The transportation portion of SPLOST includes \$4.5 million dollars in resurfacing city roads, 3.8 million in beautification and intersection improvements.

The Facilities portion of SPLOST will fund 50% of the Sanitation and Maintenance building.

**Business – type Activities:** The Sanitation rates in the City have not increased, in the past year. The Sanitation fund operated without outsourcing part of the service. Starting in December, the front- end service will be out-sourced. In addition, the City has taken over recycling services, which were outsourced in prior years. New crews have been added and new trucks have been purchased to handle recycling. The Sanitation fund will be matching SPLOST funds to build a new Facility.

**Requests for Information:**

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

## **BASIC FINANCIAL STATEMENTS**

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# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2018

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
Cash and cash equivalents	\$ 6,480,355	\$ 804,668	\$ 7,285,023	\$ 182,231
Investments	12,463,865	3,269,210	15,733,075	-
Taxes receivable, net of allowances	352,516	-	352,516	-
Accounts receivable, net of allowances	917,072	488,024	1,405,096	-
Due from other governments	2,467,688	-	2,467,688	-
Internal balances	(361,390)	361,390	-	-
Inventories	27,286	-	27,286	-
Prepaid expenses	696,998	113,107	810,105	3,646
Capital assets, non-depreciable	31,888,320	-	31,888,320	-
Capital assets, depreciable, net of accumulated depreciation	70,236,060	1,507,616	71,743,676	-
Total assets	125,168,770	6,544,015	131,712,785	185,877
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	1,346,435	-	1,346,435	-
Accumulated decrease in fair value of hedging derivative	184,578	-	184,578	-
Pension related items	1,773,883	160,246	1,934,129	-
OPEB related items	327,943	-	327,943	-
Total deferred outflows of resources	3,632,839	160,246	3,793,085	-
<b>LIABILITIES</b>				
Accounts payable	1,140,809	299,778	1,440,587	2,924
Accrued liabilities	231,692	20,947	252,639	357
Accrued interest payable	459,933	-	459,933	-
Customer deposits payable	16,773	6,272	23,045	-
Compensated absences due within one year	679,011	67,746	746,757	-
Compensated absences due in more than one year	169,753	16,936	186,689	-
Capital leases due within one year	244,945	-	244,945	-
Capital leases due in more than one year	254,891	-	254,891	-
Bonds payable due within one year	2,152,204	-	2,152,204	-
Bonds payable due in more than one year	33,695,175	-	33,695,175	-
Fair value of hedging derivative	184,578	-	184,578	-
Net pension liability	2,593,216	234,261	2,827,477	-
Total OPEB liability	23,361,343	-	23,361,343	-
Total liabilities	65,184,323	645,940	65,830,263	3,281
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	2,230,088	201,459	2,431,547	-
OPEB related items	2,623,920	-	2,623,920	-
Total deferred inflows of resources	4,854,008	201,459	5,055,467	-
<b>NET POSITION</b>				
Net investment in capital assets	67,123,600	1,507,616	68,631,216	-
Restricted for:				
Law enforcement	1,957,808	-	1,957,808	-
Promotion of tourism	1,043,108	-	1,043,108	-
Capital projects	3,433,236	-	3,433,236	-
Debt service	91,692	-	91,692	-
Unrestricted	(14,886,166)	4,349,246	(10,536,920)	182,596
Total net position	\$ 58,763,278	\$ 5,856,862	\$ 64,620,140	\$ 182,596

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

# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 8,842,137	\$ 3,794,094	\$ 252,378	\$ -
Judicial	684,795	1,877,717	-	-
Public safety	12,130,090	532,349	103,283	116,614
Public works	3,646,251	-	34,875	328,061
Culture and recreation	5,119,399	977,333	99,108	5,995,410
Housing and development	1,485,874	226,426	-	754,526
Interest and fiscal charges on long-term debt	967,705	-	-	-
Total governmental activities	32,876,251	7,407,919	489,644	7,194,611
Business-type activities:				
Sanitation	4,013,420	4,560,797	-	-
Total business-type activities	4,013,420	4,560,797	-	-
Total primary government	\$ 36,889,671	\$ 11,968,716	\$ 489,644	\$ 7,194,611
<b>Component unit:</b>				
Development Authority	\$ 103,790	\$ 128,100	\$ 78,240	\$ -
Total component unit	\$ 103,790	\$ 128,100	\$ 78,240	\$ -

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

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

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

<b>Primary Government</b>		<b>Component Unit</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Development Authority</b>
\$ (4,795,665)	\$ -	\$ (4,795,665)	\$ -
1,192,922	-	1,192,922	-
(11,377,844)	-	(11,377,844)	-
(3,283,315)	-	(3,283,315)	-
1,952,452	-	1,952,452	-
(504,922)	-	(504,922)	-
(967,705)	-	(967,705)	-
(17,784,077)	-	(17,784,077)	-
-	547,377	547,377	-
-	547,377	547,377	-
\$ (17,784,077)	\$ 547,377	\$ (17,236,700)	\$ -
\$ -	\$ -	\$ -	\$ 102,550
\$ -	\$ -	\$ -	\$ 102,550
\$ 11,026,570	\$ -	\$ 11,026,570	\$ -
6,971,616	-	6,971,616	-
2,013,227	-	2,013,227	-
2,424,509	-	2,424,509	-
2,057,499	-	2,057,499	-
1,078,828	-	1,078,828	-
153,883	26,202	180,085	294
25,107	6,301	31,408	-
71,074	-	71,074	-
303,735	(303,735)	-	-
26,126,048	(271,232)	25,854,816	294
8,341,971	276,145	8,618,116	102,844
50,421,307	5,580,717	56,002,024	79,752
\$ 58,763,278	\$ 5,856,862	\$ 64,620,140	\$ 182,596

**CITY OF DOUGLASVILLE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

ASSETS	General	SPLOST	Conference	Other	Total
		2016	Center	Governmental	Governmental
				Funds	Funds
Cash and cash equivalents	\$ 2,141,891	\$ 1,241,125	\$ -	\$ 3,097,339	\$ 6,480,355
Investments	11,293,271	-	-	1,170,594	12,463,865
Receivables, net:					
Taxes receivable	201,008	-	-	151,508	352,516
Accounts receivable	917,072	-	-	-	917,072
Due from other funds	3,970	-	-	-	3,970
Due from other governments	755,753	1,512,367	-	199,568	2,467,688
Inventories	27,286	-	-	-	27,286
Prepaid items	613,571	-	-	74,589	688,160
<b>Total assets</b>	<b>\$ 15,953,822</b>	<b>\$ 2,753,492</b>	<b>\$ -</b>	<b>\$ 4,693,598</b>	<b>\$ 23,400,912</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 796,267	\$ 287,234	\$ -	\$ 57,308	\$ 1,140,809
Accrued liabilities	225,427	-	-	6,265	231,692
Due to other funds	-	-	-	107,587	107,587
Deposits payable	16,773	-	-	-	16,773
Advances from other funds	-	-	257,773	-	257,773
<b>Total liabilities</b>	<b>1,038,467</b>	<b>287,234</b>	<b>257,773</b>	<b>171,160</b>	<b>1,754,634</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	401,413	-	-	113,511	514,924
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
Prepaid items	613,571	-	-	74,589	688,160
Inventories	27,286	-	-	-	27,286
Restricted for:					
Law enforcement	-	-	-	1,957,808	1,957,808
Promotion of tourism	-	-	-	970,343	970,343
Capital projects	-	2,466,258	-	965,154	3,431,412
Debt service	-	-	-	544,649	544,649
Assigned:					
Retiree benefits	275,235	-	-	-	275,235
Fiscal year 2019 operations	1,412,478	-	-	-	1,412,478
Unassigned	12,185,372	-	(257,773)	(103,616)	11,823,983
<b>Total fund balances</b>	<b>14,513,942</b>	<b>2,466,258</b>	<b>(257,773)</b>	<b>4,408,927</b>	<b>21,131,354</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,953,822</b>	<b>\$ 2,753,492</b>	<b>\$ -</b>	<b>\$ 4,693,598</b>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	102,124,380
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	8,838
Some revenues are not available in the current period and, therefore, are reported as deferred inflows of resources in the funds.	514,924
The City's net pension and total OPEB liabilities, and the related deferred outflows of resources and deferred inflows of resources, are not expected to be liquidated with available financial resources and, therefore, are not reported in the funds.	(28,706,741)
The impact on net position resulting from an effective hedging instrument is not recognized until the hedge is used by the holder and, therefore, is deferred.	184,578
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.	(36,494,055)
<b>Net position of governmental activities</b>	<b>\$ 58,763,278</b>

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



# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	SPLOST 2016	Conference Center	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 22,387,282	\$ -	\$ -	\$ 3,190,994	\$ 25,578,276
Licenses and permits	3,156,667	-	-	-	3,156,667
Intergovernmental	-	6,032,375	-	2,052,961	8,085,336
Fines and forfeitures	1,726,635	-	-	196,574	1,923,209
Charges for services	1,392,460	-	-	226,426	1,618,886
Interest income	132,574	838	20	21,309	154,741
Contributions	82,119	-	-	103,096	185,215
Miscellaneous	234,574	-	-	71,074	305,648
Total revenues	29,112,311	6,033,213	20	5,862,434	41,007,978
<b>Expenditures</b>					
Current:					
General government	7,974,521	408,742	-	121,399	8,504,662
Judicial	664,316	-	-	-	664,316
Public safety	10,192,539	36,965	-	490,898	10,720,402
Public works	1,761,120	692,466	-	519,488	2,973,074
Culture and recreation	2,977,785	42,262	-	940,719	3,960,766
Housing and development	1,127,972	122,739	-	929,896	2,180,607
Capital outlay	-	2,467,516	-	-	2,467,516
Debt service:					
Principal retirement	395,367	-	-	1,881,438	2,276,805
Interest and fiscal charges	125,561	-	-	1,054,198	1,179,759
Bond issuance costs	-	-	-	173,589	173,589
Total expenditures	25,219,181	3,770,690	-	6,111,625	35,101,496
Excess (deficiency) of revenues over expenditures	3,893,130	2,262,523	20	(249,191)	5,906,482
<b>Other financing sources (uses):</b>					
Issuance of refunding bonds	-	-	-	9,480,000	9,480,000
Original issue premium	-	-	-	979,522	979,522
Refunding deposit with escrow agent	-	-	-	(10,286,145)	(10,286,145)
Proceeds from sale of capital assets	101,562	-	-	17,798	119,360
Transfers in	115,000	203,735	165,000	1,063,683	1,547,418
Transfers out	(907,832)	-	-	(335,851)	(1,243,683)
Total other financing sources (uses)	(691,270)	203,735	165,000	919,007	596,472
Net change in fund balance	3,201,860	2,466,258	165,020	669,816	6,502,954
<b>Fund balances, beginning of year</b>	11,312,082	-	(422,793)	3,739,111	14,628,400
<b>Fund balances, end of year</b>	\$ 14,513,942	\$ 2,466,258	\$ (257,773)	\$ 4,408,927	\$ 21,131,354

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

# CITY OF DOUGLASVILLE, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Net change in fund balances - total governmental funds	\$	6,502,954
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		736,326
Governmental funds report the proceeds from the sale of capital assets; however, the statement of activities reports the gain or loss on disposal. Therefore, the change in net position will differ from the change in fund balance by the net book value of the capital assets disposed.		(94,253)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(118,598)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,260,200
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(944,658)</u>
Change in net position - governmental activities	\$	<u><u>8,341,971</u></u>

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

# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2018

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 804,668
Investments	3,269,210
Accounts receivable, net of allowances	488,024
Due from other funds	103,617
Prepaid expenses	113,107
Total current assets	<u>4,778,626</u>
<b>NON-CURRENT ASSETS</b>	
Advances to other funds	257,773
Depreciable capital assets, net of accumulated depreciation	1,507,616
Total non-current assets	<u>1,765,389</u>
Total assets	<u>6,544,015</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	<u>160,246</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	299,778
Accrued liabilities	20,947
Customer deposits payable	6,272
Compensated absences, due within one year	67,746
Total current liabilities	<u>394,743</u>
<b>NON-CURRENT LIABILITIES</b>	
Compensated absences, due in more than one year	16,936
Net pension liability	234,261
Total non-current liabilities	<u>251,197</u>
Total liabilities	<u>645,940</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	<u>201,459</u>
<b>NET POSITION</b>	
Investment in capital assets	1,507,616
Unrestricted	4,349,246
Total net position	<u>\$ 5,856,862</u>

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

**CITY OF DOUGLASVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,560,797
<b>OPERATING EXPENSES</b>	
Personnel costs	1,332,573
Purchased and contracted services	1,708,863
Other operating expenses	637,735
Depreciation	334,249
Total operating expenses	<u>4,013,420</u>
Operating income	<u>547,377</u>
<b>NON-OPERATING INCOME</b>	
Interest income	26,202
Gain from sale of capital assets	6,301
Total non-operating income	<u>32,503</u>
Income before transfers	<u>579,880</u>
<b>TRANSFERS OUT</b>	<u>(303,735)</u>
Change in net position	276,145
<b>NET POSITION, beginning of year</b>	<u>5,580,717</u>
<b>NET POSITION, end of year</b>	<u>\$ 5,856,862</u>

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

**CITY OF DOUGLASVILLE, GEORGIA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Major Enterprise Fund Sanitation Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 4,430,286
Payments to suppliers and service providers	(2,264,656)
Payments to employees	(1,344,153)
	821,477
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipt of interfund borrowings	491,399
Transfers to other funds	(303,735)
	187,664
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(468,865)
Proceeds from the sale of capital assets	7,500
	(461,365)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(2,960,369)
Interest income on investments	26,202
	(2,934,167)
Decrease in cash and cash equivalents	(2,386,391)
<b>Cash and cash equivalents:</b>	
Beginning of year	3,191,059
End of year	\$ 804,668

**(Continued)**

**CITY OF DOUGLASVILLE, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	<u>Major Enterprise Fund Sanitation Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 547,377
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	334,249
(Increase) decrease in:	
Accounts receivable	(136,783)
Prepaid expenses	9,521
Increase (decrease) in:	
Accrued liabilities	5,139
Accounts payable	72,421
Customer deposits payable	6,272
Compensated absences	18,178
Net pension liability (and related deferred outflows / inflows of resources)	<u>(34,897)</u>
Net cash provided by operating activities	<u>\$ 821,477</u>

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

**CITY OF DOUGLASVILLE, GEORGIA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2018**

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	<b>Municipal Court</b>
<b>ASSETS</b>	
Cash	<u>\$ 37,204</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 37,204</u></u>
<b>LIABILITIES</b>	
Due to other governments and individuals	<u>\$ 37,204</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 37,204</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

**A. Reporting Entity**

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

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

***Blended Component Units***

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

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**A. Reporting Entity (Continued)**

*Discretely Presented Component Unit*

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

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City’s capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund. Agency funds are custodial in nature and do not present results of operations or have a measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period, with the exception of intergovernmental revenues which are considered to be available if collected within nine (9) months of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claims has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

The City reports the following major governmental funds (continued):

The *Conference Center Fund* is used to account for the construction of a conference center fund by bond proceeds.

The City reports the following major proprietary fund:

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

The City also reports the following fund types:

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

The **Capital Projects funds** are used to account for expenditures related to the construction, acquisition, and/or installation the City's capital assets.

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

The **Agency fund** is used to account for funds that the City holds for others in an agency capacity, such as municipal court bonds and fines.

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**D. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.

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

**E. Receivables and Payables**

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

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

**F. Inventories**

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**H. Capital Assets**

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

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

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

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

**I. Compensated Absences**

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

The City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in these liabilities are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension or OPEB plans before year-end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability and total OPEB liability in the next fiscal year.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**K. Long-Term Obligations**

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

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

**L. Fund Equity**

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

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

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

*Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**L. Fund Equity (Continued)**

Fund balances are classified as follows (continued):

*Assigned* – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through the adoption of a resolution, the City Council has expressly delegated to the City Manager and Finance Director the authority to assign fund balances for particular purposes.

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

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

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

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

**M. Pensions**

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**N. Use of Estimates**

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “the net pension and total OPEB liabilities and related deferred outflows and inflows of resources are not expected to be liquidated with available financial resources and, therefore, are not reported in the funds.” The details of this \$28,706,741 difference are as follows:

Deferred outflows of resources - pension related items	\$ 1,773,883
Net pension liability	(2,593,216)
Deferred inflows of resources - pension related items	(2,230,088)
Deferred outflows of resources - OPEB related items	327,943
Total OPEB liability	(23,361,343)
Deferred inflows of resources - OPEB related items	<u>(2,623,920)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (28,706,741)</u></u>

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$36,494,055 difference are as follows:

Accrued interest payable	\$ (459,933)
Capital leases payable	(499,836)
Compensated absences payable	(848,764)
Bonds payable	(33,413,745)
Bond premiums, unamortized balance	(2,450,544)
Bond discounts, unamortized balance	16,910
Deferred charges from refunding, unamortized balance	1,346,435
Fair value of hedging derivative	<u>(184,578)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (36,494,055)</u></u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$736,326 difference are as follows:

Capital outlay	\$ 3,856,273
Depreciation expense	<u>(3,119,947)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 736,326</u></u>

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$2,260,200 difference are as follows:

Issuance of general obligation refunding bonds	\$ (9,480,000)
Original issuance premium	(979,522)
Principal repayments - capital leases	235,367
Principal repayments - bonds	2,041,438
Refunding deposit with escrow agent	10,286,145
Amortization of bond premiums	251,467
Amortization of bond discounts	(1,624)
Amortization of deferred charges from refunding	<u>(93,071)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 2,260,200</u></u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)**

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$944,658 difference are as follows:

Compensated absences	\$	(35,986)
Accrued interest		55,282
Pension expense		343,096
OPEB expense		(1,250,608)
Amortization of prepaid bond insurance		<u>(56,442)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	<u><u>(944,658)</u></u>

**NOTE 3. LEGAL COMPLIANCE - BUDGETS**

An operating budget is legally adopted each fiscal year for the General Fund, Special Revenue Funds, and Debt Service Fund. Project length budgets are adopted for the Capital Projects 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 the passage of an ordinance.
4. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City Manager may make transfers of appropriations within a department without prior approval of the City Council 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.
5. Appropriations, except for encumbrances, lapse at year end.

The following funds had actual expenditures in excess of appropriations for the fiscal year ended June 30, 2018:

Public Purpose Corporation	\$	8,548
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These expenditures in excess of appropriations were funded by greater than anticipated revenues.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4. DEPOSITS AND INVESTMENTS**

The table below summarizes the City's cash and cash equivalents and investments by type as of June 30, 2018:

<u>Investment</u>	<u>Maturities</u>	<u>Balance</u>
Deposits with financial institutions	---	\$ 7,322,227
Certificate of deposit	January 5, 2019	1,013,639
Certificate of deposit	March 30, 2019	508,712
Certificate of deposit	June 2, 2019	1,010,879
Certificate of deposit	June 2, 2019	1,010,879
Certificate of deposit	June 30, 2019	20,013
Certificate of deposit	September 16, 2019	763,816
Certificate of deposit	May 17, 2020	1,003,527
Georgia Fund 1	10 day WAM (1)	10,401,610
Total		<u>\$ 23,055,302</u>
 <b>As reported in the Statement of Net Position:</b>		
Cash and cash equivalents		\$ 7,285,023
Investments		15,733,075
Cash and cash equivalents - Agency Fund		37,204
Total		<u>\$ 23,055,302</u>

(1) Weighted average maturity

**Credit risk:** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**Fair value measurements:** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs.

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

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Custodial credit risk – deposits:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the City had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had certificates of deposit with another financial institution that were collateralized by pledged securities, as defined above, such that all of the City’s deposits with financial institutions as of June 30, 2018 were insured and/or collateralized as required by State statutes.

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

**NOTE 5. RECEIVABLES**

Receivables at June 30, 2018, for the City’s individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>SPLOST 2016</u>	<u>Non-major Governmental</u>	<u>Sanitation</u>	<u>Total</u>
Receivables:					
Taxes	\$ 201,008	\$ -	\$ 151,508	\$ -	\$ 352,516
Accounts	4,208,394	-	5,000	607,693	4,821,087
Intergovernmental	755,753	1,512,367	199,568	-	2,467,688
Gross receivables	5,165,155	1,512,367	356,076	607,693	7,641,291
Less allowance for uncollectibles	(3,291,322)	-	(5,000)	(119,669)	(3,415,991)
Net total receivables	<u>\$ 1,873,833</u>	<u>\$ 1,512,367</u>	<u>\$ 351,076</u>	<u>\$ 488,024</u>	<u>\$ 4,225,300</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6. PROPERTY TAXES**

The City has contracted with the Douglas County Tax Commissioner's Office for the billing and collection of its property taxes. All property tax revenues are recognized when levied to the extent that they result in current receivables. Property tax receivables outstanding more than 60 days after June 30 are recorded as deferred inflows of resources for unavailable revenue in the governmental funds. For the year ended June 30, 2018, property taxes were levied on September 15, 2017 and due November 15, 2017. Collections not received by December 15, 2017 are considered delinquent. Liens were attached to property for unpaid taxes on May 15, 2018.

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, is as follows:

**A. Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 29,459,132	\$ -	\$ -	\$ -	\$ 29,459,132
Construction in progress	848,872	2,022,539	-	(442,223)	2,429,188
Total	<u>30,308,004</u>	<u>2,022,539</u>	<u>-</u>	<u>(442,223)</u>	<u>31,888,320</u>
Capital assets, being depreciated:					
Infrastructure	98,273,349	-	-	68,338	98,341,687
Buildings	53,120,498	-	-	-	53,120,498
Other improvements	11,098,662	600,544	-	-	11,699,206
Machinery, equipment, and vehicles	16,114,589	1,233,190	(649,502)	373,885	17,072,162
Total	<u>178,607,098</u>	<u>1,833,734</u>	<u>(649,502)</u>	<u>442,223</u>	<u>180,233,553</u>
Less accumulated depreciation:					
Infrastructure	(81,349,216)	(830,756)	-	-	(82,179,972)
Buildings	(9,085,008)	(1,057,265)	-	-	(10,142,273)
Other improvements	(3,448,598)	(485,414)	-	-	(3,934,012)
Machinery, equipment, and vehicles	(13,549,973)	(746,512)	555,249	-	(13,741,236)
Total	<u>(107,432,795)</u>	<u>(3,119,947)</u>	<u>555,249</u>	<u>-</u>	<u>(109,997,493)</u>
Total assets, being depreciated, net	<u>71,174,303</u>	<u>(1,286,213)</u>	<u>(94,253)</u>	<u>442,223</u>	<u>70,236,060</u>
Governmental activities capital assets, net	<u>\$ 101,482,307</u>	<u>\$ 736,326</u>	<u>\$ (94,253)</u>	<u>\$ -</u>	<u>\$ 102,124,380</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**A. Primary Government (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
Capital assets, being depreciated:					
Vehicles	\$ 2,979,050	\$ 449,774	\$ (94,883)	\$ -	\$ 3,333,941
Machinery and equipment	579,141	-	(11,995)	-	567,146
Improvements	-	19,091	-	-	19,091
Total	<u>3,558,191</u>	<u>468,865</u>	<u>(106,878)</u>	<u>-</u>	<u>3,920,178</u>
Less accumulated depreciation for:					
Vehicles	(1,639,718)	(304,138)	94,883	-	(1,848,973)
Machinery and equipment	(544,273)	(29,633)	10,796	-	(563,110)
Improvements	-	(478)	-	-	(478)
Total	<u>(2,183,991)</u>	<u>(334,249)</u>	<u>105,679</u>	<u>-</u>	<u>(2,412,561)</u>
Total assets, being depreciated, net	<u>1,374,200</u>	<u>134,616</u>	<u>(1,199)</u>	<u>-</u>	<u>1,507,617</u>
Business-type activities capital assets, net	<u>\$ 1,374,200</u>	<u>\$ 134,616</u>	<u>\$ (1,199)</u>	<u>\$ -</u>	<u>\$ 1,507,617</u>

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

**Governmental activities:**

General government	\$ 376,962
Public safety	849,048
Public works	655,674
Culture and recreation	1,096,748
Housing and development	<u>141,515</u>

Total depreciation expense - governmental activities \$ 3,119,947

**Business-type activities:**

Sanitation	<u>\$ 334,249</u>
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Total depreciation expense - business-type activities \$ 334,249



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 8. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2018, is as follows:

	<b>(Restated) Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Bonds payable	\$ 35,215,183	\$ 9,480,000	\$ (11,281,438)	\$ 33,413,745	\$ 2,152,204
Plus unamortized premiums	2,105,915	979,522	(634,893)	2,450,544	-
Less unamortized discounts	(18,534)	-	1,624	(16,910)	-
Bonds payable, net	<u>37,302,564</u>	<u>10,459,522</u>	<u>(11,914,707)</u>	<u>35,847,379</u>	<u>2,152,204</u>
Capital leases	735,203	-	(235,367)	499,836	244,945
Net pension liability	4,240,889	3,527,341	(5,175,014)	2,593,216	-
Total OPEB liability	24,725,483	2,015,872	(3,380,012)	23,361,343	-
Compensated absences	812,778	649,805	(613,819)	848,764	679,011
	<u>\$ 67,816,917</u>	<u>\$ 16,652,540</u>	<u>\$ (21,318,919)</u>	<u>\$ 63,150,538</u>	<u>\$ 3,076,160</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 66,504	57,101	\$ (38,923)	\$ 84,682	\$ 67,746
Net pension liability	<u>381,253</u>	<u>318,849</u>	<u>(465,841)</u>	<u>234,261</u>	<u>-</u>
	<u>\$ 447,757</u>	<u>\$ 375,950</u>	<u>\$ (504,764)</u>	<u>\$ 318,943</u>	<u>\$ 67,746</u>

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

**General Obligation Bonds.** The City issued General Obligation Bonds, Series 2009 in the aggregate principal amount of \$23,000,000 for the purpose of financing the cost of the acquisition, construction, and furnishing of a facility to house public safety and municipal court operations. The bonds bear interest at rates ranging from 2.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually on February 1 until the bonds mature. As of June 30, 2018, the outstanding balance of the Series 2009 bonds is \$1,090,000.

On September 29, 2016, the City issued General Obligation Bonds, Series 2016 in the aggregate principal amount of \$13,600,000, the proceeds of which (when combined with the original issue premium of \$1,679,464) were used to refund \$13,870,000 of the previously outstanding General Obligation Bonds, Series 2009. The bonds bear interest at rates ranging from 2.25% to 4.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2020 until the bonds mature on February 1, 2029. As of June 30, 2018, the outstanding balance of the Series 2009 bonds is \$13,600,000.

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 8. LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (continued).** The refunding transaction undertaken by the City resulted in aggregate debt service savings of \$1,519,397 and an economic gain (net present value of the aggregate debt service savings) of \$1,354,375. As part of the refunding, the City defeased certain outstanding General Obligation Bonds, Series 2009 by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2018, the outstanding amount of General Obligation Bonds, Series 2009 considered defeased is \$13,870,000.

**Revenue Bonds.** In September 2005, the Douglasville Public Purpose Corporation issued Series 2005 revenue bonds in the aggregate principal amount of \$7,253,713 (\$3,593,745 outstanding at June 30, 2018) for the purpose of financing the construction of a public service building. The bonds were issued at a variable rate equal to 61.1% of the one-month London Interbank Offered Rate (LIBOR) plus 115 basis points. Payments of principal and interest are due monthly, on the first of each month commencing on October 1, 2005 until the bonds mature on May 1, 2026. As part of the issuance of the bonds, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to make a monthly interest payment to, or on behalf of the Swap Counterparty, equal to 4.11% times a notional amount specified in the Swap Agreement (which adjusts with each payment to be the outstanding balance of the Series 2005 revenue bonds) and the Swap Counterparty will pay to, or on behalf of, the City a monthly payment equal to 61.1% of one-month LIBOR plus 115 basis points times the notional amount specified in the Swap Agreement. The monthly payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the bonds and as noted above, the variable rate of interest on the bonds and the Swap Agreement are the same. Monthly interest payments between the City, the bondholders, and the Swap Counterparty can be made in net settlement form as part of this agreement. This agreement matures on May 1, 2026, at the same time of the bonds. This derivative qualifies as a cash flow hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated A3 by Moody's. At June 30, 2018, the floating rate being received by the City from the Swap Counterparty and paid by the City to bondholders is 2.4262% and the market value of this agreement is (\$184,578), an increase of \$138,674 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2018 based on the derivative contract. This market value is reported as a liability in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the outflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred outflow of resources in the statement of net position.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Revenue Bonds (continued).** On November 15, 2011, the Douglasville Convention and Conference Center Authority issued \$9,640,000 of Series 2011 revenue bonds for the purpose of financing the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities. The bonds bear interest at rates ranging from 3.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. As a result of the issuance of the 2017 bonds (below), the City only has one principal payment to make for the 2011 bonds in the amount of \$400,000 on February 1, 2022. As of June 30, 2018, the outstanding balance of the Series 2011 bonds is \$400,000.

On December 28, 2017, the City issued Douglasville Convention & Conference Center Authority Revenue Refunding Bonds, Series 2017 A & B in the aggregate principal amount of \$9,015,000 and \$465,000, respectively, the proceeds of which were used to refund \$9,240,000 of the previously outstanding Douglasville Convention & Conference Center Authority Series 2011 revenue bonds. The bonds bear interest at rates ranging from 2.85% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2023 until the bonds mature on February 1, 2035. As of June 30, 2018, the outstanding balance of the Series 2017A bonds is \$9,015,000 and Series 2017B bonds is \$465,000.

The refunding transaction undertaken by the City resulted in aggregate debt service savings of \$603,957 and an economic gain (net present value of the aggregate debt service savings) of \$512,883. As part of the refunding, the City defeased certain outstanding revenue bonds, Series 2011 by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2018, the outstanding amount of Douglasville Convention & Conference Center Authority Revenue Bonds, Series 2011 considered defeased is \$9,240,000.

On January 4, 2012, the Douglasville Convention and Conference Center Authority issued \$3,770,000 of Series 2011 revenue bonds for the purpose of financing the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities. The bonds bear interest at rates ranging from 4.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually commencing on February 1, 2014 until the bonds mature on February 1, 2022. As of June 30, 2018, the outstanding balance of the Series 2012 bonds is \$1,650,000.

On January 24, 2013, the Douglasville Convention and Conference Center Authority issued \$4,110,000 of Series 2013 revenue bonds for the purpose of financing the cost of the design, acquisition, and construction, of the West Pines Golf Course. The bonds bear interest at rates ranging from 2.00% to 3.25% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually commencing on August 1, 2013 until the bonds mature on August 1, 2035. As of June 30, 2018, the outstanding balance of the Series 2013 bonds is \$3,600,000.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

The annual debt service requirements to maturity on all of the City's bonds outstanding at June 30, 2018, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$ 2,152,204	\$ 1,139,761	\$ 3,291,965
2020	2,278,405	1,047,611	3,326,016
2021	2,355,942	973,153	3,329,095
2022	2,438,575	895,950	3,334,525
2023	2,532,154	811,497	3,343,651
2024-2028	12,871,465	2,829,536	15,701,001
2029-2033	6,675,000	992,375	7,667,375
2034-2036	2,110,000	110,514	2,220,514
Total	<u>\$ 33,413,745</u>	<u>\$ 8,800,397</u>	<u>\$ 42,214,142</u>

**Capital Leases**

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

The original cost of the City's assets under capital lease arrangements at June 30, 2018 is \$2,934,279 and there has been \$813,860 of accumulated depreciation as of year-end. Annual depreciation of these assets is included in depreciation expense.

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

<u>Year Ending June 30,</u>	
2019	\$ 265,960
2020	265,914
Total minimum lease payments	<u>531,874</u>
Less amount representing interest	<u>(32,038)</u>
Present value of future minimum lease payments	499,836
Less current maturities	<u>244,945</u>
Long term liabilities	<u>\$ 254,891</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2018, is as follows:

		<u>Due from</u> Other Governmental Funds
<u>Due To</u>		
General fund	\$	3,970
Sanitation		103,617
	<u>\$</u>	<u>107,587</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

In addition to the interfund balances noted above, the Sanitation Fund reports an advance to the Conference Center Fund in the amount of \$257,773. This balance will be repaid over multiple fiscal years as Car Rental Excise Taxes are collected and can be used to repay the Sanitation Fund.

The composition of transfers to/from during the year ended June 30, 2018 is as follows:

	<u>Transfers Out</u>			
	General Fund	Sanitation Fund	Other Governmental Funds	
General Fund	\$ -	\$ 100,000	\$ 15,000	\$ 115,000
SPLOST 2016	-	203,735	-	203,735
Conference Center	-	-	165,000	165,000
Other Governmental Funds	<u>907,832</u>	<u>-</u>	<u>155,851</u>	<u>1,063,683</u>
Total	<u>\$ 907,832</u>	<u>\$ 303,735</u>	<u>\$ 335,851</u>	<u>\$ 1,547,418</u>

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

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 10. JOINT VENTURE**

Under Georgia law, the City in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an ARC. Separate financial statements may be obtained from the Atlanta Regional Commission, 40 Courtland Street NE, Atlanta, Georgia 30303.

**NOTE 11. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

*Plan Membership.* As of January 1, 2018, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	109
Inactive plan members entitled to but not receiving benefits	114
Active plan members	240
Total plan membership	463

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Plan Description (Continued)**

*Contributions.* The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. Currently, active employees do not contribute to the Plan. For the year ended June 30, 2018, the City's recommended contribution rate was 8.73% of annual payroll; actual contributions came to 8.16%.

City contributions to the Plan were \$865,105 for the year ended June 30, 2018.

**Net Pension Liability of the City**

The City's net pension liability was measured as of September 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward the total pension liability measured as of September 30, 2017.

*Actuarial assumptions.* The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 8.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2017 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized below.

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Net Pension Liability of the City (Continued)**

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71
Domestic fixed income	20%	2.11
Global fixed income	5%	3.36
Real estate	10%	5.21
Cash	—%	
Total	<u>100%</u>	

\* Rates shown are net of the 2.75% assumed rate of inflation

*Discount rate.* The discount rate used to measure the total pension liability was 7.50%, a decrease from the discount rate of 7.75% used in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability of the City.* The changes in the components of the net pension liability of the City for the year ended June 30, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/17</b>	\$ 32,706,121	\$ 28,083,979	\$ 4,622,142
<b>Changes for the year:</b>			
Service cost	525,247	-	525,247
Interest	2,481,442	-	2,481,442
Differences between expected and actual experience	774,375	-	774,375
Contributions—employer	-	817,751	(817,751)
Net investment income	-	4,188,234	(4,188,234)
Benefit payments, including refunds of employee contributions	(1,375,024)	(1,375,024)	-
Administrative expense	-	(65,126)	65,126
Changes in actuarial assumptions	(634,870)	-	(634,870)
<b>Net changes</b>	<u>1,771,170</u>	<u>3,565,835</u>	<u>(1,794,665)</u>
<b>Balances at 6/30/18</b>	<u>\$ 34,477,291</u>	<u>\$ 31,649,814</u>	<u>\$ 2,827,477</u>



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Net Pension Liability of the City (Continued)**

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	\$ 7,713,930	\$ 2,827,477	\$ (1,192,859)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2017 and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2018, the City recognized pension expense of \$492,498. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,214,124	\$ 200,838
Differences resulting from changes in actuarial assumptions	-	574,469
Net difference between projected and actual earnings on pension plan investments	-	1,656,240
City contributions subsequent to the measurement date	720,005	-
Total	\$ 1,934,129	\$ 2,431,547

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

City contributions subsequent to the measurement date of \$720,005 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:				
2019		\$		(426,927)
2020				(53,720)
2021				(357,507)
2022				<u>(379,269)</u>
	Total			<u>\$ (1,217,423)</u>

**NOTE 12. RISK MANAGEMENT**

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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

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

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13. COMMITMENTS AND CONTINGENCIES**

**A. 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 not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

**B. Grant Contingencies**

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

**C. Commitments**

The City has executed contracts with third parties for various projects throughout the City. As of June 30, 2018, the balance of those contracts representing commitments made by the City for work not yet completed is \$3,994,194.

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

Under the provisions of the Official Code of Georgia Annotated (OCGA) Section §48-13-51, the City has imposed and collected hotel/motel taxes at a rate of 8%. The Code section requires that the City expend a percentage of the taxes collected for the purpose of promoting tourism, conventions, trade shows, etc., and promoting the City and business therein. During the year ended June 30, 2018, the City expended for promotional purposes approximately 100% of such taxes collected.

The following is a summary of the collections and expenditures for the year ended June 30, 2018:

Total Collected	\$1,258,267
Amount Expended for Promotional Purposes	1,258,267

**NOTE 15. RENTAL CAR EXCISE TAX**

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

The following is a summary of the collections and expenditures for the year ended June 30, 2018:

Total Collected	\$179,449
Amount Expended for Recreational Facilities	165,000

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

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

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

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

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

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

*Plan Membership.* As of January 1, 2017, the date of the most recent actuarial valuation, OPEB plan membership consisted of the following:

Retirees and spouses currently receiving benefits	92
Active employees	235
Total plan membership	<u>327</u>

**CITY OF DOUGLASVILLE, GEORGIA**  
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**NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City Contributions**

The City has elected to fund the OPEB plan on a pay-as-you-go basis. OPEB plan members, once retired, contribute to the OPEB plan based on numbers of years of creditable service and level/type of benefits selected. Per a resolution of the City Council, the City is required to contribute the current year benefits costs of the OPEB plan which are not paid by the retiree. For the year ended June 30, 2018, the City contributed \$327,943 for the pay as you go benefits of the OPEB plan.

**Total OPEB Liability of the City**

Effective July 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the City's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City's total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of January 1, 2017 with the actuary using standard techniques to roll forward the liability to the measurement date.

*Actuarial assumptions:* The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.58%
Healthcare Cost Trend Rate:	7.00% - 4.50%, Ultimate Trend in 2022 (Pre-Medicare) 6.00% - 4.50%, Ultimate Trend in 2023 (Medicare) 4.00% Dental
Inflation Rate:	3.25%
Salary increase:	3.75% to 8.75%, including inflation
Participation rate:	95%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

**Discount rate.** The discount rate used to measure the total OPEB liability was 3.58%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.58% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

**Changes in the Total OPEB Liability of the City.** The changes in the total OPEB liability of the City for the year ended June 30, 2018, were as follows:

	<b>Total OPEB Liability (a)</b>
<b>Balances at 6/30/17</b>	\$ 24,725,483
<b>Changes for the year:</b>	
Service cost	1,279,279
Interest	736,593
Differences between expected and actual experience	(216,594)
Assumption changes	(2,844,647)
Benefit payments	(318,771)
<b>Net changes</b>	<b>(1,364,140)</b>
<b>Balances at 6/30/18</b>	<b>\$ 23,361,343</b>

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

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1 percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ 27,379,667	\$ 23,361,343	\$ 20,123,623

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Total OPEB liability	\$ 19,998,579	\$ 23,361,343	\$ 27,608,391

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2018 and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,578,551. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 327,943	\$ -
Differences between expected and actual experience	-	185,652
Changes in assumptions	-	2,438,268
<b>Total</b>	<b>\$ 327,943</b>	<b>\$ 2,623,920</b>

**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

Year ending June 30:		
2019	\$	(437,320)
2020		(437,320)
2021		(437,320)
2022		(437,320)
2023		(437,320)
Thereafter		<u>(437,320)</u>
Total	\$	<u><u>(2,623,920)</u></u>

**NOTE 17. DEFICIT FUND EQUITY**

The following funds had a deficit fund balances at June 30, 2018:

Conference Center Fund	\$257,773
GEMA Flood Fund	\$103,616

The fund deficit in the Conference Center Fund will be reduced through collections of car rental excise taxes and General Fund appropriations, as necessary.

The fund deficit in the GEMA Flood Fund will be reduced through the collection of revenues currently recorded as due from other governments. As these amounts are not considered available, they are not eligible to be recognized as revenues by the fund under the modified accrual basis of accounting.

**NOTE 18. TAX ABATEMENTS**

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

For the fiscal year ended June 30, 2018, the City abated property tax revenues totaling \$294,892 under its economic development program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 100% abatement on real property taxes to a food service supplier and distribution company amounting to \$76,357. In exchange for the tax incentives, the company has committed to creating at least 400 full-time jobs with an average hourly rate of \$22.00.



**CITY OF DOUGLASVILLE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE 18. TAX ABATEMENTS (CONTINUED)**

- A 100% abatement on real and personal property taxes and a second 70% abatement on personal property taxes to a medical products manufacturing company amounting to \$205,838. In exchange for the tax incentives, the company has committed to creating at least 138 and 57 new full-time jobs, respectively, with a minimum average hourly rate of \$18.75.

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

**NOTE 19. CHANGE IN ACCOUNTING PRINCIPLE**

As discussed in Note 16, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. As a result of this change in accounting principle, the City was required to restate the beginning net position as shown below:

City's net position, June 30, 2017, as previously reported	\$ 62,096,536
Remove net OPEB obligation previously reported under GASB 45	12,731,483
Beginning balance of total OPEB liability - GMEBS Plan	(24,725,483)
Beginning balance of deferred outflows for OPEB items - GMEBS Plan	318,771
City's beginning net position, June 30, 2017, as restated	\$ 50,421,307

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF DOUGLASVILLE, GEORGIA  
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 21,024,955	\$ 22,433,556	\$ 22,387,282	\$ (46,274)
Licenses and permits	2,684,564	3,158,947	3,156,667	(2,280)
Fines and forfeitures	1,829,388	1,829,388	1,726,635	(102,753)
Charges for services	1,478,487	1,458,424	1,392,460	(65,964)
Interest income	33,225	115,518	132,574	17,056
Contributions	74,400	74,400	82,119	7,719
Miscellaneous	151,226	159,463	234,574	75,111
Total revenues	27,276,245	29,229,696	29,112,311	(117,385)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Mayor and Council				
Personal services	192,992	192,992	183,531	9,461
Other operating expenditures	140,720	146,820	123,504	23,316
Total Mayor and Council	333,712	339,812	307,035	32,777
Clerk of Council				
Personal services	148,019	149,531	126,788	22,743
Other operating expenditures	35,810	35,810	30,923	4,887
Total Clerk of Council	183,829	185,341	157,711	27,630
City Manager				
Personal services	384,226	409,616	404,060	5,556
Other operating expenditures	78,673	77,673	59,991	17,682
Total City Manager	462,899	487,289	464,051	23,238
Financial administration				
Personal services	402,056	440,210	414,333	25,877
Other operating expenditures	244,386	247,847	209,961	37,886
Total Financial administration	646,442	688,057	624,294	63,763
Legal				
Personal services	113,524	115,444	111,621	3,823
Other operating expenditures	96,138	96,138	50,334	45,804
Total Legal	209,662	211,582	161,955	49,627
Information services				
Personal services	229,830	232,561	226,623	5,938
Other operating expenditures	1,216,173	1,219,911	1,115,709	104,202
Capital outlay	115,000	236,602	210,361	26,241
Total Information services	1,561,003	1,689,074	1,552,693	136,381

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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Human resources				
Personal services	\$ 364,350	\$ 368,324	\$ 340,590	\$ 27,734
Other operating expenditures	202,314	238,519	208,897	29,622
Total Human resources	<u>566,664</u>	<u>606,843</u>	<u>549,487</u>	<u>57,356</u>
Building and grounds				
Personal services	200,324	213,290	193,916	19,374
Other operating expenditures	77,900	122,400	122,679	(279)
Total Building and grounds	<u>278,224</u>	<u>335,690</u>	<u>316,595</u>	<u>19,095</u>
Communications				
Personal services	309,306	318,751	306,656	12,095
Other operating expenditures	145,745	150,745	113,710	37,035
Total Communications	<u>455,051</u>	<u>469,496</u>	<u>420,366</u>	<u>49,130</u>
Engineering				
Other operating expenditures	30,000	690,148	418,064	272,084
Total Engineering	<u>30,000</u>	<u>690,148</u>	<u>418,064</u>	<u>272,084</u>
General administration				
Personal services	991,295	664,704	411,983	252,721
Other operating expenditures	2,991,940	2,886,635	2,590,287	296,348
Total General administration	<u>3,983,235</u>	<u>3,551,339</u>	<u>3,002,270</u>	<u>549,069</u>
Total general government	<u>8,710,721</u>	<u>9,254,671</u>	<u>7,974,521</u>	<u>1,280,150</u>
<b>Judicial:</b>				
Municipal court				
Personal services	551,190	478,800	385,492	93,308
Other operating expenditures	317,334	320,888	277,031	43,857
Capital Outlay	3,800	4,700	1,793	2,907
Total Municipal court	<u>872,324</u>	<u>804,388</u>	<u>664,316</u>	<u>140,072</u>
Total Judicial	<u>872,324</u>	<u>804,388</u>	<u>664,316</u>	<u>140,072</u>
<b>Public Safety:</b>				
Police				
Personal services	7,927,100	8,181,884	8,125,298	56,586
Other operating expenditures	2,080,443	2,101,724	1,983,015	118,709
Capital outlay	15,000	82,178	84,226	(2,048)
Total Police	<u>10,022,543</u>	<u>10,365,786</u>	<u>10,192,539</u>	<u>173,247</u>
Total Public Safety	<u>10,022,543</u>	<u>10,365,786</u>	<u>10,192,539</u>	<u>173,247</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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Public Works:</b>				
Street Maintenance				
Personal services	\$ 924,091	\$ 850,878	\$ 796,460	\$ 54,418
Other operating expenditures	844,527	844,527	711,536	132,991
Capital outlay	35,000	78,982	43,982	35,000
Total Street Maintenance	<u>1,803,618</u>	<u>1,774,387</u>	<u>1,551,978</u>	<u>222,409</u>
Garage				
Personal services	133,598	135,395	130,091	5,304
Other operating expenditures	96,500	108,500	79,051	29,449
Capital outlay	-	80,465	-	80,465
Total Garage	<u>230,098</u>	<u>324,360</u>	<u>209,142</u>	<u>115,218</u>
Total Public Works	<u>2,033,716</u>	<u>2,098,747</u>	<u>1,761,120</u>	<u>337,627</u>
<b>Culture and Recreation:</b>				
Parks Administration				
Personal services	442,448	449,767	449,767	-
Other operating expenditures	330,649	333,572	296,607	36,965
Capital outlay	-	7,580	7,580	-
Total Parks Administration	<u>773,097</u>	<u>790,919</u>	<u>753,954</u>	<u>36,965</u>
Parks Maintenance				
Personal services	408,435	416,261	408,387	7,874
Other operating expenditures	544,914	560,656	454,388	106,268
Total Parks Maintenance	<u>953,349</u>	<u>976,917</u>	<u>862,775</u>	<u>114,142</u>
Jessie Davis Park				
Personal services	226,073	229,074	204,062	25,012
Other operating expenditures	69,148	68,850	59,707	9,143
Total Jessie Davis Park	<u>295,221</u>	<u>297,924</u>	<u>263,769</u>	<u>34,155</u>
West Pines Golf Course				
Personal services	620,743	617,383	593,882	23,501
Other operating expenditures	393,847	445,167	451,012	(5,845)
Capital outlay	20,000	80,079	52,393	27,686
Total West Pines Golf Course	<u>1,034,590</u>	<u>1,142,629</u>	<u>1,097,287</u>	<u>45,342</u>
Total Culture and Recreation	<u>3,056,257</u>	<u>3,208,389</u>	<u>2,977,785</u>	<u>230,604</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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Housing and Development:</b>				
Inspections				
Personal services	\$ 310,385	\$ 320,354	\$ 320,354	\$ -
Other operating expenditures	24,370	22,058	14,775	7,283
Capital outlay	49,982	52,294	-	52,294
Total Inspections	<u>384,737</u>	<u>394,706</u>	<u>335,129</u>	<u>59,577</u>
Planning and Zoning				
Personal services	241,792	244,664	218,442	26,222
Other operating expenditures	57,150	62,150	43,420	18,730
Total Planning and Zoning	<u>298,942</u>	<u>306,814</u>	<u>261,862</u>	<u>44,952</u>
Code Enforcement				
Personal services	229,056	233,361	193,572	39,789
Other operating expenditures	22,690	22,690	14,297	8,393
Total Code Enforcement	<u>251,746</u>	<u>256,051</u>	<u>207,869</u>	<u>48,182</u>
Community Development				
Personal services	235,946	166,745	146,245	20,500
Other operating expenditures	160,715	449,960	176,867	273,093
Total Community Development	<u>396,661</u>	<u>616,705</u>	<u>323,112</u>	<u>293,593</u>
Total Housing and Development	<u>1,332,086</u>	<u>1,574,276</u>	<u>1,127,972</u>	<u>446,304</u>
<b>Debt Service:</b>				
Principal	395,068	395,068	395,367	(299)
Interest	130,060	130,060	125,561	4,499
Total debt service	<u>525,128</u>	<u>525,128</u>	<u>520,928</u>	<u>4,200</u>
Total expenditures	<u>26,552,775</u>	<u>27,831,385</u>	<u>25,219,181</u>	<u>2,612,204</u>
Excess of revenues over expenditures	<u>723,470</u>	<u>1,398,311</u>	<u>3,893,130</u>	<u>2,494,819</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	4,942	4,942	101,562	96,620
Transfers in	115,000	483,159	115,000	(368,159)
Transfers out	(843,412)	(1,036,412)	(907,832)	128,580
Total other financing sources (uses)	<u>(723,470)</u>	<u>(548,311)</u>	<u>(691,270)</u>	<u>(142,959)</u>
Net change in fund balance	-	850,000	3,201,860	2,351,860
<b>Fund balances, beginning of year</b>	<u>11,312,082</u>	<u>11,312,082</u>	<u>11,312,082</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 11,312,082</u>	<u>\$ 12,162,082</u>	<u>\$ 14,513,942</u>	<u>\$ 2,351,860</u>

**CITY OF DOUGLASVILLE, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS  
CITY OF DOUGLASVILLE RETIREMENT PLAN**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>				
Service cost	\$ 525,247	\$ 533,286	\$ 497,420	\$ 550,294
Interest on total pension liability	2,481,442	2,270,884	2,139,272	2,094,469
Differences between expected and actual experience	774,375	991,040	(167,287)	(669,619)
Changes of assumptions	(634,870)	-	-	(332,866)
Changes of benefit terms	-	274,636	439,139	2,683
Benefit payments, including refunds of employee contributions	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
<b>Net change in total pension liability</b>	<u>1,771,170</u>	<u>2,738,943</u>	<u>1,818,791</u>	<u>600,990</u>
<b>Total pension liability - beginning</b>	<u>\$ 32,706,121</u>	<u>29,967,178</u>	<u>28,148,387</u>	<u>27,547,397</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 34,477,291</u></u>	<u><u>\$ 32,706,121</u></u>	<u><u>\$ 29,967,178</u></u>	<u><u>\$ 28,148,387</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 817,751	\$ 744,784	\$ 756,309	\$ 851,364
Contributions - employee	-	45,462	34,663	-
Net investment income	4,188,234	2,859,566	303,266	2,668,243
Benefit payments, including refunds of member contributions	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
Administrative expenses	(65,126)	(38,372)	(42,494)	(33,695)
<b>Net change in plan fiduciary net position</b>	<u>3,565,835</u>	<u>2,280,537</u>	<u>(38,009)</u>	<u>2,441,941</u>
<b>Plan fiduciary net position - beginning</b>	<u>28,083,979</u>	<u>25,803,442</u>	<u>25,841,451</u>	<u>23,399,510</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 31,649,814</u></u>	<u><u>\$ 28,083,979</u></u>	<u><u>\$ 25,803,442</u></u>	<u><u>\$ 25,841,451</u></u>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 2,827,477</u></u>	<u><u>\$ 4,622,142</u></u>	<u><u>\$ 4,163,736</u></u>	<u><u>\$ 2,306,936</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	91.80%	85.87%	86.11%	91.80%
<b>Covered payroll</b>	\$ 9,952,049	\$ 9,680,685	\$ 8,950,694	\$ 8,713,629
<b>City's net pension liability as a percentage of covered payroll</b>	28.41%	47.75%	46.52%	26.48%

**Notes to the Schedule:**

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

**CITY OF DOUGLASVILLE, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS  
CITY OF DOUGLASVILLE RETIREMENT PLAN**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 864,006	\$ 807,180	\$ 732,305	\$ 761,110
Contributions in relation to the actuarially determined contribution	<u>865,105</u>	<u>868,206</u>	<u>735,755</u>	<u>763,749</u>
Contribution deficiency (excess)	<u>\$ (1,099)</u>	<u>\$ (61,026)</u>	<u>\$ (3,450)</u>	<u>\$ (2,639)</u>
Covered payroll	\$ 10,596,972	\$ 9,737,074	\$ 9,661,889	\$ 8,713,629
Contributions as a percentage of covered payroll	8.16%	8.92%	7.62%	8.76%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date	January 1, 2017
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	3.25% for employees hired on or before 10/2/2006; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

(2) Benefit Changes:

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

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



**CITY OF DOUGLASVILLE, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
CITY OF DOUGLASVILLE OPEB PLAN**

	<b>2018</b>
<b>Total OPEB liability</b>	
Service cost	\$ 1,279,279
Interest on total OPEB liability	736,593
Differences between expected and actual experience	(216,594)
Changes of assumptions	(2,844,647)
Benefit payments	(318,771)
<b>Net change in total OPEB liability</b>	<b>(1,364,140)</b>
<b>Total OPEB liability - beginning</b>	<b>24,725,483</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 23,361,343</b>
<b>Covered employee payroll</b>	<b>\$ 10,080,226</b>
<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>231.75%</b>

**Notes to the Schedule:**

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

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

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

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

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

**GEMA Flood Fund** – This fund is used to account for a grant awarded to the City for improvements and restoration needed subsequent to damage incurred as a result of flooding.

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

## Capital Projects Funds

**Road Fund** – This fund accounts for amounts received by the City that are restricted for road resurfacing projects.

## Debt Service Funds

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

**CITY OF DOUGLASVILLE, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2018**

ASSETS	Special Revenue Funds			
	Multiple Grant	Hotel/Motel Tax	Rental Car Excise Tax	Public Purpose Corporation
Cash and cash equivalents	\$ 580,633	\$ 646,244	\$ 43,548	\$ 109,129
Investments	-	167,067	-	-
Receivables, net:				
Taxes receivable	-	126,395	15,889	-
Due from other governments	79,721	-	-	-
Prepaid items	1,824	72,765	-	-
<b>Total assets</b>	<b>\$ 662,178</b>	<b>\$ 1,012,471</b>	<b>\$ 59,437</b>	<b>\$ 109,129</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 10,412	\$ 24,063	\$ -	\$ -
Accrued liabilities	1,528	4,737	-	-
Due to other funds	-	-	-	3,970
<b>Total liabilities</b>	<b>11,940</b>	<b>28,800</b>	<b>-</b>	<b>3,970</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	1,824	72,765	-	-
Restricted for:				
Law enforcement	-	-	-	-
Promotion of tourism	-	910,906	59,437	-
Capital projects	648,414	-	-	-
Debt service	-	-	-	105,159
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>648,414</b>	<b>983,671</b>	<b>59,437</b>	<b>105,159</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 660,354</b>	<b>\$ 1,012,471</b>	<b>\$ 59,437</b>	<b>\$ 109,129</b>

<b>Special Revenue Funds</b>		<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>GEMA Flood</b>	<b>Confiscated Assets</b>	<b>Roads</b>		
\$ 1,800	\$ 975,314	\$ 316,740	\$ 423,931	\$ 3,097,339
-	1,003,527	-	-	1,170,594
-	-	-	9,224	151,508
106,536	-	-	13,311	199,568
-	-	-	-	74,589
<u>\$ 108,336</u>	<u>\$ 1,978,841</u>	<u>\$ 316,740</u>	<u>\$ 446,466</u>	<u>\$ 4,693,598</u>
\$ 1,800	\$ 21,033	\$ -	\$ -	\$ 57,308
-	-	-	-	6,265
103,617	-	-	-	107,587
<u>105,417</u>	<u>21,033</u>	<u>-</u>	<u>-</u>	<u>171,160</u>
106,535	-	-	6,976	113,511
-	-	-	-	74,589
-	1,957,808	-	-	1,957,808
-	-	-	-	970,343
-	-	316,740	-	965,154
-	-	-	439,490	544,649
(103,616)	-	-	-	(103,616)
<u>(103,616)</u>	<u>1,957,808</u>	<u>316,740</u>	<u>439,490</u>	<u>4,408,927</u>
<u>\$ 108,336</u>	<u>\$ 1,978,841</u>	<u>\$ 316,740</u>	<u>\$ 446,466</u>	<u>\$ 4,693,598</u>

**CITY OF DOUGLASVILLE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Special Revenue Funds</b>			
	<b>Multiple Grant</b>	<b>Hotel/Motel Tax</b>	<b>Rental Car Excise Tax</b>	<b>Public Purpose Corporation</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,258,267	\$ 179,449	\$ -
Charges for services	-	226,426	-	-
Intergovernmental	1,305,396	-	-	558,074
Contributions	103,096	-	-	-
Interest income	1,825	3,007	205	972
Fines and forfeitures	-	-	-	-
Miscellaneous	19,590	46,286	-	-
<b>Total revenues</b>	<b>1,429,907</b>	<b>1,533,986</b>	<b>179,654</b>	<b>559,046</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	102,674	-	-	18,725
Public safety	270,139	-	-	-
Public works	509,488	-	-	-
Housing and development	929,896	-	-	-
Culture and recreation	-	940,719	-	-
<b>Debt service:</b>				
Principal retirement	-	460,000	-	376,438
Interest and fiscal charges	-	351,606	-	156,779
Bond issuance costs	-	173,589	-	-
<b>Total expenditures</b>	<b>1,812,197</b>	<b>1,925,914</b>	<b>-</b>	<b>551,942</b>
Excess (deficiency) of revenues over expenditures	(382,290)	(391,928)	179,654	7,104
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds	-	9,480,000	-	-
Original issue premium	-	979,522	-	-
Refunding deposit with escrow agent	-	(10,286,145)	-	-
Transfers in	412,817	640,866	-	-
Transfers out	-	(170,851)	(165,000)	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>412,817</b>	<b>643,392</b>	<b>(165,000)</b>	<b>-</b>
Net change in fund balances	30,527	251,464	14,654	7,104
<b>Fund balances, beginning of year</b>	<b>619,711</b>	<b>732,207</b>	<b>44,783</b>	<b>98,055</b>
<b>Fund balances, end of year</b>	<b>\$ 650,238</b>	<b>\$ 983,671</b>	<b>\$ 59,437</b>	<b>\$ 105,159</b>

<b>Special Revenue Funds</b>		<b>Capital Projects</b>		<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>GEMA Flood</b>	<b>Confiscated Assets</b>	<b>Fund Roads</b>			
\$ -	\$ -	\$ -	\$ 1,753,278	\$ 3,190,994	
-	-	-	-	226,426	
189,491	-	-	-	2,052,961	
-	-	-	-	103,096	
24	13,930	465	881	21,309	
-	196,574	-	-	196,574	
-	5,198	-	-	71,074	
<u>189,515</u>	<u>215,702</u>	<u>465</u>	<u>1,754,159</u>	<u>5,862,434</u>	
-	-	-	-	121,399	
-	220,759	-	-	490,898	
10,000	-	-	-	519,488	
-	-	-	-	929,896	
-	-	-	-	940,719	
-	-	-	1,045,000	1,881,438	
-	-	-	545,813	1,054,198	
-	-	-	-	173,589	
<u>10,000</u>	<u>220,759</u>	<u>-</u>	<u>1,590,813</u>	<u>6,111,625</u>	
179,515	(5,057)	465	163,346	(249,191)	
-	-	-	-	9,480,000	
-	-	-	-	979,522	
-	-	-	-	(10,286,145)	
10,000	-	-	-	1,063,683	
-	-	-	-	(335,851)	
-	17,798	-	-	17,798	
<u>10,000</u>	<u>17,798</u>	<u>-</u>	<u>-</u>	<u>919,007</u>	
189,515	12,741	465	163,346	669,816	
(293,131)	1,945,067	316,275	276,144	3,739,111	
<u>\$ (103,616)</u>	<u>\$ 1,957,808</u>	<u>\$ 316,740</u>	<u>\$ 439,490</u>	<u>\$ 4,408,927</u>	

**CITY OF DOUGLASVILLE, GEORGIA  
MULTIPLE GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,151,185	\$ 1,151,185	\$ 1,305,396	\$ 154,211
Contributions	-	-	103,096	103,096
Investment income	-	-	1,825	1,825
Miscellaneous	-	-	19,590	19,590
Total revenues	<u>1,151,185</u>	<u>1,151,185</u>	<u>1,429,907</u>	<u>257,307</u>
<b>Expenditures:</b>				
Current:				
General government	395,644	395,644	102,674	292,970
Public safety	267,823	267,823	270,139	(2,316)
Public works	1,212,852	1,212,852	509,488	703,364
Housing and development	1,067,087	1,067,087	929,896	137,191
Total expenditures	<u>2,943,406</u>	<u>2,943,406</u>	<u>1,812,197</u>	<u>1,131,209</u>
Deficiency of revenues over expenditures	<u>(1,792,221)</u>	<u>(1,792,221)</u>	<u>(382,290)</u>	<u>1,409,931</u>
<b>Other financing sources:</b>				
Transfers in	<u>1,263,104</u>	<u>1,263,104</u>	<u>412,817</u>	<u>(850,287)</u>
Total other financing sources	<u>1,263,104</u>	<u>1,263,104</u>	<u>412,817</u>	<u>(850,287)</u>
Net changes in fund balance	(529,117)	(529,117)	30,527	559,644
<b>Fund balances, beginning of year</b>	<u>619,711</u>	<u>619,711</u>	<u>619,711</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 90,594</u>	<u>\$ 90,594</u>	<u>\$ 650,238</u>	<u>\$ 559,644</u>



**CITY OF DOUGLASVILLE, GEORGIA  
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Budget</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 1,062,148	\$ 1,062,148	\$ 1,258,267	\$ 196,119
Charges for services	225,000	225,000	226,426	1,426
Interest	650	650	3,007	2,357
Miscellaneous	45,500	45,500	46,286	786
Total revenues	<u>1,333,298</u>	<u>1,333,298</u>	<u>1,533,986</u>	<u>200,688</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	1,179,959	1,179,959	940,719	239,240
Debt service:				
Principal retirement	460,000	460,000	460,000	-
Interest and fiscal charges	533,500	533,500	351,606	181,894
Bond issuance costs	-	-	173,589	(173,589)
Total expenditures	<u>2,173,459</u>	<u>2,173,459</u>	<u>1,925,914</u>	<u>247,545</u>
Deficiency of revenues over expenditures	<u>(840,161)</u>	<u>(840,161)</u>	<u>(391,928)</u>	<u>448,233</u>
<b>Other financing sources (uses):</b>				
Transfers in	646,348	646,348	640,866	(5,482)
Transfers out	(15,000)	(15,000)	(170,851)	(155,851)
Issuance of refunding bonds	-	-	9,480,000	9,480,000
Original issue premium	-	-	979,522	979,522
Refunding deposit with escrow agent	-	-	(10,286,145)	(10,286,145)
Total other financing sources (uses)	<u>631,348</u>	<u>631,348</u>	<u>643,392</u>	<u>12,044</u>
Net changes in fund balance	(208,813)	(208,813)	251,464	460,277
<b>Fund balances, beginning of year</b>	<u>732,207</u>	<u>732,207</u>	<u>732,207</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 523,394</u>	<u>\$ 523,394</u>	<u>\$ 983,671</u>	<u>\$ 460,277</u>

**CITY OF DOUGLASVILLE, GEORGIA  
RENTAL CAR EXCISE TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Budget</b>		<b>Actual</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 165,000	\$ 165,000	\$ 179,449	\$ 14,449
Investment income	-	-	205	205
<b>Total revenues</b>	<u>165,000</u>	<u>165,000</u>	<u>179,654</u>	<u>14,449</u>
<b>Other financing uses:</b>				
Transfers out	(165,000)	(165,000)	(165,000)	-
<b>Total other financing uses</b>	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>
Net changes in fund balance	-	-	14,654	14,449
<b>Fund balances, beginning of year</b>	<u>44,783</u>	<u>44,783</u>	<u>44,783</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 44,783</u></u>	<u><u>\$ 44,783</u></u>	<u><u>\$ 59,437</u></u>	<u><u>\$ 14,449</u></u>

**CITY OF DOUGLASVILLE, GEORGIA  
PUBLIC PURPOSE CORPORATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 543,394	\$ 543,394	\$ 558,074	\$ 14,680
Interest income	-	-	972	972
Total revenues	<u>543,394</u>	<u>543,394</u>	<u>559,046</u>	<u>15,652</u>
<b>Expenditures:</b>				
Current:				
General government	8,383	8,383	18,725	(10,342)
Debt service:				
Principal retirement	534,260	534,260	376,438	157,822
Interest and fiscal charges	751	751	156,779	(156,028)
Total expenditures	<u>543,394</u>	<u>543,394</u>	<u>551,942</u>	<u>(8,548)</u>
Net changes in fund balance	-	-	7,104	7,104
<b>Fund balances, beginning of year</b>	<u>98,055</u>	<u>98,055</u>	<u>98,055</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 98,055</u>	<u>\$ 98,055</u>	<u>\$ 105,159</u>	<u>\$ 7,104</u>

**CITY OF DOUGLASVILLE, GEORGIA  
GEMA FLOOD FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 189,491	\$ 189,491	\$ 189,491	\$ -
Interest income	23	23	24	1
Total revenues	<u>189,514</u>	<u>189,514</u>	<u>189,515</u>	<u>1</u>
<b>Expenditures:</b>				
Current:				
Public works	10,000	10,000	10,000	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over expenditures	179,514	179,514	179,515	1
<b>Other financing sources:</b>				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net changes in fund balance	189,514	189,514	189,515	1
<b>Fund balances, beginning of year</b>	<u>(293,131)</u>	<u>(293,131)</u>	<u>(293,131)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (103,617)</u>	<u>\$ (103,617)</u>	<u>\$ (103,616)</u>	<u>\$ 1</u>

**CITY OF DOUGLASVILLE, GEORGIA  
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Confiscated Assets			
	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 196,574	\$ 196,574
Interest income	12,000	12,000	13,930	1,930
Miscellaneous	-	-	5,198	5,198
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>215,702</u>	<u>203,702</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>222,000</u>	<u>222,382</u>	<u>220,759</u>	<u>1,623</u>
Total expenditures	<u>222,000</u>	<u>222,382</u>	<u>220,759</u>	<u>1,623</u>
Deficiency of revenues over expenditures	(210,000)	(210,382)	(5,057)	205,325
<b>Other financing sources:</b>				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>17,798</u>	<u>17,798</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>17,798</u>	<u>17,798</u>
Net changes in fund balance	(210,000)	(210,382)	12,741	223,123
<b>Fund balances, beginning of year</b>	<u>1,945,067</u>	<u>1,945,067</u>	<u>1,945,067</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,735,067</u>	<u>\$ 1,734,685</u>	<u>\$ 1,957,808</u>	<u>\$ 223,123</u>

**CITY OF DOUGLASVILLE, GEORGIA  
DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,591,500	\$ 1,591,500	\$ 1,753,278	\$ 161,778
Investment income	-	-	881	881
Total revenues	<u>1,591,500</u>	<u>1,591,500</u>	<u>1,754,159</u>	<u>162,659</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	1,045,000	1,045,000	1,045,000	-
Interest and fiscal charges	546,500	546,500	545,813	687
Total expenditures	<u>1,591,500</u>	<u>1,591,500</u>	<u>1,590,813</u>	<u>687</u>
Net changes in fund balance	-	-	163,346	163,346
<b>Fund balances, beginning of year</b>	<u>276,144</u>	<u>276,144</u>	<u>276,144</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 276,144</u>	<u>\$ 276,144</u>	<u>\$ 439,490</u>	<u>\$ 163,346</u>

# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2018

<b>MUNICIPAL COURT</b>	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2018</b>
<b>ASSETS</b>				
Cash	\$ 42,200	\$ 601,772	\$ 606,768	\$ 37,204
<b>TOTAL ASSETS</b>	<u>\$ 42,200</u>	<u>\$ 601,772</u>	<u>\$ 606,768</u>	<u>\$ 37,204</u>
<b>LIABILITIES</b>				
Due to other governments and individuals	\$ 42,200	\$ 601,772	\$ 606,768	\$ 37,204
<b>TOTAL LIABILITIES</b>	<u>\$ 42,200</u>	<u>\$ 601,772</u>	<u>\$ 606,768</u>	<u>\$ 37,204</u>

**CITY OF DOUGLASVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
2016 ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Percentage Complete</u>
Public Safety (20%)	\$ 7,500,800	\$ 6,397,735	\$ 77,240	\$ 1,164,439	\$ 1,241,679	19.41 %
Transportation and Streets (45%)	16,876,800	14,395,003	-	1,021,616	1,021,616	7.10
Facility and Infrastructure Improvements (15%)	5,625,600	4,798,301	-	924,869	924,869	19.27
Parks and Recreation (20%)	<u>7,500,800</u>	<u>6,497,735</u>	<u>86,345</u>	<u>659,766</u>	<u>746,111</u>	11.48
Total 2016 Issue	<u>\$ 37,504,000</u>	<u>\$ 32,088,774</u>	<u>\$ 163,585</u>	<u>\$ 3,770,690</u>	<u>\$ 3,934,275</u>	



# CITY OF DOUGLASVILLE, GEORGIA

## BALANCE SHEET

### COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY

JUNE 30, 2018

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<b>ASSETS</b>	
Cash and cash equivalents	\$ 182,231
Prepaid items	3,646
	<hr/>
Total assets	\$ 185,877
	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 2,924
Accrued liabilities	357
	<hr/>
Total liabilities	3,281
	<hr/>
<b>FUND BALANCE</b>	
Fund balances:	
Nonspendable:	
Prepaid expenditures	3,646
Unassigned	178,950
	<hr/>
Total fund balance	182,596
	<hr/>
Total liabilities and fund balance	\$ 185,877
	<hr/> <hr/>

# CITY OF DOUGLASVILLE, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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<b>Revenues</b>	
Intergovernmental	\$ 78,240
Charges for services	128,100
Interest income	294
Total revenues	<u>206,634</u>
<b>Expenditures</b>	
Current:	
Housing and development	<u>103,790</u>
Total expenditures	<u>103,790</u>
Net change in fund balance	102,844
<b>Fund balances, beginning of year</b>	<u>79,752</u>
<b>Fund balances, end of year</b>	<u><u>\$ 182,596</u></u>

# STATISTICAL SECTION

## (Unaudited)

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

### Contents

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 55,527,069	\$ 60,337,266	\$ 65,423,890	\$ 67,152,166	\$ 64,611,565	\$ 64,633,326	\$ 64,472,022	\$ 64,515,086	\$ 64,221,327	\$ 67,123,600
Restricted	365,659	4,213,000	4,516,907	4,458,968	3,896,412	3,214,142	3,223,039	3,418,778	3,658,043	6,525,844
Unrestricted	9,143,182	4,805,205	4,602,812	80,364	(3,106,956)	(8,544,416)	(7,106,171)	(6,908,885)	(17,458,063)	(14,886,166)
Total governmental activities net position	\$ 65,035,910	\$ 69,355,471	\$ 74,543,609	\$ 71,691,498	\$ 65,401,021	\$ 59,303,052	\$ 60,588,890	\$ 61,024,979	\$ 50,421,307	\$ 58,763,278
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 768,628	\$ 636,678	\$ 799,371	\$ 1,402,308	\$ 1,352,601	\$ 1,299,214	\$ 1,372,590	\$ 1,367,872	\$ 1,374,200	\$ 1,507,616
Unrestricted	2,835,959	3,226,160	2,989,304	2,531,539	2,826,979	2,954,370	3,374,718	3,978,860	4,206,517	4,349,246
Total business-type activities net position	\$ 3,604,587	\$ 3,862,838	\$ 3,788,675	\$ 3,933,847	\$ 4,179,580	\$ 4,253,584	\$ 4,747,308	\$ 5,346,732	\$ 5,580,717	\$ 5,856,862
<b>Primary government</b>										
Net Investment in capital assets	\$ 56,295,697	\$ 60,973,944	\$ 66,223,261	\$ 68,554,474	\$ 65,964,166	\$ 65,932,540	\$ 65,844,612	\$ 65,882,958	\$ 65,595,527	\$ 68,631,216
Restricted	365,659	4,213,000	4,516,907	4,458,968	3,896,412	3,214,142	3,223,039	3,418,778	3,658,043	6,525,844
Unrestricted	11,979,141	8,031,365	7,592,116	2,611,903	(279,977)	(5,590,046)	(3,731,453)	(2,930,025)	(13,251,546)	(10,536,920)
Total primary government net position	\$ 68,640,497	\$ 73,218,309	\$ 78,332,284	\$ 75,625,345	\$ 69,580,601	\$ 63,556,636	\$ 65,336,198	\$ 66,371,711	\$ 56,002,024	\$ 64,620,140

**Notes:**

- Restatement to 2009's ending net position was made to correct Local Option Sales Tax.
- Restatement to 2012's ending net position as a result of implementing GASB Statement 65.
- Restatement to 2014's ending net position as a result of implementing GASB Statement 68.
- Restatement to 2017's ending net position as a result of implementing GASB Statement 75.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 4,729,133	\$ 4,503,356	\$ 5,202,563	\$ 5,177,481	\$ 5,733,608	\$ 4,809,968	\$ 6,069,013	\$ 7,020,218	\$ 9,747,658	\$ 8,842,137
Judicial	400,197	630,881	658,943	837,390	814,164	466,150	746,284	824,031	789,823	684,795
Public safety	10,525,769	10,583,333	10,202,244	11,442,340	11,920,070	11,527,647	10,823,733	11,761,412	11,249,398	12,130,090
Public works	2,041,937	4,116,124	2,101,565	2,813,452	2,736,609	3,132,100	2,686,734	2,682,503	2,409,663	3,646,251
Housing and development	1,491,222	1,147,220	1,277,614	1,255,019	929,920	1,236,085	2,050,572	1,996,326	1,372,370	1,485,874
Health and Welfare	108,384	144,708	144,708	144,708	144,708	144,708	-	-	-	-
Culture and recreation	2,302,582	1,132,943	2,130,160	3,619,609	5,492,366	4,207,443	4,263,526	4,517,173	4,845,801	5,119,399
Interest on long-term debt	620,554	789,110	1,861,057	1,791,352	2,400,937	1,708,638	1,652,409	1,603,148	1,250,809	967,705
<b>Total governmental activities expenses</b>	<b>22,219,778</b>	<b>23,047,675</b>	<b>23,578,854</b>	<b>27,081,351</b>	<b>30,172,382</b>	<b>27,232,739</b>	<b>28,292,271</b>	<b>30,404,811</b>	<b>31,665,522</b>	<b>32,876,251</b>
Business-type activities:										
Sanitation	3,485,237	3,412,766	3,689,442	3,420,209	3,339,378	3,244,222	3,375,445	3,317,568	3,695,797	4,013,420
<b>Total business-type activities expenses</b>	<b>3,485,237</b>	<b>3,412,766</b>	<b>3,689,442</b>	<b>3,420,209</b>	<b>3,339,378</b>	<b>3,244,222</b>	<b>3,375,445</b>	<b>3,317,568</b>	<b>3,695,797</b>	<b>4,013,420</b>
<b>Total primary government expenses</b>	<b>\$ 25,705,015</b>	<b>\$ 26,460,441</b>	<b>\$ 27,268,296</b>	<b>\$ 30,501,560</b>	<b>\$ 33,511,760</b>	<b>\$ 30,476,961</b>	<b>\$ 31,667,716</b>	<b>\$ 33,722,379</b>	<b>\$ 35,361,319</b>	<b>\$ 36,889,671</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for service:										
General government	\$ 3,559,677	\$ 2,254,399	\$ 2,188,238	\$ 2,224,532	\$ 2,220,908	\$ 2,253,020	\$ 2,413,872	\$ 2,434,206	\$ 2,944,164	\$ 3,794,094
Housing and development	-	234,665	509,097	216,306	331,530	410,570	557,320	439,654	765,360	226,426
Judicial	1,650,572	2,040,382	1,816,603	1,644,337	1,439,864	1,116,850	2,216,583	1,274,224	1,570,466	1,877,717
Public safety	1,377,450	314,151	363,673	368,658	408,686	331,947	317,080	362,911	473,587	532,349
Public works	-	-	-	-	-	-	-	17,750	-	-
Culture and recreation	146,294	226,520	280,822	1,204,061	1,323,745	1,438,449	1,443,399	1,550,758	1,101,870	977,333
Operating grants and contributions	18,015	1,506,986	1,503,681	671,401	470,025	450,109	1,002,645	300,897	529,559	489,644
Capital grants and contributions	173,513	2,827,459	398,650	1,179,720	1,495,070	749,654	544,223	233,612	1,277,414	7,194,611
<b>Total governmental activities program revenues</b>	<b>6,925,521</b>	<b>9,404,562</b>	<b>7,060,764</b>	<b>7,509,015</b>	<b>7,689,828</b>	<b>6,750,599</b>	<b>8,495,122</b>	<b>6,614,012</b>	<b>8,662,420</b>	<b>15,092,174</b>
Business-type activities:										
Charges for services:										
Sanitation	3,823,295	3,760,796	3,658,354	3,610,033	3,628,855	3,689,973	3,911,692	3,999,390	4,023,039	4,560,797
<b>Total business-type activities program revenues</b>	<b>3,823,295</b>	<b>3,760,796</b>	<b>3,658,354</b>	<b>3,610,033</b>	<b>3,628,855</b>	<b>3,689,973</b>	<b>3,911,692</b>	<b>3,999,390</b>	<b>4,023,039</b>	<b>4,560,797</b>
<b>Total primary government program revenues</b>	<b>\$ 10,748,816</b>	<b>\$ 13,165,358</b>	<b>\$ 10,719,118</b>	<b>\$ 11,119,048</b>	<b>\$ 11,318,683</b>	<b>\$ 10,440,572</b>	<b>\$ 12,406,814</b>	<b>\$ 10,613,402</b>	<b>\$ 12,685,459</b>	<b>\$ 19,652,971</b>

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (15,294,257)	\$ (13,643,113)	\$ (16,518,090)	\$ (19,572,336)	\$ (22,482,554)	\$ (20,482,440)	\$ (19,797,149)	\$ (23,790,799)	\$ (23,003,102)	\$ (17,784,077)
Business-type activities	338,058	348,030	(31,088)	189,824	289,477	445,751	536,247	681,822	327,242	547,377
Total primary government net expense	\$ (14,956,199)	\$ (13,295,083)	\$ (16,549,178)	\$ (19,382,512)	\$ (22,193,077)	\$ (20,036,689)	\$ (19,260,902)	\$ (23,108,977)	\$ (22,675,860)	\$ (17,236,700)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 4,752,206	\$ 6,421,627	\$ 5,563,615	\$ 5,934,651	\$ 5,780,387	\$ 6,041,140	\$ 7,943,693	\$ 9,922,506	\$ 10,300,396	\$ 11,026,570
Sales taxes	5,544,003	5,768,997	10,244,877	4,434,938	4,789,513	5,156,024	6,048,402	6,204,621	6,281,217	6,971,616
Other taxes and miscellaneous	5,672,736	5,726,915	5,721,070	6,250,535	6,274,184	6,313,992	6,948,787	7,897,884	7,348,719	7,645,137
Unrestricted investment earnings	358,889	59,994	131,666	55,101	32,437	27,055	27,105	30,854	44,327	153,883
Gain on sale of capital assets	-	-	-	-	-	-	-	71,023	-	25,107
Transfers	-	45,000	45,000	45,000	45,000	100,000	115,000	100,000	100,000	303,735
Total governmental activities	\$ 16,327,834	\$ 18,022,533	\$ 21,706,228	\$ 16,720,225	\$ 16,921,521	\$ 17,638,211	\$ 21,082,987	\$ 24,226,888	\$ 24,074,659	\$ 26,126,048
Business-type activities										
Investment earnings	\$ 5,478	\$ 221	\$ 1,925	\$ 348	\$ 1,256	\$ 1,802	\$ 238	\$ 2,257	\$ 6,743	\$ 26,202
Gain on sale of capital assets	-	-	-	-	-	-	72,239	15,345	-	6,301
Transfers	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(100,000)	(115,000)	(100,000)	(100,000)	(303,735)
Total business-type activities	5,478	(44,779)	(43,075)	(44,652)	(43,744)	(98,198)	(42,523)	(82,398)	(93,257)	(271,232)
Total primary government	\$ 16,333,312	\$ 17,977,754	\$ 21,663,153	\$ 16,675,573	\$ 16,877,777	\$ 17,540,013	\$ 21,040,464	\$ 24,144,490	\$ 23,981,402	\$ 25,854,816
<b>Change in Net Position</b>										
Governmental activities	\$ 1,033,577	\$ 4,379,420	\$ 5,188,138	\$ (2,852,111)	\$ (5,561,033)	\$ (2,844,229)	\$ 1,285,838	\$ 436,089	\$ 1,071,557	\$ 8,341,971
Business-type activities	343,536	303,251	(74,163)	145,172	245,733	347,553	493,724	599,424	233,985	276,145
Total primary government	\$ 1,377,113	\$ 4,682,671	\$ 5,113,975	\$ (2,706,939)	\$ (5,315,300)	\$ (2,496,676)	\$ 1,779,562	\$ 1,035,513	\$ 1,305,542	\$ 8,618,116

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 243,496	\$ 134,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	8,617,489	9,524,890	-	140,232	265,788	220,958	522,637	176,909	697,430	640,857
Nonspendable	-	349,310	-	365,777	-	-	-	-	-	-
Restricted	-	-	221,811	402,225	103,494	104,849	104,849	-	518,159	1,687,713
Assigned	-	-	8,799,775	6,354,443	5,480,501	5,236,868	6,097,136	8,658,815	10,096,493	12,185,372
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 8,860,985	\$ 9,659,736	\$ 9,370,896	\$ 7,262,677	\$ 5,849,783	\$ 5,562,675	\$ 6,724,622	\$ 8,835,724	\$ 11,312,082	\$ 14,513,942
All Other Governmental Funds										
Reserved	\$ 2,486	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,589,246	4,000,716	-	-	-	-	-	-	-	-
Capital projects funds	(1,489,651)	10,131,882	-	-	-	-	-	-	-	-
Nonspendable	-	242	242	13,567	1,250	2,814	6,739	726	75,972	74,589
Restricted	-	-	4,516,665	9,843,790	3,895,162	3,211,328	3,216,280	3,418,052	3,956,270	6,904,212
Committed	-	-	-	93,071	82,792	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(2,178,868)	(270,264)	(972,951)	(1,457,099)	(1,073,220)	(1,073,220)	(715,924)	(361,389)
Total all other governmental funds	\$ 2,102,081	\$ 14,132,627	\$ 2,338,039	\$ 9,680,164	\$ 3,006,253	\$ 1,757,043	\$ 2,149,819	\$ 2,345,558	\$ 3,316,318	\$ 6,617,412

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

**Note:** Restatement to 2009's ending fund balance was made to correct Local Option Sales Tax. Restatement to 2013 ending Fund balance due to a correction of an error in the GEMA flood fund. The City implemented GASB 54 in fiscal year 2011.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 16,009,963	\$ 15,766,406	\$ 15,199,069	\$ 16,340,755	\$ 16,556,891	\$ 17,289,758	\$ 20,692,270	\$ 23,692,430	\$ 23,957,036	\$ 25,578,276
Licenses and permits	1,913,722	1,800,170	2,110,938	1,907,723	1,833,050	2,124,865	2,435,307	2,280,227	2,801,140	3,156,667
Intergovernmental	191,528	3,486,238	7,256,155	2,509,829	2,026,572	822,471	653,037	491,732	1,563,539	8,085,336
Fines and forfeitures	1,640,407	2,684,958	2,816,622	2,106,797	1,755,313	1,591,145	2,310,910	1,936,467	1,801,475	1,923,209
Charges for service	759,114	659,782	779,425	1,688,574	2,172,256	1,906,925	1,875,617	2,006,316	1,805,462	1,618,886
Interest Income	358,889	286,276	131,632	55,112	32,437	27,055	24,928	33,354	59,825	159,939
Other Revenues	2,410,585	1,112,731	747,076	780,298	692,180	734,377	677,521	724,008	788,990	485,665
<b>Total revenues</b>	<b>23,284,208</b>	<b>25,796,561</b>	<b>29,040,917</b>	<b>25,389,088</b>	<b>25,068,699</b>	<b>24,496,596</b>	<b>28,669,590</b>	<b>31,164,534</b>	<b>32,777,467</b>	<b>41,007,978</b>
<b>Expenditures</b>										
General government	4,173,384	3,981,957	3,615,917	4,115,058	4,949,931	4,055,572	5,579,408	6,786,783	7,099,575	8,504,662
Judicial	369,494	583,930	597,735	762,214	730,670	730,699	693,350	767,006	798,380	664,316
Public safety	9,014,053	11,682,538	9,591,186	9,841,597	9,853,814	9,530,484	9,641,067	10,470,274	10,522,209	10,720,402
Public works	1,567,043	1,811,247	2,132,130	2,041,926	1,871,927	1,733,633	1,694,505	1,911,541	1,766,111	2,973,074
Culture and recreation	1,977,135	1,764,467	1,617,489	3,571,491	3,551,336	3,647,892	3,812,069	4,261,087	3,866,921	3,960,766
Housing and development	1,283,117	989,040	1,165,850	1,429,359	1,744,156	1,465,802	1,889,726	1,203,446	1,755,616	2,180,607
Capital outlay	3,295,180	12,920,739	19,690,713	9,371,480	6,974,022	1,227,558	172,828	114,672	-	2,467,516
Debt service										
Interest	627,081	985,231	1,457,363	1,518,752	2,243,242	1,900,149	1,735,405	1,670,103	2,166,042	2,276,805
Principal	482,738	1,210,995	1,348,319	1,397,918	1,493,900	1,803,076	2,011,508	2,090,263	1,458,783	1,179,759
Bond Issuance Cost	-	442,275	-	302,967	84,494	-	-	-	207,594	173,589
<b>Total expenditures</b>	<b>22,789,225</b>	<b>36,372,419</b>	<b>41,216,702</b>	<b>34,352,762</b>	<b>33,497,492</b>	<b>26,094,865</b>	<b>27,229,866</b>	<b>29,275,175</b>	<b>29,641,231</b>	<b>35,101,496</b>
Excess of revenues over (under) expenditures	494,983	(10,575,858)	(12,175,785)	(8,963,674)	(8,428,793)	(1,598,269)	1,439,724	1,889,359	3,136,236	5,906,482
<b>Other Financing Sources (Uses)</b>										
Transfers in	7,266,785	1,765,758	2,753,380	17,407,513	1,866,957	3,136,389	2,953,188	3,140,934	1,327,110	1,547,418
Transfers out	(7,266,785)	(1,720,758)	(2,708,380)	(17,362,513)	(1,821,957)	(3,036,389)	(2,838,188)	(3,040,934)	(1,227,110)	(1,243,683)
Insurance Recoveries	-	71,688	-	-	-	-	-	-	-	-
Bonds issued	-	23,000,000	-	13,410,000	4,110,000	-	-	-	13,600,000	9,480,000
Premium on bonds issued	-	584,491	-	742,580	-	-	-	-	1,679,464	979,522
Payment to refunded bond escrow agent	-	-	-	-	(4,000,154)	-	-	-	(15,072,082)	(10,286,145)
Long Term Debt Issued	-	-	-	-	187,142	-	-	-	-	-
Sale of capital assets	6,100	-	47,357	-	-	-	-	317,482	3,500	119,360
<b>Total other financing sources (uses)</b>	<b>6,100</b>	<b>23,701,179</b>	<b>92,357</b>	<b>14,197,580</b>	<b>341,988</b>	<b>100,000</b>	<b>115,000</b>	<b>417,482</b>	<b>310,882</b>	<b>596,472</b>
<b>Net change in fund balances</b>	<b>\$ 501,083</b>	<b>\$ 13,125,321</b>	<b>\$ (12,083,428)</b>	<b>\$ 5,233,906</b>	<b>\$ (8,086,805)</b>	<b>\$ (1,498,269)</b>	<b>\$ 1,554,724</b>	<b>\$ 2,306,841</b>	<b>\$ 3,447,118</b>	<b>\$ 6,502,954</b>
Debt service as a percentage of noncapital expenditures	5%	9%	14%	12%	14%	15%	14%	13%	13%	11%



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

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Excise Tax	Franchise Tax	Insurance Premium Tax	Hotel Motel & Car Rental	Other	Total
2009	\$ 4,752,206	\$ 5,544,003	\$ 980,503	\$ 1,844,589	\$ 1,123,002	\$ 1,385,477	\$ 339,165	\$ 15,968,945
2010	6,287,017	5,182,714	883,142	1,914,034	1,112,466	1,273,757	37,034	16,690,164
2011	5,531,632	10,379,214	1,052,872	2,029,849	1,080,135	1,273,564	38,708	21,384,974
2012	5,907,201	4,434,938	972,000	2,072,783	1,452,201	1,442,351	59,281	16,340,755
2013	5,723,361	4,789,513	980,438	1,983,582	1,542,480	1,492,717	44,800	16,556,891
2014	6,022,126	5,156,024	1,010,390	1,878,032	1,597,091	1,577,730	48,365	17,289,758
2015	7,915,893	6,048,402	1,003,239	2,211,816	1,669,605	1,791,318	51,997	20,692,270
2016	9,855,187	6,159,621	1,009,969	2,836,620	1,783,698	1,970,096	77,238	23,692,430
2017	10,285,412	6,281,217	1,006,718	2,422,009	1,932,092	1,930,978	98,610	23,957,036
2018	10,955,642	6,756,996	1,078,828	2,424,509	2,057,499	2,192,676	112,126	25,578,276

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

Fiscal Year	Digest Year	Real Property	Personal Property	Public Utilities Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	2008	\$ 1,100,345,728	\$ 154,867,223	\$ 11,727,391	\$ 52,957,564	\$ (29,684,849)	\$ 1,290,213,057	3.854	\$3,225,532,643	40.00
2010	2009	1,068,869,950	153,968,444	12,696,315	58,056,715	(29,613,729)	1,263,977,695	5.120 *	3,159,944,238	40.00
2011	2010	1,087,146,826	153,996,576	12,039,977	53,073,942	(26,007,021)	1,280,250,300	5.069	3,200,625,750	40.00
2012	2011	901,158,038	166,199,636	11,994,773	47,778,023	(33,225,096)	1,093,905,374	5.404	2,734,763,435	40.00
2013	2012	863,062,342	148,464,889	11,717,620	50,152,681	(25,636,479)	1,047,761,053	5.497	2,619,402,633	40.00
2014	2013	842,583,657	152,016,398	11,717,620	54,417,138	(31,276,370)	1,029,458,443	5.496	2,573,646,108	40.00
2015	2014	845,498,290	147,369,572	13,020,716	46,858,796	(32,694,757)	1,020,052,617	7.454	2,550,131,543	40.00
2016	2015	887,125,894	174,819,620	15,610,515	33,682,970	(40,551,254)	1,070,687,745	8.954	2,676,719,363	40.00
2017	2016	946,223,889	188,873,041	15,656,810	23,900,314	(46,625,780)	1,128,028,274	8.437	2,820,070,685	40.00
2018	2017	999,275,137	214,933,082	15,656,810	18,059,341	(42,973,923)	1,204,950,447	8.261	3,012,376,118	40.00

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

\* Bond Millage added

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

Tax Year	Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	City of Douglasville	Bond City of Douglasville	Total Direct	Douglas County	Douglas County Board of Education	State of Georgia	
2009	3.854	1.266	5.12	7.932	21.35	0.25	34.65
2010	3.854	1.215	5.069	9.9	24.1	0.25	39.32
2011	3.854	1.553	5.407	9.9	22.95	0.25	38.51
2011	3.854	1.55	5.404	9.9	22.95	0.25	43.91
2012	3.854	1.643	5.497	9.9	21.95	0.2	37.55
2013	3.853	1.643	5.496	12.25	21.65	0.15	39.55
2014	5.784	1.67	7.454	12.153	21.35	0.10	41.06
2015	7.338	1.616	8.954	11.809	21.10	0.05	41.91
2016	6.911	1.526	8.437	11.267	21.00	0.05	40.75
2017	6.911	1.350	8.261	10.768	20.95	0.00	39.98
2018	7.211	1.240	8.451	10.213	20.90	0.00	39.56

Source: Georgia Department of Revenue

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

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

<u>Fiscal Year</u>	<u>City of Douglasville/ Douglas County/BOE</u>	<u>SPLOST Sales Tax</u>	<u>State of Georgia Sales Tax</u>	<u>Total Direct &amp; Overlapping Rates</u>
2009	2.00	-	4.00	6.00
2010	2.00	1.00	4.00	7.00
2011	2.00	1.00	4.00	7.00
2012	2.00	1.00	4.00	7.00
2013	2.00	1.00	4.00	7.00
2014	2.00	1.00	4.00	7.00
2015	2.00	1.00	4.00	7.00
2016	2.00	1.00	4.00	7.00
2017	2.00	1.00	4.00	7.00
2018	2.00	1.00	4.00	7.00

**Source:** Georgia Department of Revenue  
<http://www.sale-tax.com/DouglasvilleGA>

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

Category	2008	2009*	2010	2011	2012	2013	2014	2015	2016	2017
Accommodations	\$ -	\$ -	\$ 181,437	\$ 201,754	\$ 208,044	\$ 221,696	\$ 239,002	\$ 269,134	\$ 295,999	\$ 307,790
Apparel	207,470	194,325	831,936	924,001	1,020,368	877,563	283,772	300,091	330,633	333,186
Automotive	847,972	627,651	43,217	49,459	60,352	62,041	69,314	79,158	95,080	113,346
Construction	-	-	1,387,058	1,472,134	1,562,526	1,643,849	1,746,942	1,890,152	2,053,976	2,029,832
Food	845,618	815,033	1,339,806	1,359,914	1,396,157	1,433,731	1,485,867	1,558,718	1,653,392	1,684,404
General Merchandise	759,189	766,099	692,166	685,867	699,906	710,159	767,792	819,792	902,839	841,787
Home	500,312	424,237	-	-	-	-	-	-	-	-
Lumber	471,709	329,606	-	-	-	-	-	-	-	-
Manufacturers	282,586	284,720	553,695	514,814	538,874	534,055	555,161	605,656	642,317	607,145
Misc	625,189	535,641	900,789	923,651	932,264	990,159	1,052,854	1,116,512	1,179,552	1,272,287
Other Retail	-	-	1,090,584	1,118,443	1,169,833	1,158,049	1,239,132	1,308,779	1,369,165	1,456,497
Service	484,621	504,260	531,718	518,969	560,363	511,939	461,314	245,015	290,875	356,524
Utilities	760,253	816,291	1,012,472	1,039,326	1,006,630	974,826	980,271	991,603	932,006	950,987
Wholesale	-	-	633,194	810,195	924,923	933,064	970,112	998,342	914,266	946,794
<b>Total</b>	<b>\$ 5,784,919</b>	<b>\$ 5,297,863</b>	<b>\$ 9,198,072</b>	<b>\$ 9,618,527</b>	<b>\$ 10,080,240</b>	<b>\$ 10,051,131</b>	<b>\$ 9,851,533</b>	<b>\$ 10,182,952</b>	<b>\$ 10,660,100</b>	<b>\$ 10,900,579</b>

Sales Tax Rate \*\*\* 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00%

Source: Georgia Department of Revenue Statistical Report

Note: (i) On May 1, 2009, DOR implemented a new Sales Tax system that utilizes the North American Industry Classification System (NAICS), replacing the old system of commodity codes used in previous fiscal years.

Source: State Accounting Office of Georgia, Local Government Services Division and Finance Department, Georgia Department of Revenue

\* Georgia Department of Revenue reported previously on Net Collections ; from 2010 and subsequent years, GDOR reports on Gross Collections.

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

\*\*\* Sales Tax Rate for Local Option sales tax ( 1 % ) and ELOST ( 1 % )

\*\*\*\* The Georgia Department of Revenue's FY 2018 Statistical Section will not come out until January 2019. Therefore, we will report for FY 18's numbers in FY 19.

**City of Douglasville, Georgia**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
McMaster-Carr Supply	\$ 59,512,490	1	4.94%			
Staples Contract and Commercial, Inc.	21,590,627	2	1.27%			0.00%
Arbor Place II, LLC	15,287,840	3	1.01%	\$ 11,424,073	1	0.89%
POH Crestmark, LLC	12,130,540	4	0.99%			
WPRE I Rocky Ridge, LLC	11,937,080	5	0.93%	8,800,000	4	0.68%
DDRTC Douglasville Pavilion, LLC	11,259,800	6	0.93%	9,459,535	3	0.73%
Bedford Systems, LLC	11,147,080	7	0.91%			
Arbor Place Holdings, LLC	10,914,560	8	0.87%			
Brodick Hills Apartments Holdings, LLC	10,459,484	9	0.75%			
Comcast Cable Communications, LLC	9,076,219	10	0.00%			
Douglasville Development				9,700,578	2	0.75%
SCI Brodick Hill Fund, LLC				8,669,883	5	0.67%
Carlyle Centennial Lenox L.P.				8,415,291	6	0.65%
Centerpoint Properties				7,905,946	7	0.61%
Mt. Vernon Associates L.P.				7,440,001	8	0.58%
Juno Land, LLC				7,348,542	9	0.57%
Lee Road Associates, LLC				7,291,165	10	0.57%
Total	<u>\$ 173,315,720</u>		<u>12.59%</u>	<u>\$ 79,163,849</u>		<u>6.70%</u>

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

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

Fiscal Year Ended 30-Jun	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	\$ 4,971,710	\$ 4,793,224	96.41%	\$ 99,837	\$ 4,893,061	98.42%
2010	2009	6,471,566	6,107,062	94.37%	153,861	6,260,924	96.75%
2011	2010	5,638,882	5,336,879	94.64%	233,105	5,569,984	98.78%
2012	2011	5,688,810	5,641,595	99.17%	34,594	5,676,189	99.78%
2013	2012	5,483,852	5,299,807	96.64%	84,348	5,384,155	98.18%
2014	2013	5,358,823	5,189,421	96.84%	132,739	5,322,160	99.32%
2015	2014	7,316,371	7,158,035	97.84%	158,336	7,316,371	100.00%
2016	2015	9,359,932	9,117,159	97.41%	135,872	9,253,031	98.86%
2017	2016	9,395,185	9,298,745	98.97%	96,440	9,395,185	100.00%
2018	2017	9,866,902	9,856,186	99.89%	-	9,856,186	99.89%

**Sources:** City of Douglasville Finance Department

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita
	Note Payable	Capital Leases	Revenue Bonds	GO Bonds			
2009	\$ -	\$ 2,304,617	\$ 4,205,000	\$ 6,485,004	\$12,994,621	0.000065%	\$ 419
2010	-	2,135,476	4,140,000	28,568,895	34,844,371	0.000148%	1,118
2011	-	1,959,621	4,070,000	27,466,431	33,496,052	0.000137%	1,071
2012	-	1,775,558	17,405,000	26,327,576	45,508,134	0.000227%	1,413
2013	-	1,730,831	18,183,996	25,615,573	45,530,400	0.000209%	1,414
2014	-	1,497,116	17,698,735	24,366,887	43,562,738	0.000164%	1,366
2015	-	1,253,449	21,243,243	17,980,000	40,476,692	0.000166%	1,245
2016	-	999,626	20,376,802	17,010,000	38,386,428	0.000153%	1,167
2017	-	735,203	19,943,116	17,359,448	38,037,767	0.000150%	1,144
2018	-	499,836	19,747,553	16,099,826	36,347,215	0.000134%	1,079

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

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

Source: Douglasville Development Authority



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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted for GO Debt Service</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ 6,485,004	\$ -	\$ 6,485,004	0.50%	\$ 215
2010	28,568,895	-	28,568,895	2.26%	921
2011	27,466,431	-	27,466,431	2.15%	881
2012	26,327,576	-	26,327,576	2.41%	842
2013	25,615,573	-	25,615,573	2.44%	795
2014	18,915,500	-	18,915,500	1.84%	593
2015	17,980,000	-	17,980,000	1.76%	553
2016	17,010,000	-	17,010,000	1.59%	517
2017	15,735,000	276,144	15,458,856	1.37%	465
2018	14,690,000	91,692	14,598,308	1.21%	434

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

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

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

**City of Douglasville, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**For the Fiscal Year Ended June 30, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct General Obligation Debt			
Lease/Purchase	\$ 499,836	100.00%	\$ 499,836
Bonds	35,847,379	100.00%	35,847,379
	<u>\$ 36,347,215</u>		<u>\$ 36,347,215</u>
Overlapping General Obligation Debt			
Douglas County	\$ 60,385,000		
Capital Lease	262,080		
Total :	<u>\$ 60,647,080</u>	26.574%	<u>\$ 16,116,355</u>
Douglas County School District			
General Obligation Bonds	\$ 147,386,000		
	<u>\$ 147,386,000</u>	26.574%	<u>\$ 39,166,356</u>
	<u>\$ 208,033,080</u>		<u>\$ 55,282,711</u>
Total Direct and Overlapping Debt	<u>\$ 244,380,295</u>		<u>\$ 91,629,926</u>

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 131,969,791	\$ 129,359,142	\$ 130,625,732	\$ 112,713,047	\$ 107,339,753	\$ 106,073,481	\$ 105,274,737	\$ 111,123,900	\$ 117,465,405	\$ 124,792,437
Total net debt applicable to limit	6,485,004	28,568,895	27,466,431	26,327,576	25,145,545	23,959,084	17,980,000	17,010,000	15,458,856	14,598,308
Legal debt margin	\$ 125,484,787	\$ 100,790,247	\$ 103,159,301	\$ 86,385,471	\$ 82,194,208	\$ 82,114,397	\$ 87,294,737	\$ 94,113,900	\$ 102,006,549	\$ 110,194,129
Total net debt applicable to the limit as a percentage of debt limit	4.91%	22.08%	24.14%	23.36%	23.43%	22.59%	17.08%	15.31%	13.16%	11.70%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Assessed value	\$ 1,204,950,447
Add back exempt real property	42,973,923
Total assessed value	<u>1,247,924,370</u>
Debt limit (10% of total assessed value)	124,792,437
Debt applicable to limit:	
General obligation bonds	14,690,000
Less: Amount set aside for repayment of general obligation debt	(91,692)
Total net debt applicable to limit	<u>14,598,308</u>
Legal debt margin	<u>\$ 110,194,129</u>

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

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<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Median Age<sup>1</sup></b>	<b>County School Enrollment</b>	<b>Unemployment Rate<sup>3</sup></b>
2009	30,098	\$ 644,247,690	\$ 21,405	33	24,215	12.60%
2010	31,004	753,118,164	24,291	29.5	24,417	9.40%
2011	31,169	783,869,181	25,149	31.0	24,250	9.80%
2012	31,269	621,946,801	22,291	32.8	24,500	11.01%
2013	32,207	739,472,720	22,960	32.8	24,500	10.01%
2014	31,890	773,204,940	24,246	34	25,500	9.20%
2015	32,523	751,411,392	23,104	35	25,668	6.00%
2016	32,897	764,657,868	23,244	32	25,668	5.80%
2017	33,252	765,095,268	23,009	34	28,820	4.80%
2018	33,675	805,371,300	23,916	34	25,483	3.90%

**Data sources**

<sup>1</sup>United States Census Bureau /Atlanta Regional Commission/Sperlings Data

<sup>2</sup>Douglas County Development Authority

<sup>3</sup>Bureau of Labor Statistics

**Note:** School enrollment from Douglas County Website BOE  
Unemployment Rate for Metro Atlanta area DOL

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

2018				2009*			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Wellstar Douglas Hospital	830	1	3.77%	Wal-Mart Super Center	750	1	4.35%
McMaster Carr Supply	600	2	2.72%	Kroger	487	2	2.50%
Gordon Food Services	350	3	1.59%	Benton Georgia	244	3	1.80%
Medline	320	4	1.45%	Sam's Club	180	4	0.92%
American Red Cross	300	5	1.36%	Home Depot	151	5	0.82%
Staples Customer Center	200	6	0.91%	ALP Lighting System	105	6	0.62%
ALP Lighting	150	7	0.68%	Nioxin	98	7	0.58%
Werner Trucking	148	8	0.67%	Publix	97	8	0.51%
Kehe Distributors	115	9	0.52%				
Batory Foods	80	10	0.36%				
Total	<u>3,093</u>		<u>14.03%</u>	Total	<u>2,112</u>		<u>12.10%</u>

**Source: Douglas County Development Authority**

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

\*Information for 2009 was limited to the top eight principal employers.

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
Governing Body	8	8	9	9	9	9	8	8	8	8
Chief Executive (Mgr. Or Admin.)	5	5	5	5	5	5	5	4	7	9
IT/MIS	5	5	2	2	3	3	3	3	3	3
Police Records & Court	10	10	12	12	12	11	9	9	13	12
Financial Administration	8	8	8	8	8	7	7	7	7	7
General Govt. Bldgs. & Plant	2	1	1	1	1	1	1	1	3	5
Human Resources	2	2	2	2	2	2	3	4	5	5
Public Safety:										
Police Administration	5	9	10	9	9	8	8	9	10	18
Police - IT	-	-	2	2	2	2	2	2	2	2
Police Detective	15	18	17	14	17	17	19	15	17	18
Police Special OPS	6	7	7	8	8	8	8	6	4	3
Police Patrol	52	46	54	53	53	48	62	55	57	53
Police Motors	6	6	4	5	6	5	5	3	2	3
Police Training	-	-	2	2	3	6	10	5	3	3
Police SRO	6	4	2	4	4	4	4	4	6	7
Police Building Maintenance				1	1	1	1	1	1	1
Building Inspections	3	5	5	4	3	3	4	4	4	5
Code Enforcement	3	3	3	3	4	4	4	4	5	4
Planning & Zoning	1	1	2	2	2	3	3	3	3	2
Engineering	3	3	3	3	3	-	-	-	-	-
Community Development	4	4	4	2	4	1	4	3	3	2
Tourism	3	2	2	3	3	3	4	3	2	2
Culture/Recreation Administration	5	4	4	6	7	8	8	8	6	6
Conference Center	3	2	3	4	5	4	6	6	6	3
West Pines Golf	-	-	-		8	8	11	8	9	8
Parks Areas	9	9	8	6	8	7	9	7	11	9
Highways & Streets Admin.	18	18	15	17	17	17	16	15	13	16
Traffic Engineering										
Sanitary Administration	17	17	20	22	22	22	26	21	23	20
Maintenance & Shop	2	2	2	2	2	2	2	2	2	2
Video Production	4	4	4	4	3	4	4	4	4	4
Development Authority	1	1	1	1	1	-	-	-	-	-
Keep Douglasville Beautiful	3	3	4	3	4	4	4	4	4	4
<b>Total</b>	<b>209</b>	<b>207</b>	<b>217</b>	<b>219</b>	<b>239</b>	<b>227</b>	<b>260</b>	<b>228</b>	<b>243</b>	<b>244</b>

Source: City of Douglasville Finance Dept

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

Function	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Works:										
Street resurfacing (feet)	12,883	5,280	3,256	13,886	11,051	23,707	69,696	9,979	7,723	53,559
Police protection*:										
Number of citations written	11,744	14165	10,738	9,915	8,613	7,031	8,779	10,088	7,760	10,256
Number of automobile accidents	2,359	1989	2307	2,397	2,483	2,530	2,684	3,029	2,991	3,033
Number of reported crimes	5,452	3894	4768	4,160	4,160	4,836	4,941	5,515	5,403	5,969
**Sanitation:										
Large items pickup	56	123	97	63	88	100	141	183	148	74

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

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

	Fiscal year									
<b>Function</b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public works:										
Miles of streets	166	165	166	166	166	166	150.67	150.67	150.67	150.67
Number of street lights	2,046	2046	2048	2048	2048	2048	2293	2293	2574	2511
Police protection:										
Number of stations	1	1	2	2	2	2	2	2	2	2
Number of police officers positions	89	82	91	94	94	94	97	97	102	117
Building permits issued	377	179	141	177	248	566	157	192	323	267
Recreation and culture:										
Number of parks	8	8	8	8	8	8	8	8	8	8
Park acreage	420	420	420	420	420	420	420	420	420	420

**Sources:** Various city departments.



## **COMPLIANCE SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2018. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017.

**Internal Control Over Financial Reporting**

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

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

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

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### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 5, 2018



## INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### Report on Compliance for Each Major Federal Program

We have audited the City of Douglasville, Georgia's (the "City's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

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

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

### *Opinion on Each Major Federal Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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### Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia  
December 5, 2018

**CITY OF DOUGLASVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-through Grantor Number</b>	<b>Total Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through Georgia Department of Transportation			
Highway Planning and Construction Cluster			
T.E. Banners/Sidewalks, Phase II	20.205	TEE-0009-00(035)	\$ 487,953
Welcome Center	20.205	TEE-0010-00-(728)	315,399
Riverside Parkway Bridge Rehab	20.205	0015072	<u>18,546</u>
<b>Total U.S. Department of Transportation</b>			<u>821,898</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Direct Awards			
Bulletproof Vest Partnership Program	16.607	2016BUBX16081933	<u>4,649</u>
Community Oriented Policing Services (COPS) Program	16.710	2014-UM-WX-0092	<u>68,997</u>
Equitable Sharing Program	16.922	GA0480100	<u>77,164</u>
<b>Total U.S. Department of Justice</b>			<u>150,810</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed through Georgia Department of Community Affairs			
Community Development Block Grants/Entitlement Grants Cluster			
Community Development Block Grant (CDBG) Program	14.218	15h-x-048-2-5796	<u>6,790</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>6,790</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Georgia Emergency Management and Homeland Security Agency			
Homeland Security Grant Cluster			
GEMA/Homeland Security Grant Program	97.067	SHO17-085	<u>53,500</u>
<b>Total U.S. Department of Homeland Security</b>			<u>53,500</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,032,998</u>

See accompanying notes to schedule of expenditures of federal awards

# CITY OF DOUGLASVILLE, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

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### Summary of Significant Accounting Policies – Basis of Presentation and Accounting

- (1) The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.
- (2) In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying SEFA.
- (3) Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.
- (4) The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

### Indirect Costs

- (1) The City did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

**CITY OF DOUGLASVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

Internal control over financial reporting:  
Material weaknesses identified? \_\_\_\_\_ yes  X  no

Significant deficiencies identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**

Internal control over major programs:  
Material weaknesses identified? \_\_\_\_\_ yes  X  no

Significant deficiencies identified? \_\_\_\_\_ yes  X  none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no



**CITY OF DOUGLASVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings and Responses**

None reported

**Section III – Federal Awards Findings and Questioned Costs**

None reported

# CITY OF DOUGLASVILLE, GEORGIA

## SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

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### 2017-001      **Collateralization of Deposits**

**Criteria:** State of Georgia law requires deposits of public funds to be insured and for any balances in excess of deposit insurance coverage to be secured by pledged collateral in an amount of at least 110% of the deposit amount not covered by deposit insurance.

**Condition and Context/Cause:** As of June 30, 2017, the City had a certificate of deposit with a large financial institution that was not insured and collateralized as required by the Official Code of Georgia Annotated §45-8-12(c). The financial institution holding the certificate of deposit with a balance of approximately \$1.35 million has acknowledged the State of Georgia requirement; however, it has stated that it does not provide the benefit of collateralization of public funds.

**Status:** The finding was resolved during the current year.