



DOUGLASVILLE

— — — — — G E O R G I A — — — — —

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2019**

CITY OF DOUGLASVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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

INTRODUCTORY SECTION

CITY OF DOUGLASVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Table of Contents.....	i-iii
Letter of Transmittal.....	iv-ix
Certificate of Achievement for Excellence in Financial Reporting.....	x
List of Principal Officials.....	xi
Organizational Chart.....	xii
FINANCIAL SECTION:	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-14
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	17
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Net Position – Proprietary Fund.....	20
Statement of Revenues, Expenses, and Changes in Fund Net	
Position – Proprietary Fund.....	21
Statement of Cash Flows – Proprietary Fund.....	22 and 23
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	24
Notes to Financial Statements.....	25-59
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	60-63
Schedule of Changes in the City's Net Pension Liability and Related Ratios.....	64
Schedule of City Contributions – Pension Plan.....	65
Schedule of Changes in the City's Total OPEB Liability and Related Ratios.....	66
Combining and Individual Fund and Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	67
Combining Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Nonmajor Governmental Funds.....	68
Multiple Grant Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	69
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	70

CITY OF DOUGLASVILLE, GEORGIA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

Page

FINANCIAL SECTION (Continued):

Combining and Individual Fund and Statements and Schedules (Continued):

**Rental Car Excise Tax Fund – Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual71**

**Public Purpose Corporation Fund – Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual.....72**

**GEMA Flood Fund – Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual.....73**

**Confiscated Assets Fund – Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual.....74**

**Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual75**

Statement of Changes in Assets and Liabilities – Agency Fund76

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds (2016 Issue)77

Balance Sheet – Component Unit – Douglasville Development Authority78

**Statement of Revenues, Expenditures, and Changes in Fund Balance –
Component Unit – Douglasville Development Authority79**

STATISTICAL SECTION (Unaudited):

Net Position by Component.....80

Changes in Net Position..... 81 and 82

Fund Balances of Governmental Funds83

Changes in Fund Balances of Governmental Funds84

General Governmental Tax Revenue by Source85

Assessed Value and Estimated Actual Value of Taxable Property86

Direct and Overlapping Property Tax Rates.....87

Direct and Overlapping Sales Tax Rates88

Sales and Use Tax Revenues by Category.....89

Principal Property Taxpayers90

Property Tax Levies and Collections91

Ratios of Outstanding Debt by Type.....92

Ratios of General Bonded Debt Outstanding93

Direct and Overlapping Governmental Activities Debt94

Legal Debt Margin Information95

Demographic and Economic Statistics96

Principal Employers97

Full Time Equivalent City Government Employees by Function98

Operating Indicators by Function99

Capital Assets Statistics by Function100

CITY OF DOUGLASVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

Page

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements	101 and 102
Schedule of Findings and Responses	103



December 16, 2019

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, 2019, 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, 2019, 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 2018 are 34,190.

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.

Long Term Financial Planning

Unassigned fund balance in the General Fund falls within the guidelines set by the Council. A resolution was adopted to maintain a \$2.5 million fund balance; however, there is a recommendation by the City Council not to go below three months of operating expenditures.

In 2016, a SPLOST referendum passed which is expected to generate \$37 million dollars to the City and over \$ 100 million to Douglas County. This will go to transportation, parks, facility improvements and public safety.

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% L.O.S.T. (Local Option Sales tax) is split between the City of Douglasville, Douglas County, Villa Rica and Austell. During fiscal year 2019.

During 2019, the City has established an OPEB (Other Post Employment Benefit) liability fund to better prepare for the fiscal impact growing retiree healthcare costs. In fiscal year 2019, \$100,000 was budgeted to fund this future liability.

The City's unassigned fund balance exceeds the GFOA recommend amount of 2 months of operating expenditures.

Major Initiatives:

The Federal Highway Administration has approved the Highway 92 overpass project and Georgia Department of Transportation has assumed responsibility for implementation. This is an extremely important north-south artery through Douglasville. Phase 1 is construction of a railroad grade separation, with the relocated six-lane Georgia Highway 92 to cross under U. S. Highway 78 (Bankhead Highway) and East Strickland Street. Phase 2 will expand the road's capacity along a relocated route between Fairburn Road to U. S. 78, and Phase 3 will do the same between U. S. 78 and Dallas Highway. It has been announced by Congressman David Scott, The Georgia Department of Transportation and the Atlanta Regional Commission that construction of the HWY 92 project would begin in 2014. The City of Douglasville has spent over \$3 million over the past decade on preliminary engineering and environmental assessments. During the past two years, \$43 million has been spent on right of way acquisition, and utility costs total some \$ 65.5 million. All costs of this project will be more than \$111 million. This project has officially started construction and is due to be complete in 2022.

The City received a \$1,000,000 grant with a matching portion of \$250,000 from GDOT for banners, lighting and sidewalks along the streets of Douglasville. Phase I was completed at the end of 2015. Phase II was completed at the end of fiscal year 2019.

The City of Douglasville entered into an agreement with GDOT to provide HERO units to patrol I-20 to aid motorists with stalled vehicles and other types of problems including wrecks where deaths or serious injury occur.

The Douglasville Welcome Center was completed in 2019 using a Grant for \$500,000. This project included electrical connections and improved lighting on the Plaza to enhance the overall experience of events that bring crucial revenue to the City.

In November of 2016, a SPLOST referendum was passed which will provide the City of Douglasville an estimated \$37 million in revenue. The collected revenue is divided as follows: 20% Public Safety, 45% Transportation, 15% Facilities and 15% Parks and Recreation. The SPLOST funds will be utilized to build a new Sanitation Facility and Maintenance Facility, provide \$7.6 million dollars of resurfacing projects, Gateway Landscaping and Beautification, wayfinding signage, Bicycle Pedestrian connectivity among other projects.

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, Temron, Kehe, and a new addition to Med-line. In addition, the Douglasville City Council changed the zoning ordinance to better able facilitate growth of the motion picture industry. The City of Douglasville Development Authority will continue to focus on business retention and expansion.

A comprehensive plan for Douglasville was completed in 2018. The management at the City continues to work on utilizing the plan for budgeting purposes. The key assets that were identified are the Downtown Douglasville area, Arbor Place Mall, economic amenities and infrastructure,

natural resources, location, medical services, higher education for senior services, the people, historic preservation and technical education. Challenges included workforce development, an aging population, balanced growth, redevelopment, transportation, government coordination and business development.

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, LLC was selected by the City to perform audit services. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Douglasville for its Comprehensive Annual Financial Report for year ended June 30, 2018. 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, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF DOUGLASVILLE, GEORGIA

LISTING OF PRINCIPAL OFFICIALS

June 30, 2019

Mayor Rochelle Robinson

City Manager Marcia Hampton

Council Members

Ward 1 Terry S. Miller

Ward 2, Post 1 Nycole Miller

Ward 2, Post 2 Mark Adams

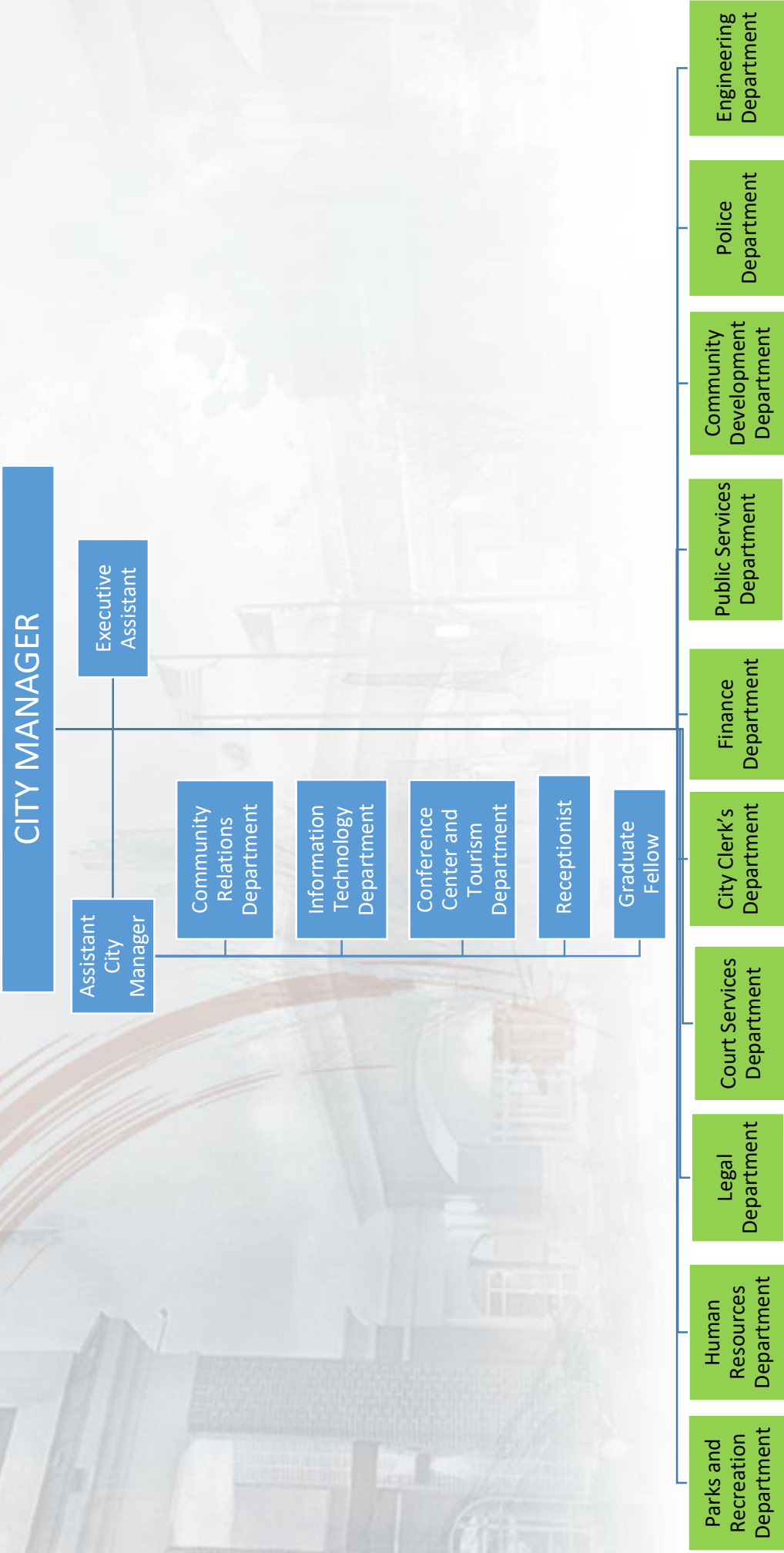
Ward 3, Post 1 LaShun Burr Danley

Ward 3, Post 2 Samuel Davis

Ward 4 Chris Watts

Ward 5, Mayor Pro Tem Richard S. Segal

CITY OF DOUGLASVILLE



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4-14), 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 60-66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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, 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 and the schedules of expenditures of special purpose local option sales tax proceeds 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 and the schedules of expenditures of special purpose local option sales tax proceeds 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 16, 2019 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 16, 2019



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, 2019. 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

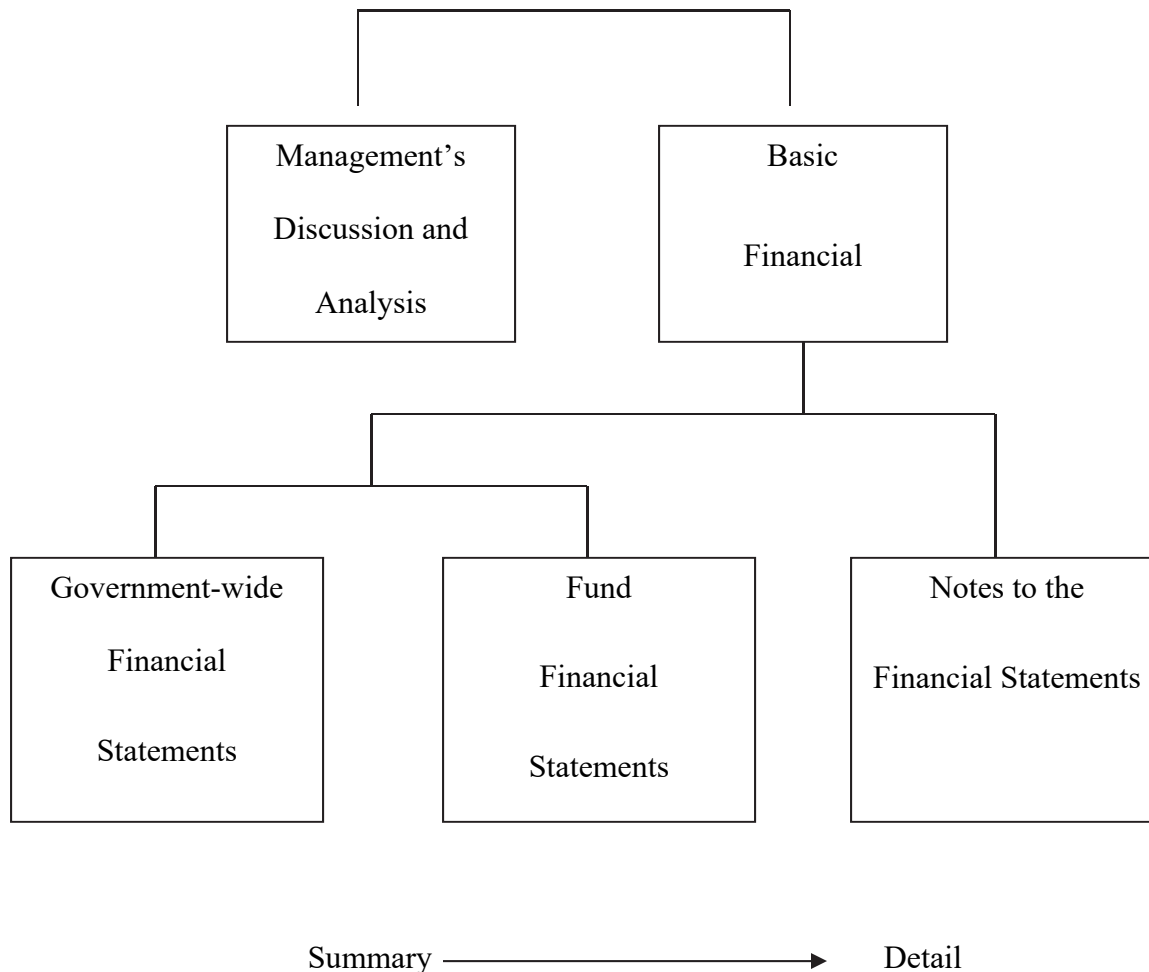
- The assets and deferred outflows of resources of the City of Douglasville exceeded its liabilities and deferred inflows of resources at the end of the fiscal year. This amount includes \$75,667,099 net investment in capital assets, restricted portion of \$8,695,528 and unrestricted net position at a negative \$8,466,017.
- The government’s total net position increased by \$11,276,470 as a result of fiscal year 2019 operations.
- As of the close of the current fiscal year, the City of Douglasville’s governmental funds reported combined ending fund balances of \$26,771,971 an increase of \$5,640,617 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,487,097 or 50% of total general fund expenditures for the fiscal year.
- The City of Douglasville’s Government wide debt (bonds and financed purchases) decreased by \$2,397,218.

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

The next statements (pages 17-24) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are 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 15 and 16 of this report.

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net 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 67 and 68.

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 25-59 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 \$75,896,610 as of June 30, 2019. The City's net position increased by \$11,276,470 for the fiscal year ended June 30, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 30,295,673	\$ 23,044,390	\$ 3,928,892	\$ 5,036,399	\$ 34,224,565	\$ 28,080,789
Capital assets	103,473,347	102,124,380	4,565,218	1,507,616	108,038,565	103,631,996
Total assets	<u>133,769,020</u>	<u>125,168,770</u>	<u>8,494,110</u>	<u>6,544,015</u>	<u>142,263,130</u>	<u>131,712,785</u>
Deferred outflows of resources	3,473,100	3,632,839	181,161	160,246	3,654,261	3,793,085
Long-term liabilities outstanding	56,659,615	60,258,956	267,282	251,197	56,926,897	60,510,153
Other liabilities	6,836,647	4,925,367	411,968	394,743	7,248,615	5,320,110
Total liabilities	<u>63,496,262</u>	<u>65,184,323</u>	<u>679,250</u>	<u>645,940</u>	<u>64,175,512</u>	<u>65,830,263</u>
Deferred inflows of resources	5,583,837	4,854,008	261,432	201,459	5,845,269	5,055,467
Net investment in capital assets	71,101,881	67,123,600	4,565,218	1,507,616	75,667,099	68,631,216
Restricted	8,695,528	6,525,844	-	-	8,695,528	6,525,844
Unrestricted	(11,635,388)	(14,886,166)	3,169,371	4,349,246	(8,466,017)	(10,536,920)
Total net position	<u>\$ 68,162,021</u>	<u>\$ 58,763,278</u>	<u>\$ 7,734,589</u>	<u>\$ 5,856,862</u>	<u>\$ 75,896,610</u>	<u>\$ 64,620,140</u>

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 \$2,169,684 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 \$11,635,388 in unrestricted net position. This decrease of \$3,250,778 is from the increase in net position from Governmental activities.

The general fund reported a positive balance of \$14,487,097 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 \$1,877,727 in connection with the City's business type activities net position. This increase mainly results from grant and SPLOST funding. SPLOST proceeds are funding the Sanitation Facility and Maintenance Facility. There has not been any rate increases or any unusual funding source.

Governmental Activities. Governmental activities increased the City's net position by \$9,389,743 thereby accounting for 83% of the total increase in the net position of the City of Douglasville. Key elements of this change are as follows:

- SPLOST Revenue increased \$4,501,723 over the prior year.
- Property Taxes for the General Fund and Debt Service Fund increased a net amount of \$1,585,736 over the prior year.
- LOST Revenue increased by approximately \$750,000 over the prior year.
- Insurance Premium Taxes increased \$161,000 over the prior year.
- Occupational Taxes increased \$93,000 over the prior year.
- Interest on investments increased \$240,000 due to increase in GA Fund I interest rate increases.
- Hotel/Motel Taxes increased \$131,000 over the prior year.

City of Douglasville Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,639,544	\$ 7,407,919	\$ 4,603,302	\$ 4,560,797	\$ 12,242,846	\$ 11,968,716
Operating grants and contributions	489,693	489,644	-	-	489,693	489,644
Capital grants and contributions	11,132,780	7,194,611	3,351,119	-	14,483,899	7,194,611
General revenues:						
Property taxes	12,612,306	11,026,570	-	-	12,612,306	11,026,570
Sales taxes	7,718,366	6,971,616	-	-	7,718,366	6,971,616
Other taxes and miscellaneous	7,920,208	7,645,137	-	-	7,920,208	7,645,137
Unrestricted investment earnings	368,044	153,883	108,642	26,202	476,686	180,085
Gain on sale of capital assets	27,630	25,107	-	6,301	27,630	31,408
Total revenues	47,908,571	40,914,487	8,063,063	4,593,300	55,971,634	45,507,787
Expenses:						
General government	12,155,560	8,842,137	-	-	12,155,560	8,842,137
Judicial	750,348	684,795	-	-	750,348	684,795
Public safety	12,532,675	12,130,090	-	-	12,532,675	12,130,090
Public works	6,953,668	3,646,251	-	-	6,953,668	3,646,251
Housing and development	1,979,936	1,485,874	-	-	1,979,936	1,485,874
Culture and recreation	4,612,966	5,119,399	-	-	4,612,966	5,119,399
Interest on long-term debt	951,819	967,705	-	-	951,819	967,705
Sanitation services	-	-	4,758,192	4,013,420	4,758,192	4,013,420
Total expenses	39,936,972	32,876,251	4,758,192	4,013,420	44,695,164	36,889,671
Increase (decrease) in net position						
before transfers	7,971,599	8,038,236	3,304,871	579,880	11,276,470	8,618,116
Transfers	1,427,144	303,735	(1,427,144)	(303,735)	-	-
Change in net position	9,398,743	8,341,971	1,877,727	276,145	11,276,470	8,618,116
Net position - beginning	58,763,278	50,421,307	5,856,862	5,580,717	64,620,140	56,002,024
Net position - ending	\$ 68,162,021	\$ 58,763,278	\$ 7,734,589	\$ 5,856,862	\$ 75,896,610	\$ 64,620,140

The most significant expenses are for Public Safety for \$12,532,675 representing 31% of the total governmental expenses. The next most significant program expense is General Government. General Government expense of \$12,155,560 represents 30% of total governmental expenses. These expenses increased by \$7,060,721 primarily due to non-capital expenses funded by SPLOST.

Business-type activities: Business-type activities increased the City of Douglasville's net position by \$1,877,727 accounting for 17% 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. Revenue is made up of a combination of user fees, grants and SPLOST.

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 \$14,487,097 compared to last year at \$12,185,372. This is an increase of \$2,301,725. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. In 2019, unassigned fund balance represents 50% of total General Fund expenditures. The primary reasons for the increase in fund balance for the General Fund:

- General Fund Property Tax increase by \$853,144 over the prior year due to the millage rate increase.
- LOST revenue increase by \$749,000 over the prior year due to the increase in the percentage of LOST revenue allocated between the City and the County and increased sales in the City Limits.
- Occupational Tax increased by \$92,400 over the prior year because of increased gross receipts.
- Insurance premium tax increased by \$160,554 over the prior year.
- Interest Income increased by \$188,689 because the fund balance is increasing.
- Georgia Power Franchise taxes increased \$119,882.
- Building Permit Revenue decreased by \$48,059 due to less development than the prior year
- West Pines Golf Course Revenue increased by \$242,000; this is due to the fact that the golf course was shut from the prior year because the golf course changed to Bermuda greens.

At June 30, 2019, the governmental funds of City of Douglasville reported a combined fund balance of \$26,771,971. Last year the combined fund balance was \$21,131,354 this represents an increase of 27% over last year.

The SPLOST Fund increased the fund balance by \$2,514,844. While the City continues to increase the SPLOST projects, the fund received a transfer in of \$1,327,144 for additional project costs as well as increased sales tax collections. These funds will be expended on future projects as approved in the referendum.

The Conference Center Fund has closed out the final projects and received a transfer in to cover the remaining deficit of the fund. This fund will be closed out in fiscal year 2020, as it ended the fiscal year with a \$5 fund balance.

At the end of the current fiscal year, restricted fund balance of the Confiscated Asset fund was \$1,577,652 compared to last year at \$1,957,808. This is a decrease of \$380,156. This fund collected less revenue collections during fiscal year 2019 while maintaining consistent level of expenditures.

At the end of the fiscal year, the GEMA flood fund had a positive fund balance of \$12,542 due to revenue that is from funding for a project that was requested in fiscal year 2019. Fund will be closed in fiscal year 2020, as all projects are complete.

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

During the fiscal year actual revenues were ahead of the budgeted amount by \$334,798. This was due to: property taxes revenue exceeded the budget (to include intangibles, Motor Vehicle tax, Heavy Equipment) by \$334,604. Expenditures were \$3,265,574 less than the projected budget.

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. Landfill costs increased by 23% due to the landfill rates increased. Unrestricted net position of the Sanitation Fund at the end of the fiscal year amounted to \$3,169,371. The total decrease in net position from the prior fiscal year was \$1,179,875.

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, 2019, totals \$108,038,565 (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: Several Construction in Progress (CIP) projects started during fiscal year 2019. The largest being the Cedar Mountain Road Sanitation Facility, as of June 30, 2019 the balance was \$2,891,339. Other CIP started during fiscal year 2019 were the Public Safety Parking Lot Expansion \$232,990; City Hall Renovation \$350,228; Jessie Davis Park/Hawthorne Center Renovation \$221,222; I-20 @ Fairburn Road Interchange Landscaping \$111,440; Veterans Memorial Highway @ Fairburn Road Gateway \$81,025.

The City purchased 6856 Church Street (old jail property) for \$850,000. The City also purchased 32 vehicles: Including 28 vehicles for the Police Department, as well as two motorcycles totaling \$858,000. Street Maintenance purchased a new street sweeper in the amount of \$153,000. Sanitation purchased a new dump truck in the amount of \$115,000.

Improvements totaled \$130,632. These improvements consisted of improvements to the Welcome Center, Conference Center, Jessie Davis Park bathroom renovations and upgrades to weather sirens.

**CITY OF DOUGLASVILLE’S CAPITAL ASSETS
FIGURE 4**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 30,309,132	\$ 29,459,132	\$ -	\$ -	\$ 30,309,132	\$ 29,459,132
Construction in progress	2,868,078	2,429,188	2,891,339	-	5,759,417	2,429,188
Buildings	41,972,782	42,978,225	-	-	41,972,782	42,978,225
Other improvements	8,563,248	7,765,194	17,658	18,612	8,580,906	7,783,806
Infrastructure	15,329,250	16,161,715	-	-	15,329,250	16,161,715
Vehicles, machinery, and equipment	4,430,857	3,330,926	1,656,221	1,489,004	6,087,078	4,819,930
	<u>\$ 103,473,347</u>	<u>\$ 102,124,380</u>	<u>\$ 4,565,218</u>	<u>\$ 1,507,616</u>	<u>\$ 108,038,565</u>	<u>\$ 103,631,996</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, 2019, the City of Douglasville had bonded debt outstanding of \$31,261,541. The City had financed purchases in the amount of \$254,822, 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 Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds payable	\$ 31,261,541	\$ 33,413,745	\$ -	\$ -	\$ 31,261,541	\$ 33,413,745
Premium	2,114,831	2,450,544	-	-	2,114,831	2,450,544
Discounts	(15,342)	(16,910)	-	-	(15,342)	(16,910)
Financed purchases	254,822	499,836	-	-	254,822	499,836
Compensated absences	981,734	848,764	108,395	84,682	1,090,129	933,446
Net pension liability	1,415,409	2,593,216	158,887	234,261	1,574,296	2,827,477
Total OPEB liability	23,740,779	23,361,343	-	-	23,740,779	23,361,343
	<u>\$ 59,753,774</u>	<u>\$ 63,150,538</u>	<u>\$ 267,282</u>	<u>\$ 318,943</u>	<u>\$ 60,021,056</u>	<u>\$ 63,469,481</u>

The City of Douglasville’s total debt decreased \$3,448,425 during the past fiscal year. This is due to the net effect of debt payments. Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for City of Douglasville is \$128,811,903. The City does not have a formal policy for credit risk beyond the types of investments authorized by state statute.

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

Economic Factors and Next Year’s Budgets and Rates

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

- The unemployment rate for the City of Douglasville as of June 2019 is 4.2%.
- 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 increased per the Intergovernmental Agreement which was effective January 2014.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: The fiscal year 2020 General Fund budget is less than 1% lower than the 2019 amended General Fund budget. The Millage rate remained the same as in the prior year at 7.211, with elected officials voting to not roll back the millage rate by 3.96%.

This additional revenue will fund demolition and cleanup of property that contained a Jail which the City purchased. In addition, the City is working on cleanup for the old and abandoned General Western Cotton Mill that burned down in 2012, as a result of arson.

The City programmed an average 2% merit increases in the fiscal year 2020 budget.

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

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

Public Safety budget includes body cameras, police vehicles, mobile radios and other necessary policing equipment, as well as a portion for the construction of a second radio communications tower located at parcel 01330150178 at the corner of Fairburn Road and Shoals School Road. Additionally, per an intergovernmental agreement (IGA) between the City of Douglasville and Douglas County, \$4.5 million dollars in contributions is earmarked for Douglas County's fire and EMS projects.

The Parks and Recreation budget includes funds for redevelopment of the defunct and former Douglas County jail into an outdoor greenspace and amphitheater. In addition to funds to implement necessary designs and improvements throughout the City's parks system, which includes but not limited to Jessie Davis Park, Mill Village Park, and Willing Workers Park.

The Transportation portion of SPLOST includes \$9.6 million dollars in resurfacing and improving city roads, 5.3 million in beautification and improvements to city roads, pedestrian paths and gateway interchanges.

The Facilities portion of SPLOST includes \$4.9 million dollars to fund the construction of a new Public Services maintenance facility located on Cedar Mountain Road; as well as the renovation of an existing facility for use of Public Services administration located at E. Courthouse Square. Additionally, \$526,000 dollars has been allocated to fund renovations of City Hall, as well as the old Conference Center, which now houses the Community and Development Services department.

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

CITY OF DOUGLASVILLE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2019

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Authority
	ASSETS	ASSETS	ASSETS	ASSETS
Cash and cash equivalents	\$ 18,989,940	\$ 3,293,024	\$ 22,282,964	\$ 96,420
Investments	5,423,435	-	5,423,435	-
Taxes receivable, net of allowances	431,857	-	431,857	-
Accounts receivable, net of allowances	831,260	445,089	1,276,349	3
Other receivables	218	-	218	-
Due from other governments	4,091,338	-	4,091,338	-
Internal balances	(103,573)	103,573	-	-
Inventories	24,160	-	24,160	-
Prepaid items	607,038	87,206	694,244	3,646
Capital assets, non-depreciable	33,177,210	2,891,339	36,068,549	-
Capital assets, depreciable, net of accumulated depreciation	70,296,137	1,673,879	71,970,016	-
Total assets	133,769,020	8,494,110	142,263,130	100,069
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	1,244,386	-	1,244,386	-
Accumulated decrease in fair value of hedging derivative	219,455	-	219,455	-
Pension related items	1,613,829	181,161	1,794,990	-
OPEB related items	395,430	-	395,430	-
Total deferred outflows of resources	3,473,100	181,161	3,654,261	-
LIABILITIES				
Accounts payable	2,797,509	369,019	3,166,528	13,531
Accrued liabilities	288,682	28,926	317,608	-
Accrued interest payable	420,069	-	420,069	-
Customer deposits payable	16,773	14,023	30,796	-
Compensated absences due within one year	785,387	86,716	872,103	-
Compensated absences due in more than one year	196,347	21,679	218,026	-
Financed purchases due within one year	254,822	-	254,822	-
Bonds payable due within one year	2,273,405	-	2,273,405	-
Bonds payable due in more than one year	31,087,625	-	31,087,625	-
Fair value of hedging derivative	219,455	-	219,455	-
Net pension liability	1,415,409	158,887	1,574,296	-
Total OPEB liability	23,740,779	-	23,740,779	-
Total liabilities	63,496,262	679,250	64,175,512	13,531
DEFERRED INFLOWS OF RESOURCES				
Pension related items	2,328,895	261,432	2,590,327	-
OPEB related items	3,254,942	-	3,254,942	-
Total deferred inflows of resources	5,583,837	261,432	5,845,269	-
NET POSITION				
Net investment in capital assets	71,101,881	4,565,218	75,667,099	-
Restricted for:				
Stormdrainage	12,542	-	12,542	-
Law enforcement	1,577,652	-	1,577,652	-
Promotion of tourism	1,191,717	-	1,191,717	-
Capital projects	5,586,620	-	5,586,620	-
Debt service	326,997	-	326,997	-
Unrestricted	(11,635,388)	3,169,371	(8,466,017)	86,538
Total net position	\$ 68,162,021	\$ 7,734,589	\$ 75,896,610	\$ 86,538

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, 2019**

<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>
Primary government:				
Governmental activities:				
General government	\$ 12,155,560	\$ 3,901,502	\$ 352,399	\$ 20,000
Judicial	750,348	1,873,705	-	-
Public safety	12,532,675	377,214	54,733	56,915
Public works	6,953,668	-	-	334,346
Culture and recreation	4,612,966	1,219,544	82,561	10,508,022
Housing and development	1,979,936	267,579	-	213,497
Interest and fiscal charges on long-term debt	951,819	-	-	-
Total governmental activities	<u>39,936,972</u>	<u>7,639,544</u>	<u>489,693</u>	<u>11,132,780</u>
Business-type activities:				
Sanitation	<u>4,758,192</u>	<u>4,603,302</u>	<u>-</u>	<u>3,351,119</u>
Total business-type activities	<u>4,758,192</u>	<u>4,603,302</u>	<u>-</u>	<u>3,351,119</u>
Total primary government	<u>\$ 44,695,164</u>	<u>\$ 12,242,846</u>	<u>\$ 489,693</u>	<u>\$ 14,483,899</u>
Component unit:				
Development Authority	\$ 127,429	\$ 30,500	\$ -	\$ -
Total component unit	<u>\$ 127,429</u>	<u>\$ 30,500</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position

		Primary Government		Component Unit			
		Business-type			Development		
Governmental		Activities	Total		Authority		
Activities							
\$	(7,881,659)	\$	-	\$	(7,881,659)	\$	-
	1,123,357		-		1,123,357		-
	(12,043,813)		-		(12,043,813)		-
	(6,619,322)		-		(6,619,322)		-
	7,197,161		-		7,197,161		-
	(1,498,860)		-		(1,498,860)		-
	(951,819)		-		(951,819)		-
	<u>(20,674,955)</u>		<u>-</u>		<u>(20,674,955)</u>		<u>-</u>
	-		3,196,229		3,196,229		-
	-		3,196,229		3,196,229		-
\$	<u>(20,674,955)</u>	\$	<u>3,196,229</u>	\$	<u>(17,478,726)</u>	\$	<u>-</u>
\$	-	\$	-	\$	-	\$	(96,929)
\$	-	\$	-	\$	-	\$	(96,929)
\$	12,612,306	\$	-	\$	12,612,306	\$	-
	7,718,366		-		7,718,366		-
	1,940,672		-		1,940,672		-
	2,596,920		-		2,596,920		-
	2,218,054		-		2,218,054		-
	1,114,355		-		1,114,355		-
	368,044		108,642		476,686		871
	27,630		-		27,630		-
	50,207		-		50,207		-
	1,427,144		(1,427,144)		-		-
	<u>30,073,698</u>		<u>(1,318,502)</u>		<u>28,755,196</u>		<u>871</u>
	9,398,743		1,877,727		11,276,470		(96,058)
	<u>58,763,278</u>		<u>5,856,862</u>		<u>64,620,140</u>		<u>182,596</u>
\$	<u>68,162,021</u>	\$	<u>7,734,589</u>	\$	<u>75,896,610</u>	\$	<u>86,538</u>

CITY OF DOUGLASVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

ASSETS	SPLOST		Conference Center	Other Governmental Funds	Total Governmental Funds
	General	2016			
Cash and cash equivalents	\$ 12,602,137	\$ 3,490,676	\$ -	\$ 2,897,127	\$ 18,989,940
Investments	4,399,841	-	-	1,023,594	5,423,435
Receivables, net:					
Taxes receivable	228,497	-	-	203,360	431,857
Accounts receivable	831,260	-	-	-	831,260
Other receivables	-	153	5	60	218
Due from other governments	753,829	3,126,141	-	211,368	4,091,338
Due from other funds	65,675	-	-	-	65,675
Inventories	24,160	-	-	-	24,160
Prepaid items	551,813	-	-	49,137	600,950
Total assets	<u>\$ 19,457,212</u>	<u>\$ 6,616,970</u>	<u>\$ 5</u>	<u>\$ 4,384,646</u>	<u>\$ 30,458,833</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,088,008	\$ 1,635,868	\$ -	\$ 73,633	\$ 2,797,509
Accrued liabilities	281,412	-	-	7,270	288,682
Due to other funds	-	-	-	169,248	169,248
Deposits payable	16,773	-	-	-	16,773
Total liabilities	<u>1,386,193</u>	<u>1,635,868</u>	<u>-</u>	<u>250,151</u>	<u>3,272,212</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>409,758</u>	<u>-</u>	<u>-</u>	<u>4,892</u>	<u>414,650</u>
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	551,813	-	-	49,137	600,950
Inventories	24,160	-	-	-	24,160
Restricted for:					
Storm damage	-	-	-	12,542	12,542
Law enforcement	-	-	-	1,577,652	1,577,652
Promotion of tourism	-	-	-	1,142,580	1,142,580
Capital projects	-	4,981,102	-	605,518	5,586,620
Debt service	-	-	5	742,174	742,179
Assigned:					
Retiree benefits	378,414	-	-	-	378,414
Fiscal year 2020 operations	2,219,777	-	-	-	2,219,777
Unassigned	<u>14,487,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,487,097</u>
Total fund balances	<u>17,661,261</u>	<u>4,981,102</u>	<u>5</u>	<u>4,129,603</u>	<u>26,771,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,457,212</u>	<u>\$ 6,616,970</u>	<u>\$ 5</u>	<u>\$ 4,384,646</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	103,473,347
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds.	6,088
Some revenues are not available in the current period and, therefore, are reported as deferred inflows of resources in the governmental funds.	414,650
The City's net pension and total OPEB liabilities, and the related deferred outflows of resources and deferred inflows of resources, are not expected to be liquidated with available financial resources and, therefore, are not reported in the governmental funds.	(28,730,766)
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.	219,455
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(33,992,724)
Net position of governmental activities	<u>\$ 68,162,021</u>

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, 2019

	General	SPLOST 2016	Conference Center	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 24,292,771	\$ -	\$ -	\$ 3,917,155	\$ 28,209,926
Licenses and permits	3,232,355	-	-	-	3,232,355
Intergovernmental	20,000	10,508,022	-	1,254,613	11,782,635
Fines and forfeitures	1,858,191	-	-	56,131	1,914,322
Charges for services	1,666,454	-	-	267,579	1,934,033
Interest income	324,223	26,914	1,405	43,821	396,363
Contributions	82,415	-	-	62,765	145,180
Miscellaneous	316,194	-	-	50,207	366,401
Total revenues	<u>31,792,603</u>	<u>10,534,936</u>	<u>1,405</u>	<u>5,652,271</u>	<u>47,981,215</u>
Expenditures					
Current:					
General government	8,862,202	3,738,859	-	91,563	12,692,624
Judicial	748,965	-	-	-	748,965
Public safety	11,282,301	-	-	550,247	11,832,548
Public works	1,885,491	4,071,082	-	627,655	6,584,228
Culture and recreation	4,011,965	448,744	-	966,682	5,427,391
Housing and development	1,575,895	30,599	-	231,543	1,838,037
Capital outlay	-	1,057,952	-	-	1,057,952
Debt service:					
Principal retirement	410,014	-	-	1,987,204	2,397,218
Interest and fiscal charges	112,664	-	-	1,111,115	1,223,779
Total expenditures	<u>28,889,497</u>	<u>9,347,236</u>	<u>-</u>	<u>5,566,009</u>	<u>43,802,742</u>
Excess (deficiency) of revenues over expenditures	2,903,106	1,187,700	1,405	86,262	4,178,473
Other financing sources (uses):					
Proceeds from sale of capital assets	35,000	-	-	-	35,000
Transfers in	977,338	1,327,144	256,373	676,952	3,237,807
Transfers out	(768,125)	-	-	(1,042,538)	(1,810,663)
Total other financing sources (uses)	<u>244,213</u>	<u>1,327,144</u>	<u>256,373</u>	<u>(365,586)</u>	<u>1,462,144</u>
Net change in fund balance	3,147,319	2,514,844	257,778	(279,324)	5,640,617
Fund balances (deficit), beginning of year	<u>14,513,942</u>	<u>2,466,258</u>	<u>(257,773)</u>	<u>4,408,927</u>	<u>21,131,354</u>
Fund balances, end of year	<u>\$ 17,661,261</u>	<u>\$ 4,981,102</u>	<u>\$ 5</u>	<u>\$ 4,129,603</u>	<u>\$ 26,771,971</u>

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

CITY OF DOUGLASVILLE, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds	\$	5,640,617
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		1,356,337
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.		(7,370)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(100,274)
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.		2,629,314
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.		(119,881)
Change in net position - governmental activities	\$	<u>9,398,743</u>

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

CITY OF DOUGLASVILLE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2019

	Major Enterprise Fund Sanitation Fund
CURRENT ASSETS	
Cash and cash equivalents	\$ 3,293,024
Accounts receivable, net of allowances	445,089
Due from other funds	103,573
Prepaid items	87,206
Total current assets	<u>3,928,892</u>
NON-CURRENT ASSETS	
Non-depreciable capital assets	2,891,339
Depreciable capital assets, net of accumulated depreciation	1,673,879
Total non-current assets	<u>4,565,218</u>
Total assets	<u>8,494,110</u>
Pension related items	<u>181,161</u>
CURRENT LIABILITIES	
Accounts payable	369,019
Accrued liabilities	28,926
Customer deposits payable	14,023
Compensated absences, due within one year	86,716
Total current liabilities	<u>498,684</u>
NON-CURRENT LIABILITIES	
Compensated absences, due in more than one year	21,679
Net pension liability	158,887
Total non-current liabilities	<u>180,566</u>
Total liabilities	<u>679,250</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	<u>261,432</u>
NET POSITION	
Investment in capital assets	4,565,218
Unrestricted	3,169,371
Total net position	<u>\$ 7,734,589</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, 2019**

	Major Enterprise Fund Sanitation Fund
OPERATING REVENUES	
Charges for services	\$ 4,603,302
OPERATING EXPENSES	
Personnel costs	1,550,061
Purchased and contracted services	2,022,047
Other operating expenses	761,935
Depreciation	424,149
Total operating expenses	4,758,192
Operating loss	(154,890)
NON-OPERATING INCOME	
Interest income	108,642
Total non-operating income	108,642
Loss before transfers and contributions	(46,248)
TRANSFERS OUT	(1,427,144)
CAPITAL CONTRIBUTIONS	3,351,119
Change in net position	1,877,727
NET POSITION, beginning of year	5,856,862
NET POSITION, end of year	\$ 7,734,589

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, 2019

	Major Enterprise Fund Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,653,988
Payments to suppliers and service providers	(2,688,840)
Payments to employees	(1,554,685)
	410,463
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipt of interfund borrowings	257,817
Transfers to other funds	(1,427,144)
	(1,169,327)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(130,632)
	(130,632)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income on investments	108,642
	108,642
Decrease in cash and cash equivalents	(780,854)
Cash and cash equivalents:	
Beginning of year	4,073,878
End of year	\$ 3,293,024

(Continued)

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Enterprise Fund Sanitation Fund
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (154,890)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	424,149
(Increase) decrease in:	
Accounts receivable	42,935
Prepaid items	25,901
Increase (decrease) in:	
Accrued liabilities	7,979
Accounts payable	69,241
Customer deposits payable	7,751
Compensated absences	23,713
Net pension liability (and related deferred outflows / inflows of resources)	(36,316)
Net cash provided by operating activities	\$ 410,463
Non-cash capital related activities	
Donated capital assets	\$ 3,351,119
Total non-cash capital related activities	\$ 3,351,119

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, 2019**

	Municipal Court
ASSETS	
Cash	<u>\$ 55,997</u>
TOTAL ASSETS	<u><u>\$ 55,997</u></u>
LIABILITIES	
Due to other governments and individuals	<u>\$ 55,997</u>
TOTAL LIABILITIES	<u><u>\$ 55,997</u></u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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:

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

I. Compensated Absences

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

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

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

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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, 2019

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 \$28,730,766 difference are as follows:

Deferred outflows of resources - pension related items	\$ 1,613,829
Net pension liability	(1,415,409)
Deferred inflows of resources - pension related items	(2,328,895)
Deferred outflows of resources - OPEB related items	395,430
Total OPEB liability	(23,740,779)
Deferred inflows of resources - OPEB related items	(3,254,942)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (28,730,766)

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 \$33,992,724 difference are as follows:

Accrued interest payable	\$ (420,069)
Financed purchases payable	(254,822)
Compensated absences payable	(981,734)
Bonds payable	(31,261,542)
Bond premiums, unamortized balance	(2,114,831)
Bond discounts, unamortized balance	15,343
Deferred charges from refunding, unamortized balance	1,244,386
Fair value of hedging derivative	(219,455)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (33,992,724)

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,356,337 difference are as follows:

Capital outlay	\$ 4,691,888
Depreciation expense	<u>(3,335,551)</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>\$ 1,356,337</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 \$2,269,314 difference are as follows:

Principal payments - financed purchases	\$ 245,014
Principal payments - bonds	2,152,203
Amortization of bond premiums	335,713
Amortization of bond discounts	(1,567)
Amortization of deferred charges on refunding	<u>(102,049)</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>\$ 2,629,314</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 \$119,881 difference are as follows:

Compensated absences	\$	(132,970)
Accrued interest		39,864
Pension expense		918,946
OPEB expense		(942,971)
Amortization of prepaid bond insurance		(2,750)
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>		
	\$	(119,881)

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 with the following restrictions:
 - a) The City Manager may not transfer assets into or from any line item for expenditures for electric service, natural gas, telephone service, or water and sewer service where the City or any constituent organization is the customer; and
 - b) The City Manager may not transfer assets into or from any line item for expenditures for employee wages or related expenses for fringe benefits, including FICA taxes, health insurance premiums, life insurance premiums, workers’ compensation costs, or pension costs; and
 - c) The City Manager may not transfer more than \$25,000 into or from a line item within any department within any one amendment period; and
 - d) The City Manager may not transfer assets into or from any line item for expenditures for travel, training or attendance at civic events by any elected official.

Transfers of appropriations between departments require the approval of the Mayor and City Council.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

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, 2019:

General fund - Engineering	\$ 21,043
General fund - Conference center	107
General fund - Debt service	1,249
Confiscated assets fund	86,634
Debt service fund	2,149

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

NOTE 4. DEPOSITS AND INVESTMENTS

The table below summarizes the City's cash and cash equivalents and investments by type as of June 30, 2019:

<u>Investment</u>	<u>Maturities</u>	<u>Balance</u>
Deposits with financial institutions	---	\$ 1,592,324
Certificate of deposit	January 5, 2020	1,033,161
Certificate of deposit	March 20, 2020	517,330
Certificate of deposit	June 2, 2020	1,028,926
Certificate of deposit	June 2, 2020	1,028,926
Certificate of deposit	June 30, 2020	20,013
Certificate of deposit	September 16, 2019	771,485
Certificate of deposit	May 17, 2020	1,023,594
Georgia Fund 1	39 day WAM (1)	20,746,637
Total		<u>\$ 27,762,396</u>

As reported in the Statement of Net Position:

Cash and cash equivalents	\$ 22,282,964
Investments	5,423,435
Cash and cash equivalents - Agency Fund	55,997
Total	<u>\$ 27,762,396</u>

(1) Weighted average maturity

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2019, 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, 2019 were insured and/or collateralized as required by State statutes.

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5. RECEIVABLES

Receivables at June 30, 2019, 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>Conference Center</u>	<u>Sanitation</u>
Receivables:					
Taxes	\$ 236,282	\$ -	\$ 203,360	\$ -	\$ -
Accounts receivables	4,262,208	-	5,000	-	553,557
Other receivables	-	153	60	5	-
Intergovernmental	755,829	3,126,141	211,368	-	-
Gross receivables	5,254,319	3,126,294	419,788	5	553,557
Less allowance for uncollectibles	(3,440,733)	-	(5,000)	-	(108,468)
Net total receivables	<u>\$ 1,813,586</u>	<u>\$ 3,126,294</u>	<u>\$ 414,788</u>	<u>\$ 5</u>	<u>\$ 445,089</u>

NOTE 6. PROPERTY TAXES

The City has contracted with the Douglas County Tax Commissioner's Office for the billing and collection of its property taxes. All property tax revenues are recognized when levied to the extent that they result in current receivables. Property tax receivables outstanding more than 60 days after June 30 are recorded as deferred inflows of resources for unavailable revenue in the governmental funds. For the year ended June 30, 2019, property taxes were levied on September 15, 2018 and due November 15, 2018. Collections not received by December 15, 2018 are considered delinquent. Liens were attached to property for unpaid taxes on May 15, 2019.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

A. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 29,459,132	\$ 850,000	\$ -	\$ -	\$ 30,309,132
Construction in progress	2,429,188	1,694,805	-	(1,255,915)	2,868,078
Total	<u>31,888,320</u>	<u>2,544,805</u>	<u>-</u>	<u>(1,255,915)</u>	<u>33,177,210</u>
Capital assets, being depreciated:					
Infrastructure	98,341,687	-	-	-	98,341,687
Buildings	53,120,498	-	-	52,345	53,172,843
Other improvements	11,699,206	130,632	-	1,203,570	13,033,408
Machinery, equipment, and vehicles	17,072,162	2,016,451	(267,770)	-	18,820,843
Total	<u>180,233,553</u>	<u>2,147,083</u>	<u>(267,770)</u>	<u>1,255,915</u>	<u>183,368,781</u>
Less accumulated depreciation:					
Infrastructure	(82,179,972)	(832,465)	-	-	(83,012,437)
Buildings	(10,142,273)	(1,057,788)	-	-	(11,200,061)
Other improvements	(3,934,012)	(536,148)	-	-	(4,470,160)
Machinery, equipment, and vehicles	(13,741,236)	(909,150)	260,400	-	(14,389,986)
Total	<u>(109,997,493)</u>	<u>(3,335,551)</u>	<u>260,400</u>	<u>-</u>	<u>(113,072,644)</u>
Total assets, being depreciated, net	<u>70,236,060</u>	<u>(1,188,468)</u>	<u>(7,370)</u>	<u>1,255,915</u>	<u>70,296,137</u>
Governmental activities capital assets, net	<u>\$ 102,124,380</u>	<u>\$ 1,356,337</u>	<u>\$ (7,370)</u>	<u>\$ -</u>	<u>\$ 103,473,347</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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>
Business-type activities					
Capital assets, not being depreciated:					
Construction in Progress	\$ -	\$ 2,891,339	\$ -	\$ -	\$ 2,891,339
Total	<u>-</u>	<u>2,891,339</u>	<u>-</u>	<u>-</u>	<u>2,891,339</u>
Capital assets, being depreciated:					
Vehicles	3,333,941	519,379	-	-	3,853,320
Machinery and equipment	567,146	71,033	-	-	638,179
Improvements	19,091	-	-	-	19,091
Total	<u>3,920,178</u>	<u>590,412</u>	<u>-</u>	<u>-</u>	<u>4,510,590</u>
Less accumulated depreciation for:					
Vehicles	(1,848,973)	(401,054)	-	-	(2,250,027)
Machinery and equipment	(563,110)	(22,141)	-	-	(585,251)
Improvements	(479)	(954)	-	-	(1,433)
Total	<u>(2,412,562)</u>	<u>(424,149)</u>	<u>-</u>	<u>-</u>	<u>(2,836,711)</u>
Total assets, being depreciated, net	<u>1,507,616</u>	<u>166,263</u>	<u>-</u>	<u>-</u>	<u>1,673,879</u>
Business-type activities capital assets, net	<u>\$ 1,507,616</u>	<u>\$ 3,057,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,565,218</u>

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

Governmental activities:	
General government	\$ 424,619
Public safety	1,277,097
Public works	697,509
Culture and recreation	794,811
Housing and development	<u>141,515</u>
Total depreciation expense - governmental activities	<u>\$ 3,335,551</u>
Business-type activities:	
Sanitation	<u>\$ 424,149</u>
Total depreciation expense - business-type activities	<u>\$ 424,149</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Direct placement - bonds payable	\$ 33,413,745	\$ -	\$ (2,152,203)	\$ 31,261,542	\$ 2,273,405
Plus unamortized premiums	2,450,544	-	(335,713)	2,114,831	-
Less unamortized discounts	(16,910)	-	1,567	(15,343)	-
Bonds payable, net	<u>35,847,379</u>	-	<u>(2,486,349)</u>	<u>33,361,030</u>	<u>2,273,405</u>
Direct borrowing - financed purchases	499,836	-	(245,014)	254,822	254,822
Net pension liability	2,593,216	2,879,627	(4,057,434)	1,415,409	-
Total OPEB liability	23,361,343	1,953,773	(1,574,337)	23,740,779	-
Compensated absences	<u>848,764</u>	<u>706,818</u>	<u>(573,848)</u>	<u>981,734</u>	<u>785,387</u>
Governmental activities Long-term liabilities	<u>\$ 63,150,538</u>	<u>\$ 5,540,218</u>	<u>\$ (8,936,982)</u>	<u>\$ 59,753,774</u>	<u>\$ 3,313,614</u>
Business-type activities:					
Compensated absences	\$ 84,682	68,519	\$ (44,806)	\$ 108,395	\$ 86,716
Net pension liability	<u>234,261</u>	<u>278,820</u>	<u>(354,194)</u>	<u>158,887</u>	<u>-</u>
Business-type activity Long-term liabilities	<u>\$ 318,943</u>	<u>\$ 347,339</u>	<u>\$ (399,000)</u>	<u>\$ 267,282</u>	<u>\$ 86,716</u>

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

Direct Placement Bonds

General Obligation Bonds. On September 29, 2016, the City issued General Obligation Bonds, Series 2016 in the aggregate principal amount of \$13,600,000, the proceeds of which (when combined with the original issue premium of \$1,679,464) were used to refund \$13,870,000 of the previously outstanding General Obligation Bonds, Series 2009. The bonds bear interest at rates ranging from 2.25% to 4.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2020 until the bonds mature on February 1, 2029. Funds held in the City's Series 2016 Sinking Fund are kept separate from all other funds of the City and are pledged to be used to pay the debt service costs associated with the Series 2016 bonds. As of June 30, 2019, the outstanding balance of the Series 2009 bonds is \$13,600,000.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds. In September 2005, the Douglasville Public Purpose Corporation issued Series 2005 revenue bonds in the aggregate principal amount of \$7,253,713 (\$3,201,542 outstanding at June 30, 2019) 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, 2019, the floating rate being received by the City from the Swap Counterparty and paid by the City to bondholders is 2.4810% and the market value of this agreement is (\$219,455), an increase of \$34,877 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, 2019 based on the derivative contract. This market value is reported as a liability in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the outflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred outflow of resources in the statement of net position.

On November 15, 2011, the Douglasville Convention and Conference Center Authority issued \$9,640,000 of Series 2011 revenue bonds for the purpose of financing the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities. The bonds bear interest at rates ranging from 3.00% to 5.00% and interest payments are due semi-annually on February 1 and August 1. As a result of the issuance of the 2017 bonds (below), the City only has one principal payment to make for the 2011 bonds in the amount of \$400,000 on February 1, 2022. As of June 30, 2019, the outstanding balance of the Series 2011 bonds is \$400,000.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (continued). On December 28, 2017, the City issued Douglasville Convention & Conference Center Authority Revenue Refunding Bonds, Series 2017 A & B in the aggregate principal amount of \$9,015,000 and \$465,000, respectively, the proceeds of which were used to refund \$9,240,000 of the previously outstanding Douglasville Convention & Conference Center Authority Series 2011 revenue bonds. The bonds bear interest at rates ranging from 2.85% to 5.00% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually, commencing on February 1, 2023 until the bonds mature on February 1, 2035. As of June 30, 2019, the outstanding balance of the Series 2017A bonds is \$9,015,000 and Series 2017B bonds is \$435,000.

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, 2019, the outstanding amount of Douglasville Convention & Conference Center Authority Revenue Bonds, Series 2011 considered defeased is \$9,240,000.

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

On January 4, 2012, the Douglasville Convention and Conference Center Authority issued \$3,770,000 of Series 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, 2019, the outstanding balance of the Series 2012 bonds is \$1,175,000.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (continued). On January 24, 2013, the Douglasville Convention and Conference Center Authority issued \$4,110,000 of Series 2013 revenue bonds for the purpose of financing the cost of the design, acquisition, and construction, of the West Pines Golf Course. The bonds bear interest at rates ranging from 2.00% to 3.25% and interest payments are due semi-annually on February 1 and August 1. Principal is payable annually commencing on August 1, 2013 until the bonds mature on August 1, 2035. As of June 30, 2019, the outstanding balance of the Series 2013 bonds is \$3,435,000.

The City's outstanding amounts from direct placement related to the West Pines Golf Course of \$4,110,000 contain a provision that in the event of default and the City is unable to make deposits to the trustee on time and sufficient to make debt service payments, the non-defaulting party or the bond holders may seek appointment of a receiver; the Authority or the bond holders may require the City to furnish copies of all books and records of the City pertaining to the project; or the non-defaulting party or the bond holders may take whatever action at law or equity may appear necessary or desirable to collect the contract payments. An event of default is defined as failure of the City to make contract payments or the failure of the City to observe and perform any covenant, condition, or agreement of the contract.

The annual debt service requirements to maturity on all of the City's bonds outstanding at June 30, 2019, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 2,273,405	\$ 1,059,178	\$ 3,332,583
2021	2,340,942	984,909	3,325,851
2022	2,438,576	907,903	3,346,479
2023	2,532,154	823,652	3,355,806
2024	2,621,421	757,174	3,378,595
2025-2029	12,765,044	2,450,730	15,215,774
2030-2034	5,290,000	750,275	6,040,275
2035-2036	980,000	35,613	1,015,613
Total	<u>\$ 31,241,542</u>	<u>\$ 7,769,434</u>	<u>\$ 39,010,976</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Borrowings

Financed Purchases

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

The original cost of the City's assets under financed purchase arrangements at June 30, 2019 is \$2,934,279 and there has been \$899,232 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:

Year Ending	
June 30,	
<u>2020</u>	<u>\$ 265,546</u>
Total minimum lease payments	265,546
Less amount representing interest	<u>(10,724)</u>
Present value of future minimum lease payments	254,822
Less current maturities	<u>254,822</u>
Long term liabilities	<u><u>\$ -</u></u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to	Due from	Amount
Sanitation Fund	Other governmental funds	\$ 103,573
General Fund	Other governmental funds	65,675
		\$ 169,248

These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

The composition of transfers to/from during the year ended June 30, 2019 is as follows:

Transfers in	Transfers Out			Total
	General Fund	Sanitation Fund	Other Governmental Funds	
General fund	\$ -	\$ 100,000	\$ 877,338	\$ 977,338
SPLOST 2016	-	1,327,144	-	1,327,144
Conference Center	91,173	-	165,200	256,373
Other Governmental Funds	676,952	-	-	676,952
	\$ 768,125	\$ 1,427,144	\$ 1,042,538	\$ 3,237,807

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 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, 2019, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	114
Inactive plan members entitled to but not receiving benefits	121
Active plan members	240
Total plan membership	475

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the City's recommended contribution rate was 8.69% of annual payroll; actual contributions came to 10.09%.

City contributions to the Plan were \$1,089,607 for the year ended June 30, 2019.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 with update procedures performed by the actuary to roll forward the total pension liability measured as of September 30, 2018.

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2018 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, 2018 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, 2018 are summarized below.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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%	6.40%
International equity	20%	7.40
Domestic fixed income	20%	1.75
Global fixed income	5%	3.03
Real estate	10%	5.10
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, 2019 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	\$ 34,477,291	\$ 31,649,814	\$ 2,827,477
Changes for the year:			
Service cost	539,128	-	539,128
Interest	2,571,950	-	2,571,950
Differences between expected and actual experience	(429,512)	-	(429,512)
Contributions—employer	-	875,663	(875,663)
Net investment income	-	3,120,799	(3,120,799)
Benefit payments, including refunds of employee contributions	(1,447,495)	(1,447,495)	-
Administrative expense	-	(61,715)	61,715
Changes in actuarial assumptions	-	-	-
Net changes	<u>1,234,071</u>	<u>2,487,252</u>	<u>(1,253,181)</u>
Balances at 6/30/19	<u>\$ 35,711,362</u>	<u>\$ 34,137,066</u>	<u>\$ 1,574,296</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)	\$ 6,551,391	\$ 1,574,296	\$ (2,527,066)

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, 2018 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, 2019, the City recognized pension expense of \$134,345. At June 30, 2019, 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	\$ 861,041	\$ (355,591)
Differences resulting from changes in actuarial assumptions	-	(380,924)
Net difference between projected and actual earnings on pension plan investments	-	(1,853,812)
City contributions subsequent to the measurement date	933,949	-
Total	\$ 1,794,990	\$ (2,590,327)

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 \$933,949 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, 2020. 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:		
2020	\$	(315,262)
2021		(619,049)
2022		(640,810)
2023		<u>(154,165)</u>
Total	\$	<u><u>(1,729,286)</u></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
JUNE 30, 2019

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, 2019, the balance of those contracts representing commitments made by the City for work not yet completed is \$9,841,497.

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, 2019, 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, 2019:

Total Collected	\$1,940,672
Amount Expended for Promotional Purposes	1,940,672

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, 2019:

Total Collected	\$182,886
Amount Expended for Recreational Facilities	165,200

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 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	327

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the City contributed \$395,430 for the pay as you go benefits of the OPEB plan.

Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2018 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:	3.87%
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, 2019

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 3.87%. 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 3.87% 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, 2019, were as follows:

	Total OPEB Liability (a)
Balances at 6/30/18	\$ 23,361,343
Changes for the year:	
Service cost	1,084,483
Interest	869,290
Differences between expected and actual experience	(195,291)
Assumption changes	(1,051,103)
Benefit payments	(327,943)
Net changes	379,436
Balances at 6/30/19	\$ 23,740,779

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 (2.87%) or 1 percentage-point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.8%)
Total OPEB liability	\$ 27,657,219	\$ 23,740,779	\$ 20,566,242

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$ 20,269,921	\$ 23,740,779	\$ 28,118,926

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, 2019 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, 2019, the City recognized OPEB expense of \$1,338,401. At June 30, 2019, 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	\$ 395,430	\$ -
Differences between expected and actual experience	-	322,104
Changes in assumptions	-	2,932,838
Total	\$ 395,430	\$ 3,254,942

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

City contributions subsequent to the measurement date of \$395,430 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:		
2020	\$	(615,377)
2021		(615,377)
2022		(615,377)
2023		(615,377)
2024		(615,377)
Thereafter		<u>(178,057)</u>
Total	\$	<u>(3,254,942)</u>

NOTE 17. TAX ABATEMENTS

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

For the fiscal year ended June 30, 2019, the City abated property tax revenues totaling \$218,773 under its economic development program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 80% abatement on real property taxes to a distribution company amounting to \$65,591. In exchange for the tax incentives, the company has committed to creating at least 115 full-time jobs.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17. TAX ABATEMENTS (CONTINUED)

- A 100% abatement on personal property taxes and a second 55% abatement on personal property taxes to a medical products manufacturing company amounting to \$142,545. 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.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 23,464,487	\$ 23,958,167	\$ 24,292,771	\$ 334,604
Licenses and permits	3,180,401	3,282,172	3,232,355	(49,817)
Intergovernmental revenues	-	-	20,000	20,000
Fines and forfeitures	1,877,250	1,883,250	1,858,191	(25,059)
Charges for services	1,685,280	1,766,030	1,666,454	(99,576)
Interest income	100,000	250,000	324,223	74,223
Contributions	80,125	80,125	82,415	2,290
Miscellaneous	141,350	238,061	316,194	78,133
Total revenues	<u>30,528,893</u>	<u>31,457,805</u>	<u>31,792,603</u>	<u>334,798</u>
Expenditures:				
Current:				
General Government:				
Mayor and Council				
Personal services	184,443	185,868	185,868	-
Other operating expenditures	150,542	166,643	141,174	25,469
Total Mayor and Council	<u>334,985</u>	<u>352,511</u>	<u>327,042</u>	<u>25,469</u>
Clerk of Council				
Personal services	149,308	149,566	141,979	7,587
Other operating expenditures	44,273	66,421	54,560	11,861
Total Clerk of Council	<u>193,581</u>	<u>215,987</u>	<u>196,539</u>	<u>19,448</u>
City Manager				
Personal services	467,621	487,666	486,161	1,505
Other operating expenditures	70,517	70,517	64,561	5,956
Total City Manager	<u>538,138</u>	<u>558,183</u>	<u>550,722</u>	<u>7,461</u>
Financial administration				
Personal services	506,980	521,715	489,773	31,942
Other operating expenditures	210,320	210,322	169,696	40,626
Total Financial administration	<u>717,300</u>	<u>732,037</u>	<u>659,469</u>	<u>72,568</u>
Legal				
Personal services	112,872	121,983	121,777	206
Other operating expenditures	132,110	132,110	120,240	11,870
Total Legal	<u>244,982</u>	<u>254,093</u>	<u>242,017</u>	<u>12,076</u>
Information services				
Personal services	230,176	233,176	190,207	42,969
Other operating expenditures	1,132,341	1,148,703	1,148,701	2
Capital outlay	580,442	536,080	270,590	265,490
Total Information services	<u>1,942,959</u>	<u>1,917,959</u>	<u>1,609,498</u>	<u>308,461</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Human resources				
Personal services	\$ 422,842	\$ 395,496	\$ 367,281	\$ 28,215
Other operating expenditures	153,504	281,908	283,408	(1,500)
Total Human resources	<u>576,346</u>	<u>677,404</u>	<u>650,689</u>	<u>26,715</u>
Building and grounds				
Personal services	350,506	418,727	401,565	17,162
Other operating expenditures	189,831	279,831	143,896	135,935
Total Building and grounds	<u>540,337</u>	<u>698,558</u>	<u>545,461</u>	<u>153,097</u>
Communications				
Personal services	514,144	535,698	484,443	51,255
Other operating expenditures	80,272	97,839	90,431	7,408
Total Communications	<u>594,416</u>	<u>633,537</u>	<u>574,874</u>	<u>58,663</u>
Engineering				
Other operating expenditures	115,000	352,039	373,082	(21,043)
Total Engineering	<u>115,000</u>	<u>352,039</u>	<u>373,082</u>	<u>(21,043)</u>
General administration				
Personal services	1,715,602	1,432,270	587,073	845,197
Other operating expenditures	3,108,510	3,073,852	2,545,736	528,116
Total General administration	<u>4,824,112</u>	<u>4,506,122</u>	<u>3,132,809</u>	<u>1,373,313</u>
Total general government	<u>10,622,156</u>	<u>10,898,430</u>	<u>8,862,202</u>	<u>2,036,228</u>
Judicial:				
Municipal court				
Personal services	454,547	466,614	466,614	-
Other operating expenditures	305,997	310,378	281,837	28,541
Capital Outlay	2,330	2,330	514	1,816
Total Municipal court	<u>762,874</u>	<u>779,322</u>	<u>748,965</u>	<u>30,357</u>
Total Judicial	<u>762,874</u>	<u>779,322</u>	<u>748,965</u>	<u>30,357</u>
Public Safety:				
Police				
Personal services	8,472,204	8,627,818	8,422,709	205,109
Other operating expenditures	2,395,930	2,592,785	2,419,353	173,432
Capital outlay	561,900	467,424	440,239	27,185
Total Police	<u>11,430,034</u>	<u>11,688,027</u>	<u>11,282,301</u>	<u>405,726</u>
Total Public Safety	<u>11,430,034</u>	<u>11,688,027</u>	<u>11,282,301</u>	<u>405,726</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Public Works:				
Street Maintenance				
Personal services	\$ 850,412	\$ 840,412	\$ 727,856	\$ 112,556
Other operating expenditures	759,734	769,734	711,135	58,599
Capital outlay	170,000	204,056	186,445	17,611
Total Street Maintenance	<u>1,780,146</u>	<u>1,814,202</u>	<u>1,625,436</u>	<u>188,766</u>
Garage				
Personal services	170,902	169,208	150,989	18,219
Other operating expenditures	23,000	24,694	24,694	-
Capital outlay	-	88,278	84,372	3,906
Total Garage	<u>193,902</u>	<u>282,180</u>	<u>260,055</u>	<u>22,125</u>
Total Public Works	<u>1,974,048</u>	<u>2,096,382</u>	<u>1,885,491</u>	<u>210,891</u>
Culture and Recreation:				
Parks Administration				
Personal services	475,321	521,209	519,357	1,852
Other operating expenditures	292,688	309,281	278,198	31,083
Capital outlay	-	8,370	8,370	-
Total Parks Administration	<u>768,009</u>	<u>838,860</u>	<u>805,925</u>	<u>32,935</u>
Parks Maintenance				
Personal services	421,833	421,833	350,743	71,090
Other operating expenditures	543,143	534,708	445,664	89,044
Capital outlay	70,000	78,435	77,761	674
Total Parks Maintenance	<u>1,034,976</u>	<u>1,034,976</u>	<u>874,168</u>	<u>160,808</u>
Jessie Davis Park				
Personal services	264,149	264,149	212,011	52,138
Other operating expenditures	77,891	78,425	67,242	11,183
Total Jessie Davis Park	<u>342,040</u>	<u>342,574</u>	<u>279,253</u>	<u>63,321</u>
West Pines Golf Course				
Personal services	673,701	664,250	664,947	(697)
Other operating expenditures	428,850	461,400	459,708	1,692
Capital outlay	-	26,000	26,000	-
Total West Pines Golf Course	<u>1,102,551</u>	<u>1,151,650</u>	<u>1,150,655</u>	<u>995</u>
Town Green				
Other operating expenditures	35,597	51,963	51,964	(1)
Capital outlay	-	850,000	850,000	-
Total Town Green	<u>35,597</u>	<u>901,963</u>	<u>901,964</u>	<u>(1)</u>
Total Culture and Recreation	<u>3,283,173</u>	<u>4,270,023</u>	<u>4,011,965</u>	<u>258,058</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Housing and Development:				
Inspections				
Personal services	\$ 341,087	\$ 321,174	\$ 312,605	\$ 8,569
Other operating expenditures	25,352	117,757	112,349	5,408
Capital outlay	21,000	73,294	51,824	21,470
Total Inspections	<u>387,439</u>	<u>512,225</u>	<u>476,778</u>	<u>35,447</u>
Planning and Zoning				
Personal services	387,837	392,837	280,317	112,520
Other operating expenditures	65,430	65,430	56,325	9,105
Total Planning and Zoning	<u>453,267</u>	<u>458,267</u>	<u>336,642</u>	<u>121,625</u>
Code Enforcement				
Personal services	298,641	293,641	218,361	75,280
Other operating expenditures	23,960	26,960	21,672	5,288
Total Code Enforcement	<u>322,601</u>	<u>320,601</u>	<u>240,033</u>	<u>80,568</u>
Community Development				
Personal services	241,896	241,896	207,928	33,968
Other operating expenditures	74,930	368,362	314,407	53,955
Total Community Development	<u>316,826</u>	<u>610,258</u>	<u>522,335</u>	<u>87,923</u>
Conference Center				
Other operating expenditures	-	-	107	(107)
Total Community Development	<u>-</u>	<u>-</u>	<u>107</u>	<u>(107)</u>
Total Housing and Development	<u>1,480,133</u>	<u>1,901,351</u>	<u>1,575,895</u>	<u>325,563</u>
Debt Service:				
Principal	409,945	409,945	410,014	(69)
Interest	111,484	111,484	112,664	(1,180)
Total debt service	<u>521,429</u>	<u>521,429</u>	<u>522,678</u>	<u>(1,249)</u>
Total expenditures	<u>30,073,847</u>	<u>32,154,964</u>	<u>28,889,497</u>	<u>3,265,574</u>
Excess (deficiency) of revenues over expenditures	<u>455,046</u>	<u>(697,159)</u>	<u>2,903,106</u>	<u>3,600,265</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	35,000	35,000
Transfers in	219,406	219,406	977,338	757,932
Transfers out	(674,452)	(1,901,762)	(768,125)	1,133,637
Total other financing sources (uses)	<u>(455,046)</u>	<u>(1,682,356)</u>	<u>244,213</u>	<u>1,926,569</u>
Net change in fund balance	-	(2,379,515)	3,147,319	5,526,834
Fund balances, beginning of year	<u>14,513,942</u>	<u>14,513,942</u>	<u>14,513,942</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,513,942</u>	<u>\$ 12,134,427</u>	<u>\$ 17,661,261</u>	<u>\$ 5,526,834</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 539,128	\$ 525,247	\$ 533,286	\$ 497,420	\$ 550,294
Interest on total pension liability	2,571,950	2,481,442	2,270,884	2,139,272	2,094,469
Differences between expected and actual experience	(429,512)	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	(1,447,495)	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
Net change in total pension liability	<u>1,234,071</u>	<u>1,771,170</u>	<u>2,738,943</u>	<u>1,818,791</u>	<u>600,990</u>
Total pension liability - beginning	<u>\$ 34,477,291</u>	<u>\$ 32,706,121</u>	<u>29,967,178</u>	<u>28,148,387</u>	<u>27,547,397</u>
Total pension liability - ending (a)	<u>\$ 35,711,362</u>	<u>\$ 34,477,291</u>	<u>\$ 32,706,121</u>	<u>\$ 29,967,178</u>	<u>\$ 28,148,387</u>
Plan fiduciary net position					
Contributions - employer	\$ 875,663	\$ 817,751	\$ 744,784	\$ 756,309	\$ 851,364
Contributions - employee	-	-	45,462	34,663	-
Net investment income	3,120,799	4,188,234	2,859,566	303,266	2,668,243
Benefit payments, including refunds of member contributions	(1,447,495)	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)
Administrative expenses	(61,715)	(65,126)	(38,372)	(42,494)	(33,695)
Net change in plan fiduciary net position	<u>2,487,252</u>	<u>3,565,835</u>	<u>2,280,537</u>	<u>(38,009)</u>	<u>2,441,941</u>
Plan fiduciary net position - beginning	<u>31,649,814</u>	<u>28,083,979</u>	<u>25,803,442</u>	<u>25,841,451</u>	<u>23,399,510</u>
	<u>\$ 34,137,066</u>	<u>\$ 31,649,814</u>	<u>\$ 28,083,979</u>	<u>\$ 25,803,442</u>	<u>\$ 25,841,451</u>
City's net pension liability - ending (a) - (b)	<u>\$ 1,574,296</u>	<u>\$ 2,827,477</u>	<u>\$ 4,622,142</u>	<u>\$ 4,163,736</u>	<u>\$ 2,306,936</u>
Plan fiduciary net position as a percentage of the total pension liability	95.59%	91.80%	85.87%	86.11%	91.80%
Covered payroll	\$ 10,646,935	\$ 9,952,049	\$ 9,680,685	\$ 8,950,694	\$ 8,713,629
City's net pension liability as a percentage of covered payroll	14.79%	28.41%	47.75%	46.52%	26.48%

Notes to the Schedule:

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 933,949	\$ 864,006	\$ 807,180	\$ 732,305	\$ 761,110
Contributions in relation to the actuarially determined contribution	<u>1,089,607</u>	<u>865,105</u>	<u>868,206</u>	<u>735,755</u>	<u>763,749</u>
Contribution deficiency (excess)	<u>\$ (155,658)</u>	<u>\$ (1,099)</u>	<u>\$ (61,026)</u>	<u>\$ (3,450)</u>	<u>\$ (2,639)</u>
Covered payroll	\$10,796,825	\$ 10,596,972	\$ 9,737,074	\$ 9,661,889	\$ 8,713,629
Contributions as a percentage of covered payroll	10.09%	8.16%	8.92%	7.62%	8.76%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2018
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	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost-of-living Adjustment	2.75% 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**

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 1,084,483	\$ 1,279,279
Interest on total OPEB liability	869,290	736,593
Differences between expected and actual experience	(195,291)	(216,594)
Changes of assumptions	(1,051,103)	(2,844,647)
Benefit payments	(327,943)	(318,771)
Net change in total OPEB liability	<u>379,436</u>	<u>(1,364,140)</u>
Total OPEB liability - beginning	<u>23,361,343</u>	<u>24,725,483</u>
Total OPEB liability - ending (a)	<u>\$ 23,740,779</u>	<u>\$ 23,361,343</u>
Covered employee payroll	\$ 10,080,226	\$ 10,080,226
Total OPEB liability as a percentage of covered employee payroll	235.52%	231.75%

Notes to the Schedule:

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

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

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

Roads 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, 2019**

ASSETS	Special Revenue Funds			
	Multiple Grant	Hotel/Motel Tax	Rental Car Excise Tax	Public Purpose Corporation
Cash and cash equivalents	\$ 553,232	\$ 994,675	\$ 61,864	\$ 111,057
Investments	-	-	-	-
Receivables, net:				
Taxes receivable	-	175,093	15,314	-
Other receivables	21	22	2	-
Due from other governments	82,593	-	-	-
Prepaid items	-	49,137	-	-
Total assets	<u>\$ 635,846</u>	<u>\$ 1,218,927</u>	<u>\$ 77,180</u>	<u>\$ 111,057</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 30,328	\$ 31,445	\$ -	\$ -
Accrued liabilities	-	7,270	-	-
Due to other funds	-	65,675	-	-
Total liabilities	<u>30,328</u>	<u>104,390</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
FUND BALANCES				
Nonspendable:				
Prepaid items	-	49,137	-	-
Restricted for:				
Storm damage	-	-	-	-
Law enforcement	-	-	-	-
Promotion of tourism	-	1,065,400	77,180	-
Capital projects	605,518	-	-	-
Debt service	-	-	-	111,057
Total fund balances	<u>605,518</u>	<u>1,114,537</u>	<u>77,180</u>	<u>111,057</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 635,846</u>	<u>\$ 1,218,927</u>	<u>\$ 77,180</u>	<u>\$ 111,057</u>

Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
GEMA Flood	Confiscated Assets	Roads		
\$ -	\$ 565,917	\$ -	\$ 610,382	\$ 2,897,127
-	1,023,594	-	-	1,023,594
-	-	-	12,953	203,360
-	1	-	14	60
116,115	-	-	12,660	211,368
-	-	-	-	49,137
<u>\$ 116,115</u>	<u>\$ 1,589,512</u>	<u>\$ -</u>	<u>\$ 636,009</u>	<u>\$ 4,384,646</u>
\$ -	\$ 11,860	\$ -	\$ -	\$ 73,633
-	-	-	-	7,270
<u>103,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,248</u>
<u>103,573</u>	<u>11,860</u>	<u>-</u>	<u>-</u>	<u>250,151</u>
-	-	-	4,892	4,892
-	-	-	-	49,137
12,542	-	-	-	12,542
-	1,577,652	-	-	1,577,652
-	-	-	-	1,142,580
-	-	-	-	605,518
-	-	-	631,117	742,174
<u>12,542</u>	<u>1,577,652</u>	<u>-</u>	<u>631,117</u>	<u>4,129,603</u>
<u>\$ 116,115</u>	<u>\$ 1,589,512</u>	<u>\$ -</u>	<u>\$ 636,009</u>	<u>\$ 4,384,646</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, 2019

	Special Revenue Funds			
	Multiple Grant	Hotel/Motel Tax	Rental Car Excise Tax	Public Purpose Corporation
Revenues:				
Taxes	\$ -	\$ 1,940,672	\$ 182,886	\$ -
Charges for services	-	267,579	-	-
Intergovernmental	595,179	-	-	543,320
Fines and forfeitures	-	-	-	-
Contributions	62,765	-	-	-
Interest income	5,324	10,203	57	1,740
Miscellaneous	-	42,222	-	-
Total revenues	<u>663,268</u>	<u>2,260,676</u>	<u>182,943</u>	<u>545,060</u>
Expenditures:				
Current:				
General government	85,694	-	-	5,869
Public safety	65,613	-	-	-
Public works	340,683	-	-	-
Culture and recreation	-	966,682	-	-
Housing and development	231,543	-	-	-
Debt service:				
Principal retirement	-	505,000	-	392,204
Interest and fiscal charges	-	452,377	-	141,089
Total expenditures	<u>723,533</u>	<u>1,924,059</u>	<u>-</u>	<u>539,162</u>
Excess (deficiency) of revenues over expenditures	(60,265)	336,617	182,943	5,898
Other financing sources (uses):				
Transfers in	15,545	641,407	-	-
Transfers out	-	(847,158)	(165,200)	-
Total other financing sources (uses)	<u>15,545</u>	<u>(205,751)</u>	<u>(165,200)</u>	<u>-</u>
Net change in fund balances	(44,720)	130,866	17,743	5,898
Fund balances, beginning of year	<u>650,238</u>	<u>983,671</u>	<u>59,437</u>	<u>105,159</u>
Fund balances, end of year	<u>\$ 605,518</u>	<u>\$ 1,114,537</u>	<u>\$ 77,180</u>	<u>\$ 111,057</u>

Special Revenue Funds		Capital Projects		Debt Service Fund	Total Nonmajor Governmental Funds
GEMA Flood	Confiscated Assets	Fund Roads			
\$ -	\$ -	\$ -		\$ 1,793,597	\$ 3,917,155
-	-	-		-	267,579
116,114	-	-		-	1,254,613
-	56,131	-		-	56,131
-	-	-		-	62,765
44	20,362	412		5,679	43,821
-	7,985	-		-	50,207
<u>116,158</u>	<u>84,478</u>	<u>412</u>		<u>1,799,276</u>	<u>5,652,271</u>
-	-	-		-	91,563
-	484,634	-		-	550,247
-	-	286,972		-	627,655
-	-	-		-	966,682
-	-	-		-	231,543
-	-	-		1,090,000	1,987,204
-	-	-		517,649	1,111,115
<u>-</u>	<u>484,634</u>	<u>286,972</u>		<u>1,607,649</u>	<u>5,566,009</u>
116,158	(400,156)	(286,560)		191,627	86,262
-	20,000	-		-	676,952
-	-	(30,180)		-	(1,042,538)
<u>-</u>	<u>20,000</u>	<u>(30,180)</u>		<u>-</u>	<u>(365,586)</u>
116,158	(380,156)	(316,740)		191,627	(279,324)
(103,616)	1,957,808	316,740		439,490	4,408,927
<u>\$ 12,542</u>	<u>\$ 1,577,652</u>	<u>\$ -</u>		<u>\$ 631,117</u>	<u>\$ 4,129,603</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental Contributions	\$ 606,215	\$ 606,215	\$ 595,179	\$ (11,036)
Investment income	-	-	62,765	62,765
Total revenues	<u>606,215</u>	<u>606,215</u>	<u>663,268</u>	<u>51,729</u>
Expenditures:				
Current:				
General government	20,000	20,000	85,694	(65,694)
Public safety	123,447	123,447	65,613	57,834
Public works	938,381	938,381	340,683	597,698
Housing and development	200,000	200,000	231,543	(31,543)
Total expenditures	<u>1,281,828</u>	<u>1,281,828</u>	<u>723,533</u>	<u>558,295</u>
Deficiency of revenues over expenditures	(675,613)	(675,613)	(60,265)	615,348
Other financing sources:				
Transfers in	110,545	110,545	15,545	(95,000)
Total other financing sources	<u>110,545</u>	<u>110,545</u>	<u>15,545</u>	<u>(95,000)</u>
Net changes in fund balance	(565,068)	(565,068)	(44,720)	520,348
Fund balances, beginning of year	<u>650,238</u>	<u>650,238</u>	<u>650,238</u>	<u>-</u>
Fund balances, end of year	<u>\$ 85,170</u>	<u>\$ 85,170</u>	<u>\$ 605,518</u>	<u>\$ 520,348</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,275,000	\$ 1,275,000	\$ 1,940,672	\$ 665,672
Charges for services	232,025	232,025	267,579	35,554
Interest	1,800	1,800	10,203	8,403
Miscellaneous	16,850	16,850	42,222	25,372
Total revenues	<u>1,525,675</u>	<u>1,525,675</u>	<u>2,260,676</u>	<u>735,001</u>
Expenditures				
Current:				
Culture and recreation	1,090,298	1,090,298	966,682	123,616
Debt service:				
Principal retirement	505,000	505,000	505,000	-
Interest and fiscal charges	452,378	452,378	452,377	1
Total expenditures	<u>2,047,676</u>	<u>2,047,676</u>	<u>1,924,059</u>	<u>123,617</u>
Excess (deficiency) of revenues over expenditures	(522,001)	(522,001)	336,617	858,618
Other financing sources (uses):				
Transfers in	641,407	641,407	641,407	-
Transfers out	(119,406)	(119,406)	(847,158)	(727,752)
Total other financing sources (uses)	<u>522,001</u>	<u>522,001</u>	<u>(205,751)</u>	<u>(727,752)</u>
Net changes in fund balance	-	-	130,866	130,866
Fund balances, beginning of year	<u>983,671</u>	<u>983,671</u>	<u>983,671</u>	<u>-</u>
Fund balances, end of year	<u>\$ 983,671</u>	<u>\$ 983,671</u>	<u>\$ 1,114,537</u>	<u>\$ 130,866</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, 2019**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 165,000	\$ 165,000	\$ 182,886	\$ 17,886
Investment income	200	200	57	(143)
Total revenues	<u>165,200</u>	<u>165,200</u>	<u>182,943</u>	<u>17,743</u>
Other financing uses:				
Transfers out	(165,200)	(165,200)	(165,200)	-
Total other financing uses	<u>(165,200)</u>	<u>(165,200)</u>	<u>(165,200)</u>	<u>-</u>
Net changes in fund balance	-	-	17,743	17,743
Fund balances, beginning of year	<u>59,437</u>	<u>59,437</u>	<u>59,437</u>	<u>-</u>
Fund balances, end of year	<u>\$ 59,437</u>	<u>\$ 59,437</u>	<u>\$ 77,180</u>	<u>\$ 17,743</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, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 543,320	\$ 543,320	\$ 543,320	\$ -
Interest income	750	750	1,740	990
Total revenues	<u>544,070</u>	<u>544,070</u>	<u>545,060</u>	<u>990</u>
Expenditures:				
Current:				
General government	25,000	25,000	5,869	19,131
Debt service:				
Principal retirement	392,204	392,204	392,204	-
Interest and fiscal charges	126,866	126,866	141,089	(14,223)
Total expenditures	<u>544,070</u>	<u>544,070</u>	<u>539,162</u>	<u>4,908</u>
Net changes in fund balance	-	-	5,898	5,898
Fund balances, beginning of year	<u>105,159</u>	<u>105,159</u>	<u>105,159</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 105,159</u></u>	<u><u>\$ 105,159</u></u>	<u><u>\$ 111,057</u></u>	<u><u>\$ 5,898</u></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, 2019**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 106,535	\$ 106,535	\$ 116,114	\$ 9,579
Interest income	-	-	44	44
Total revenues	<u>106,535</u>	<u>106,535</u>	<u>116,158</u>	<u>9,623</u>
Expenditures:				
Current:				
Public works	<u>106,535</u>	<u>106,535</u>	-	<u>106,535</u>
Total expenditures	<u>106,535</u>	<u>106,535</u>	-	<u>106,535</u>
Net changes in fund balance	-	-	116,158	116,158
Fund balances (deficit), beginning of year	<u>(103,616)</u>	<u>(103,616)</u>	<u>(103,616)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (103,616)</u>	<u>\$ (103,616)</u>	<u>\$ 12,542</u>	<u>\$ 116,158</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, 2019**

	Confiscated Assets			Variance With Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 56,131	\$ 56,131
Interest income	-	-	20,362	20,362
Miscellaneous	-	-	7,985	7,985
Total revenues	-	-	84,478	84,478
Expenditures:				
Current:				
Public safety	263,000	398,000	484,634	(86,634)
Total expenditures	263,000	398,000	484,634	(86,634)
Deficiency of revenues over expenditures	(263,000)	(398,000)	(400,156)	(2,156)
Other financing sources:				
Transfers in	20,000	20,000	20,000	-
Total other financing sources	20,000	20,000	20,000	-
Net changes in fund balance	(243,000)	(378,000)	(380,156)	(2,156)
Fund balances, beginning of year	1,957,808	1,957,808	1,957,808	-
Fund balances, end of year	\$ 1,714,808	\$ 1,579,808	\$ 1,577,652	\$ (2,156)

**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, 2019**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,604,500	\$ 1,604,500	\$ 1,793,597	\$ 189,097
Investment income	1,000	1,000	5,679	4,679
Total revenues	<u>1,605,500</u>	<u>1,605,500</u>	<u>1,799,276</u>	<u>193,776</u>
Expenditures:				
Debt service:				
Principal retirement	1,090,000	1,090,000	1,090,000	-
Interest and fiscal charges	515,500	515,500	517,649	(2,149)
Total expenditures	<u>1,605,500</u>	<u>1,605,500</u>	<u>1,607,649</u>	<u>(2,149)</u>
Net changes in fund balance	-	-	191,627	191,627
Fund balances, beginning of year	<u>439,490</u>	<u>439,490</u>	<u>439,490</u>	<u>-</u>
Fund balances, end of year	<u>\$ 439,490</u>	<u>\$ 439,490</u>	<u>\$ 631,117</u>	<u>\$ 191,627</u>

CITY OF DOUGLASVILLE, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2019**

MUNICIPAL <u>COURT</u>	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2019</u>
ASSETS				
Cash	\$ 37,204	\$ 748,732	\$ 729,939	\$ 55,997
TOTAL ASSETS	<u>\$ 37,204</u>	<u>\$ 748,732</u>	<u>\$ 729,939</u>	<u>\$ 55,997</u>
LIABILITIES				
Due to other governments and individuals	\$ 37,204	\$ 748,732	\$ 729,939	\$ 55,997
TOTAL LIABILITIES	<u>\$ 37,204</u>	<u>\$ 748,732</u>	<u>\$ 729,939</u>	<u>\$ 55,997</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, 2019

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Percentage Complete</u>
Public Safety (20%)	\$ 7,500,800	\$ 7,603,592	\$ 1,241,679	\$ 1,294,243	\$ 2,535,922	33.35 %
Transportation and Streets (45%)	16,876,800	16,270,681	1,021,616	4,224,854	5,246,470	32.24
Facility and Infrastructure Improvements (15%)	5,625,600	5,590,194	924,869	3,257,999	4,182,868	74.83
Parks and Recreation (20%)	7,500,800	7,553,591	746,111	570,140	1,316,251	17.43
Total 2016 Issue	<u>\$ 37,504,000</u>	<u>\$ 37,018,058</u>	<u>\$ 3,934,275</u>	<u>\$ 9,347,236</u>	<u>\$ 13,281,511</u>	

CITY OF DOUGLASVILLE, GEORGIA

BALANCE SHEET

COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY

JUNE 30, 2019

ASSETS	
Cash and cash equivalents	\$ 96,420
Accounts receivable	3
Prepaid items	<u>3,646</u>
Total assets	<u><u>\$ 100,069</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 13,531</u>
Total liabilities	<u>13,531</u>
 FUND BALANCE	
Fund balances:	
Nonspendable:	
Prepaid items	3,646
Unassigned	<u>82,892</u>
	<u>86,538</u>
Total liabilities and fund balance	<u><u>\$ 100,069</u></u>

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenues	
Charges for services	\$ 30,500
Interest income	871
Total revenues	31,371
Expenditures	
Current:	
Housing and development	127,429
Total expenditures	127,429
Net change in fund balance	(96,058)
Fund balances, beginning of year	182,596
Fund balances, end of year	\$ 86,538

STATISTICAL SECTION

(Unaudited)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in capital assets	\$ 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	\$ 71,101,881
Restricted	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	8,695,528
Unrestricted	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)	(11,635,388)
Total governmental activities net position	\$ 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	\$ 68,162,021
Business-type activities										
Net Investment in capital assets	\$ 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	\$ 4,565,218
Unrestricted	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	3,169,371
Total business-type activities net position	\$ 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	\$ 7,734,589
Primary government										
Net Investment in capital assets	\$ 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	\$ 75,667,099
Restricted	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	8,695,528
Unrestricted	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)	(8,466,017)
Total primary government net position	\$ 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	\$ 75,896,610

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 12,155,560
Judicial	630,881	658,943	837,390	814,164	466,150	746,284	824,031	789,823	684,795	750,348
Public safety	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	12,532,675
Public works	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	6,953,668
Housing and development	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	1,979,936
Health and Welfare	144,708	144,708	144,708	144,708	144,708	-	-	-	-	-
Culture and recreation	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	4,612,966
Interest on long-term debt	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	951,819
Total governmental activities expenses	23,047,675	23,578,854	27,081,351	30,172,382	27,232,739	28,292,271	30,404,811	31,665,522	32,876,251	39,936,972
Business-type activities:										
Sanitation	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	4,758,192
Total business-type activities expenses	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	4,758,192
Total primary government expenses	\$ 26,460,441	\$ 27,268,296	\$ 30,501,560	\$ 33,511,760	\$ 30,476,961	\$ 31,667,716	\$ 33,722,379	\$ 35,361,319	\$ 36,889,671	\$ 44,695,164
Program Revenues										
Governmental Activities:										
Charges for service:										
General government	\$ 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	\$ 3,901,502
Housing and development	234,665	509,097	216,306	331,530	410,570	557,320	439,654	765,360	226,426	267,579
Judicial	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	1,873,705
Public safety	314,151	363,673	368,658	408,686	331,947	317,080	362,911	473,587	532,349	377,214
Public works	-	-	-	-	-	17,750	-	-	-	-
Culture and recreation	226,520	280,822	1,204,061	1,323,745	1,438,449	1,443,399	1,550,758	1,101,870	977,333	1,219,544
Operating grants and contributions	1,506,986	1,503,681	671,401	470,025	450,109	1,002,645	300,897	529,559	489,644	489,693
Capital grants and contributions	2,827,459	398,650	1,179,720	1,495,070	749,654	544,223	233,612	1,277,414	7,194,611	11,132,780
Total governmental activities program revenues	9,404,562	7,060,764	7,509,015	7,689,828	6,750,599	8,495,122	6,614,012	8,662,420	15,092,174	19,262,017
Business-type activities:										
Charges for services:										
Sanitation	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	4,603,302
Capital grants and contributions	-	-	-	-	-	-	-	-	-	3,351,119
Total business-type activities program revenues	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	7,954,421
Total primary government program revenues	\$ 13,165,358	\$ 10,719,118	\$ 11,119,048	\$ 11,318,683	\$ 10,440,572	\$ 12,406,814	\$ 10,613,402	\$ 12,685,459	\$ 19,652,971	\$ 27,216,438

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (20,674,955)
Business-type activities	348,030	(31,088)	189,824	289,477	445,751	536,247	681,822	327,242	547,377	3,196,229
Total primary government net expense	\$ (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)	\$ (17,478,726)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 12,612,306
Sales taxes	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	7,718,366
Other taxes and miscellaneous	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	7,920,208
Unrestricted investment earnings	59,994	131,666	55,101	32,437	27,055	27,105	30,854	44,327	153,883	368,044
Gain on sale of capital assets	-	-	-	-	-	-	71,023	-	25,107	27,630
Transfers	45,000	45,000	45,000	45,000	100,000	115,000	100,000	100,000	303,735	1,427,144
Total governmental activities	\$ 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	\$ 30,073,698
Business-type activities										
Investment earnings	\$ 221	\$ 1,925	\$ 348	\$ 1,256	\$ 1,802	\$ 238	\$ 2,257	\$ 6,743	\$ 26,202	\$ 108,642
Gain on sale of capital assets	-	-	-	-	-	72,239	15,345	-	6,301	-
Transfers	(45,000)	(45,000)	(45,000)	(45,000)	(100,000)	(115,000)	(100,000)	(100,000)	(303,735)	(1,427,144)
Total business-type activities	(44,779)	(43,075)	(44,652)	(43,744)	(98,198)	(42,523)	(82,398)	(93,257)	(271,232)	(1,318,502)
Total primary government	\$ 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	\$ 28,755,196
Change in Net Position										
Governmental activities	\$ 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	\$ 9,398,743
Business-type activities	303,251	(74,163)	145,172	245,733	347,553	493,724	599,424	233,985	276,145	1,877,727
Total primary government	\$ 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	\$ 11,276,470

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 134,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,524,890	-	-	-	-	-	-	-	-	-
Nonspendable	-	349,310	140,232	265,788	220,958	522,637	176,909	697,430	640,857	575,973
Restricted	-	-	365,777	-	-	-	-	-	-	-
Assigned	-	221,811	402,225	103,494	104,849	104,849	-	518,159	1,687,713	2,598,191
Unassigned	-	8,799,775	6,354,443	5,480,501	5,236,868	6,097,136	8,658,815	10,096,493	12,185,372	14,487,097
Total general fund	\$ 9,659,736	\$ 9,370,896	\$ 7,262,677	\$ 5,849,783	\$ 5,562,675	\$ 6,724,622	\$ 8,855,724	\$ 11,312,082	\$ 14,515,942	\$ 17,661,261
All Other Governmental Funds										
Reserved	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,000,716	-	-	-	-	-	-	-	-	-
Capital projects funds	10,131,882	-	-	-	-	-	-	-	-	-
Nonspendable	-	242	13,567	1,250	2,814	6,759	726	75,972	74,589	49,137
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	9,061,573
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	\$ 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	\$ 9,110,710

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 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	\$ 28,209,926
Licenses and permits	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	3,232,355
Intergovernmental	3,486,238	7,256,155	2,509,829	2,026,572	822,471	653,037	491,732	1,563,539	8,085,336	11,632,635
Fines and forfeitures	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	1,914,322
Charges for service	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	1,934,033
Interest Income	286,276	131,632	55,112	32,437	27,055	24,928	33,354	59,825	159,939	396,363
Other Revenues	1,112,731	747,076	780,298	692,180	734,377	677,521	724,008	788,990	485,665	661,581
Total revenues	25,796,561	29,040,917	25,389,088	25,068,699	24,496,596	28,669,590	31,164,534	32,777,467	41,007,978	47,981,215
Expenditures										
General government	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	12,692,624
Judicial	583,930	597,735	762,214	730,670	730,699	693,350	767,006	798,380	664,316	748,965
Public safety	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	11,832,548
Public works	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	6,584,228
Culture and recreation	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	5,427,391
Housing and development	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	1,838,037
Capital outlay	12,920,739	19,690,713	9,371,480	6,974,022	1,227,558	172,828	114,672	-	2,467,516	1,057,952
Debt service										
Interest	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	1,223,779
Principal	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	2,397,218
Bond Issuance Cost	442,275	-	302,967	84,494	-	-	-	207,594	173,589	-
Total expenditures	36,372,419	41,216,702	34,352,762	33,497,492	26,094,865	27,229,866	29,275,175	29,641,231	35,101,496	43,802,742
Excess of revenues over (under) expenditures	(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	4,178,473
Other Financing Sources (Uses)										
Transfers in	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	3,237,807
Transfers out	(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)	(1,810,663)
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	-	47,357	-	-	-	-	317,482	3,500	119,360	35,000
Total other financing sources (uses)	23,701,179	92,357	14,197,580	341,988	100,000	115,000	417,482	310,882	596,472	1,462,144
Net change in fund balances	\$ 13,125,321	\$ (12,083,428)	\$ 5,233,906	\$ (8,086,805)	\$ (1,498,269)	\$ 1,554,724	\$ 2,306,841	\$ 3,447,118	\$ 6,502,954	\$ 5,640,617
Debt service as a percentage of noncapital expenditures	9%	14%	12%	14%	15%	14%	13%	13%	11%	9%

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
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
2019	12,514,156	7,506,899	1,114,355	2,596,920	2,218,053	2,123,558	135,985	28,209,926

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
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
2019	2018	1,150,783,616	243,299,200	16,396,689	13,639,527	(57,923,333)	1,366,195,699	8.451	3,415,489,248	40.00

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	
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
2019	7.211	1.240	8.451	10.213	19.70	0.00	38.36

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 & Overlapping Rates</u>
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
2019	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	2009*	2010	2011	2012	2013	2014	2015	2016	2017	2018
Accommodations	\$ -	\$ 181,437	\$ 201,754	\$ 208,044	\$ 221,696	\$ 239,002	\$ 269,134	\$ 295,999	\$ 307,790	\$ 330,594
Apparel	194,325	-	924,001	1,020,368	877,563	283,772	300,091	330,633	333,186	351,633
Automotive	627,651	831,936	49,459	60,352	62,041	69,314	79,158	95,080	113,346	109,774
Construction	-	43,217	1,472,134	1,562,526	1,643,849	1,746,942	1,890,152	2,053,976	2,029,832	2,284,531
Food	815,033	1,387,058	1,359,914	1,396,157	1,433,731	1,485,867	1,558,718	1,653,392	1,684,404	1,751,836
General Merchandise	766,099	1,339,806	685,867	699,906	710,159	767,792	819,792	902,839	841,787	912,600
Home	424,237	692,166	-	-	-	-	-	-	-	-
Lumber	329,606	-	-	-	-	-	-	-	-	-
Manufacturers	284,720	553,695	514,814	538,874	534,055	555,161	605,656	642,317	607,145	651,822
Misc	535,641	900,789	923,651	932,264	990,159	1,052,854	1,116,512	1,179,552	1,272,287	1,375,966
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	1,568,420
Service	504,260	531,718	518,969	560,363	511,939	461,314	245,015	290,875	356,524	199,204
Utilities	816,291	1,012,472	1,039,326	1,006,630	974,826	980,271	991,603	932,006	950,987	974,212
Wholesale	-	633,194	810,195	924,923	933,064	970,112	998,342	914,266	946,794	1,037,537
Total	\$ 5,297,863	\$ 9,198,072	\$ 9,618,527	\$ 10,080,240	\$ 10,051,131	\$ 9,851,533	\$ 10,182,952	\$ 10,660,100	\$ 10,900,579	\$ 11,548,129

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.

* 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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
McMaster-Carr Supply	\$ 46,061,628	1	3.37%			
Arbor Place II, LLC	14,829,160	2	0.92%	\$ 11,161,960	1	0.88%
IC Citymark Sweetwater Creek, LLC	12,611,120	3	0.90%	6,968,680	8	0.55%
Trikell, LLC	12,292,103	4	0.87%			
One Rocky Ridge, LP	11,937,078	5	0.87%	8,788,720	3	0.70%
DDRTC Douglasville Pavilion, LLC	11,883,080	6	0.86%	9,107,680	2	0.72%
Arbor Place Holdings, LLC	11,726,960	7	0.83%			
POH Crestmark, LLC	11,355,997	8	0.81%			
Brodick Hills Apartments Holdings, LLC	11,119,768	9	0.73%			
Comcast Cable Communications, LLC	9,974,002	10	0.00%			
Centerpoint Properties Trust				8,305,800	4	0.66%
Carlyle Centennial Lenox L.P.				7,671,000	5	0.61%
Mt. Vernon Associates L.P.				7,324,688	6	0.58%
SCI Brodick Hill Fund, LLC				7,199,992	7	0.57%
SMF Crestmark, LLC				6,588,300	9	0.52%
Carlyle Centennial Park West LP				6,550,160	10	0.52%
Total	<u>\$ 153,790,896</u>		<u>10.17%</u>	<u>\$ 79,666,980</u>		<u>6.30%</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
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	9,959,132	9,856,186	98.97%	102,946	9,959,132	100.00%
2019	2018	9,851,637	9,589,583	97.34%	-	9,589,583	97.34%

Sources: City of Douglasville Finance Department

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ²	Per Capita
	Note Payable	Capital Leases	Revenue Bonds	GO Bonds			
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
2019	-	254,822	18,562,548	14,798,482	33,615,852	0.000115%	983

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

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for GO Debt Service	Total	Percentage of Actual Taxable Value of Property	Per Capita
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
2019	13,600,000	-	13,600,000	1.00%	398

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, 2019

<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	\$ 254,822	100.00%	\$ 254,822
Bonds	33,361,030	100.00%	33,361,030
	<u>\$ 33,615,852</u>		<u>\$ 33,615,852</u>
Overlapping General Obligation Debt			
Douglas County	\$ 56,536,648		
Capital Lease	2,409,876		
Total :	<u>\$ 58,946,524</u>	27.601%	<u>\$ 16,269,830</u>
Douglas County School District			
General Obligation Bonds	\$ 133,322,000		
	<u>\$ 133,322,000</u>	27.601%	<u>\$ 36,798,205</u>
	<u>\$ 192,268,524</u>		<u>\$ 53,068,035</u>
Total Direct and Overlapping Debt	<u>\$ 225,884,376</u>		<u>\$ 86,683,887</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 142,411,903
Total net debt applicable to limit	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	13,600,000
Legal debt margin	\$ 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	\$ 128,811,903
Total net debt applicable to the limit as a percentage of debt limit	22.08%	24.14%	23.36%	23.43%	22.59%	17.08%	15.31%	13.16%	11.70%	9.55%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 1,366,195,699
Add back exempt real property	57,923,333
Total assessed value	<u>1,424,119,032</u>
Debt limit (10% of total assessed value)	142,411,903
Debt applicable to limit:	
General obligation bonds	13,600,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>13,600,000</u>
Legal debt margin	<u>\$ 128,811,903</u>

Info gathered from:
2018 Tax Millage Rate and 5 Year History

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

Fiscal Year	Population¹	Personal Income	Per Capita Personal Income²	Median Age¹	County School Enrollment	Unemployment Rate³
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%
2019	34,190	856,425,310	25,049	32	26,000	4.20%

Data sources

¹United States Census Bureau /Atlanta Regional Commission/Sperlings Data

²Douglas County Development Authority

³Bureau 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**

2019				2010			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Wellstar Douglas Hospital	900	1	4.08%	Wal-Mart Super Center	750	1	3.85%
Medline	627	2	2.85%	Kroger	487	2	2.50%
McMaster Carr Supply	600	3	2.72%	American Red Cross	450	3	2.31%
Gordon Food Services	509	4	2.31%	Benton Georgia	244	4	1.25%
American Red Cross	300	5	1.36%	Sams Club	180	5	0.92%
Kehe Distributors	277	6	1.26%	Home Depot	151	6	0.78%
ALP Lighting	120	7	0.54%	ALP Lighting Systems	105	7	0.54%
Mechadyne	75	8	0.34%	Nioxin	98	8	0.50%
Anderson Distribution	50	9	0.23%	Publix	97	9	0.50%
Metro Garage	50	10	0.23%				
Total	<u>3,508</u>		<u>15.92%</u>	Total	<u>2,562</u>		<u>13.15%</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 2010 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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Governing Body	8	9	9	9	9	8	8	8	8	8
Chief Executive (Mgr. Or Admin.)	5	5	5	5	5	5	4	7	9	8
IT/MIS	5	2	2	3	3	3	3	3	3	3
Police Records & Court	10	12	12	12	11	9	9	13	12	13
Financial Administration	8	8	8	8	7	7	7	7	7	10
General Govt. Bldgs. & Plant	1	1	1	1	1	1	1	3	5	5
Human Resources	2	2	2	2	2	3	4	5	5	5
Public Safety:										
Police Administration	9	10	9	9	8	8	9	10	18	7
Police - IT	-	2	2	2	2	2	2	2	2	2
Police Detective	18	17	14	17	17	19	15	17	18	18
Police Special OPS	7	7	8	8	8	8	6	4	3	5
Police Patrol	46	54	53	53	48	62	55	57	53	64
Police Motors	6	4	5	6	5	5	3	2	3	5
Police Training	-	2	2	3	6	10	5	3	3	3
Police SRO	4	2	4	4	4	4	4	6	7	6
Police Building Maintenance			1	1	1	1	1	1	1	1
Building Inspections	5	5	4	3	3	4	4	4	5	5
Code Enforcement	3	3	3	4	4	4	4	5	4	4
Planning & Zoning	1	2	2	2	3	3	3	3	2	3
Engineering	3	3	3	3	-	-	-	-	-	-
Community Development	4	4	2	4	1	4	3	3	2	3
Tourism	2	2	3	3	3	4	3	2	2	2
Culture/Recreation Administration	4	4	6	7	8	8	8	6	6	17
Conference Center	2	3	4	5	4	6	6	6	3	9
West Pines Golf	-	-	8	8	8	11	8	9	8	13
Parks Areas	9	8	6	8	7	9	7	11	9	9
Highways & Streets Admin.	18	15	17	17	17	16	15	13	16	16
Traffic Engineering										
Sanitary Administration	17	20	22	22	22	26	21	23	20	30
Maintenance & Shop	2	2	2	2	2	2	2	2	2	2
Video Production	4	4	4	3	4	4	4	4	4	4
Development Authority	1	1	1	1	-	-	-	-	-	-
Keep Douglasville Beautiful	3	4	3	4	4	4	4	4	4	4
Total	207	217	219	239	227	260	228	243	244	284

Source: City of Douglasville Finance Dept

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

Function	Fiscal Year									
	<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>	<u>2019</u>
Public Works:										
Street resurfacing (feet)	5,280	3,256	13,886	11,051	23,707	69,696	9,979	7,723	53,559	50,283
Police protection*:										
Number of citations written	14165	10,738	9,915	8,613	7,031	8,779	10,088	7,760	10,256	9,869
Number of automobile accidents	1989	2307	2,397	2,483	2,530	2,684	3,029	2,991	3,033	2,948
Number of reported crimes	3894	4768	4,160	4,160	4,836	4,941	5,515	5,403	5,969	5,337
**Sanitation:										
Large items pickup	123	97	63	88	100	141	183	148	74	117

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

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

Function	Fiscal year									
	<u>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>	<u>2019</u>
Public works:										
Miles of streets	165	166	166	166	166	150.67	150.67	150.67	150.67	150.67
Number of street lights	2046	2048	2048	2048	2048	2293	2293	2574	2511	2518
Police protection:										
Number of stations	1	2	2	2	2	2	2	2	2	2
Number of police officers positions	82	91	94	94	94	97	97	102	117	101
Building permits issued	179	141	177	248	566	157	192	323	267	1563
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



**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***

**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, 2019, 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 16, 2019.

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.

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 16, 2019

CITY OF DOUGLASVILLE, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

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

There was not an audit of major federal award programs for the year ended June 30, 2019 due to the total amount expended being less than \$750,000.