

CITY OF DOUGLASVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

INTRODUCTORY SECTION

CITY OF DOUGLASVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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December 23, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Douglasville, Georgia (the “City”), for the fiscal year ended June 30, 2023, 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 our 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.

Mauldin and Jenkins, LLC has issued an unmodified (“clean”) opinion of the City of Douglasville’s financial statements for the fiscal year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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 is best read in conjunction with it.

The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial and stability financial reporting entity for the City of Douglasville.

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.

The City has three component units: the Douglasville Convention and Conference Center Authority, the Douglasville Public Purpose Corporation, and the Downtown Development Authority of the City of Douglasville. 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 of the City of Douglasville is a discretely presented component unit. For additional information, see "NOTE 1.A" of the Notes to the Financial Statements.

Profile of the Government

The City of Douglasville was created in 1937 and operates under an elected Mayor/Council form of government. Policy making and legislative authority of the government is vested in the mayor and seven council members who are elected for four-year terms on a non-partisan basis. The Mayor and Council members are elected at large by popular vote. Elections are held every four years and are conducted by the Douglas County board of elections. The City is empowered to levy a property tax on both real and personal property located within its boundaries and can levy all other taxes granted to municipalities within the State of Georgia.

The City is strategically located west of the I-285 perimeter on I-20. Douglasville is the largest city in Douglas County, one of the fastest growing counties in the State of Georgia. The City's major operations include public safety, culture-recreation, highways and streets, sanitation, planning and zoning and general administrative services.

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

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

Local Economy

Based on the projection from the 2020 Census, Douglasville has a population of 35,460. As of the 2020 census, approximately 24.2 % of the City's population was under the age of 18 years. 11.5 % of the population is 65 years and older. Median household income in 2021 was \$61,279, the median value of owner occupied housing units was \$214,300.

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

Long Term Financial Planning

The City updated financial policies in February 2022. As of the end of June 2023, the unassigned fund balance in the General Fund falls within the guidelines set by the Council. The City's policy is to maintain an Unassigned Fund Balance that will be no less than a minimum 33% of operating revenues measured at the end of the City's Fiscal Year with a goal of 50%. As of June 2023, 3 months of reserve needed is \$10,808,635. The total unassigned fund balance is \$30,006,156. The City maintains sufficient cash reserves to operate the fiscal year without issuing a tax anticipation note.

The City adopted a long-term financial policy in February of 2022. The policy will project 3-5 years based on institutional knowledge and expert opinions. The long-term forecast will be discussed annually with the elected officials during the annual strategic planning session.

Major Initiatives:

During FY2023, the City and Douglas County finalized LOST and SDS negotiations. The LOST negotiations resulted in the City's percentage to be received reducing from 28.5% to 25.5% for 2023 through 2025.

Because of the relocation of highway 92 project in FY2022, Jesse Davis Park is now visible from the street. During FY2022, voters approved a GO Bond for the construction and renovation of Jesse Davis Park. This is a 25-million-dollar project that is located directly off State route 92 and will become a visible part of the beautiful new gateway corridor to Douglasville. This project began in FY2023 and is anticipated to be complete in late FY2023/FY2024.

In November of 2022, a SPLOST referendum was passed which is projected to yield the City of Douglasville an estimated \$51,000,000 in revenue. The collected revenue is divided as follows: 35% Public Safety, 35% Transportation, 20% Facilities and 10% Parks and Recreation. The SPLOST is a 6-year SPLOST and will end in March 2029. These funds will be used for various capital improvements around the City.

The City of Douglasville has been working over the past few years to develop a downtown area that will become the cultural, civic and entertainment center of Douglas County. As part of that effort the City acquired property which was the former Douglas County Jail which is within walking distance of the downtown conference center. The City razed the old jail and cleared the property. This property is now a City Town Green and amphitheater. The opening and first concert series were held in the Spring of 2023 for the new Town Green. The City will continue hosting a concert series each year in the Spring and Fall.

FINANCIAL INFORMATION

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

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

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

The financial policies of the City did not have a significant impact on the current financial statements. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

AWARDS AND ACKNOWLEDGEMENTS

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

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Douglasville for its Comprehensive Annual Financial Report for year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF DOUGLASVILLE, GEORGIA

LISTING OF PRINCIPAL OFFICIALS

June 30, 2023

Mayor Rochelle Robinson

City Manager Marcia Hampton

Council Members

Ward 1, Mayor Pro Tem Terry S. Miller

Ward 2, Post 1 Nycole Miller

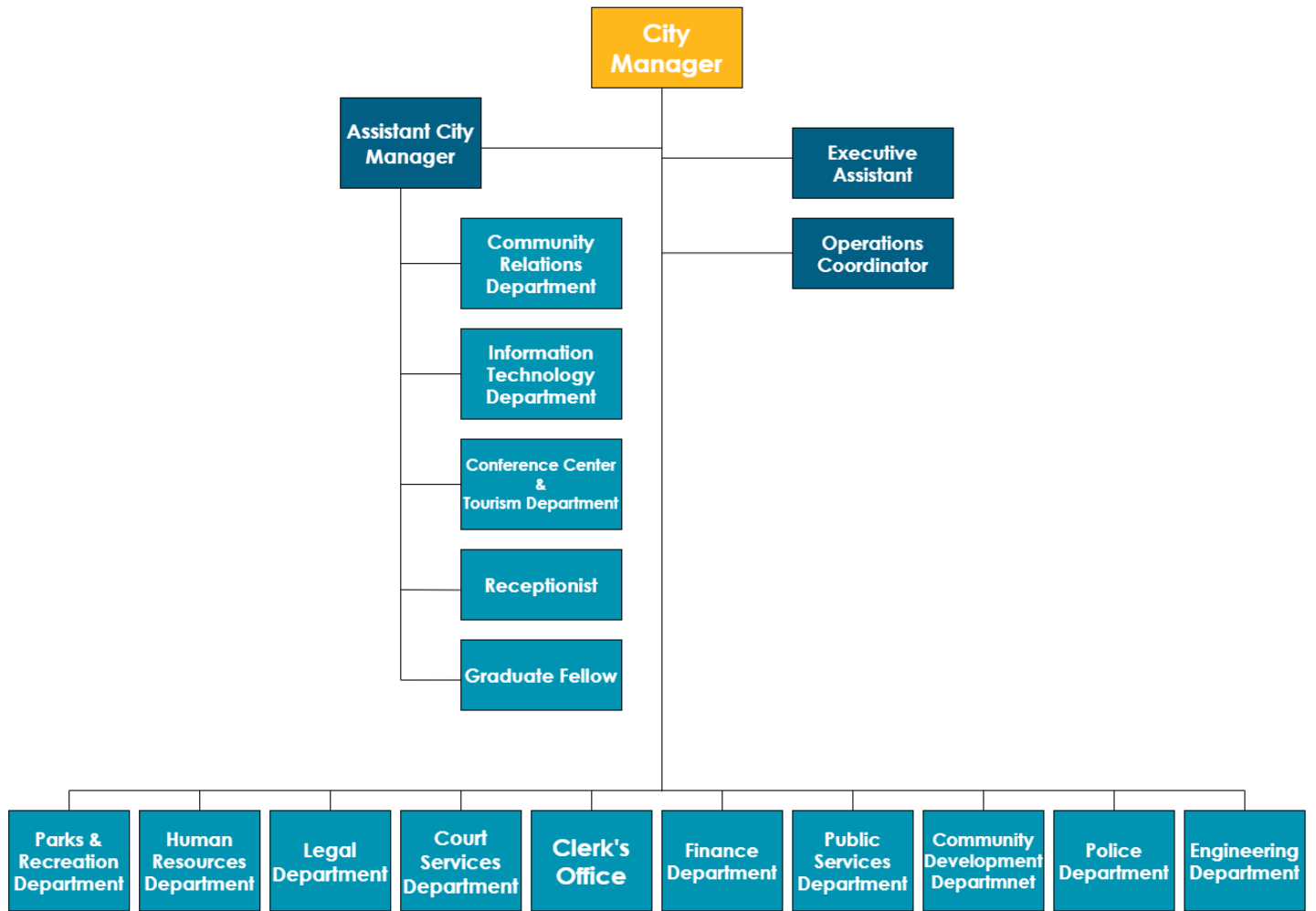
Ward 2, Post 2 Mark Adams

Ward 3, Post 1 LaShun Burr Danley

Ward 3, Post 2 Samuel Davis

Ward 4 Chris Watts

Ward 5 Howard Estes



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 10 to the financial statements, as of July 1, 2022, the City adopted new accounting guidance, Government Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, American Rescue Plan 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 Contributions – Retirement Plan, the Schedule of Changes in the City's Net OPEB Liability and Related Ratios, and the Schedule of City Contributions – OPEB Plan as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated §48-8-121, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, (collectively "the supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2023, 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 the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 23, 2023

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, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the City of Douglasville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$113,233,443 (*net position*). This amount includes \$86,051,615 net investment in capital assets, restricted portion of \$19,385,215 and unrestricted net position at \$7,796,613. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Douglasville's total net position increased by \$17,062,442 as a result of fiscal year 2023 operations.
- As of the close of the current fiscal year, the City of Douglasville's governmental funds reported combined ending fund balances of \$72,269,814, a decrease of \$3,231,672 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30,006,156 or 76% of total General Fund expenditures for the fiscal year.
- The City of Douglasville's total outstanding long-term debt decreased by \$4,097,182 during the current fiscal year because current year resources were used to service existing debt.

Overview of the Financial Statements

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

Basic Financial Statements

The first two statements (pages 17-19) 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 20-25) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

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

Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the City of Douglasville's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements are on pages 17-19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Douglasville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Douglasville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a governments near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near-term financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Douglasville maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan Fund, 2016 SPLOST Fund, Jessie Davis Park Capital Project Fund, and Town Green Amphitheatre Construction Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental financial statements are on pages 20-22 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Notes to the Financial Statements – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 26-62 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Douglasville’s General Fund budget compliance and progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 63-71 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension and OPEB. Combining and individual fund statements and schedules can be found on pages 72-84 of this report.

Government-Wide Overall Financial Analysis

City of Douglasville's Net Position

Figure 1

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the City of Douglasville exceeded liabilities and deferred inflows of resources by \$113,233,443 as of June 30, 2023. The City's net position increased by \$17,062,442 for the fiscal year ended June 30, 2023.

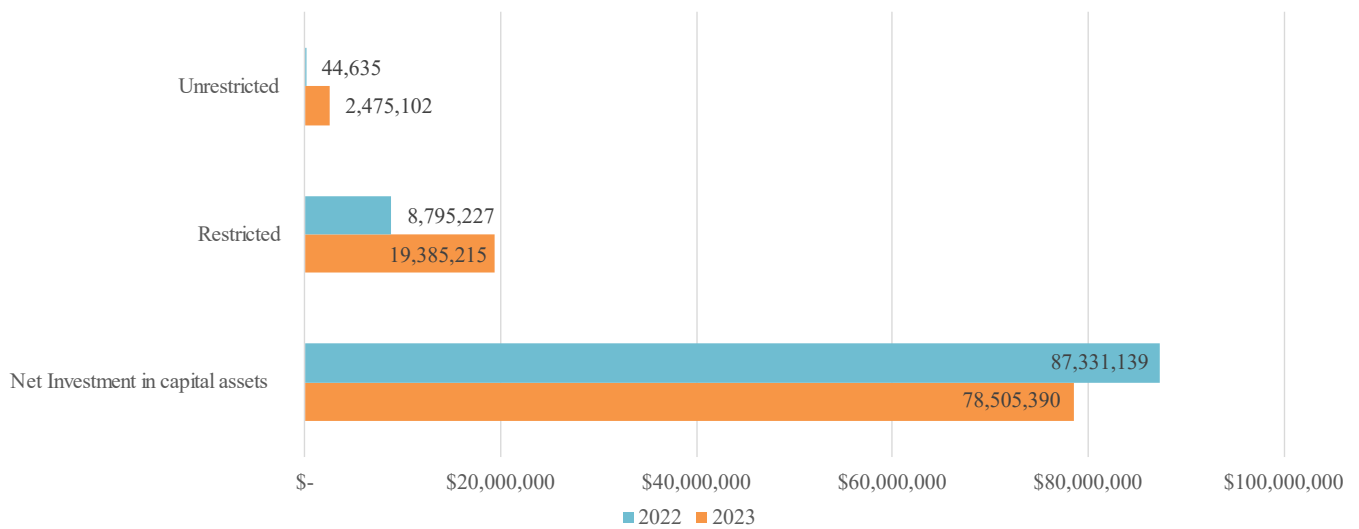
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 91,123,445	\$ 86,550,617	\$ 6,157,210	\$ 4,529,715	\$ 97,280,655	\$ 91,080,332
Capital assets	126,215,210	111,821,302	7,546,225	7,871,848	133,761,435	119,693,150
Total assets	<u>217,338,655</u>	<u>198,371,919</u>	<u>13,703,435</u>	<u>12,401,563</u>	<u>231,042,090</u>	<u>210,773,482</u>
Deferred outflows of resources	12,411,730	9,830,310	393,673	190,757	12,805,403	10,021,067
Long-term liabilities outstanding	96,448,166	97,295,084	792,901	85,603	97,241,067	97,380,687
Other liabilities	17,651,818	15,451,949	436,471	461,353	18,088,289	15,913,302
Total liabilities	<u>114,099,984</u>	<u>112,747,033</u>	<u>1,229,372</u>	<u>546,956</u>	<u>115,329,356</u>	<u>113,293,989</u>
Deferred inflows of resources	15,284,694	10,978,898	-	350,661	15,284,694	11,329,559
Net Investment in capital assets	78,505,390	79,459,291	7,546,225	7,871,848	86,051,615	87,331,139
Restricted	19,385,215	8,795,227	-	-	19,385,215	8,795,227
Unrestricted	2,475,102	(3,778,220)	5,321,511	3,822,855	7,796,613	44,635
Total net position	<u>\$ 100,365,707</u>	<u>\$ 84,476,298</u>	<u>\$ 12,867,736</u>	<u>\$ 11,694,703</u>	<u>\$ 113,233,443</u>	<u>\$ 96,171,001</u>

By far, the largest portion of the City of Douglasville's net position (76%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Douglasville uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City of Douglasville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Douglasville's net position (17%) represent resources that are subject to external restrictions on how they may be used. There was an increase of \$10,589,988 in restricted net position in connection with the City of Douglasville's governmental activities. This increase is due primarily to a restriction of funds for capital projects and economic development. Restricted net position also includes the restriction of funds for federal programs, promotion of tourism, and debt service.

For governmental activities, the City reported a balance of \$2,475,102 in unrestricted net position (2.5%). This is an increase of \$7,751,978 from prior year and primarily the result of a decrease in previously restricted net position for capital projects as bond proceeds related to the Series 2022 General Obligation Bonds are spent down.

City of Douglasville's Net Position
 June 30, 2022 and 2023
 Figure 2



The General Fund reported a positive balance of \$30,006,156 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 \$1,173,033 in connection with the City’s business type activities. This increase is primarily due to an increase in charges for services offset in part by increases in operating expenses as the result of fiscal year 2023 operations. There has not been any rate increases or any unusual funding source.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$15,889,409 from the prior fiscal year for an ending balance of \$100,365,707. This increase is 309% of the prior year increase in net position. The change in net position expanded during the fiscal year due to the following key elements:

- Capital and operating grants and contributions increased \$10,033,215 (153%) from prior year. This is due primarily to capital purchases made using funds from the American Rescue Plan Act.
- Investment earnings increased \$2,641,456 (1,278%) from prior year due to significant increase in market rates.
- Property taxes increased \$3,531,886 (23%) from prior year due to growth in the City’s tax digest.
- Total program and general revenues for governmental activities increased \$18,071,026 (35%) from prior year. This was due to funds received from the American Rescue Plan Act, as well as an increase in property taxes received based on increased property values and not rolling back the millage rate.
- General government expenses increased \$2,671,573 (24%) from prior year. This is due to bonuses given to employees using American Rescue Plan Act funds and new equipment purchased for the Information Technology department.
- Public safety expenses increased \$3,209,542 (19%) from prior year. This is due to multiple new vehicles being purchased for Public Safety.

- Public works expenses increased \$1,796,089 (37%) from prior year. This is due to more landscaping needs being outsourced than the previous fiscal year, as well as initial services that were performed for the new Recycling Center.
- Total expenses for governmental activities increased \$7,208,697 (16%) from the prior year. This is primarily due to increases noted above.

City of Douglasville Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 10,701,821	\$ 9,979,193	\$ 6,640,007	\$ 6,312,906	\$ 17,341,828	\$ 16,292,099
Operating grants and contributions	3,726,306	975,095	-	-	3,726,306	975,095
Capital grants and contributions	12,857,600	5,575,596	-	-	12,857,600	5,575,596
General revenues:						
Property taxes	18,722,171	15,190,285	-	-	18,722,171	15,190,285
Sales taxes	10,393,627	10,066,787	-	-	10,393,627	10,066,787
Other taxes and miscellaneous	9,934,824	9,188,831	-	-	9,934,824	9,188,831
Unrestricted Investment earnings	2,848,223	206,767	169,383	7,974	3,017,606	214,741
Gain on (Loss from) Sale of Capital Assets	69,008	-	-	80,000	69,008	80,000
Total Revenues	69,253,580	51,182,554	6,809,390	6,400,880	76,062,970	57,583,434
Expenses:						
General Government	13,836,894	11,165,321	-	-	13,836,894	11,165,321
Judicial	1,681,637	1,478,217	-	-	1,681,637	1,478,217
Public Safety	20,134,247	16,924,705	-	-	20,134,247	16,924,705
Public Works	6,658,620	4,862,531	-	-	6,658,620	4,862,531
Culture and Recreation	6,642,669	6,613,763	-	-	6,642,669	6,613,763
Housing and Development	2,477,491	2,945,872	-	-	2,477,491	2,945,872
Interest on long-term debt	1,932,613	2,165,065	-	-	1,932,613	2,165,065
Sanitation Services	-	-	5,636,357	5,316,257	5,636,357	5,316,257
Total Expenses	53,364,171	46,155,474	5,636,357	5,316,257	59,000,528	51,471,731
Increase (decrease) in net position before transfers	15,889,409	5,027,080	1,173,033	1,084,623	17,062,442	6,111,703
Transfers	-	105,737	-	(105,737)	-	-
Change in net position	15,889,409	5,132,817	1,173,033	978,886	17,062,442	6,111,703
Net position - beginning	84,476,298	79,343,481	11,694,703	10,715,817	96,171,001	90,059,298
Net position - ending	\$ 100,365,707	\$ 84,476,298	\$ 12,867,736	\$ 11,694,703	\$ 113,233,443	\$ 96,171,001

The most significant expenses are for Public Safety at \$20,134,247 representing 38% of the total governmental expenses. Public Safety increased by \$3,209,542 primarily attributable to an increase in activity using the American Rescue Plan Act funds. The next most significant program expense is General Government. General Government expense of \$13,836,894 represents 26% of total governmental expenses and increased by \$2,671,573 (24%). Within General Government, the largest percent increase was Engineering (\$174,098 or 51%), followed by City Manager (\$176,638 or 24%) and Human Resources (\$238,382 or 22%).

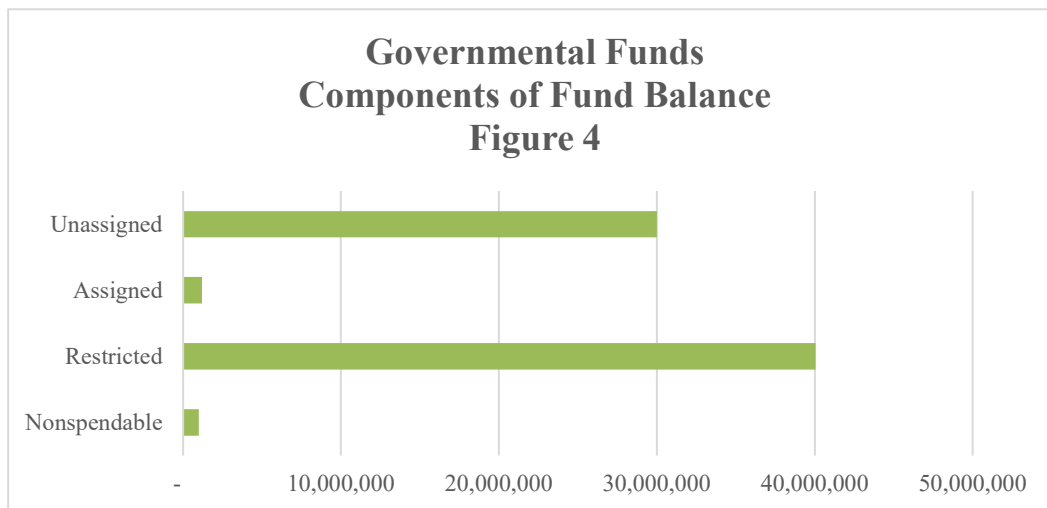
Business-type activities: For the City of Douglasville’s business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$1,173,033 to reach an ending balance of \$12,867,736. The most significant business-type activity of the City is sanitation services provided to the citizens of the City of Douglasville. Revenues in the Sanitation Enterprise Fund are made up of a combination of user fees, grants, and SPLOST. Charges for services increased by \$327,101 or 5% from prior year. No grants or contributions were received during the fiscal year. Expenses for providing sanitation services remained steady with a modest increase of \$320,100 or 6% over prior year.

Financial Analysis of Governmental Funds

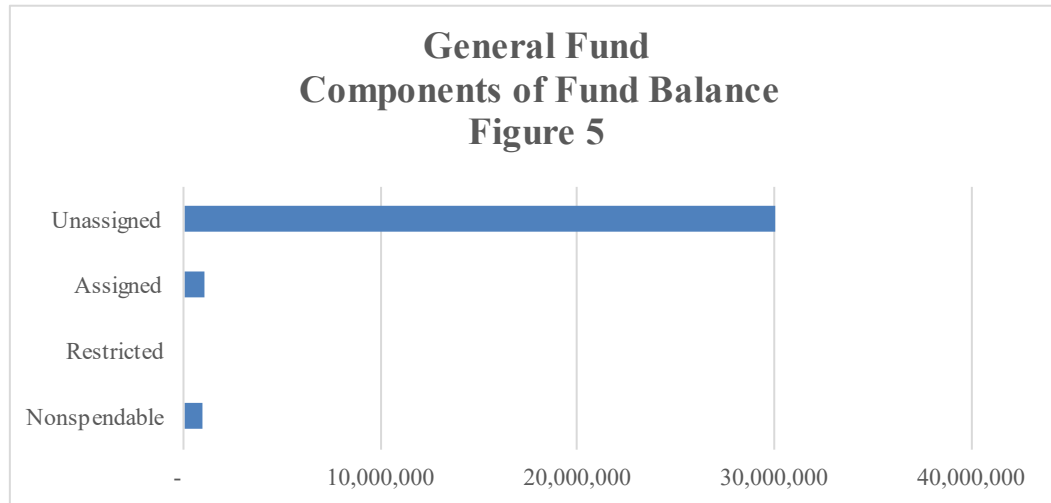
As noted earlier, the City of Douglasville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Douglasville’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Douglasville’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s resources available for discretionary use. Unassigned fund balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Douglasville itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Douglasville’s Council.

At June 30, 2023, the City of Douglasville’s governmental funds reported combined fund balances of \$72,269,814, a decrease of \$3,231,672 in comparison with the prior year.



The General Fund is the chief operating fund of the City of Douglasville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$30,006,156, an increase of \$4,022,790 in comparison with the prior year. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. At the end of fiscal year 2023, unassigned fund balance represents approximately 76% of total General Fund expenditures, while total fund balance represents approximately 81% of that same amount.



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

- General Fund taxes increased \$2,626,844 over the prior year with real and personal property taxes accounted for \$1,917,368 (73%) of that increase while Insurance Premium Tax accounted for 17% of that increase or \$434,694. The General Fund property taxes increase is due to increases in the valuation of the City’s digest.
- Net investment income increased by \$1,114,623 over the prior year.
- General Fund expenditures increased by \$4,140,229 or 12% over the prior year. The largest percent increases were in Debt Service (159%), Public Works (82%), and Culture and Recreation (42%). These increases as well as all the other departments were offset in part by a decrease in Public Safety (-7%).

The SPLOST Fund, a major fund, had a \$2,625,370 increase in fund balance during the current fiscal year which resulted in overall fund balance of \$4,684,380. The increase in fund balance was caused mainly by an increase in intergovernmental revenues through sales tax collections offset by a small decrease in capital expenditures in the current period. Sales tax collections increased by \$3,134,547 over prior year.

The Jessie Davis Park Capital Project Fund and Town Green Amphitheatre Construction Fund, which are both considered major funds, were created in fiscal year 2022. The fund balances are \$20,876,246 and \$2,974,040, respectively. The fund balance in both of these major funds is primarily attributable to proceeds from the issuance of long-term debt.

The American Rescue Plan Fund, a major fund, had an increase of \$178,813 over prior year.

Proprietary Fund. The City of Douglasville’s proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was \$5,321,511. The total increase in net position from the prior fiscal year was \$1,173,033.

General Fund Budgetary Highlights

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

Final budget compared to actual results. During the fiscal year actual revenues fell below budgeted amounts by \$382,609. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	\$ 32,739,782	\$ 32,261,353	\$ (478,429)
Licenses and permits	4,378,288	3,562,074	(816,214)
Fines and forfeitures	2,077,594	2,569,423	491,829
Miscellaneous	460,284	798,872	338,588
Net investment income	972,752	1,104,510	131,758

Expenditures were \$4,974,559 less than the final approved budget. The most significant differences between appropriated expenditures and actual expenditures were as follows:

Department	Appropriated Expenditures	Actual Expenditures	Difference
General Government	\$ 13,958,956	\$ 10,931,890	\$ 3,027,066
Public Safety	14,717,032	14,250,840	466,192
Culture and Recreation	6,853,797	5,939,120	914,677
Housing and Development	2,059,898	1,498,039	561,859

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, 2023, amounts to \$133,761,435 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and other infrastructure. There was an increase in capital assets for the current fiscal year of approximately 13.6%.

City of Douglasville Changes in Capital Assets - Figure 6

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 30,372,132	\$ 30,372,132	\$ -	\$ -	\$ 30,372,132	\$ 30,372,132
Construction in Progress	21,995,990	5,113,708	-	-	21,995,990	5,113,708
Buildings	40,249,846	41,338,411	7,017,635	7,179,464	47,267,481	48,517,875
Other Improvements	10,814,369	11,264,930	13,841	14,793	10,828,210	11,279,723
Infrastructure	14,703,263	15,333,447	-	-	14,703,263	15,333,447
Vehicles, Machinery and Equipment	7,263,780	6,250,082	514,749	677,591	7,778,529	6,927,673
Leased Machinery and Equipment	312,296	439,678	-	-	312,296	439,678
Subscription Assets	503,534	-	-	-	503,534	-
	<u>\$ 126,215,210</u>	<u>\$ 110,112,388</u>	<u>\$ 7,546,225</u>	<u>\$ 7,871,848</u>	<u>\$ 133,761,435</u>	<u>\$ 117,984,236</u>

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

- New playground equipment at Hunter Park and Fowler Field Park
- Multiple new vehicles for Public Safety
- New equipment for Public Safety (SWAT vest replacements, red dot sight systems for all certified officers)
- Transferred street light maintenance in Downtown Douglasville to Georgia Power
- New vehicles and equipment for Public Services
- Storage device upgrades and network switches and access points city-wide through Information Technology

Additional information on the City’s capital assets can be found in Note 8 of the Basic Financial Statements.

Long-term Debt. At the end of the fiscal year, the City of Douglasville had the following debt outstanding:

City of Douglasville Changes in Long Term Debt - Figure 7

	Governmental Activities		Business-type Activites		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$ 58,209,381	\$ 61,071,753	\$ -	\$ -	\$ 58,209,381	\$ 61,071,753
Premium	4,986,033	5,462,960	-	-	4,986,033	5,462,960
Discount	(9,661)	(10,991)	-	-	(9,661)	(10,991)
Financed purchases	-	851,820	-	-	-	851,820
Notes payable	185,570	300,571	-	-	185,570	300,571
Lease liabilities	312,073	432,377	-	-	312,073	432,377
SBITAs	327,912	98,103	-	-	327,912	98,103
Net pension liability	11,539,214	979,738	707,562	74,393	12,246,776	1,054,131
Net OPEB liability	19,878,423	31,417,224	-	-	19,878,423	31,417,224
Compensated absences	1,018,691	791,879	85,339	56,051	1,104,030	847,930
Total	\$ 96,447,636	\$ 101,395,434	\$ 792,901	\$ 130,444	\$ 97,240,537	\$ 101,525,878

- The City of Douglasville’s total debt decreased \$4,285,341 (4.22%) during the current fiscal year. This decrease is primarily due to current year resources used to service existing debt.

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 the City of Douglasville is \$196,103,994. 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 10 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.

- High inflation has persisted since 2022 because of the combination of strong demand and restrained supply in the markets for goods, services, and labor. Inflation then subsided as supply disruptions dissipate, energy prices decline, and less accommodating monetary policy takes hold. Since mid-2021, inflation has reached its fastest pace in four decades. The FY24 Budget anticipates economic growth to slow and inflationary pressures ease.
- Low unemployment. The City of Douglasville's unemployment rate of 6.4% is down from prior year rate of 8.1%. The City's unemployment rate is slightly above the State average of 3.4%.
- Opening of new businesses has proceeded at a positive rate for several years, which have created new service area jobs.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: The fiscal year 2024 General Fund budget is 5% lower than the 2023 amended General Fund budget. Nearly 76% of the General Fund revenues are received from two sources: property tax represents 46% and sales tax represents 30%. Revenue projections remain conservative. The budget assumptions assume the M & O millage rate is set to increase to a total of 7.711 mills. Sales tax is projected to increase by 4%.

The additional revenue will help fund capital outlay in the budget so that the City can keep on track with its capital improvement program. The General Fund includes \$2.45 million in capital. These include capital improvements for facilities, a new FUSUS Intelligence Eco-Center, and new vehicles.

The new Amphitheater and Town Green opened in the second half of FY23. Operating costs were programmed in the budget for the end of FY23, but FY24 is the first full year of the Amphitheater and Town Green being open.

The City programmed for an average 3% merit increase in the fiscal year 2024 budget. There is also an 8% health insurance cost increase, 8% Pension cost increase, and a continuation of enhanced Christmas Bonus and Sick-Leave Buy-Back program added.

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

The 2016 Special Local Option Sales tax fund which was adopted in fiscal year 2017 reflects the 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%. For FY24, almost all of the SPLOST 2016 funds have been spent, and the new SPLOST 2022 began.

The collections for the 2022 Special Local Option Sales tax fund began in May of 2023. Included in the 2022 SPLOST budget are funds for Public Safety 35%, Facilities 20%, Transportation 35%, and Parks and Recreation 10%.

The Public Safety budget is comprised primarily of the purchase of new equipment and vehicles suited for increasing public safety and/or enhancing current operations. The majority of Public Safety's budget for 2022 SPLOST will go towards a new Driver Training Facility for training officers from various entities.

The Facilities portion of SPLOST 2022 includes design fees for a new City Hall design, Hawthorne Center upgrades, Public Safety and Community Center upgrades, and demolition of the old Douglasville Precinct.

The Parks and Recreation portion of SPLOST 2022 identifies key projects with the intent to improve, renovate, and/or replace infrastructure throughout the Douglasville Parks System. This includes possible land acquisitions in wards 1 and 5 for new parks, as well as some renovations at West Pines Golf Course and Hunter Park.

The Transportation portion of SPLOST is primarily comprised of resurfacing projects and overall beautification of the City of Douglasville's roads, sidewalks, and right of ways identified through a pavement evaluation and various studies. For 2022 SPLOST, the anticipated projects include Highway 5 Bridge at I-20 Improvements, Bicycle and Pedestrian Connectivity Implementation, and Northside Trail Implementation.

Business-Type Activities: The Sanitation Fund budget remains steady for FY24. Front-end service will continue to be outsourced.

Requests for Information:

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

BASIC FINANCIAL STATEMENTS

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Development Authority
Cash and cash equivalents	\$ 78,475,443	\$ 5,560,517	\$ 84,035,960	\$ 440,705
Investments	5,628,195	-	5,628,195	-
Taxes receivable, net of allowances	581,506	-	581,506	-
Accounts receivable, net of allowances	1,492,507	485,861	1,978,368	1,698
Leases receivable	1,148,592	-	1,148,592	-
Other receivables	175,811	-	175,811	-
Due from other governments	2,620,998	-	2,620,998	-
Inventories	44,195	-	44,195	-
Prepaid items	956,198	110,832	1,067,030	3,647
Capital assets, non-depreciable	52,368,122	-	52,368,122	-
Capital assets, depreciable, net of accumulated depreciation	73,847,088	7,546,225	81,393,313	-
Total assets	217,338,655	13,703,435	231,042,090	446,050
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	836,190	-	836,190	-
Accumulated decrease in fair value of hedging derivative	530	-	530	-
Pension related items	6,420,185	393,673	6,813,858	-
OPEB related items	5,154,825	-	5,154,825	-
Total deferred outflows of resources	12,411,730	393,673	12,805,403	-
LIABILITIES				
Accounts payable	8,494,162	336,880	8,831,042	26
Retainage payable	1,105,038	-	1,105,038	-
Accrued liabilities	745,506	43,162	788,668	-
Accrued interest payable	900,401	-	900,401	-
Unearned revenue	6,220,058	-	6,220,058	-
Customer deposits payable	186,653	56,429	243,082	-
Noncurrent liabilities				
Due within one year				
Compensated absences	814,953	68,271	883,224	-
Lease liabilities	124,169	-	124,169	-
Subscription based information technology arrangements	157,998	-	157,998	-
Notes payable	128,032	-	128,032	-
Bonds payable	3,531,421	-	3,531,421	-
Due in more than one year				
Compensated absences	203,738	17,068	220,806	-
Lease liabilities	187,904	-	187,904	-
Subscription based information technology arrangements	169,914	-	169,914	-
Notes payable	57,538	-	57,538	-
Bonds payable	59,654,332	-	59,654,332	-
Fair value of hedging derivative	530	-	530	-
Net pension liability	11,539,214	707,562	12,246,776	-
Net OPEB liability	19,878,423	-	19,878,423	-
Total liabilities	114,099,984	1,229,372	115,329,356	26
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of lease revenue	1,096,742	-	1,096,742	-
OPEB related items	14,187,952	-	14,187,952	-
Total deferred inflows of resources	15,284,694	-	15,284,694	-
NET POSITION				
Net investment in capital assets	78,505,390	7,546,225	86,051,615	-
Restricted for:				
Economic development	2,663,060	-	2,663,060	-
Federal programs	186,624	-	186,624	-
Promotion of tourism	4,467,641	-	4,467,641	-
Capital projects	10,815,917	-	10,815,917	-
Debt service	1,251,973	-	1,251,973	-
Unrestricted	2,475,102	5,321,511	7,796,613	446,024
Total net position	\$ 100,365,707	\$ 12,867,736	\$ 113,233,443	\$ 446,024

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, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,836,894	\$ 4,829,412	\$ 1,886,441	\$ -
Judicial	1,681,637	3,334,912	-	-
Public safety	20,134,247	267,206	1,075,372	1,599,693
Public works	6,658,620	-	268,857	9,607,424
Culture and recreation	6,642,669	1,840,172	495,636	1,650,483
Housing and development	2,477,491	430,119	-	-
Interest and fiscal charges on long-term debt	1,932,613	-	-	-
Total governmental activities	<u>53,364,171</u>	<u>10,701,821</u>	<u>3,726,306</u>	<u>12,857,600</u>
Business-type activities:				
Sanitation	<u>5,636,357</u>	<u>6,640,007</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,636,357</u>	<u>6,640,007</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 59,000,528</u>	<u>\$ 17,341,828</u>	<u>\$ 3,726,306</u>	<u>\$ 12,857,600</u>
Component unit:				
Development Authority	\$ 201,204	\$ 107,750	\$ -	\$ -
Total component unit	<u>\$ 201,204</u>	<u>\$ 107,750</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
- Total general revenues
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Development Authority
\$ (7,121,041)	\$ -	\$ (7,121,041)	\$ -	
1,653,275	-	1,653,275	-	
(17,191,976)	-	(17,191,976)	-	
3,217,661	-	3,217,661	-	
(2,656,378)	-	(2,656,378)	-	
(2,047,372)	-	(2,047,372)	-	
(1,932,613)	-	(1,932,613)	-	
<u>(26,078,444)</u>	<u>-</u>	<u>(26,078,444)</u>	<u>-</u>	
-	1,003,650	1,003,650	-	
-	1,003,650	1,003,650	-	
<u>\$ (26,078,444)</u>	<u>\$ 1,003,650</u>	<u>\$ (25,074,794)</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ (93,454)	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,454)</u>	
\$ 18,722,171	\$ -	\$ 18,722,171	\$ -	
10,393,627	-	10,393,627	-	
2,412,955	-	2,412,955	-	
2,804,274	-	2,804,274	-	
2,913,966	-	2,913,966	-	
1,305,494	-	1,305,494	-	
2,848,223	169,383	3,017,606	10,917	
69,008	-	69,008	-	
498,135	-	498,135	-	
<u>41,967,853</u>	<u>169,383</u>	<u>42,137,236</u>	<u>10,917</u>	
15,889,409	1,173,033	17,062,442	(82,537)	
84,476,298	11,694,703	96,171,001	528,561	
<u>\$ 100,365,707</u>	<u>\$ 12,867,736</u>	<u>\$ 113,233,443</u>	<u>\$ 446,024</u>	

CITY OF DOUGLASVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	American Rescue		SPLOST	Jessie Davis	Town Green	Other	Total
	General	Plan Fund	2016	Park Capital Project Fund	Amphitheater Construction Fund	Governmental Funds	Governmental Funds
Cash and cash equivalents	\$ 25,863,302	\$ 6,410,981	\$ 8,712,810	\$ 22,343,263	\$ 6,434,659	\$ 8,710,428	\$ 78,475,443
Investments	4,561,924	-	-	-	-	1,066,271	5,628,195
Receivables, net:							
Taxes receivable	325,613	-	-	-	-	255,893	581,506
Accounts receivable	1,492,507	-	-	-	-	-	1,492,507
Leases receivable	-	-	-	-	-	1,148,592	1,148,592
Other receivables	-	24,701	33,567	52,000	26,219	39,324	175,811
Due from other governments	975,145	-	-	-	-	1,645,853	2,620,998
Due from other funds	2,163,069	-	-	-	-	-	2,163,069
Inventories	44,195	-	-	-	-	-	44,195
Prepaid items	942,752	-	-	-	-	13,446	956,198
Total assets	<u>\$ 36,368,507</u>	<u>\$ 6,435,682</u>	<u>\$ 8,746,377</u>	<u>\$ 22,395,263</u>	<u>\$ 6,460,878</u>	<u>\$ 12,879,807</u>	<u>\$ 93,286,514</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 2,402,586	\$ 29,000	\$ 4,009,281	\$ 554,965	\$ 1,287,919	\$ 210,411	\$ 8,494,162
Retainage payable	-	-	52,716	344,401	706,620	1,301	1,105,038
Accrued liabilities	725,866	-	-	-	-	19,640	745,506
Due to other funds	-	-	-	619,651	1,492,299	51,119	2,163,069
Unearned revenue	-	6,220,058	-	-	-	-	6,220,058
Deposits payable	186,653	-	-	-	-	-	186,653
Total liabilities	<u>3,315,105</u>	<u>6,249,058</u>	<u>4,061,997</u>	<u>1,519,017</u>	<u>3,486,838</u>	<u>282,471</u>	<u>18,914,486</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of lease revenue	-	-	-	-	-	1,096,742	1,096,742
Unavailable revenue - property tax	986,261	-	-	-	-	19,211	1,005,472
	<u>986,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,115,953</u>	<u>2,102,214</u>
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaid items	942,752	-	-	-	-	13,446	956,198
Inventories	44,195	-	-	-	-	-	44,195
Restricted for:							
Economic development	-	-	-	-	-	2,663,060	2,663,060
Federal programs	-	186,624	-	-	-	-	186,624
Promotion of tourism	-	-	-	-	-	4,454,195	4,454,195
Capital projects	-	-	4,554,311	20,876,246	2,974,040	2,198,308	30,602,905
Debt service	-	-	-	-	-	2,152,374	2,152,374
Assigned:							
Retiree benefits	885,178	-	-	-	-	-	885,178
Fiscal year 2024 operations	188,860	-	130,069	-	-	-	318,929
Unassigned	30,006,156	-	-	-	-	-	30,006,156
Total fund balances	<u>32,067,141</u>	<u>186,624</u>	<u>4,684,380</u>	<u>20,876,246</u>	<u>2,974,040</u>	<u>11,481,383</u>	<u>72,269,814</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,368,507</u>	<u>\$ 6,435,682</u>	<u>\$ 8,746,377</u>	<u>\$ 22,395,263</u>	<u>\$ 6,460,878</u>	<u>\$ 12,879,807</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.

126,215,210

Some revenues are not available in the current period and, therefore, are reported as deferred inflows of resources in the governmental funds.

1,005,472

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.

(34,030,579)

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.

530

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

(65,094,740)

Net position of governmental activities

\$ 100,365,707

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, 2023

	General	American Rescue Plan Fund	SPLOST 2016	Jessie Davis Park Capital Project Fund	Town Green Amphitheater Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 32,261,353	\$ -	\$ -	\$ -	\$ -	\$ 6,167,467	\$ 38,428,820
Licenses and permits	3,562,074	-	-	-	-	-	3,562,074
Intergovernmental	7,941	6,121,570	7,998,466	-	-	2,778,059	16,906,036
Fines and forfeitures	2,569,423	-	-	-	-	53,491	2,622,914
Charges for services	2,192,854	-	-	-	-	265,356	2,458,210
Investment income	1,104,510	178,813	170,572	969,711	332,694	262,495	3,018,795
Contributions	1,560	-	-	-	-	-	1,560
Miscellaneous	798,872	-	-	-	-	498,135	1,297,007
Total revenues	<u>42,498,587</u>	<u>6,300,383</u>	<u>8,169,038</u>	<u>969,711</u>	<u>332,694</u>	<u>10,025,003</u>	<u>68,295,416</u>
Expenditures							
Current:							
General government	10,931,890	1,886,441	51,190	-	-	22,442	12,891,963
Judicial	1,648,560	-	-	-	-	-	1,648,560
Public safety	14,250,840	1,036,369	2,872,662	-	-	160,606	18,320,477
Public works	3,992,786	268,857	1,035,355	-	-	419,704	5,716,702
Culture and recreation	5,939,120	495,636	214,765	-	-	1,851,809	8,501,330
Housing and development	1,498,039	-	35,203	-	-	492,969	2,026,211
Capital outlay	-	1,749,927	1,334,493	3,793,050	9,719,645	-	16,597,115
Debt service:							
Principal retirement	824,438	976,820	-	-	-	2,312,372	4,113,630
Interest and fiscal charges	551,233	72,901	-	787,404	-	768,500	2,180,038
Bond issuance costs	5,000	-	-	-	-	-	5,000
Total expenditures	<u>39,641,906</u>	<u>6,486,951</u>	<u>5,543,668</u>	<u>4,580,454</u>	<u>9,719,645</u>	<u>6,028,402</u>	<u>72,001,026</u>
Excess (deficiency) of revenues over expenditures	2,856,681	(186,568)	2,625,370	(3,610,743)	(9,386,951)	3,996,601	(3,705,610)
Other financing sources (uses):							
Proceeds from sale of capital assets	49,960	-	-	-	-	30,036	79,996
Issuance of long term debt	28,561	365,381	-	-	-	-	393,942
Transfers in	-	-	-	-	-	268,489	268,489
Transfers out	(32,189)	-	-	-	-	(236,300)	(268,489)
Total other financing sources (uses)	<u>46,332</u>	<u>365,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,225</u>	<u>473,938</u>
Net change in fund balance	2,903,013	178,813	2,625,370	(3,610,743)	(9,386,951)	4,058,826	(3,231,672)
Fund balances, beginning of year	<u>29,164,128</u>	<u>7,811</u>	<u>2,059,010</u>	<u>24,486,989</u>	<u>12,360,991</u>	<u>7,422,557</u>	<u>75,501,486</u>
Fund balances, end of year	<u>\$ 32,067,141</u>	<u>\$ 186,624</u>	<u>\$ 4,684,380</u>	<u>\$ 20,876,246</u>	<u>\$ 2,974,040</u>	<u>\$ 11,481,383</u>	<u>\$ 72,269,814</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, 2023

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

Net change in fund balances - total governmental funds	\$	(3,231,672)
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		15,455,385
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.		(10,988)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		912,294
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.		4,093,236
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.		(1,328,846)
Change in net position - governmental activities	\$	<u><u>15,889,409</u></u>

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

CITY OF DOUGLASVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Major Enterprise Fund Sanitation Fund
CURRENT ASSETS	
Cash and cash equivalents	\$ 5,560,517
Accounts receivable, net of allowances	485,861
Prepaid items	110,832
Total current assets	6,157,210
NON-CURRENT ASSETS	
Depreciable capital assets, net of accumulated depreciation	7,546,225
Total non-current assets	7,546,225
Total assets	13,703,435
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	393,673
CURRENT LIABILITIES	
Accounts payable	336,880
Accrued liabilities	43,162
Customer deposits payable	56,429
Compensated absences, due within one year	68,271
Total current liabilities	504,742
NON-CURRENT LIABILITIES	
Compensated absences, due in more than one year	17,068
Net pension liability	707,562
Total non-current liabilities	724,630
Total liabilities	1,229,372
NET POSITION	
Investment in capital assets	7,546,225
Unrestricted	5,321,511
Total net position	\$ 12,867,736

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, 2023**

	Major Enterprise Fund Sanitation Fund
OPERATING REVENUES	
Charges for services	\$ 6,640,007
OPERATING EXPENSES	
Personnel costs	1,427,425
Purchased and contracted services	3,275,024
Other operating expenses	608,285
Depreciation	325,623
Total operating expenses	5,636,357
Operating income	1,003,650
NON-OPERATING INCOME	
Investment income	169,383
Total non-operating income	169,383
Change in net position	1,173,033
NET POSITION, beginning of year	11,694,703
NET POSITION, end of year	\$ 12,867,736

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, 2023

	Major Enterprise Fund Sanitation Fund
Cash flows from operating activities	
Receipts from customers	\$ 6,634,355
Payments to suppliers and service providers	(3,856,057)
Payments to employees	(1,304,539)
Net cash provided by operating activities	1,473,759
Cash flows from investing activities	
Interest income on investments	169,383
Net cash provided by investing activities	169,383
Increase in cash and cash equivalents	1,643,142
Cash and cash equivalents:	
Beginning of year	3,917,375
End of year	\$ 5,560,517
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,003,650
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	325,623
(Increase) decrease in:	
Accounts receivable	(24,677)
Prepaid items	40,324
Increase (decrease) in:	
Accrued liabilities	14,006
Accounts payable	(13,072)
Customer deposits payable	19,025
Compensated absences	29,288
Net pension liability (and related deferred outflows/inflows of resources)	79,592
Net cash provided by operating activities	\$ 1,473,759

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, 2023

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 Unit

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.

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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of* accounting, as is the proprietary. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and postemployment benefits are recognized later based on specific accounting rule applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 **American Rescue Plan Fund** is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

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

The **Jessie Davis Park Capital Project Fund** is a capital project fund established to account for the City's expenditure of proceeds from the issuance of the 2022 General Obligation Bonds for the renovation of Jessie Davis Park.

The **Town Green Amphitheater Capital Project Fund** is a capital project fund established to account for the City's expenditure of proceeds from the issuance of the 2021 Conference Center Revenue Bonds for the construction of a new amphitheater in the City.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary fund:

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

The City also reports the following funds and 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 Fund (SPLOST 2022)** accounts for proceeds and expenditure of special purpose local option sales tax proceeds (SPLOST), Series 2022, received from Douglas County.

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

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

D. Deposits and Investments

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

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

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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023, are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

H. Capital Assets

Capital assets, subscription assets, and lease assets, which include property, plant, equipment, software, 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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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	5-10
Lease equipment	5-10
Subscription assets	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.

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 assets 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 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting in this category (aside from deferred inflows related to pensions and OPEB which are discussed below). One of these items 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 second item reported, *deferred inflows of lease revenue*, is reported in the governmental funds balance sheet, as well as the government wide statement of net position, and will be recognized in the period in which the lease payments are received.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

The City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and net 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 net 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 net 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 net OPEB liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability and net OPEB liability in the next fiscal year.

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. Leases

Lessee

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and a lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lessee (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses an estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for noncancellable leases of real property. The City recognizes a lease receivable asset and a deferred inflow of resources in the fund level and government wide financial statements. The City recognizes lease receivable assets with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the City is reasonably certain to collect.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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.

N. 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.

O. 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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 net 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 \$34,030,579 difference are as follows:

Deferred outflows of resources - pension related items	\$ 6,420,185
Net pension liability	(11,539,214)
Deferred outflows of resources - OPEB related items	5,154,825
Net OPEB liability	(19,878,423)
Deferred inflows of resources - OPEB related items	(14,187,952)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (34,030,579)

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 \$65,094,740 difference are as follows:

Accrued interest payable	\$ (900,401)
Lease liabilities payable	(312,073)
Software based information technology arrangements	(327,912)
Compensated absences payable	(1,018,691)
Notes payable	(185,570)
Bonds payable	(58,209,381)
Bond premiums, unamortized balance	(4,986,033)
Bond discounts, unamortized balance	9,661
Deferred charges from refunding, unamortized balance	836,190
Fair value of hedging derivative	(530)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (65,094,740)

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 and amortization expense.” The details of this \$15,455,385 difference are as follows:

Capital outlay	\$ 21,263,277
Depreciation and amortization expense	<u>(5,807,892)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 15,455,385</u></u>

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$4,093,236 difference are as follows:

Principal payments - lease liabilities	\$ 120,304
Principal payments - software based information technology arrangements	164,133
Principal payments - financed purchases	851,820
Principal payments - notes payable	115,001
Principal payments - bonds	2,862,372
Amortization of bond premiums	476,927
Amortization of bond discounts	(1,330)
Amortization of deferred charges on refunding	(102,049)
Proceeds of software based information technology arrangements	<u>(393,942)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 4,093,236</u></u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 \$1,328,846 difference are as follows:

Compensated absences	\$ (226,812)
Accrued interest	(121,123)
Pension expense	(2,033,390)
OPEB expense	<u>1,052,479</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (1,328,846)</u></u>

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

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

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

The following General Fund departments and other governmental funds had actual expenditures in excess of appropriations for the fiscal year ended June 30, 2023:

<u>General Fund</u>		
Culture and Recreation:		
Parks Maintenance	\$	3,882
Jessie Davis Park		1,809
Housing and Development:		
Inspections		3,197
Debt Service		176,047
<u>American Rescue Plan Fund</u>		
Debt Service		1,049,621

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, 2023:

<u>Investment</u>	<u>Maturities</u>	<u>Balance</u>
Deposits with financial institutions	---	\$ 58,502,052
Certificate of deposit	May 15, 2024	1,066,271
Certificate of deposit	June 30, 2024	20,013
Certificate of deposit	September 1, 2023	1,333,389
Certificate of deposit	May 3, 2024	1,070,759
Certificate of deposit	May 3, 2024	1,070,680
Certificate of deposit	June 24, 2024	1,067,083
Georgia Fund 1	28 day WAM (1)	25,533,908
Total		<u>\$ 89,664,155</u>
As reported in the Statement of Net Position:		
Cash and cash equivalents		\$ 84,035,960
Investments		5,628,195
Total		<u>\$ 89,664,155</u>

(1) Weighted average maturity

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

As part of the issuance of the City's 2005 Series Revenue Bonds, the City entered into an interest rate swap agreement. The interest rate swap agreement is more fully described in Note 10. The fair value of the interest rate swap agreement is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

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

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

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, 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, 2023 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, 2023

NOTE 5. RECEIVABLES

Receivables at June 30, 2023, for the City’s individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	American Rescue Plan Fund	SPLOST 2016	Jessie Davis Park Capital Project Fund
Receivables:				
Taxes	\$ 325,613	\$ -	\$ -	\$ -
Accounts receivables	5,501,709	-	-	-
Leases receivable	-	-	-	-
Other receivables	-	24,701	33,567	52,000
Intergovernmental	975,145	-	-	-
Gross receivables	<u>6,802,467</u>	<u>24,701</u>	<u>33,567</u>	<u>52,000</u>
Less allowance for uncollectibles	(4,009,202)	-	-	-
Net total receivables	<u>\$ 2,793,265</u>	<u>\$ 24,701</u>	<u>\$ 33,567</u>	<u>\$ 52,000</u>
	Town Green Amphitheater Construction Fund	Non-major Governmental	Sanitation	Total
Receivables:				
Taxes	\$ -	\$ 255,893	\$ -	\$ 581,506
Accounts receivables	-	-	526,090	6,027,799
Leases receivable	-	1,148,592	-	1,148,592
Other receivables	26,219	39,324	-	175,811
Intergovernmental	-	1,645,853	-	2,620,998
Gross receivables	<u>26,219</u>	<u>3,089,662</u>	<u>526,090</u>	<u>10,554,706</u>
Less allowance for uncollectibles	-	-	(40,229)	(4,049,431)
Net total receivables	<u>\$ 26,219</u>	<u>\$ 3,089,662</u>	<u>\$ 485,861</u>	<u>\$ 6,505,275</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6. LEASES RECEIVABLE

The City has leased a building to a third party. The City receives monthly payments of \$34,553, which include the principal and interest components of the payments. As the lease does not contain a specific interest rate, the City has used an incremental borrowing rate of 5.25% as the discount rate for the lease. For the current year, the City recognized \$365,581 in lease revenue and \$70,175 in interest revenue related to the lease. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the lease term that ends on June 30, 2026. This deferred inflow of resources has a balance of \$1,096,742 as of June 30, 2023. As of June 30, 2023, the City's receivable for lease payments was \$1,148,592.

The City leased a parcel of land to a third party. The City received monthly payments of \$2,511, which include the principal and interest components of the payments. As the lease does not contain a specific interest rate, the City has used an incremental borrowing rate of 8.50% as the discount rate for the lease. For the current year, the City recognized \$17,797 in lease revenue and \$488 in interest revenue related to the lease. As of June 30, 2023, this lease was received in full.

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases receivable					
Building lease - Public Purpose Corp	\$ 1,493,057	\$ -	\$ (344,465)	\$ 1,148,592	\$ 362,991
Cell tower lease - General Fund	17,091	-	(17,091)	-	-
	<u>\$ 1,510,148</u>	<u>\$ -</u>	<u>\$ (361,556)</u>	<u>\$ 1,148,592</u>	<u>\$ 362,991</u>

NOTE 7. 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, 2023, property taxes were levied by Douglas County on January 1, 2022 and due November 21, 2022. Collections not received by November 22, 2022 are considered delinquent. The dates on which liens were attached to property for unpaid taxes varied.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

A. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 30,372,132	\$ -	\$ -	\$ -	\$ 30,372,132
Construction in progress	6,113,708	16,410,756	(528,474)	-	21,995,990
Total	<u>36,485,840</u>	<u>16,410,756</u>	<u>(528,474)</u>	<u>-</u>	<u>52,368,122</u>
Capital assets, being depreciated:					
Infrastructure	100,990,921	60,785	246,607	-	101,298,313
Buildings	55,918,098	48,950	-	-	55,967,048
Other improvements	17,935,663	77,928	281,867	-	18,295,458
Machinery, equipment, and vehicles	23,290,179	4,055,946	-	(555,841)	26,790,284
Total	<u>198,134,861</u>	<u>4,243,609</u>	<u>528,474</u>	<u>(555,841)</u>	<u>202,351,103</u>
Less accumulated depreciation:					
Infrastructure	(85,657,474)	(937,576)	-	-	(86,595,050)
Buildings	(14,579,687)	(1,137,515)	-	-	(15,717,202)
Other improvements	(6,670,733)	(810,356)	-	-	(7,481,089)
Machinery, equipment, and vehicles	(17,479,775)	(2,591,582)	-	544,853	(19,526,504)
Total	<u>(124,387,669)</u>	<u>(5,477,029)</u>	<u>-</u>	<u>544,853</u>	<u>(129,319,845)</u>
Total assets, being depreciated, net	<u>73,747,192</u>	<u>(1,233,420)</u>	<u>528,474</u>	<u>(10,988)</u>	<u>73,031,258</u>
Governmental activities capital assets, net excluding subscription and lease assets	<u>\$ 110,233,032</u>	<u>\$ 15,177,336</u>	<u>\$ -</u>	<u>\$ (10,988)</u>	125,399,380
Subscription and lease assets, net (Note 9)					<u>815,830</u>
Total capital assets, net as reported in the statement of net position					<u>\$ 126,215,210</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8. CAPITAL ASSETS (CONTINUED)

B. Business-type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, being depreciated:					
Buildings	\$ 7,565,417	\$ -	\$ -	\$ -	\$ 7,565,417
Vehicles	3,728,754	-	-	-	3,728,754
Machinery and equipment	671,365	-	-	-	671,365
Improvements	19,091	-	-	-	19,091
Total	<u>11,984,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,984,627</u>
Less accumulated depreciation for:					
Buildings	(454,946)	(92,836)	-	-	(547,782)
Vehicles	(3,041,643)	(204,817)	-	-	(3,246,460)
Machinery and equipment	(611,892)	(27,018)	-	-	(638,910)
Improvements	(4,298)	(952)	-	-	(5,250)
Total	<u>(4,112,779)</u>	<u>(325,623)</u>	<u>-</u>	<u>-</u>	<u>(4,438,402)</u>
Total assets, being depreciated, net	<u>7,871,848</u>	<u>(325,623)</u>	<u>-</u>	<u>-</u>	<u>7,546,225</u>
Business-type activities capital assets, net	<u>\$ 7,871,848</u>	<u>\$ (325,623)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,546,225</u>

The opening balances in accumulated depreciation have been corrected to account for a misclassification among categories in the prior year.

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

Governmental activities:	
General government	\$ 957,197
Public safety	2,176,338
Public works	1,039,787
Culture and recreation	1,230,445
Housing and development	<u>404,125</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 5,807,892</u>
Business-type activities	
Sanitation	<u>\$ 325,623</u>
Total depreciation expense - business-type activities	<u>\$ 325,623</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9. LEASE AND SUBSCRIPTION ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets				
Machinery and equipment	\$ 567,060	\$ -	\$ -	\$ 567,060
Total	567,060	-	-	567,060
Less accumulated amortization:				
Machinery and equipment	(127,382)	(127,382)	-	(254,764)
Total	(127,382)	(127,382)	-	(254,764)
Governmental activities lease assets, net	\$ 439,678	\$ (127,382)	\$ -	\$ 312,296
	Beginning Balance	Increases	Decreases	Ending Balance
Subscription assets				
Software	\$ 98,103	\$ 608,912	\$ -	\$ 707,015
Total	98,103	608,912	-	707,015
Less accumulated amortization:				
Software	-	(203,481)	-	(203,481)
Total	-	(203,481)	-	(203,481)
Governmental activities subscription assets, net	\$ 98,103	\$ 405,431	\$ -	\$ 503,534

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CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Direct placement - bonds payable	\$ 61,071,753	\$ -	\$ (2,862,372)	\$ 58,209,381	\$ 3,531,421
Plus unamortized premiums	5,462,960	-	(476,927)	4,986,033	-
Less unamortized discounts	(10,991)	-	1,330	(9,661)	-
Bonds payable, net	<u>66,523,722</u>	-	<u>(3,337,969)</u>	63,185,753	3,531,421
Direct borrowing - financed purchases	851,820	-	(851,820)	-	-
Direct borrowing - notes payable	300,571	-	(115,001)	185,570	128,032
Lease liabilities	432,377	-	(120,304)	312,073	124,169
Subscription based information technology arrangements	98,103	393,942	(164,133)	327,912	157,998
Net pension liability	979,738	11,862,949	(1,303,473)	11,539,214	-
Net OPEB liability	31,417,224	1,754,483	(13,293,284)	19,878,423	-
Compensated absences	<u>791,879</u>	<u>766,464</u>	<u>(539,652)</u>	<u>1,018,691</u>	<u>814,953</u>
Governmental activities Long-term liabilities	<u>\$ 101,395,434</u>	<u>\$ 14,777,838</u>	<u>\$ (19,725,636)</u>	<u>\$ 96,447,636</u>	<u>\$ 4,756,573</u>
Business-type activities:					
Compensated absences	\$ 56,051	\$ 63,425	\$ (34,137)	\$ 85,339	\$ 68,271
Net pension liability	<u>74,393</u>	<u>727,412</u>	<u>(94,243)</u>	<u>707,562</u>	<u>-</u>
Business-type activity Long-term liabilities	<u>\$ 130,444</u>	<u>\$ 790,837</u>	<u>\$ (128,380)</u>	<u>\$ 792,901</u>	<u>\$ 68,271</u>

For governmental activities, the net pension liability, net 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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT (CONTINUED)

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, 2023, the outstanding balance of the Series 2009 bonds is \$8,695,000.

In February 2022 the City issued General Obligation Bonds, Series 2022 in the aggregate principal amount of \$22,485,000, the proceeds of which (when combined with the original issue premium of \$3,015,690) will be used to pay for all or a portion of the costs of the acquisition, construction and furnishing of additional amenities and recreational facilities at the Jessie G. Davis Memorial Park, and other projects of the City. 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, 2024 until the bonds mature on February 1, 2047. As of June 30, 2023, the outstanding balance of the Series 2022 bonds is \$22,485,000.

Revenue Bonds. In September 2005, the Douglasville Public Purpose Corporation issued Series 2005 revenue bonds in the aggregate principal amount of \$7,253,713 (\$1,529,380 outstanding at June 30, 2023) for the purpose of financing the construction of a public service building. The bonds were issued at a variable rate equal to 61.1% of the one-month London Interbank Offered Rate (LIBOR) plus 115 basis points. Payments of principal and interest are due monthly, on the first of each month commencing on October 1, 2005 until the bonds mature on May 1, 2026. As of June 30, 2023, the outstanding balance of the Series 2005 bonds is \$1,529,380. 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, 2023, the floating rate being received by the City from the Swap Counterparty and paid by the City to bondholders is 1.181% and the market value of this agreement is \$530, an increase of \$46,530 from the market value at the end of the previous fiscal year.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued). The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2023 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 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, 2023, the outstanding balance of the Series 2017A bonds is \$8,755,000 and the Series 2017B bonds have been repaid in full.

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, 2023, 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 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, 2023, the outstanding balance of the Series 2013 bonds is \$2,745,000.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued).

The City's outstanding amounts from direct placement related to the West Pines Golf Course of \$2,745,000 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.

In September 2021, the Douglasville Convention and Conference Center Authority issued \$14,375,000 of Series 2021 revenue bonds for the purpose of paying the cost of acquiring, constructing, installing, and equipping of public parks and recreation improvements located within the City. 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, 2023 until the bonds mature on February 1, 2047. As of June 30, 2023, the outstanding balance of the Series 2021 bonds is \$14,000,000.

The annual debt service requirements to maturity on all of the City's bonds outstanding at June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 3,531,421	\$ 2,112,336	\$ 5,643,757
2025	3,661,739	1,997,961	5,659,700
2026	3,801,221	1,897,229	5,698,450
2027	3,365,000	1,790,794	5,155,794
2028	3,510,000	1,619,600	5,129,600
2029-2033	12,820,000	6,440,950	19,260,950
2034-2038	9,760,000	4,075,738	13,835,738
2039-2043	9,180,000	2,423,163	11,603,163
2044-2047	8,580,000	737,038	9,317,038
Total	<u>\$ 58,209,381</u>	<u>\$ 23,094,809</u>	<u>\$ 81,304,190</u>

Direct Borrowings

Note Payable

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

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 128,032	\$ 13,803	\$ 141,835
2025	57,538	1,560	59,098
Total	<u>\$ 185,570</u>	<u>\$ 15,363</u>	<u>\$ 200,933</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT (CONTINUED)

Direct Borrowings (Continued)

Lease Liabilities

In August 2021, the City entered into a five-year lease agreement as lessee for police department taser equipment. An initial lease liability was recorded in the amount of \$287,654. As of June 30, 2023, the value of the lease liability was \$172,416. The City is required to make annual payments of \$62,130. The lease has an interest rate of 4.00%. The equipment has a 5-year estimated useful life and the value of the lease asset as of the end of the current fiscal year was \$287,654 and had accumulated amortization of \$115,062.

In August 2021, the City entered into a four-year lease agreement as lessee for golf carts. An initial lease liability was recorded in the amount of \$279,406. As of June 30, 2023, the value of the lease liability was \$139,657. The City is required to make annual payments of \$72,553. The lease has an interest rate of 2.59%. The equipment has a 4-year estimated useful life and the value of the lease asset as of the end of the current fiscal year was \$279,406 and had accumulated amortization of \$139,702.

Debt service requirements on the City's lease liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 124,169	\$ 10,514	\$ 134,683
2025	128,164	6,519	134,683
2026	59,740	2,390	62,130
Total	\$ 312,073	\$ 19,423	\$ 331,496

Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right-to-use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

On July 1, 2022, the City entered into a 45 month subscription for the use of cybersecurity software. An initial subscription liability was recorded in the amount of \$98,103. As of June 30, 2023, the value of the subscription liability is \$66,135. The City is required to make annual payments of \$34,200, which include principal and interest at a rate of 2.275%. The subscription asset is valued at \$98,103, and as of June 30, 2023 has accumulated amortization of \$32,701.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. LONG-TERM DEBT (CONTINUED)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

On November 30, 2022, the City entered into a 48 month subscription for the use of public safety software for police use. An initial subscription liability was recorded in the amount of \$28,561. As of June 30, 2023, the value of the subscription liability is \$21,396. The City is required to make annual payments ranging from \$7,165 to \$7,829, which include principal and interest at a rate of 3.238%. The subscription asset is valued at \$28,561, and as of June 30, 2023 has accumulated amortization of \$7,140.

On February 20, 2023, the City entered into a 36 month subscription for the use of public safety software. An initial subscription liability was recorded in the amount of \$365,381. As of June 30, 2023, the value of the subscription liability is \$240,381. The City is required to make annual payments of \$125,000, which include principal and interest at a rate of 2.656%. The subscription asset is valued at \$365,381, and as of June 30, 2023 has accumulated amortization of \$121,794.

Debt service requirements on the City's SBITAs are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$ 157,998	\$ 8,582	\$ 166,580
2025	162,330	4,471	166,801
2026	7,584	246	7,830
Total	<u>\$ 327,912</u>	<u>\$ 13,299</u>	<u>\$ 341,211</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11. INTERFUND BALANCES AND TRANSFERS

The composition of due to/from other funds as of June 30, 2023 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General fund	Jessie Davis Park Capital Project Fund	\$ 619,651
General fund	Town Green Amphitheater Fund	1,492,299
General fund	Nonmajor governmental funds	51,119
		<u>\$ 2,163,069</u>

Interfund balances are the result of expenditures being covered by the General Fund for projects and purposes of other governmental funds, and are due to the timing of year end and the actual payments and receipts between the funds.

The composition of transfers to/from during the year ended June 30, 2023 is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 32,189
Nonmajor governmental funds	Nonmajor governmental funds	236,300
		<u>\$ 268,489</u>

Transfers are used to (1) move the matching portion of grant funding from the General Fund to the Multiple Grants Fund and Confiscated Assets Fund and (2) move rental car tax to the Hotel/Motel Tax Fund to supplement funding for debt service payments.

NOTE 12. JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an ARC. Separate financial statements may be obtained from the Atlanta Regional Commission, 229 Peachtree St. NE Suite 100, Atlanta, Georgia 30303.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Douglasville Retirement Plan), covering all of the City’s full-time employees. The City’s pension plan is administered through the Georgia Municipal Employee Benefits System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, and death benefits to plan members and beneficiaries. All City employees, including elected officials, are eligible to participate in the Plan on the date of full-time employment (i.e., there is no waiting period to enroll in the Plan). Benefits are considered fully vested after five (5) years of service. Normal retirement is considered to be at age 65 with 5 years of service and participants may elect early retirement at age 55 with 10 years of service. The benefit is calculated based on total years of service and a 1.75% multiplier times their final average earnings for the 5 highest consecutive years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gacities.com 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, 2023, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	136
Inactive plan members entitled to but not receiving benefits	160
Active plan members	260
Total plan membership	556

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, 2023, the City’s recommended contribution rate was 10.25% of annual payroll; actual contributions came to 10.25%.

City contributions to the Plan were \$1,413,202 for the year ended June 30, 2023.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2023 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted in November and December of 2019.

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, 2022 are summarized below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80
Domestic fixed income	20%	0.40
Global fixed income	5%	0.46
Real estate	10%	3.90
Cash	—%	
Total	100%	

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

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.375%, the same rate used in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

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, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/22	\$ 45,983,199	\$ 44,929,068	\$ 1,054,131
Changes for the year:			
Service cost	594,806	-	594,806
Interest	3,353,310	-	3,353,310
Differences between expected and actual experience	1,304,681	-	1,304,681
Contributions—employer	-	1,397,716	(1,397,716)
Net investment income	-	(7,270,551)	7,270,551
Benefit payments, including refunds of employee contributions	(2,218,792)	(2,218,792)	-
Administrative expense	-	(67,013)	67,013
Changes in actuarial assumptions	-	-	-
Net changes	3,034,005	(8,158,640)	11,192,645
Balances at 6/30/23	\$ 49,017,204	\$ 36,770,428	\$ 12,246,776

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 18,645,835	\$ 12,246,776	\$ 6,932,975

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022 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, 2023, the City recognized pension expense of \$3,172,884. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,528,373	\$ -
Net difference between projected and actual earnings on pension plan investments	4,714,945	-
City contributions subsequent to the measurement date	570,540	-
Total	\$ 6,813,858	\$ -

City contributions subsequent to the measurement date of \$570,540 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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:	
2024	\$ 1,857,953
2025	1,080,457
2026	1,194,644
2027	2,110,264
Total	\$ 6,243,318

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14. 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 workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is party to various legal proceedings and claims that arise in the ordinary course of operation. Although the outcome of these losses is presently not determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition 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, 2023, the balance of those contracts representing commitments made by the City for work not yet completed is \$24,041,535.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16. 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, 2023, the City expended for promotional purposes approximately 98% of such taxes collected.

The following is a summary of the collections and expenditures for the year ended June 30, 2023:

Total Collected	\$2,412,955
Amount Expended for Promotional Purposes	\$2,767,023

NOTE 17. 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, 2023:

Total Collected	\$285,980
Amount Expended for Recreational Facilities	236,300

NOTE 18. 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. Although the City established an irrevocable OPEB trust, which meets the criteria in paragraph 4 of GASB Statement No. 75, during the 2020 measurement period, they have not elected to continue funding the OPEB Plan any further. Instead, the City plans on maintaining the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise. 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.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

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

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

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

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

Plan Membership. As of January 1, 2022, the date of the most recent actuarial valuation, OPEB plan membership consisted of the following:

Retirees and spouses currently receiving benefits	66
Active employees	<u>252</u>
Total plan membership	<u><u>318</u></u>

City Contributions

Although the City established an irrevocable OPEB trust during the 2020 measurement period, they have not elected to continue funding the OPEB Plan any further. Instead, the City plans on maintaining the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise. 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, 2023, the City contributed \$417,023 for the pay as you go benefits of the OPEB plan.

Net OPEB Liability of the City

The City’s net OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of January 1, 2022 with the actuary using standard techniques to roll forward the liability to the measurement date.

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability of the City (Continued)

Actuarial assumptions: The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.16%
Healthcare Cost Trend Rate:	7.50% - 4.50%, Ultimate Trend in 2035 (Medical and drug) 5.00% - 4.50%, Ultimate Trend in 2025 (Medicare Advantage) 3.00% Dental
Inflation Rate:	2.25%
Salary increase:	2.25% plus service based merit increases
Participation rate:	80%

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

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

Discount rate. The discount rate used to measure the net OPEB liability was 3.54%, an increase from the prior year of 2.16%. 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 3.35% as determined by the Bond Buyer 20-Bond GO Index Rate published closest to, but no later than, the measurement date of June 30, 2022.

Changes in the Net OPEB Liability of the City. The changes in the net OPEB liability of the City for the year ended June 30, 2023, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/22	<u>\$ 32,050,870</u>	<u>\$ 633,646</u>	<u>\$ 31,417,224</u>
Changes for the year:			
Service cost	973,244	-	973,244
Interest	708,841	-	708,841
Employer contributions	-	417,023	(417,023)
Differences between expected and actual experience	(933,793)	-	(933,793)
Assumption changes	(11,942,468)	-	(11,942,468)
Net investment income	-	(71,529)	71,529
Benefit payments	(417,023)	(417,023)	-
Administrative costs	-	(869)	869
Net changes	<u>(11,611,199)</u>	<u>(72,398)</u>	<u>(11,538,801)</u>
Balances at 6/30/23	<u>\$ 20,439,671</u>	<u>\$ 561,248</u>	<u>\$ 19,878,423</u>

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability of the City (Continued). The required schedule of changes in the City’s net OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the net OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1 percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
City's net OPEB liability	\$ 23,095,008	\$ 19,878,423	\$ 17,273,434

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City’s net 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
City's net OPEB liability	\$ 17,262,322	\$ 19,878,423	\$ 23,156,099

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, 2023 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, 2023, the City recognized OPEB expense of \$1,363,783. At June 30, 2023, 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	\$ 482,571	\$ -
Differences between expected and actual experience	-	2,719,767
Differences between projected and actual earnings on pension plan investments	31,186	-
Changes in assumptions	4,641,068	11,468,185
Total	\$ 5,154,825	\$ 14,187,952

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

City contributions subsequent to the measurement date of \$482,571 will reduce the net 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:	
2024	\$ (2,206,158)
2025	(1,768,838)
2026	(1,595,019)
2027	(1,799,640)
2028	<u>(2,146,043)</u>
Total	<u>\$ (9,515,698)</u>

NOTE 19. 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, 2023, the City abated property tax revenues totaling \$179,130 under its economic development program, including the following tax abatement agreement that exceeded 10% of the total amount abated:

- A 70% abatement on real property taxes and personal property taxes to an organic food distributor amounting to \$122,059, and a 40% abatement on real property taxes and personal property taxes totaling \$40,115 to a wholesale food distributor. In exchange for the tax incentives, the companies have committed to creating new full-time jobs.

For the above agreements, the mechanism by which the taxes are being abated is a reduction of assessed value. Furthermore, if 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 - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 30,966,782	\$ 32,739,782	\$ 32,261,353	\$ (478,429)
Licenses and permits	4,403,288	4,378,288	3,562,074	(816,214)
Intergovernmental revenues	20,000	20,000	7,941	(12,059)
Fines and forfeitures	1,383,500	2,077,594	2,569,423	491,829
Charges for services	2,029,746	2,226,496	2,192,854	(33,642)
Interest income	47,752	972,752	1,104,510	131,758
Contributions	26,000	6,000	1,560	(4,440)
Miscellaneous	168,628	460,284	798,872	338,588
Total revenues	<u>39,045,696</u>	<u>42,881,196</u>	<u>42,498,587</u>	<u>(382,609)</u>
Expenditures:				
Current:				
General Government:				
Mayor and Council				
Personal services	197,218	197,218	191,892	5,326
Other operating expenditures	216,700	216,700	111,388	105,312
Total Mayor and Council	<u>413,918</u>	<u>413,918</u>	<u>303,280</u>	<u>110,638</u>
Clerk of Council				
Personal services	184,624	193,091	192,525	566
Other operating expenditures	49,551	57,966	40,703	17,263
Total Clerk of Council	<u>234,175</u>	<u>251,057</u>	<u>233,228</u>	<u>17,829</u>
City Manager				
Personal services	820,626	819,567	759,747	59,820
Other operating expenditures	111,899	152,194	140,455	11,739
Total City Manager	<u>932,525</u>	<u>971,761</u>	<u>900,202</u>	<u>71,559</u>
Financial administration				
Personal services	765,918	836,092	836,416	(324)
Other operating expenditures	297,888	286,176	284,106	2,070
Total Financial administration	<u>1,063,806</u>	<u>1,122,268</u>	<u>1,120,522</u>	<u>1,746</u>
Legal				
Personal services	120,098	121,804	108,092	13,712
Other operating expenditures	469,190	469,032	161,853	307,179
Total Legal	<u>589,288</u>	<u>590,836</u>	<u>269,945</u>	<u>320,891</u>
Information services				
Personal services	287,491	292,796	223,237	69,559
Other operating expenditures	991,027	998,535	777,939	220,596
Capital outlay	17,000	49,180	93,434	(44,254)
Total Information services	<u>1,295,518</u>	<u>1,340,511</u>	<u>1,094,610</u>	<u>245,901</u>
Human resources				
Personal services	602,567	676,174	659,277	16,897
Other operating expenditures	596,624	699,124	670,639	28,485
Total Human resources	<u>1,199,191</u>	<u>1,375,298</u>	<u>1,329,916</u>	<u>45,382</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Building and grounds				
Personal services	\$ 503,868	\$ 530,043	\$ 503,078	\$ 26,965
Other operating expenditures	390,285	426,219	343,722	82,497
Capital outlay	850,000	50,000	1,303	48,697
Total Building and grounds	<u>1,744,153</u>	<u>1,006,262</u>	<u>848,103</u>	<u>158,159</u>
Communications				
Personal services	593,418	620,776	620,747	29
Other operating expenditures	225,887	218,137	193,596	24,541
Total Communications	<u>819,305</u>	<u>838,913</u>	<u>814,343</u>	<u>24,570</u>
Engineering				
Personal services	408,678	415,363	322,273	93,090
Other operating expenditures	81,790	180,290	189,914	(9,624)
Capital outlay	78,800	82,200	1,263	80,937
Total Engineering	<u>569,268</u>	<u>677,853</u>	<u>513,450</u>	<u>164,403</u>
General administration				
Personal services	1,358,138	814,885	725,890	88,995
Other operating expenditures	3,817,849	4,555,394	2,778,401	1,776,993
Total General administration	<u>5,175,987</u>	<u>5,370,279</u>	<u>3,504,291</u>	<u>1,865,988</u>
Total General Government	<u>14,037,134</u>	<u>13,958,956</u>	<u>10,931,890</u>	<u>3,027,066</u>
Judicial:				
Municipal court				
Personal services	644,870	674,520	651,333	23,187
Other operating expenditures	308,532	987,176	994,621	(7,445)
Capital Outlay	4,782	3,732	2,606	1,126
Total Municipal court	<u>958,184</u>	<u>1,665,428</u>	<u>1,648,560</u>	<u>16,868</u>
Total Judicial	<u>958,184</u>	<u>1,665,428</u>	<u>1,648,560</u>	<u>16,868</u>
Public Safety:				
Police				
Personal services	10,665,990	11,111,932	11,095,357	16,575
Other operating expenditures	3,236,125	3,423,205	3,093,571	329,634
Capital outlay	20,000	181,895	61,912	119,983
Total Police	<u>13,922,115</u>	<u>14,717,032</u>	<u>14,250,840</u>	<u>466,192</u>
Total Public Safety	<u>13,922,115</u>	<u>14,717,032</u>	<u>14,250,840</u>	<u>466,192</u>
Public Works:				
Street Maintenance				
Personal services	1,360,245	1,138,223	1,067,737	70,486
Other operating expenditures	1,273,958	1,118,295	2,315,056	(1,196,761)
Capital outlay	-	1,649,620	378,984	1,270,636
Total Street Maintenance	<u>2,634,203</u>	<u>3,906,138</u>	<u>3,761,777</u>	<u>144,361</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Garage				
Personal services	\$ 163,890	\$ 170,146	\$ 163,736	\$ 6,410
Other operating expenditures	80,446	80,446	67,273	13,173
Total Garage	<u>244,336</u>	<u>250,592</u>	<u>231,009</u>	<u>19,583</u>
Total Public Works	<u>2,878,539</u>	<u>4,156,730</u>	<u>3,992,786</u>	<u>163,944</u>
Culture and Recreation:				
Parks Administration				
Personal services	844,965	970,835	956,849	13,986
Other operating expenditures	303,357	352,926	359,798	(6,872)
Capital outlay	-	109,550	85,550	24,000
Total Parks Administration	<u>1,148,322</u>	<u>1,433,311</u>	<u>1,402,197</u>	<u>31,114</u>
Parks Maintenance				
Personal services	610,295	541,049	541,049	-
Other operating expenditures	805,715	884,830	888,712	(3,882)
Total Parks Maintenance	<u>1,416,010</u>	<u>1,425,879</u>	<u>1,429,761</u>	<u>(3,882)</u>
Jessie Davis Park				
Personal services	343,700	433,785	433,055	730
Other operating expenditures	151,194	156,518	159,057	(2,539)
Total Jessie Davis Park	<u>494,894</u>	<u>590,303</u>	<u>592,112</u>	<u>(1,809)</u>
West Pines Golf Course				
Personal services	862,858	1,000,195	999,509	686
Other operating expenditures	597,048	1,000,809	494,775	506,034
Total West Pines Golf Course	<u>1,459,906</u>	<u>2,001,004</u>	<u>1,494,284</u>	<u>506,720</u>
Town Green				
Other operating expenditures	403,000	403,000	20,466	382,534
Capital outlay	-	1,000,300	1,000,300	-
Total Town Green	<u>403,000</u>	<u>1,403,300</u>	<u>1,020,766</u>	<u>382,534</u>
Total Culture and Recreation	<u>4,922,132</u>	<u>6,853,797</u>	<u>5,939,120</u>	<u>914,677</u>
Housing and Development:				
Inspections				
Personal services	472,532	564,766	562,811	1,955
Other operating expenditures	60,649	34,925	40,077	(5,152)
Capital outlay	-	32,934	32,934	-
Total Inspections	<u>533,181</u>	<u>632,625</u>	<u>635,822</u>	<u>(3,197)</u>
Planning and Zoning				
Personal services	231,807	194,589	134,752	59,837
Other operating expenditures	349,100	354,508	112,524	241,984
Capital outlay	5,000	5,000	-	5,000
Total Planning and Zoning	<u>585,907</u>	<u>554,097</u>	<u>247,276</u>	<u>306,821</u>
Code Enforcement				
Personal services	339,857	294,127	248,652	45,475
Other operating expenditures	45,584	46,268	27,485	18,783
Total Code Enforcement	<u>385,441</u>	<u>340,395</u>	<u>276,137</u>	<u>64,258</u>

Continued

**CITY OF DOUGLASVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Community Development				
Personal services	\$ 418,925	\$ 336,901	\$ 259,210	\$ 77,691
Other operating expenditures	158,575	192,880	79,594	113,286
Capital outlay	3,000	3,000	-	3,000
Total Community Development	<u>580,500</u>	<u>532,781</u>	<u>338,804</u>	<u>193,977</u>
Total Housing and Development	<u>2,085,029</u>	<u>2,059,898</u>	<u>1,498,039</u>	<u>561,859</u>
Debt Service:				
Principal	664,999	664,999	824,438	(159,439)
Interest	524,625	534,625	551,233	(16,608)
Issuance costs	1,250	5,000	5,000	-
Total debt service	<u>1,190,874</u>	<u>1,204,624</u>	<u>1,380,671</u>	<u>(176,047)</u>
Total expenditures	<u>39,994,007</u>	<u>44,616,465</u>	<u>39,641,906</u>	<u>4,974,559</u>
Excess (deficiency) of revenues over expenditures	<u>(948,311)</u>	<u>(1,735,269)</u>	<u>2,856,681</u>	<u>4,591,950</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	25,000	50,000	49,960	(40)
Issuance of long term debt	-	-	28,561	28,561
Transfers out	(27,689)	(770,879)	(32,189)	738,690
Total other financing sources (uses)	<u>(2,689)</u>	<u>(720,879)</u>	<u>46,332</u>	<u>767,211</u>
Net change in fund balance	(951,000)	(2,456,148)	2,903,013	5,359,161
Fund balances, beginning of year	<u>29,164,128</u>	<u>29,164,128</u>	<u>29,164,128</u>	<u>-</u>
Fund balances, end of year	<u>\$ 28,213,128</u>	<u>\$ 26,707,980</u>	<u>\$ 32,067,141</u>	<u>\$ 5,359,161</u>

**CITY OF DOUGLASVILLE, GEORGIA
 AMERICAN RESCUE PLAN ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GAAP BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 8,987,317	\$ 12,341,628	\$ 6,121,570	\$ (6,220,058)
Investment income	-	211,324	178,813	(32,511)
Total revenues	<u>8,987,317</u>	<u>12,552,952</u>	<u>6,300,383</u>	<u>(6,252,569)</u>
Expenditures:				
Current:				
General government	3,239,961	3,065,960	1,886,441	1,179,519
Judicial	-	109	-	109
Public safety	661,636	1,478,109	1,036,369	441,740
Public works	1,776,000	5,169,096	268,857	4,900,239
Culture and recreation	1,080,900	667,612	495,636	171,976
Housing and development	-	10,344	-	10,344
Capital outlay	2,228,820	2,900,412	1,749,927	1,150,485
Debt Service:				
Principal	-	-	976,820	(976,820)
Interest	-	-	72,901	(72,901)
Total expenditures	<u>8,987,317</u>	<u>13,291,642</u>	<u>6,486,951</u>	<u>6,804,691</u>
Deficiency of revenues over expenditures	-	(738,690)	(186,568)	552,122
Other financing sources:				
Issuance of subscription liabilities	-	-	365,381	365,381
Transfers in	-	738,690	-	(738,690)
Total other financing sources	<u>-</u>	<u>738,690</u>	<u>365,381</u>	<u>(373,309)</u>
Net change in fund balance	-	-	178,813	178,813
Fund balances, beginning of year	<u>7,811</u>	<u>7,811</u>	<u>7,811</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,811</u>	<u>\$ 7,811</u>	<u>\$ 186,624</u>	<u>\$ 178,813</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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 594,806	\$ 631,053	\$ 586,291	\$ 517,922	\$ 539,128
Interest on total pension liability	3,353,310	3,212,868	2,943,831	2,655,705	2,571,950
Differences between expected and actual experience	1,304,681	159,440	1,880,573	1,262,479	(429,512)
Changes of assumptions	-	-	-	1,676,451	-
Benefit payments, including refunds of employee contributions	(2,218,792)	(1,906,852)	(1,708,144)	(1,639,780)	(1,447,495)
Net change in total pension liability	3,034,005	2,096,509	3,702,551	4,472,777	1,234,071
Total pension liability - beginning	45,983,199	43,886,690	40,184,139	35,711,362	34,477,291
Total pension liability - ending (a)	\$ 49,017,204	\$ 45,983,199	\$ 43,886,690	\$ 40,184,139	\$ 35,711,362
Plan fiduciary net position					
Contributions - employer	\$ 1,397,716	\$ 1,218,168	\$ 930,992	\$ 923,923	\$ 875,663
Net investment income	(7,270,551)	8,894,354	3,273,060	994,449	3,120,799
Benefit payments, including refunds of member contributions	(2,218,792)	(1,906,852)	(1,708,144)	(1,639,780)	(1,447,495)
Administrative expenses	(67,013)	(66,470)	(62,493)	(59,205)	(61,715)
Net change in plan fiduciary net position	(8,158,640)	8,139,200	2,433,415	219,387	2,487,252
Plan fiduciary net position - beginning	44,929,068	36,789,868	34,356,453	34,137,066	31,649,814
Plan fiduciary net position - ending (b)	\$ 36,770,428	\$ 44,929,068	\$ 36,789,868	\$ 34,356,453	\$ 34,137,066
City's net pension liability - ending (a) - (b)	\$ 12,246,776	\$ 1,054,131	\$ 7,096,822	\$ 5,827,686	\$ 1,574,296
Plan fiduciary net position as a percentage of the total pension liability	75.02%	97.71%	83.83%	85.50%	95.59%
Covered payroll	\$ 12,533,557	\$ 12,570,123	\$ 12,034,313	\$ 11,048,927	\$ 10,646,935
City's net pension liability as a percentage of covered payroll	97.71%	8.39%	58.97%	52.74%	14.79%
	2018	2017	2016	2015	
Total pension liability					
Service cost	\$ 525,247	\$ 533,286	\$ 497,420	\$ 550,294	
Interest on total pension liability	2,481,442	2,270,884	2,139,272	2,094,469	
Differences between expected and actual experience	774,375	991,040	(167,287)	(669,619)	
Changes of assumptions	(634,870)	-	-	(332,866)	
Changes of benefit terms	-	274,636	439,139	2,683	
Benefit payments, including refunds of employee contributions	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)	
Net change in total pension liability	1,771,170	2,738,943	1,818,791	600,990	
Total pension liability - beginning	32,706,121	29,967,178	28,148,387	27,547,397	
Total pension liability - ending (a)	\$ 34,477,291	\$ 32,706,121	\$ 29,967,178	\$ 28,148,387	
Plan fiduciary net position					
Contributions - employer	\$ 817,751	\$ 744,784	\$ 756,309	\$ 851,364	
Contributions - employee	-	45,462	34,663	-	
Net investment income	4,188,234	2,859,566	303,266	2,668,243	
Benefit payments, including refunds of member contributions	(1,375,024)	(1,330,903)	(1,089,753)	(1,043,971)	
Administrative expenses	(65,126)	(38,372)	(42,494)	(33,695)	
Net change in plan fiduciary net position	3,565,835	2,280,537	(38,009)	2,441,941	
Plan fiduciary net position - beginning	28,083,979	25,803,442	25,841,451	23,399,510	
Plan fiduciary net position - ending (b)	\$ 31,649,814	\$ 28,083,979	\$ 25,803,442	\$ 25,841,451	
City's net pension liability - ending (a) - (b)	\$ 2,827,477	\$ 4,622,142	\$ 4,163,736	\$ 2,306,936	
Plan fiduciary net position as a percentage of the total pension liability	91.80%	85.87%	86.11%	91.80%	
Covered payroll	\$ 9,952,049	\$ 9,680,685	\$ 8,950,694	\$ 8,713,629	
City's net pension liability as a percentage of covered payroll	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,413,202	\$ 1,397,716	\$ 1,216,993	\$ 873,792	\$ 933,949
Contributions in relation to the actuarially determined contribution	1,413,202	1,481,581	1,015,336	878,805	1,089,607
Contribution deficiency (excess)	\$ -	\$ (83,865)	\$ 201,657	\$ (5,013)	\$ (155,658)
Covered payroll	\$ 13,786,754	\$ 12,115,825	\$ 12,721,556	\$ 11,805,232	\$ 10,796,825
Contributions as a percentage of covered payroll	10.25%	12.23%	7.98%	7.44%	10.09%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 864,006	\$ 807,180	\$ 732,305	\$ 761,110	
Contributions in relation to the actuarially determined contribution	865,105	868,206	735,755	763,749	
Contribution deficiency (excess)	\$ (1,099)	\$ (61,026)	\$ (3,450)	\$ (2,639)	
Covered payroll	\$ 10,596,972	\$ 9,737,074	\$ 9,661,889	\$ 8,713,629	
Contributions as a percentage of covered payroll	8.16%	8.92%	7.62%	8.76%	

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2023
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	2.25% for employees hired on or before 10/2/2006; 0.00% otherwise
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 17 years

(2) Benefit Changes:

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability			
Service cost	\$ 973,244	\$ 976,658	\$ 732,995
Interest on total OPEB liability	708,841	728,917	955,122
Differences between expected and actual experience	(933,793)	(252,287)	(1,633,848)
Changes of assumptions	(11,942,468)	(1,214,155)	5,696,015
Changes in benefit terms	-	-	135,528
Benefit payments	(417,023)	(386,471)	(483,475)
Net change in total OPEB liability	<u>(11,611,199)</u>	<u>(147,338)</u>	<u>5,402,337</u>
Total OPEB liability - beginning	<u>32,050,870</u>	<u>32,198,208</u>	<u>26,795,871</u>
Total OPEB liability - ending (a)	<u>\$ 20,439,671</u>	<u>\$ 32,050,870</u>	<u>\$ 32,198,208</u>
Plan fiduciary net position			
Contributions - employer	\$ 417,023	\$ 386,471	\$ 876,505
Net investment income	(71,529)	155,097	(3,405)
Benefit payments, including refunds of member contributions	(417,023)	(386,471)	(393,030)
Administrative expenses	(869)	(340)	(1,181)
Net change in plan fiduciary net position	<u>(72,398)</u>	<u>154,757</u>	<u>478,889</u>
Plan fiduciary net position - beginning	<u>633,646</u>	<u>478,889</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 561,248</u>	<u>\$ 633,646</u>	<u>\$ 478,889</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 19,878,423</u>	<u>\$ 31,417,224</u>	<u>\$ 31,719,319</u>
Covered-employee payroll	\$ 13,007,791	\$ 12,721,556	\$ 11,805,232
Net OPEB liability as a percentage of covered-employee payroll	152.82%	246.96%	268.69%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 1,066,754	\$ 1,084,483	\$ 1,279,279
Interest on total OPEB liability	952,400	869,290	736,593
Differences between expected and actual experience	(1,634,425)	(195,291)	(216,594)
Changes of assumptions	3,234,478	(1,051,103)	(2,844,647)
Changes in benefit terms	(168,685)	-	-
Benefit payments	(395,430)	(327,943)	(318,771)
Net change in total OPEB liability	<u>3,055,092</u>	<u>379,436</u>	<u>(1,364,140)</u>
Total OPEB liability - beginning	<u>23,740,779</u>	<u>23,361,343</u>	<u>24,725,483</u>
Total OPEB liability - ending (a)	<u>\$ 26,795,871</u>	<u>\$ 23,740,779</u>	<u>\$ 23,361,343</u>
Plan fiduciary net position			
Contributions - employer	\$ 395,430	\$ 327,943	\$ 318,771
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(395,430)	(327,943)	(318,771)
Administrative expenses	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 26,795,871</u>	<u>\$ 23,740,779</u>	<u>\$ 23,361,343</u>
Covered-employee payroll	\$ 10,080,226	\$ 10,080,226	\$ 8,831,986
Net OPEB liability as a percentage of covered-employee payroll	265.83%	235.52%	264.51%

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 CONTRIBUTIONS
CITY OF DOUGLASVILLE OPEB PLAN
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 482,571	\$ 417,023	\$ 386,471
Contributions in relation to the contractually required contributions	<u>482,571</u>	<u>417,023</u>	<u>386,471</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 13,113,619	\$ 13,007,791	\$ 12,721,556
Contributions as a percentage of covered-employee payroll	3.68%	3.21%	3.04%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 393,030	\$ 395,430	\$ 327,943
Contributions in relation to the contractually required contributions	<u>876,505</u>	<u>395,430</u>	<u>327,943</u>
Contribution deficiency (excess)	<u>\$ (483,475)</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 11,805,232	\$ 10,080,226	\$ 10,080,226
Contributions as a percentage of covered-employee payroll	7.42%	3.92%	3.25%

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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.

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

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

Capital Projects Fund

SPLOST 2022 Fund – This fund accounts for proceeds and expenditures of special purpose local option sales tax (SPLOST), Series 2022, received from Douglas County.

Debt Service Fund

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

**CITY OF DOUGLASVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	Special Revenue Funds						SPLOST 2022 Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Rental Car Excise Tax	Public Purpose Corporation	Tax Allocation District	Confiscated Assets			
Cash and cash equivalents	\$ 420,535	\$ 3,979,194	\$ 294,519	\$ 199,109	\$ 2,641,067	\$ 701,181	\$ -	\$ 474,823	\$ 8,710,428
Investments	-	-	-	-	-	1,066,271	-	-	1,066,271
Receivables, net:									
Taxes receivable	-	198,443	26,053	-	11,818	-	-	19,579	255,893
Lease receivable	-	-	-	1,148,592	-	-	-	-	1,148,592
Other receivables	1,514	13,096	1,135	-	10,175	11,575	-	1,829	39,324
Due from other governments	155,401	-	-	-	-	-	1,486,224	4,228	1,645,853
Prepaid items	-	13,446	-	-	-	-	-	-	13,446
Total assets	\$ 577,450	\$ 4,204,179	\$ 321,707	\$ 1,347,701	\$ 2,663,060	\$ 1,779,027	\$ 1,486,224	\$ 500,459	\$ 12,879,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 135,737	\$ 38,605	\$ -	\$ 1,924	\$ -	\$ 22,432	\$ 11,713	\$ -	\$ 210,411
Retainage payable	-	-	-	-	-	-	1,301	-	1,301
Accrued liabilities	-	19,640	-	-	-	-	-	-	19,640
Due to other funds	-	-	-	51,119	-	-	-	-	51,119
Total liabilities	135,737	58,245	-	53,043	-	22,432	13,014	-	282,471
DEFERRED INFLOWS OF RESOURCES									
Deferred lease revenue	-	-	-	1,096,742	-	-	-	-	1,096,742
Unavailable revenue - property tax	-	-	-	-	-	-	-	19,211	19,211
Total deferred inflows of resources	-	-	-	1,096,742	-	-	-	19,211	1,115,953
FUND BALANCES									
Nonspendable:									
Prepaid items	-	13,446	-	-	-	-	-	-	13,446
Restricted for:									
Economic development	-	-	-	-	2,663,060	-	-	-	2,663,060
Promotion of tourism	-	4,132,488	321,707	-	-	-	-	-	4,454,195
Capital projects	441,713	-	-	-	-	1,756,595	-	-	2,198,308
Debt service	-	-	-	197,916	-	-	1,473,210	481,248	2,152,374
Total fund balances	441,713	4,145,934	321,707	197,916	2,663,060	1,756,595	1,473,210	481,248	11,481,383
Total liabilities, deferred inflows of resources, and fund balances	\$ 577,450	\$ 4,204,179	\$ 321,707	\$ 1,347,701	\$ 2,663,060	\$ 1,779,027	\$ 1,486,224	\$ 500,459	\$ 12,879,807

**CITY OF DOUGLASVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						SPLOST 2022 Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Rental Car Excise Tax	Public Purpose Corporation	Tax Allocation District	Confiscated Assets			
Revenues:									
Taxes	\$ -	\$ 2,412,955	\$ 285,980	\$ -	\$ 1,918,530	\$ -	\$ -	\$ 1,550,002	\$ 6,167,467
Charges for services	-	265,356	-	-	-	-	-	-	265,356
Intergovernmental	797,573	-	-	494,262	-	-	1,486,224	-	2,778,059
Fines and forfeitures	-	-	-	-	-	53,491	-	-	53,491
Investment income	9,654	94,390	6,590	71,025	62,103	5,153	-	13,580	262,495
Miscellaneous	-	498,135	-	-	-	-	-	-	498,135
Total revenues	<u>807,227</u>	<u>3,270,836</u>	<u>292,570</u>	<u>565,287</u>	<u>1,980,633</u>	<u>58,644</u>	<u>1,486,224</u>	<u>1,563,582</u>	<u>10,025,003</u>
Expenditures:									
Current:									
General government	-	-	-	22,442	-	-	-	-	22,442
Public safety	48,495	-	-	-	-	112,111	-	-	160,606
Public works	419,704	-	-	-	-	-	-	-	419,704
Culture and recreation	31,230	1,807,565	-	-	-	-	13,014	-	1,851,809
Housing and development	492,969	-	-	-	-	-	-	-	492,969
Debt service:									
Principal retirement	-	605,000	-	417,372	-	-	-	1,290,000	2,312,372
Interest and fiscal charges	-	354,458	-	74,342	-	-	-	339,700	768,500
Total expenditures	<u>992,398</u>	<u>2,767,023</u>	<u>-</u>	<u>514,156</u>	<u>-</u>	<u>112,111</u>	<u>13,014</u>	<u>1,629,700</u>	<u>6,028,402</u>
Excess (deficiency) of revenues over expenditures	(185,171)	503,813	292,570	51,131	1,980,633	(53,467)	1,473,210	(66,118)	3,996,601
Other financing sources (uses):									
Transfers in	27,689	236,300	-	-	-	4,500	-	-	268,489
Transfers out	-	-	(236,300)	-	-	-	-	-	(236,300)
Proceeds from sale of capital assets	-	-	-	-	-	30,036	-	-	30,036
Total other financing sources (uses)	<u>27,689</u>	<u>236,300</u>	<u>(236,300)</u>	<u>-</u>	<u>-</u>	<u>34,536</u>	<u>-</u>	<u>-</u>	<u>62,225</u>
Net change in fund balances	(157,482)	740,113	56,270	51,131	1,980,633	(18,931)	1,473,210	(66,118)	4,058,826
Fund balances, beginning of year	<u>599,195</u>	<u>3,405,821</u>	<u>265,437</u>	<u>146,785</u>	<u>682,427</u>	<u>1,775,526</u>	<u>-</u>	<u>547,366</u>	<u>7,422,557</u>
Fund balances, end of year	<u>\$ 441,713</u>	<u>\$ 4,145,934</u>	<u>\$ 321,707</u>	<u>\$ 197,916</u>	<u>\$ 2,663,060</u>	<u>\$ 1,756,595</u>	<u>\$ 1,473,210</u>	<u>\$ 481,248</u>	<u>\$ 11,481,383</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 994,146	\$ 1,488,325	\$ 797,573	\$ (690,752)
Investment income	-	5,000	9,654	4,654
Total revenues	<u>994,146</u>	<u>1,493,325</u>	<u>807,227</u>	<u>(686,098)</u>
Expenditures:				
Current:				
Public safety	421,835	88,488	48,495	39,993
Public works	1,261,732	693,717	419,704	274,013
Culture and recreation	-	54,097	31,230	22,867
Housing and development	-	1,022,362	492,969	529,393
Total expenditures	<u>1,683,567</u>	<u>1,858,664</u>	<u>992,398</u>	<u>866,266</u>
Excess (deficiency) of revenues over expenditures	(689,421)	(365,339)	(185,171)	180,168
Other financing sources:				
Transfers in	27,689	27,935	27,689	(246)
Total other financing sources	<u>27,689</u>	<u>27,935</u>	<u>27,689</u>	<u>(246)</u>
Net changes in fund balance	(661,732)	(337,404)	(157,482)	179,922
Fund balances, beginning of year	<u>599,195</u>	<u>599,195</u>	<u>599,195</u>	<u>-</u>
Fund balances, end of year	<u>\$ (62,537)</u>	<u>\$ 261,791</u>	<u>\$ 441,713</u>	<u>\$ 179,922</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,341,130	\$ 2,341,130	\$ 2,412,955	\$ 71,825
Charges for services	230,500	230,500	265,356	34,856
Investment income	4,700	21,700	94,390	72,690
Miscellaneous	415,437	415,437	498,135	82,698
Total revenues	<u>2,991,767</u>	<u>3,008,767</u>	<u>3,270,836</u>	<u>262,069</u>
Expenditures				
Current:				
Culture and recreation	3,172,865	2,614,865	1,807,565	807,300
Debt service:				
Principal retirement	30,000	605,000	605,000	-
Interest and fiscal charges	355,313	355,313	354,458	855
Total expenditures	<u>3,558,178</u>	<u>3,575,178</u>	<u>2,767,023</u>	<u>808,155</u>
Excess (deficiency) of revenues over expenditures	(566,411)	(566,411)	503,813	1,070,224
Other financing sources:				
Transfers in	190,000	190,000	236,300	46,300
Total other financing sources	<u>190,000</u>	<u>190,000</u>	<u>236,300</u>	<u>46,300</u>
Net changes in fund balance	(376,411)	(376,411)	740,113	1,116,524
Fund balances, beginning of year	<u>3,405,821</u>	<u>3,405,821</u>	<u>3,405,821</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,029,410</u>	<u>\$ 3,029,410</u>	<u>\$ 4,145,934</u>	<u>\$ 1,116,524</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 236,000	\$ 236,000	\$ 285,980	\$ 49,980
Investment income	300	300	6,590	6,290
Total revenues	<u>236,300</u>	<u>236,300</u>	<u>292,570</u>	<u>56,270</u>
Other financing uses:				
Transfers out	<u>(236,300)</u>	<u>(236,300)</u>	<u>(236,300)</u>	<u>-</u>
Total other financing uses	<u>(236,300)</u>	<u>(236,300)</u>	<u>(236,300)</u>	<u>-</u>
Net changes in fund balance	-	-	56,270	56,270
Fund balances, beginning of year	<u>265,437</u>	<u>265,437</u>	<u>265,437</u>	<u>-</u>
Fund balances, end of year	<u>\$ 265,437</u>	<u>\$ 265,437</u>	<u>\$ 321,707</u>	<u>\$ 56,270</u>

**CITY OF DOUGLASVILLE, GEORGIA
PUBLIC PURPOSE CORPORATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 543,321	\$ 543,321	\$ 494,262	\$ (49,059)
Investment income	1,350	1,350	71,025	69,675
Total revenues	<u>544,671</u>	<u>544,671</u>	<u>565,287</u>	<u>20,616</u>
Expenditures:				
Current:				
General government	25,000	25,000	22,442	2,558
Debt service:				
Principal retirement	408,405	408,405	417,372	(8,967)
Interest and fiscal charges	111,266	111,266	74,342	36,924
Total expenditures	<u>544,671</u>	<u>544,671</u>	<u>514,156</u>	<u>30,515</u>
Net changes in fund balance	-	-	51,131	51,131
Fund balances, beginning of year	<u>146,785</u>	<u>146,785</u>	<u>146,785</u>	<u>-</u>
Fund balances, end of year	<u>\$ 146,785</u>	<u>\$ 146,785</u>	<u>\$ 197,916</u>	<u>\$ 51,131</u>

**CITY OF DOUGLASVILLE, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,877,519	\$ 1,877,519	\$ 1,918,530	\$ 41,011
Interest	16,523	16,523	62,103	45,580
Total revenues	<u>1,894,042</u>	<u>1,894,042</u>	<u>1,980,633</u>	<u>86,591</u>
Net changes in fund balance	1,894,042	1,894,042	1,980,633	86,591
Fund balances, beginning of year	<u>682,427</u>	<u>682,427</u>	<u>682,427</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 2,576,469</u></u>	<u><u>\$ 2,576,469</u></u>	<u><u>\$ 2,663,060</u></u>	<u><u>\$ 86,591</u></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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 53,491	\$ 53,491
Investment income	9,000	9,000	5,153	(3,847)
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>58,644</u>	<u>49,644</u>
Expenditures:				
Current:				
Public safety	<u>250,000</u>	<u>250,000</u>	<u>112,111</u>	<u>137,889</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>112,111</u>	<u>137,889</u>
Deficiency of revenues over expenditures	(241,000)	(241,000)	(53,467)	187,533
Other financing sources:				
Transfers in	-	-	4,500	4,500
Proceeds from sale of capital assets	-	-	30,036	30,036
Total other financing sources	<u>-</u>	<u>-</u>	<u>34,536</u>	<u>34,536</u>
Net changes in fund balance	(241,000)	(241,000)	(18,931)	222,069
Fund balances, beginning of year	<u>1,775,526</u>	<u>1,775,526</u>	<u>1,775,526</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,534,526</u>	<u>\$ 1,534,526</u>	<u>\$ 1,756,595</u>	<u>\$ 222,069</u>

**CITY OF DOUGLASVILLE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,629,000	\$ 1,629,000	\$ 1,550,002	\$ (78,998)
Investment income	800	800	13,580	12,780
Total revenues	<u>1,629,800</u>	<u>1,629,800</u>	<u>1,563,582</u>	<u>(66,218)</u>
Expenditures:				
Debt service:				
Principal retirement	1,290,000	1,290,000	1,290,000	-
Interest and fiscal charges	<u>339,800</u>	<u>339,800</u>	<u>339,700</u>	<u>100</u>
Total expenditures	<u>1,629,800</u>	<u>1,629,800</u>	<u>1,629,700</u>	<u>100</u>
Net changes in fund balance	-	-	(66,118)	(66,118)
Fund balances, beginning of year	<u>547,366</u>	<u>547,366</u>	<u>547,366</u>	-
Fund balances, end of year	<u>\$ 547,366</u>	<u>\$ 547,366</u>	<u>\$ 481,248</u>	<u>\$ (66,118)</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, 2023

<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	\$ 8,657,955	\$ 5,722,640	\$ 2,935,315	\$ 8,657,955	100.00	%
Transportation and Streets (45%)	16,876,800	18,153,548	12,697,663	1,273,936	13,971,599	76.96	
Facility and Infrastructure Improvements (15%)	5,625,600	5,990,862	5,709,642 (1)	115,494	5,825,136	97.23	
Parks and Recreation (20%)	7,500,800	8,831,619	7,565,106	1,218,923	8,784,029	99.46	
Total 2016 Issue	<u>\$ 37,504,000</u>	<u>\$ 41,633,984</u>	<u>\$ 31,695,051</u>	<u>\$ 5,543,668</u>	<u>\$ 37,238,719</u>		

(1) Prior year expenditures totaling \$159,725, upon research, was determined to have been funded by non-SPLOST sources, therefore the opening balance in Facility Infrastructure Improvements projects has been adjusted accordingly.

CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2022 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<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 (35%)	\$ 18,411,594	\$ 18,411,594	\$ -	\$ -	\$ -	0.00 %
Transportation and Streets (35%)	18,411,594	18,411,594	-	-	-	0.00
Facility and Infrastructure Improvements (20%)	10,520,911	10,520,911	-	-	-	0.00
Parks and Recreation (10%)	5,260,455	5,260,455	-	13,014	13,014	0.25
Total 2020 Issue	<u>\$ 52,604,554</u>	<u>\$ 52,604,554</u>	<u>\$ -</u>	<u>\$ 13,014</u>	<u>\$ 13,014</u>	

CITY OF DOUGLASVILLE, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOUGLASVILLE DEVELOPMENT AUTHORITY
JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$	440,705
Accounts receivable		1,698
Prepaid items		3,647
		3,647
Total assets	\$	446,050

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	26
		26
Total liabilities		26

FUND BALANCE

Fund balances:		
Nonspendable:		
Prepaid items		3,647
Unassigned		442,377
		446,024
Total liabilities and fund balance	\$	446,050

**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, 2023**

Revenues	
Charges for services	\$ 107,750
Interest income	10,917
Total revenues	118,667
 Expenditures	
Current:	
Housing and development	201,204
Total expenditures	201,204
Net change in fund balance	(82,537)
 Fund balances, beginning of year	 528,561
Fund balances, end of year	\$ 446,024

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of The City of Douglasville's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in capital assets	\$ 64,633,326	\$ 64,472,022	\$ 64,515,086	\$ 64,221,327	\$ 67,123,600	\$ 71,092,887	\$ 76,525,370	\$ 80,224,921	\$ 79,459,291	\$ 78,505,390
Restricted	3,214,142	3,223,039	3,418,778	3,658,043	6,525,844	8,682,986	8,548,665	8,691,558	8,795,227	19,385,215
Unrestricted	(8,544,416)	(7,106,171)	(6,908,885)	(17,458,063)	(14,886,166)	(11,622,846)	(13,614,180)	(9,572,998)	(3,778,220)	2,475,102
Total governmental activities net position	<u>\$ 59,303,052</u>	<u>\$ 60,588,890</u>	<u>\$ 61,024,979</u>	<u>\$ 50,421,307</u>	<u>\$ 58,763,278</u>	<u>\$ 68,153,027</u>	<u>\$ 71,459,855</u>	<u>\$ 79,343,481</u>	<u>\$ 84,476,298</u>	<u>\$ 100,365,707</u>
Business-type activities										
Net Investment in capital assets	\$ 1,299,214	\$ 1,372,590	\$ 1,367,872	\$ 1,374,200	\$ 1,507,616	\$ 4,565,218	\$ 8,711,792	\$ 8,269,367	\$ 7,871,848	\$ 7,546,225
Unrestricted	2,954,370	3,374,718	3,978,860	4,206,517	4,349,246	3,169,371	1,605,736	2,446,450	3,822,855	5,321,511
Total business-type activities net position	<u>\$ 4,253,584</u>	<u>\$ 4,747,308</u>	<u>\$ 5,346,732</u>	<u>\$ 5,580,717</u>	<u>\$ 5,856,862</u>	<u>\$ 7,734,589</u>	<u>\$ 10,317,528</u>	<u>\$ 10,715,817</u>	<u>\$ 11,694,703</u>	<u>\$ 12,867,736</u>
Primary government										
Net Investment in capital assets	\$ 65,932,540	\$ 65,844,612	\$ 65,882,958	\$ 65,595,527	\$ 68,631,216	\$ 75,658,105	\$ 85,237,162	\$ 88,494,288	\$ 87,331,139	\$ 86,051,615
Restricted	3,214,142	3,223,039	3,418,778	3,658,043	6,525,844	8,682,986	8,548,665	8,691,558	8,795,227	19,385,215
Unrestricted	(5,590,046)	(3,731,453)	(2,930,025)	(13,251,546)	(10,536,920)	(8,453,475)	(12,008,444)	(7,126,548)	44,635	7,796,613
Total primary government net position	<u>\$ 63,556,636</u>	<u>\$ 65,336,198</u>	<u>\$ 66,371,711</u>	<u>\$ 56,002,024</u>	<u>\$ 64,620,140</u>	<u>\$ 75,887,616</u>	<u>\$ 81,777,383</u>	<u>\$ 90,059,298</u>	<u>\$ 96,171,001</u>	<u>\$ 113,233,443</u>

Notes:

- Restatement to 2014's ending net position as a result of implementing GASB Statement No. 68.
- Restatement to 2017's ending net position as a result of implementing GASB Statement No. 75.
- Restatement to 2022's ending net position resulting from amended occupational tax returns filed by McMaster Supply.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General government	\$ 4,809,968	\$ 6,069,013	\$ 7,020,218	\$ 9,747,658	\$ 8,842,137	\$ 12,155,560	\$ 12,381,071	\$ 9,134,244	\$ 11,165,321	\$ 13,836,894
Judicial	466,150	746,284	824,031	789,823	684,795	750,348	797,065	1,419,298	1,478,217	1,681,637
Public safety	11,527,647	10,823,733	11,761,412	11,249,398	12,130,090	12,532,675	14,957,786	14,615,873	16,924,705	20,134,247
Public works	3,132,100	2,686,734	2,682,503	2,409,663	3,646,251	6,953,668	8,270,801	3,244,703	4,862,531	6,658,620
Housing and development	1,236,085	2,050,572	1,996,326	1,372,370	1,485,874	1,979,936	1,874,376	547,631	2,945,872	2,477,491
Health and welfare	144,708	-	-	-	-	-	-	-	-	-
Culture and recreation	4,207,443	4,263,526	4,517,173	4,845,801	5,119,399	4,612,966	6,194,551	6,229,073	6,613,763	6,642,669
Interest on long-term debt	1,708,638	1,652,409	1,603,148	1,250,809	967,705	960,813	965,032	847,387	2,165,065	1,932,613
Total governmental activities expenses	27,232,739	28,292,271	30,404,811	31,665,522	32,876,251	39,945,966	45,440,682	36,038,209	46,155,474	53,364,171
Business-type activities:										
Sanitation	3,244,222	3,375,445	3,317,568	3,695,797	4,013,420	4,758,192	4,695,904	4,817,512	5,316,257	5,636,357
Total business-type activities expenses	3,244,222	3,375,445	3,317,568	3,695,797	4,013,420	4,758,192	4,695,904	4,817,512	5,316,257	5,636,357
Total primary government expenses	\$ 30,476,961	\$ 31,667,716	\$ 33,722,379	\$ 35,361,319	\$ 36,889,671	\$ 44,704,158	\$ 50,136,586	\$ 40,855,721	\$ 51,471,731	\$ 59,000,528
Program Revenues										
Governmental Activities:										
Charges for service:										
General government	\$ 2,253,020	\$ 2,413,872	\$ 2,434,206	\$ 2,944,164	\$ 3,794,094	\$ 3,901,502	\$ 3,990,452	\$ 4,174,343	\$ 5,906,624	\$ 4,829,412
Housing and development	410,570	557,320	439,654	765,360	226,426	267,579	198,264	152,579	339,214	430,119
Judicial	1,116,850	2,216,583	1,274,224	1,570,466	1,877,717	1,873,705	1,159,756	1,657,485	1,906,279	3,334,912
Public safety	331,947	317,080	362,911	473,587	532,349	377,214	532,917	288,427	185,355	267,206
Public works	-	-	17,750	-	-	-	-	-	-	-
Culture and recreation	1,438,449	1,443,399	1,550,758	1,101,870	977,333	1,219,544	1,015,228	1,131,920	1,641,721	1,840,172
Operating grants and contributions	450,109	1,002,645	300,897	529,559	489,644	489,693	366,671	2,359,595	975,095	3,726,306
Capital grants and contributions	749,654	544,223	233,612	1,277,414	7,194,611	11,132,780	10,333,367	1,870,378	5,575,596	12,857,600
Total governmental activities program revenues	6,750,599	8,495,122	6,614,012	8,662,420	15,092,174	19,262,017	17,596,655	11,634,727	16,529,884	27,285,727
Business-type activities:										
Charges for services:										
Sanitation	3,689,973	3,911,692	3,999,390	4,023,039	4,560,797	4,603,302	4,683,009	5,347,378	6,312,906	6,640,007
Capital grants and contributions	-	-	-	-	-	3,351,119	4,271,118	-	-	-
Total business-type activities program revenues	3,689,973	3,911,692	3,999,390	4,023,039	4,560,797	7,954,421	8,954,127	5,347,378	6,312,906	6,640,007
Total primary government program revenues	\$ 10,440,572	\$ 12,406,814	\$ 10,613,402	\$ 12,685,459	\$ 19,652,971	\$ 27,216,438	\$ 26,550,782	\$ 16,982,105	\$ 22,842,790	\$ 33,925,734

Note: FY 2014 has been restated and the effect of implementing GASB Nos. 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (20,482,140)	\$ (19,797,149)	\$ (23,790,799)	\$ (23,003,102)	\$ (17,784,077)	\$ (20,683,949)	\$ (27,844,027)	\$ (24,403,482)	\$ (29,625,590)	\$ (26,078,444)
Business-type activities	445,751	536,247	681,822	327,242	547,377	3,196,229	4,258,223	529,866	996,649	1,003,650
Total primary government net expense	<u>\$ (20,036,389)</u>	<u>\$ (19,260,902)</u>	<u>\$ (23,108,977)</u>	<u>\$ (22,675,860)</u>	<u>\$ (17,236,700)</u>	<u>\$ (17,487,720)</u>	<u>\$ (23,585,804)</u>	<u>\$ (23,873,616)</u>	<u>\$ (28,628,941)</u>	<u>\$ (25,074,794)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 6,041,140	\$ 7,943,693	\$ 9,922,506	\$ 10,300,396	\$ 11,026,570	\$ 12,612,306	\$ 13,125,830	\$ 14,485,665	\$ 15,190,285	\$ 18,722,171
Sales taxes	5,156,024	6,048,402	6,204,621	6,281,217	6,971,616	7,718,366	8,082,143	8,804,764	10,066,787	10,393,627
Other taxes and miscellaneous	6,313,992	6,948,787	7,897,884	7,348,719	7,645,137	7,920,208	7,847,344	8,388,279	9,188,831	9,934,824
Unrestricted investment earnings	27,055	27,105	30,854	44,327	153,883	368,044	320,383	227,672	206,767	2,848,223
Gain on sale of capital assets	-	-	71,023	-	25,107	27,630	-	221,003	-	69,008
Transfers	100,000	115,000	100,000	100,000	303,735	1,427,144	1,766,161	159,725	105,737	-
Total governmental activities	<u>\$ 17,638,211</u>	<u>\$ 21,082,987</u>	<u>\$ 24,226,888</u>	<u>\$ 24,074,659</u>	<u>\$ 26,126,048</u>	<u>\$ 30,073,698</u>	<u>\$ 31,141,861</u>	<u>\$ 32,287,108</u>	<u>\$ 34,758,407</u>	<u>\$ 41,967,853</u>
Business-type activities										
Investment earnings	\$ 1,802	\$ 238	\$ 2,257	\$ 6,743	\$ 26,202	\$ 108,642	\$ 90,877	\$ 1,897	\$ 7,974	\$ 169,383
Gain on sale of capital assets	-	72,239	15,345	-	6,301	-	-	26,251	80,000	-
Transfers	(100,000)	(115,000)	(100,000)	(100,000)	(303,735)	(1,427,144)	(1,766,161)	(159,725)	(105,737)	-
Total business-type activities	<u>(98,198)</u>	<u>(42,523)</u>	<u>(82,398)</u>	<u>(93,257)</u>	<u>(271,232)</u>	<u>(1,318,502)</u>	<u>(1,675,284)</u>	<u>(131,577)</u>	<u>(17,763)</u>	<u>169,383</u>
Total primary government	<u>\$ 17,540,013</u>	<u>\$ 21,040,464</u>	<u>\$ 24,144,490</u>	<u>\$ 23,981,402</u>	<u>\$ 25,854,816</u>	<u>\$ 28,755,196</u>	<u>\$ 29,466,577</u>	<u>\$ 32,155,531</u>	<u>\$ 34,740,644</u>	<u>\$ 42,137,236</u>
Change in Net Position										
Governmental activities	\$ (2,843,929)	\$ 1,285,838	\$ 436,089	\$ 1,071,557	\$ 8,341,971	\$ 9,389,749	\$ 3,297,834	\$ 7,883,626	\$ 5,132,817	\$ 15,889,409
Business-type activities	347,553	493,724	599,424	233,985	276,145	1,877,727	2,582,939	398,289	978,886	1,173,033
Total primary government	<u>\$ (2,496,376)</u>	<u>\$ 1,779,562</u>	<u>\$ 1,035,513</u>	<u>\$ 1,305,542</u>	<u>\$ 8,618,116</u>	<u>\$ 11,267,476</u>	<u>\$ 5,880,773</u>	<u>\$ 8,281,915</u>	<u>\$ 6,111,703</u>	<u>\$ 17,062,442</u>

Note: FY2014 and FY2017 have been restated and the effect of implementing GASB Nos. 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 220,958	\$ 522,637	\$ 176,909	\$ 697,430	\$ 640,857	\$ 575,973	\$ 609,281	\$ 460,299	\$ 737,376	\$ 986,947
Assigned	104,849	104,849	-	518,159	1,687,713	2,598,191	2,016,880	3,036,769	2,443,386	1,074,038
Unassigned	5,236,868	6,097,136	8,658,815	10,096,493	12,185,372	14,487,097	15,357,559	21,001,555	25,983,366	30,006,156
Total general fund	<u>\$ 5,562,675</u>	<u>\$ 6,724,622</u>	<u>\$ 8,835,724</u>	<u>\$ 11,312,082</u>	<u>\$ 14,513,942</u>	<u>\$ 17,661,261</u>	<u>\$ 17,983,720</u>	<u>\$ 24,498,623</u>	<u>\$ 29,164,128</u>	<u>\$ 32,067,141</u>
All Other Governmental Funds										
Nonspendable	\$ 2,814	\$ 6,759	\$ 726	\$ 75,972	\$ 74,589	\$ 49,137	\$ 39,491	\$ 2,630	\$ 118,799	\$ 13,446
Restricted	3,211,328	3,216,280	3,418,052	3,956,270	6,904,212	9,061,573	8,908,342	9,040,695	46,218,559	40,059,158
Assigned	-	-	-	-	-	-	-	-	-	130,069
Unassigned	(1,457,099)	(1,073,220)	(1,073,220)	(715,924)	(361,389)	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,757,043</u>	<u>\$ 2,149,819</u>	<u>\$ 2,345,558</u>	<u>\$ 3,316,318</u>	<u>\$ 6,617,412</u>	<u>\$ 9,110,710</u>	<u>\$ 8,947,833</u>	<u>\$ 9,043,325</u>	<u>\$ 46,337,358</u>	<u>\$ 40,202,673</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 17,289,758	\$ 20,692,270	\$ 23,692,430	\$ 23,957,036	\$ 25,578,276	\$ 28,209,926	\$ 28,744,291	\$ 31,389,390	\$ 34,182,159	\$ 38,428,820
Licenses and permits	2,124,865	2,435,307	2,280,227	2,801,140	3,156,667	3,232,355	3,400,336	3,613,465	5,042,535	3,562,074
Intergovernmental	822,471	653,037	491,732	1,563,539	8,085,336	11,632,635	10,983,223	4,375,710	7,037,058	16,906,036
Fines and forfeitures	1,591,145	2,310,910	1,936,467	1,801,475	1,923,209	1,914,322	1,707,961	2,140,840	1,919,730	2,622,914
Charges for service	1,906,925	1,875,617	2,006,316	1,805,462	1,618,886	1,934,033	1,570,287	1,418,404	2,112,645	2,458,210
Interest Income	27,055	24,928	33,354	59,825	159,939	396,363	347,592	244,542	209,810	3,018,795
Other Revenues	734,377	677,521	724,008	788,990	485,665	661,581	576,392	764,725	630,472	1,298,567
Total revenues	24,496,596	28,669,590	31,164,534	32,777,467	41,007,978	47,981,215	47,330,082	43,947,076	51,134,409	68,295,416
Expenditures										
General government	4,055,572	5,579,408	6,786,783	7,099,575	8,504,662	12,692,624	9,953,363	8,495,496	10,496,178	12,891,963
Judicial	730,699	693,350	767,006	798,380	664,316	748,965	759,475	1,352,124	1,463,838	1,648,560
Public safety	9,530,484	9,641,067	10,470,274	10,522,209	10,720,402	11,832,548	12,826,208	12,294,473	15,564,022	18,320,477
Public works	1,733,633	1,694,505	1,911,541	1,766,111	2,973,074	6,584,228	7,401,349	2,362,105	3,927,290	5,716,702
Culture and recreation	3,647,892	3,812,069	4,261,087	3,866,921	3,960,766	5,427,391	4,794,840	5,836,521	6,197,168	8,501,330
Housing and development	1,465,802	1,889,726	1,203,446	1,755,616	2,180,607	1,838,037	1,644,433	1,287,522	2,645,603	2,026,211
Capital outlay	1,227,558	172,828	114,672	-	2,467,516	1,057,952	9,177,724	2,399,827	6,747,538	16,597,115
Debt service										
Interest	1,900,149	1,735,405	1,670,103	2,166,042	2,276,805	1,223,779	2,781,109	2,655,273	1,105,508	2,180,038
Principal	1,803,076	2,011,508	2,090,263	1,458,783	1,179,759	2,397,218	1,167,970	1,087,171	2,868,689	4,113,630
Bond Issuance Cost	-	-	-	207,594	173,589	-	-	-	822,723	5,000
Total expenditures	26,094,865	27,229,866	29,275,175	29,641,231	35,101,496	43,802,742	50,506,471	37,770,512	51,838,557	72,001,026
Excess of revenues over (under) expenditures	(1,598,269)	1,439,724	1,889,359	3,136,236	5,906,482	1,889,359	(3,176,389)	6,176,564	(704,148)	(3,705,610)
Other Financing Sources (Uses)										
Transfers in	3,136,389	2,953,188	3,140,934	1,327,110	1,547,418	3,237,807	5,108,425	1,750,819	518,845	268,489
Transfers out	(3,036,389)	(2,838,188)	(3,040,934)	(1,227,110)	(1,243,683)	(1,810,663)	(2,939,304)	(1,591,094)	(413,108)	(268,489)
Bonds issued	-	-	-	13,600,000	9,480,000	-	-	-	36,860,000	-
Premium on bonds issued	-	-	-	1,679,464	979,522	-	-	-	4,223,723	-
Payment to refunded bond escrow agent	-	-	-	(15,072,082)	(10,286,145)	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-	1,166,350	-	1,418,880	393,942
Sale of capital assets	-	-	317,482	3,500	119,360	35,000	500	274,106	55,346	79,996
Total other financing sources (uses)	100,000	115,000	417,482	310,882	596,472	1,462,144	3,335,971	433,831	42,663,686	473,938
Net change in fund balances	\$ (1,498,269)	\$ 1,554,724	\$ 2,306,841	\$ 3,447,118	\$ 6,502,954	\$ 3,351,503	\$ 159,582	\$ 6,610,395	\$ 41,959,538	\$ (3,231,672)
Debt service as a percentage of noncapital expenditures	15%	14%	13%	13%	11%	9%	9%	12%	9%	12%

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
2014	\$ 6,022,126	\$ 5,156,024	\$ 1,010,390	\$ 1,878,032	\$ 1,597,091	\$ 1,577,730	\$ 48,365	\$ 17,289,758
2015	7,915,893	6,048,402	1,003,239	2,211,816	1,669,605	1,791,318	51,997	20,692,270
2016	9,855,187	6,159,621	1,009,969	2,836,620	1,783,698	1,970,096	77,238	23,692,429
2017	10,285,412	6,281,217	1,006,718	2,422,009	1,932,092	1,930,978	98,610	23,957,036
2018	10,955,642	6,756,996	1,078,828	2,424,509	2,057,499	2,192,676	112,126	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
2020	12,966,633	7,889,488	1,127,396	2,622,637	2,357,132	1,670,398	110,607	28,744,291
2021	14,312,831	10,197,264	1,426,806	2,594,381	2,441,790	1,976,252	161,555	33,110,879
2022	15,090,537	10,066,787	1,311,665	2,690,488	2,479,272	2,398,969	144,441	34,182,159
2023	18,486,122	10,107,647	1,305,494	2,804,274	2,913,966	2,698,935	112,382	38,428,820

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

<u>Fiscal Year</u>	<u>Digest Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utilities Property</u>	<u>Motor Vehicles Mobile Homes Heavy Equipment</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2014	2013	\$ 842,583,657	\$ 152,016,398	\$ 11,717,620	\$ 54,417,138	\$ (31,176,370)	\$ 1,029,558,443	5.496	\$ 2,619,402,633	40.00
2015	2014	845,498,290	147,369,572	13,020,716	46,858,796	(32,694,757)	1,020,052,617	7.454	2,550,131,543	40.00
2016	2015	887,125,894	174,819,620	15,610,515	33,682,970	(40,551,254)	1,070,687,745	8.954	2,676,719,363	40.00
2017	2016	947,207,458	188,873,041	14,673,241	23,900,314	(46,625,780)	1,128,028,274	8.437	2,820,070,685	40.00
2018	2017	998,735,137	214,933,082	15,656,810	18,059,341	(42,973,923)	1,204,410,447	8.261	3,011,026,118	40.00
2019	2018	1,150,783,616	243,299,200	16,396,689	13,639,527	(57,923,333)	1,366,195,699	8.451	3,415,489,248	40.00
2020	2019	1,238,226,353	291,846,648	20,074,485	10,772,368	(88,773,912)	1,472,145,942	8.331	3,680,364,855	40.00
2021	2020	1,327,022,013	274,949,099	20,074,485	11,302,693	(82,777,159)	1,550,571,131	8.279	3,876,427,828	40.00
2022	2021	1,421,062,404	324,575,578	21,823,607	7,554,911	(24,875,322)	1,750,141,178	8.111	4,375,352,945	40.00
2023	2022	1,940,056,232	364,625,442	22,625,457	6,283,408	(140,649,990)	2,192,940,549	8.003	5,482,351,373	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		Total Direct	Overlapping Rates				Total Direct & Overlapping Rates
	City of Douglasville	Bond City of Douglasville		Douglas County	Douglas County Board of Education	Douglas County Board of Education	State of Georgia	
2014	5.784	1.670	7.454	12.153	21.350		0.100	41.057
2015	7.338	1.616	8.954	11.809	21.100		0.050	41.913
2016	6.911	1.526	8.437	11.267	21.000		0.050	40.754
2017	6.911	1.350	8.261	10.768	20.950		0.000	39.979
2018	7.211	1.240	8.451	10.213	20.900		0.000	39.564
2019	7.211	1.120	8.331	10.213	19.700		0.000	38.244
2020	7.211	1.068	8.279	12.563	19.600	1.000	0.000	40.442
2021	7.211	0.900	8.111	12.563	19.550	0.500	0.000	40.224
2022	7.211	0.792	8.003	12.563	19.500	1.000	0.000	40.066
2023	7.711	1.300	9.011	12.313	18.990	0.500	0.000	40.314

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>
2014	2.00	1.00	4.00	7.00
2015	2.00	1.00	4.00	7.00
2016	2.00	1.00	4.00	7.00
2017	2.00	1.00	4.00	7.00
2018	2.00	1.00	4.00	7.00
2019	2.00	1.00	4.00	7.00
2020	2.00	1.00	4.00	7.00
2021	2.00	1.00	4.00	7.00
2022	2.00	1.00	4.00	7.00
2023	2.00	1.00	4.00	7.00

Source: Georgia Department of Revenue

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

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁽¹⁾	2023 ⁽²⁾
Accommodations	\$ 246,938	\$ 289,916	\$ 311,047	\$ 324,023	\$ 383,109	\$ 382,805	\$ 274,440	\$ 391,653	\$ 350,456	\$ 343,543
Automotive	677,508	732,343	785,155	746,299	757,758	753,157	899,744	1,062,379	832,482	887,171
Construction	170,593	230,438	189,842	155,212	268,014	217,734	191,920	269,048	250,491	291,514
Food/Bars	4,263,736	4,515,450	4,734,483	4,764,124	4,636,837	4,889,394	5,222,073	5,641,776	4,371,025	4,618,382
General Merchandise	4,030,292	4,164,612	3,861,740	3,938,706	3,966,830	4,476,581	6,068,552	5,169,203	3,980,116	3,926,845
Home Furnishing	2,004,988	1,992,955	2,221,464	2,044,811	1,975,474	1,960,083	2,038,744	2,488,949	2,168,462	1,714,583
Manufacturing	1,190,029	1,180,927	1,314,683	1,112,913	1,403,981	1,361,828	1,166,020	1,423,689	1,568,030	1,777,860
Misc. Service	2,092,904	2,353,688	2,525,176	2,258,121	2,473,394	2,519,057	2,650,588	3,185,592	2,914,186	3,130,793
Other Retail	3,029,861	3,138,120	3,177,548	3,046,707	3,741,918	3,881,439	4,426,081	5,374,780	4,340,999	4,657,317
Other Service	522,537	633,729	651,344	792,409	1,393,981	1,444,170	1,509,504	1,785,437	1,500,566	2,017,556
Utility	1,649,436	1,570,595	1,468,460	1,407,637	1,553,798	1,655,432	1,539,234	1,597,746	1,327,352	1,425,146
Wholesale	3,272,752	2,983,190	2,416,181	2,420,912	2,778,984	3,103,178	2,553,960	3,358,259	3,335,530	3,633,394
Total	\$ 23,151,574	\$ 23,785,963	\$ 23,657,123	\$ 23,011,874	\$ 25,334,078	\$ 26,644,858	\$ 28,540,860	\$ 31,748,511	\$ 26,939,695	\$ 28,424,104
Sales Tax Rate ***	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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

Source: Georgia Department of Revenue Sales Tax Commodity Report

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

⁽¹⁾ Through September 2022.

⁽²⁾ Through September 2023.

City of Douglasville, Georgia

Principal Property Taxpayers

Current Year and Ten Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
McMaster-Carr Supply Company	\$ 85,432,947	1	3.90%			
Development Auth. Of City of Douglasville	23,421,032	2	1.07%			
Gordon Food Services, Inc.	19,114,400	3	0.87%			
Tributary Village, LLC	16,478,960	4	0.75%			
Crestmark Community, LLC	15,432,373	5	0.70%			
SL Bright Star, LLC	15,361,560	6	0.70%			
ETP Preserve, LLC	14,965,166	7	0.68%			
Trikell, LLC	14,829,308	8	0.68%	\$ 8,599,658	4	0.84%
MRE Propco LP	14,711,360	9	0.67%			
Arbor Place II, LLC	14,628,040	10	0.67%	13,122,040	1	1.27%
MedLine Industries, Inc*				17,300,212	2	1.68%
DDRTC Douglasville Pavilion, LLC				8,782,320	3	0.85%
Centerpoint Properties Trust				8,117,680	5	0.79%
Prologis TLF				7,809,920	6	0.76%
Carlyle Centennial Lenox LP				7,647,280	7	0.74%
CAM Crestmark, LLC				7,415,184	8	0.72%
Villas at West Ridge				7,040,000	9	0.68%
MedLine Industries Phase II*				58,984,704	10	5.73%
Total	\$ 234,375,146		10.69%	\$ 144,818,998		14.07%

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
2014	2013	\$ 5,358,823	\$ 5,189,421	96.84%	\$ 168,992	\$ 5,358,413	99.99%
2015	2014	7,316,371	7,158,035	97.84%	158,012	7,316,047	100.00%
2016	2015	9,359,932	9,117,159	97.41%	242,363	9,359,522	100.00%
2017	2016	9,395,185	9,298,745	98.97%	95,998	9,394,743	100.00%
2018	2017	9,866,902	9,856,186	99.89%	9,998	9,866,184	99.99%
2019	2018	9,678,671	9,571,241	98.89%	96,432	9,667,673	99.89%
2020	2019	10,615,239	10,296,186	96.99%	317,009	10,613,195	99.98%
2021	2020	11,181,168	10,973,656	98.14%	199,409	11,173,065	99.93%
2022	2021	11,890,748	11,676,192	98.20%	406,385	12,082,577	101.61%
2023	2022	14,771,351	13,496,534	91.37%	6,694	13,503,228	91.41%

Sources: City of Douglasville Finance Department

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

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

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita	Population
	Note Payable	Financed Purchases	Lease Liabilities	Subscription Liabilities	Revenue Bonds	GO Bonds				
2014	\$ -	\$ 1,497,116	\$ -	\$ -	\$ 17,698,735	\$ 24,366,887	\$ 43,562,738	0.000186%	1,365	31,573
2015	-	1,253,449	-	-	21,243,243	17,980,000	40,476,692	0.000173%	1,268	31,917
2016	-	999,626	-	-	20,376,802	17,010,000	38,386,428	0.000154%	1,188	32,317
2017	-	735,203	-	-	19,943,116	17,359,448	38,037,767	0.000141%	1,161	32,768
2018	-	499,836	-	-	19,747,553	16,099,826	36,347,215	0.000125%	1,094	33,210
2019	-	254,822	-	-	18,562,549	14,798,482	33,615,853	0.000108%	1,017	33,052
2020	496,652	421,816	-	-	17,356,467	13,422,837	31,697,772	0.000088%	915	34,650
2021	403,868	215,267	-	-	16,113,079	12,027,898	28,760,112	0.000072%	809	35,561
2022	300,571	851,820	432,377	-	32,789,664	33,734,058	68,108,490	0.000180%	1,915	35,561
2023	185,570	-	312,073	327,912	25,930,693	37,255,060	64,011,308	0.000141%	1,687	37,948

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Source: Debt Schedule Finance Department
Source: Schedule of Demographic and Economic Statistics for personal income and population data.

City of Douglasville, Georgia
Ratios of Net General Bonded Debt Outstanding
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	Population
2014	\$ 24,366,887	\$ -	\$ 24,366,887	2.37%	772	31,573
2015	17,980,000	-	17,980,000	1.76%	563	31,917
2016	17,010,000	-	17,010,000	1.59%	526	32,317
2017	17,359,448	-	17,359,448	1.54%	530	32,768
2018	16,099,826	276,144	15,823,682	1.31%	476	33,210
2019	14,798,482	91,692	14,706,790	1.08%	445	33,052
2020	13,422,837	-	13,422,837	0.91%	387	34,650
2021	12,027,898	-	12,027,898	0.78%	338	35,561
2022	33,734,058	-	33,734,058	1.93%	949	35,561
2023	37,255,060	-	37,255,060	1.70%	982	37,948

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

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

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

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

City of Douglasville, Georgia
Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct General Obligation Debt			
Bonds	\$ 63,185,753	100.00%	\$ 63,185,753
Note Payable	185,570	100.00%	185,570
Lease Liabilities	312,073	100.00%	312,073
Subscription Liabilities	327,912	100.00%	327,912
Total Direct Debt	<u>\$ 64,011,308</u>		<u>\$ 64,011,308</u>
Overlapping General Obligation Debt			
Douglas County			
Lease Liabilities	\$ 2,218,549		\$ -
Total :	<u>\$ 2,218,549</u>	29.09%	<u>\$ 645,376</u>
Douglas County School District			
Bonds	\$ 86,321,000		
	<u>\$ 86,321,000</u>	29.09%	<u>\$ 25,110,779</u>
Total Overlapping Debt	<u>\$ 88,539,549</u>		<u>\$ 25,756,155</u>
Total Direct and Overlapping Debt	<u>\$ 152,550,857</u>		<u>\$ 89,767,463</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 106,073,481	\$ 105,274,737	\$ 111,123,900	\$ 117,465,405	\$ 124,792,437	\$ 142,411,903	\$ 155,838,277	\$ 163,334,829	\$ 177,501,650	\$ 233,359,054
Total net debt applicable to limit	24,366,887	17,980,000	17,010,000	17,359,448	16,099,826	14,798,482	13,422,837	12,027,898	33,099,136	37,255,060
Legal debt margin	\$ 81,706,594	\$ 87,294,737	\$ 94,113,900	\$ 100,105,957	\$ 108,692,611	\$ 127,613,421	\$ 142,415,440	\$ 151,306,931	\$ 144,402,514	\$ 196,103,994
Total net debt applicable to the limit as a percentage of debt limit	22.97%	17.08%	15.31%	14.78%	12.90%	10.39%	8.61%	7.36%	18.65%	15.96%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 2,192,940,549
Add back exempt real property	140,649,990
Total assessed value	<u>2,333,590,539</u>
Debt limit (10% of total assessed value)	<u>233,359,054</u>
Debt applicable to limit:	
General obligation bonds	37,255,060
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>37,255,060</u>
Legal debt margin	<u>\$ 196,103,994</u>

Info gathered from:
2022 Tax Millage Rate and 5 Year History

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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income</u>	<u>Per Capita Personal Income¹</u>	<u>Median Age¹</u>	<u>County School Enrollment</u>	<u>School Enrollment¹</u>	<u>Unemployment Rate¹</u>
2014	31,573	\$ 733,882,812	\$ 23,244	34.0	25,500	9,813	11.20%
2015	31,917	734,378,253	23,009	34.0	25,668	9,569	11.60%
2016	32,317	772,893,372	23,916	33.6	25,668	10,069	11.40%
2017	32,768	820,805,632	25,049	33.9	28,820	9,715	11.10%
2018	33,210	872,360,280	26,268	34.7	25,483	9,698	9.20%
2019	33,052	941,320,960	28,480	34.9	26,000	8,865	8.80%
2020	34,650	1,038,807,000	29,980	36.7	25,770	9,864	8.80%
2021	35,561	1,121,985,111	31,551	36.4	26,668	9,864	8.80%
2022	35,561 ⁽²⁾	1,066,118,780 ⁽²⁾	29,980 ⁽²⁾	36.4 ⁽²⁾	26,459	9,684 ⁽²⁾	6.40%
2023	37,948	1,197,297,348 ⁽²⁾	31,551 ⁽²⁾	36.4 ⁽²⁾	25,836	9,684 ⁽²⁾	6.40%

Data sources

¹United States Census Bureau

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

Note: School enrollment from Douglas County, Email Portia Lake (DCSD PIO)

Unemployment Rate for Metro Atlanta area DOL

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
American Red Cross	732	1	4.00%	450	3	2.31%
Home Chef	729	2	3.98%			
WalMart Super Center	634	3	3.46%	750	1	3.85%
Medline Medical Ind., Inc.	495	4	2.70%	250	6	1.28%
Resia Construction, LLC	450	5	2.46%			
Baldwin Paving Co., Inc.	435	6	2.38%			
Kehe Distributors, LLC	419	7	2.29%			
TDR Contractors, Inc.	300	8	1.64%			
Amazon.com Services, LLC	299	9	1.63%			
Alamon, Inc	225	10	1.23%			
Wellstar Douglas Hospital				700	2	3.59%
Benton Georgia				300	4	1.54%
Staples Customer Center				258	5	1.32%
Cahaba Healthcare				100	7	0.51%
Relfex				100	8	0.51%
A.L.P. Lighting Components				100	9	0.51%
DeNyse Signs				75	10	0.38%
All other employers	13,596		74.24%	16,404		84.18%
Total	18,314		100.00%	19,487		100.00%

Source: Finance Occupational Tax Returns

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government:										
Governing Body	9	8	8	8	8	8	8	8	8	8
Chief Executive (Mgr. Or Admin.)	5	5	4	7	9	8	9	8	6	9
IT/MIS	3	3	3	3	3	3	3	3	2	4
Police Records & Court	11	9	9	13	12	13	24	25	24	14
Financial Administration	7	7	7	7	7	10	8	9	12	12
General Govt. Bldgs. & Plant	1	1	1	3	5	5	7	8	6	8
Human Resources	2	3	4	5	5	5	4	5	14	8
Public Safety:										
Police Administration	8	8	9	10	18	7	9	9	8	8
Police - IT	2	2	2	2	2	2	3	3	3	4
Police Detective	17	19	15	17	18	18	17	19	16	16
Police Special OPS	8	8	6	4	3	5	5	5	5	5
Police Patrol	48	62	55	57	53	64	56	55	58	57
Police Motors	5	5	3	2	3	5	5	5	4	4
Police Training	6	10	5	3	3	3	3	3	3	3
Police SRO	4	4	4	6	7	6	-	-	-	-
Police Building Maintenance	1	1	1	1	1	1	1	1	2	2
Building Inspections	3	4	4	4	5	5	2	4	7	9
Code Enforcement	4	4	4	5	4	4	4	5	5	5
Planning & Zoning	3	3	3	3	2	3	4	5	2	2
Engineering	-	-	-	-	-	-	1	1	3	4
Community Development	1	4	3	3	2	3	3	3	3	2
Tourism	3	4	3	2	2	2	2	2	3	3
Culture/Recreation Administration	8	8	8	6	6	17	17	20	33	48
Conference Center	4	6	6	6	3	9	3	4	3	4
West Pines Golf	8	11	8	9	8	13	25	17	20	30
Parks Areas	7	9	7	11	9	9	7	7	11	11
Highways & Streets Admin.	17	16	15	13	16	16	15	16	16	19
Traffic Engineering										
Sanitary Administration	22	26	21	23	20	30	22	24	16	20
Maintenance & Shop	2	2	2	2	2	2	2	3	2	2
Video Production	4	4	4	4	4	4	6	8	7	9
Development Authority	-	-	-	-	-	-	-	-	-	-
Keep Douglasville Beautiful	4	4	4	4	4	4	2	3	2	2
Total	227	260	228	243	244	284	277	288	304	332

Source: City of Douglasville Human Resources Dept

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

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Works:										
Street resurfacing (feet)	23,707	69,696	9,979	7,723	53,559	50,283	106,647	-	34,222	13,750
Planning and Zoning:										
Building permits issued	566	157	192	323	267	366	334	391	446	972
Permits issued (excl. sign)	-	-	-	-	-	1,563	1,590	1,475	1,312	355
Police protection*:										
Number of citations written	7,031	8,779	10,088	7,760	10,256	9,869	5,973	5,373	5,942	8,435
Number of automobile accidents	2,530	2,684	3,029	2,991	3,033	2,948	2,485	2,764	2,786	2,026
Number of reported crimes	4,836	4,941	5,515	5,403	5,969	5,337	4,734	4,344	4,418	4,205
Sanitation**:										
Large items pickup	100	141	183	148	74	117	140	285	172	284

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public works:										
Miles of streets	166.00	150.67	150.67	150.67	150.67	150.67	150.67	150.67	140.00 ⁽¹⁾	140.00
Number of traffic lights										
Number of street lights	2,048	2,293	2,293	2,574	2,511	2,518	2,518	2,518	1,100 ⁽²⁾	1,100
Police protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2 ⁽⁴⁾
Number of police officers positions	94	97	97	102	117	101	112	113	115	101
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	381 ⁽³⁾	381

Sources: Various city departments.

(1) A 2022 review of the City's infrastructure determined that the previously reported figure of 150.67 miles of streets included miles not maintained by the City such as interstate highways which are maintained by the state department of transportation. 140.00 miles is a more accurate measurement.

(2) A 2022 review of the City's street lights estimated from review of lights billed by power utilities, and lights maintained and metered by the City's public works department, the City maintains approximately 1,100 street lights. Current public works personnel estimate that the 2,518 street lights reported in previous years included lights maintained by homeowners associations.

(3) During fiscal year 2022, the Douglas County Tax Commissioner migrated to a new software system. In conjunction with this migration, a GIS study was completed, resulting in adjusted measurements for property in the County and City.

(4) Correcting previous years reporting, City Police officers do not operate out of City Hall on Church Street.

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, 2023, 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 23, 2023. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022.

Report on Internal Control over Financial Reporting

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

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

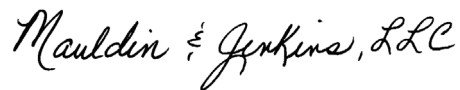
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

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.



Atlanta, Georgia
December 23, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Douglasville, Georgia’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 23, 2023

CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Grantor Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Awards			
Bulletproof Vest Partnership Program	16.607	2021BUBX21028775	\$ 11,974
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02601-JAGX	21,513
Equitable Sharing Program	16.922	GA0480100	6,445
Total U.S. Department of Justice			39,932
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI#0017811	314,378
Total Highway Planning and Construction			314,378
Highway Safety Cluster			
State and Community Highway Safety	20.600	TEN-2023-402 PT-015	8,503
Total Highway Safety Cluster			8,503
Total U.S. Department of Transportation			322,881
U.S. DEPARTMENT OF THE TREASURY			
Passed through Georgia Office of Planning and Budget			
COVID19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	GA-0004910	6,263,302
Total U.S. Department of the Treasury			6,263,302
Total Expenditures of Federal Awards			\$ 6,626,115

See accompanying notes to schedule of expenditures of federal awards

CITY OF DOUGLASVILLE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

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

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

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

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

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

**CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SECTION II
FINANCIAL STATEMENT FINDINGS**

None Reported

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

None Reported

**CITY OF DOUGLASVILLE, GEORGIA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

None reported