# **CITY OF DOUGLASVILLE, GEORGIA**

### **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2014



## **CITY OF DOUGLASVILLE, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT** 

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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and Expenditures Incurred .....

# **INTRODUCTORY SECTION**



**Harvey Persons** Mayor

William D. Osborne **City Manager** 

**Joyce Stone City Clerk** 

December 29, 2014

Mark E. Adams LaShun B. Danley Samuel Davis Douglas H. Lequire Michael J. Miller Carl D. Pope Larry G. Yockey

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

The Comprehensive Annual Financial Report of the City of Douglasville, Georgia (the City), for the fiscal year ended June 30, 2014, is hereby submitted as mandated by both local and state government. These ordinances and statutes require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City of Douglasville, Georgia's financial affairs are included.

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

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

Component units are legally separate entities for which the primary government is financially accountable. The City considers all potential component units for inclusion

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**City Council** 

in these financial statements because of significant operational or financial relationships as required by generally accepted accounting principles. For year ended June 30, 2014, the City has three component units: the Douglasville Convention and Conference Center Authority, the Douglasville Public Purpose Corporation and the Downtown Development Authority. The Douglasville Convention and Conference Center Authority and the Douglasville Public Purpose Corporation are presented as blended component units and are presented as special revenue funds. The Douglasville Development Authority is a discretely presented component unit. For additional information, see Note 1.A of the Notes to the Financial Statements.

### Profile of the Government

The City of Douglasville was created in 1937 and operates under an elected Mayor/Council form of government. The City is strategically located west of I-285 perimeter on I-20. Douglasville is the largest city in Douglas County, one of the fastest growing counties in the State of Georgia. The City's major operations include public safety, culture-recreation, highways and streets, sanitation, 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.

### Local Economy

Based on the projection from the Atlanta Regional Commission, the city of Douglasville has a population of 31,890. 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.

In September 2008, the City reactivated the Douglasville Development Authority in an effort to provide the services of business recruitment, business retention and expansion, target Industry development, national and international marketing, building and site selection among others. This Government is pro-business and with a skilled workforce and great location. Douglasville is an excellent choice for companies seeking to grow

their operations, increase productivity and reduce operating expenses, ensuring a strong economic environment for the government.

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

### Long Term Financial Planning

Unassigned fund balance in the General Fund falls within the guidelines set by the Council. The policy is to maintain a \$2.5 million fund balance; however, there is a recommendation by the City Council not to go below \$4.5 million which represents three months of operating expenses.

As in the previous year, fiscal year 2013-2014 has been marked by numerous improvements in service delivery and infrastructure, which will enhance the quality of life for the City's residents. In March 2002, the residents of Douglas County voted for a Special Purpose Local Option Sales Tax. This tax is collected to fund streets, recreation, and fire facilities in Douglas County and the City of Douglasville. This tax provided funds for renovation of existing park facilities, a new recreation center and purchase of land for future development as well as improving intersections, resurfacing streets, and improving the traffic flow throughout the city. The completion of the \$2.3 million Livable Centers Initiative program has given the streets of Douglasville a facelift with new sidewalks and greenery. This was funded through a combination of state funds and SPLOST funds.

The 2002 SPLOST projects are almost complete with 100% of the transportation dollars expended. Hunter Park Community Center was completed in 2013. The 2007 SPLOST which passed did not include any funds for the City of Douglasville and only included the tier one project which was the County Jail. The Jail is projected to cost \$87 million dollars.

The City issued GO bonds in 2009 to construct a \$23 million dollar public safety and Municipal Court Building. This building has a community meeting room as well as a state of the art firing range. The Police Department hosts different agencies at the Center for training.

During the end of Fiscal year 2012 and the early part of 2013 the City and the County governments negotiated and agreed on Local Option Sales tax for the next decade. The City's share increased. The percentage the City received in January of 2014 increased from 23.5% to 24.75%. Currently, every 1% is equivalent to \$240,000. The City's percentage will increase over the next ten years. It was negotiated on a sliding scale to allow time for the County Government to adjust their budget accordingly. The percentage of the 1% LOST (Local Option Sales Tax) that the City receives over the next 9 years (on a calendar year) are as follows:

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

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

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

The City took over West Pines Golf Course in August of 2012. West Pines Golf Course is now operated by the City Government. It was previously operated by a management company that was paid a monthly management fee. The Management Company did not have the resources to make the improvements to keep the Golf Course maintained properly. The Golf Course is now grouped with the Parks and Recreation Department. The staff that was working for the Management Company continues to work for the

City. The transition from an operations standpoint was seamless. The City appropriated necessary funds to make the needed improvements.

The Golf Course was renovated and funded by both SPLOST funds and a taxable bond issue. SPLOST funds were used to purchase the land and bond revenue funded the renovation. Now that the City is operating the Golf Course, the bonds were refunded and reissued at a non-taxable rate which will save the City over \$1,200,000 over the life of the bonds.

The City is looking at the OPEB (Other Post Employment Benefit) liability closely. In January of 2013 the city decided to leave the Georgia Municipal Association (GMA) and request proposals for Health-care costs. The City evaluated the plans closely and went with Kaiser Permanente. This saved the City over \$500,000 based on the renewal rates presented to the City by GMA. This health-care plan is for retirees as well and will also lower the OPEB liability.

### Major Initiatives:

The Federal Highway Administration has approved the Highway 92 overpass project and Georgia Department of Transportation has assumed responsibility for implementation. This is an extremely important north-south artery through Douglasville. Phase 1 is construction of a railroad grade separation, with the relocated six-lane Georgia Highway 92 to cross under U. S. Highway 78 (Bankhead Highway) and East Strickland Street. Phase 2 will expand the road's capacity along a relocated route between Fairburn Road to U. S. 78, and Phase 3 will do the same between U. S. 78 and Dallas Highway. It has been announced by Congressman David Scott, The Georgia Department of Transportation and the Atlanta Regional Commission that construction of the HWY 92 project would begin in 2014. The City of Douglasville has spent over \$3 million over the past decade on preliminary engineering and environmental assessments. During the past two years, \$43 million has been spent on right of way acquisition, and utility costs total some \$ 65.5 million. All costs of this project will be more than \$111 million. This project has officially started construction and is due to be complete in 2020.

The City received a \$1,000,000 grant with a matching portion of \$250,000 from GDOT for banners, lighting and sidewalks along the streets of Douglasville and will be complete with this project by the end of 2015.

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

A grant was received for a new Welcome Center in Downtown Douglasville for \$500,000 which is currently in the design phase. The project would provide electrical connections and improved lighting on the Plaza to enhance the overall experience of events that bring crucial revenue to the City. This project is due to be complete at the end of fiscal year 2015.

The City of Douglasville Development Authority has initiated several economic development projects: which will result in a projected \$210 million and 900 new jobs for the City. This includes McMaster-Carr, Gordon Foods, Bio Life, Keurig and a new addition to Med-line. In addition, the Douglasville City Council changed the zoning ordinance to better able facilitate growth of the motion picture industry. The City of Douglasville Development Authority will continue to focus on business retention and expansion.

Another initiative the City is working on is the Comprehensive Plan. The key assets that were identified are the Downtown Douglasville, Arbor Place Mall, economic amenities and infrastructure, natural resources, location, medical services, higher education for senior services, the people, historic preservation and technical education. Challenges included workforce development, an aging population, balanced growth, redevelopment, transportation, government coordination and business development.

Service Delivery Strategy Plan, required by state law will frame the way services are provided between the City of Douglasville and Douglas County.

During 2014 the City and Google worked together to form a public-private partnership. Google has provided WIFI which covers 67 acres in Douglasville. The concentration of WIFI is in the City Parks and the downtown area.

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

*Awards*. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Douglasville for its Comprehensive Annual Financial Report for year ended June 30, 2013. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

William D. Osborne City Manager

Kan E. Callo

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Douglasville Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



### City of Douglasville, Georgia

### LISTING OF PRINCIPAL OFFICIALS

June 30, 2014

Maaaa	Hammer V. Damana III
Mayor:	Harvey K. Persons, III
City Manager:	William D. Osborne
	Council Members
Ward 1	Larry G. Yockey
W 12	N (°1 - N (°11
Ward 2	Mike Miller
Ward 3, Post 1	LaShun B. Danley
ward 5, 1 05t 1	Lashan D. Damey
Ward 3, Post 2	Samuel Davis
Ward 4	Mark E. Adams
Ward 5, Post 1	Carl D. Pope
Ward 5, Post 2	Douglas H. Lequire
wara 5, 105t 2	Douglas II. Lequile

# **FINANCIAL SECTION**

#### **INDEPENDENT AUDITOR'S REPORT**

The Honorable Harvey Persons, Mayor Members of the City Council City of Douglasville Douglasville, Georgia

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Douglasville, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

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

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

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Douglasville, Georgia, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, the schedule of funding progress on page 47 and the budgetary comparison information for the General Fund and Confiscated Assets Fund on pages 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Douglasville, Georgia's basic financial statements. The introductory section, combining and individual fund statements and schedules, statistical section, and compliance section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred, the Car Rental Tax Schedule of Revenue Received and Expenditures Incurred, and the Schedule of Projects Constructed with Special Local Sales Tax Proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, 48-13-93, and 48-8-121, respectively, and is not a required part of the basic financial statements.

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

statements and schedules and the compliance section are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the City of Douglasville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Douglasville, Georgia's internal control over financial reporting and compliance.

jace Sabis Votesta

Crace Galvis McGrath, LLC Kennesaw, Georgia

December 29, 2014

#### **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, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

#### **Financial Highlights**

- The assets of the City of Douglasville's Governmental Activities exceeded its liabilities at the close of the fiscal year by \$62,518,743. (*net position*).
- The Governmental Activities' total net position decreased by \$2,844,229 as a result of fiscal year 2014 operations.
- As of the close of the current fiscal year, the City of Douglasville's governmental funds reported combined ending fund balances of \$7,319,718 a decrease of \$1,498,269 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,236,868 or 25% percent of total general fund expenditures for the fiscal year.
- The City of Douglasville's Government wide debt (bonds and capital leases) decreased by \$1,908,176 the decrease is due to the payments of principal.

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

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



# **Required Components of Annual Financial Report**

#### **Basic Financial Statements**

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

The next statements (pages 18-24) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the agency fund statements.

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

#### **Government-wide Financial Statements**

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

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

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

The government-wide financial statements are on pages 16 and 17 of this report.

#### Fund Financial Statements

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

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

Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Douglasville maintains the following individual governmental funds. The Major Funds which are presented separately are: General Fund, Confiscated Assets Fund, GEMA Fund and Conference Center Fund. The funds that are presented as combined in the Other Governmental Funds column are: Multiple Grant Fund, Hotel/Motel Tax Fund, Convention and Conference Center Authority, SPLOST Fund, Public Purpose Corporation Fund, Bright Star Connector Fund, and Rental Car Tax Fund. Separate information about the Other Governmental funds can be found in the combining statements in the report on pages 53-54.

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 25-46 of this report.

#### **Government-Wide Financial Analysis**

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

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The total assets and deferred outflows of resources of the City of Douglasville exceeded total liabilities by \$67,045,876 as of June 30, 2014. The City's net position decreased by \$2,496,676 for the fiscal year ended June 30, 2014. This was due to Governmental Activities. The decrease of \$1,945,901 in Capital Assets was the largest contribution to the decrease. This was due to the depreciation expense. This expense was greater than the current year additions by \$1,843,899. In addition, the fund balance of the Confiscated Asset Fund decreased by \$612,909. This was due to decreased seizures and forfeitures. Lastly, the increase in Unfunded OPEB liability contributed to the decrease in total Net Position.

	Govern	mer	ntal		Busine	ss Ty	/pe				
	Activities	Activities		Activities			Activities		Total		Total
	2014		2013		2014		2013		2014		2013
Current and other assets	\$ 9,570,427	\$	10,297,717	\$	3,539,095	\$	3,347,637	\$	13,109,522	\$	13,645,354
Capital Assets	\$ 108,196,064	\$	110,141,965	\$	1,299,214	\$	1,352,601	\$	109,495,278	\$	111,494,566
Total Assets	\$ 117,766,491	\$	120,439,682	\$	4,838,309	\$	4,700,238	\$	122,604,800	\$	125,139,920
Deferred Outflows of Resources	\$ 508,370	\$	555,240	\$	-	\$	-	\$	508,370	\$	555,240
Long-term liabilities outstanding	\$ 50,720,047	\$	51,463,026	\$	5,239	\$	5,763	\$	50,725,286	\$	51,468,789
Other liabilities	\$ 5,036,071	\$	4,686,114	\$	305,937	\$	514,895	\$	5,342,008	\$	5,201,009
Total liabilities	\$ 55,756,118	\$	56,149,140	\$	311,176	\$	520,658	\$	56,067,294	\$	56,669,798
Net Investment in capital assets	\$ 64,633,326	\$	64,611,565	\$	1,299,214	\$	1,352,601	\$	65,932,540	Ś	65,964,166
Restricted	\$ 3,214,142	\$	3,896,412	\$	-	\$	-	\$	3,214,142		3,896,412
Unrestricted	\$ (5,328,725)	\$	(3,106,956)	\$	3,227,919	\$	2,826,979	\$	(2,100,806)	\$	1,882,459
Total net position	\$ 62,518,743	\$	65,401,021	\$	4,527,133	\$	4,179,580	\$	67,045,876		71,743,037

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

There was a decrease of \$682,270 in restricted net position in connection with the City of Douglasville's Governmental Activities. This decrease is due to the Confiscated Asset Fund. This fund is restricted because revenue or seizure funds are collected and can only be spent on public safety. The Confiscated Asset fund reported a net decrease of \$612,909 in fund balance in 2014.

At the end of the current fiscal year, the City of Douglasville reports a deficit of \$5,328,725 in unrestricted net position of Governmental Activities. This is a decrease of \$2,221,769 in unrestricted net position. This is due to the increase in the unfunded OPEB liability of \$1,366,871. The City is currently seeking ways to reduce the liability through changes in the post retirement health insurance plan as well as building annual contributions to allocate to the unfunded liability in the budget.

There was an increase of \$400,940 connection with the City's business type activities unrestricted net position. This increase resulted from a decrease of \$209,482 in liabilities and an increase of \$138,071 in current assets.

**Governmental Activities**. Governmental activities decreased the City's net position by \$2,844,229 thereby accounting for 100% of the total decrease in the net position of the City of Douglasville. Key elements of this change are as follows:

- Expenditures that exceeded the Revenue (seizures and forfeitures) by \$612,909
- Other post employment benefit liability exceeded the annual contributions
- Depreciation on Capital Assets

#### City of Douglasville Changes in Net Position

Figure 3

	Govern	mer	ntal		Busines	ss-typ	e				
	Activities				Activ	/ities			Total	_	Total
	2014		2013		2014		2013		2014	_	2013
Revenues:											
Program revenues:				_		_					
Charges for services	\$ 5,550,536	\$	5,724,733	\$	3,689,973	\$	3,628,855	\$	9,240,509	\$	9,353,588
Operating grants and contributions	\$ 450,109	\$	470,025					\$	450,109	\$	470,025
Capital grants and contributions	\$ 749,654	\$	1,495,070					\$	749,654	\$	1,495,070
General revenues:											
Property taxes	\$ 6,041,140	\$	5,780,387					\$	6,041,140	\$	5,780,387
Sales taxes	\$ 5,156,024	\$	4,789,513					\$	5,156,024	\$	4,789,513
Other taxes and miscellaneous	\$ 6,313,992	\$	6,274,184					\$	6,313,992	\$	6,274,184
Unrestricted Investment earnings	\$ 27,055	Ś	32,437	\$	1,802	\$	1,256	\$	28,857	\$	33,693
Gain on Sale of Capital Assets	,		- / -		,		,	\$	-	\$	-
Total Revenues	\$ 24,288,510	\$	24,566,349	\$	3,691,775	\$	3,630,111	\$	27,980,285	\$	28,196,460
Expenses:											
General Government	\$ 4,809,968	\$	5,733,608					\$	4,809,968	\$	5,733,608
Judicial	\$ 466,150	\$	814,164					\$	466,150	\$	814,164
Public Safety	\$ 11,527,647	\$	11,920,070					\$	11,527,647	\$	11,920,070
Health and Welfare	\$ 144,708	\$	144,708					\$	144,708	\$	144,708
Public Works	\$ 3,132,100	\$	2,736,609					\$	3,132,100	\$	2,736,609
Housing and Development	\$ 1,236,085	\$	929,920					\$	1,236,085	\$	929,920
Culture and Recreation	\$ 4,207,443	\$	5,492,366					\$	4,207,443	\$	5,492,366
Interest on long-term debt	\$ 1,708,638	\$	2,400,937					\$	1,708,638	\$	2,400,937
Sanitation Services				\$	3,244,222	\$	3,339,378	\$	3,244,222	\$	3,339,378
Total Expenses	\$ 27,232,739	\$	30,172,382	\$	3,244,222	\$	3,339,378	\$	30,476,961	\$	33,511,760
Increase (decrease) in net position											
before transfers	\$ (2,944,229)		(5,606,033)	\$	447,553	\$	290,733	\$	(2,496,676)	\$	(5,315,300
Transfers	\$ 100,000		45,000	\$	(100,000)	\$	(45,000)	\$	-	\$	-
Change in net position	\$ (2,844,229)	\$	(5,561,033)	\$	347,553	\$	245,733	\$	(2,496,676)	\$	(5,315,300
Net position, July 1 ( before	6 (F 101 05)	~	70.000.001		4 4 70 700		2 022 017	4	<b>CO 500 CO</b>		74 005 005
restatement)	\$ 65,401,021		70,962,054	\$	4,179,580	\$	3,933,847	\$ ¢	69,580,601	\$	74,895,901
restatement Net position, June 30	\$ (38,049) \$ 62,518,743	-	65,401,021	\$	4,527,133	\$	4,179,580	\$ \$	(38,049) 67,045,876	\$	69,580,601

The most significant expenses are for Public Safety for \$11,527,647 representing 42% of the total governmental expenses. The next most significant program expense is General Government expense of \$4,809,968 representing 18% of total governmental expenses. The City received \$745,416 less in Grant funding than the prior year due to the timing of major projects and their completion dates. Property Tax revenue increased by \$260,753 due to the change in the birthday tax or the TAVT tax. This is a temporary increase and not a recurring increase in revenue. Sales tax increased due to an increase in the sales tax allocation by the Department of Revenue between the City of Douglasville and the Douglas County Board of Commissioners.

Expenses Decreased due to savings in Health Insurance Costs, lower pension plan expense contribution. Judicial expenses decreased due to a one time Robotic Equipment purchase in the prior year.

**Business-type activities**: Business-type activities increased the City of Douglasville's net position by \$347,533 accounting for 100 % increase in the government's total net position. The most significant business-type activity of the City is the Sanitation Services provided to the citizens of the City of Douglasville. The majority of its revenue was derived from user fees.

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

The general fund is the chief operating fund of the City of Douglasville. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,236,868 compared to last year at \$5,480,501 a decrease of \$243,633. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. In 2014, unassigned fund balance represents 25% of total General Fund expenditures. The primary reasons for the decrease in fund balance for the General Fund were due to the appropriation of fund balance by the Mayor and Council for the following:

- Transfer of \$125,000 of fund balance to the Multiple Grant fund for the Welcome Center
- Transfer of \$50,000 of fund balance to the Multiple Grant fund for the Plaza East Project.

At the end of the current fiscal year, restricted fund balance of the Confiscated Assets Fund was \$2,452,548 compared to last year at \$3,065,457 a decrease of \$612,909. Revenue from Confiscated Assets was less than current year expenses.

At June 30, 2014, the governmental funds of City of Douglasville reported a combined fund balance of \$7,319,718. Last year the combined fund balance was \$8,817,987 which represents a decrease of 17% from last year. Fund balance decreased due to transfers out of General fund to Multiple Grant funds for completion of Capital Projects.

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

During the fiscal year actual revenues were greater than the budgeted amount by \$389,135. The City had \$385,562 more in sales taxes than originally budgeted. The Local Option Sales Tax agreement between the City and the Douglas County was renegotiated and effective starting in January 2013. The City negotiated a higher rate from the previous agreement and the rate increases incrementally over the next 10 year period of the agreement. The rate change takes effect in January which is the middle of the fiscal year. However, fines and forfeitures had a negative variance of \$160,579 which is due to a reduction in revenue from Court Fines. The City takes a very conservative approach to budgeting.

The expenditure amount was \$512,249 less than budgeted. There were not as many legal litigation expenses as initially budgeted. In addition, there was a higher amount of turnover in the Police Department. This led to vacant positions and a decrease in actual expenses for Public Safety. Inspections Department had a position budgeted which was not filled. This resulted in a positive variance for that department.

**Proprietary Funds**: The City of Douglasville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sanitation Fund at the end of the fiscal year amounted to \$3,227,919. The total increase in net position from the prior fiscal year was \$347,553. The increase is due to increased revenue and decreased expenses. Rates have not increased.

#### 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, 2014, totals \$109,495,278 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, vehicles and infrastructure.

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

A total of 11 vehicles were purchased for the Police Department which was paid from Confiscated Asset funds. A new phone system was installed city wide as well as the completion of the Plaza East Construction Project and new downtown conference center and parking facilities.

#### CITY OF DOUGLASVILLE'S CAPITAL ASSETS

#### FIGURE 4

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

	 overnmental Activities		Business Type Activites		Total	Total
	2014	2013	2014	2013	2014	2013
Land	\$ 29,465,527	\$ 29,465,527			\$ 29,465,527	\$ 29,465,527
Construction in Progress	\$ 364,272	\$ 133,786			\$ 364,272	\$ 133,786
Buildings	\$ 47,420,283	\$ 48,480,891			\$ 47,420,283	\$ 48,480,891
Other Improvements	\$ 9,301,846	\$ 9,786,994			\$ 9,301,846	\$ 9,786,994
Infrastructure	\$ 18,837,453	\$ 18,823,557			\$ 18,837,453	\$ 18,823,557
Vehicles , Machinery and						
Equipment	\$ 2,806,683	\$ 3,451,210	\$ 1,299,214	\$ 1,352,601	\$ 4,105,897	\$ 4,803,811
	\$ 108,196,064	\$ 110,141,965	 \$ 1,299,214	\$ 1,352,601	\$ 109,495,278	\$ 111,494,566

**Long-term Debt**: As of June 30, 2014, the City of Douglasville had bonded debt outstanding of \$40,991,084. The City had capital leases in the amount of \$1,497,116 all of which is collateralized by the financed asset and debt backed by the full faith and credit of the City.

#### CITY OF DOUGLASVILLE'S LONG TERM OBLIGATIONS FIGURE 5

	Governmental Activities				Business Type	Act	tivities	Total	Total		
		2014		2013		2014		2013	2014		2013
Capital Leases	\$	1,497,116	\$	1,730,831					\$ 1,497,116	\$	1,730,831
Compensated											
Absences	\$	880,953	\$	808,740	\$	47,621	\$	52,382	\$ 928,574	\$	861,122
Premium	\$	1,098,213	\$	1,159,377					\$ 1,098,213	\$	1,159,377
Discount	\$	(23,675)	\$	(25,353)					\$ (23,675)	\$	(25,353)
Interest Rate Swap	\$	508,370	\$	555,240					\$ 508,370	\$	555,240
Net Opeb Obligation	\$	8,563,436	\$	7,196,565					\$ 8,563,436	\$	7,196,565
Bonds Payable	\$	40,991,084	\$	42,665,545					\$ 40,991,084	\$	42,665,545
	\$	53,515,497	\$	54,090,945	\$	47,621	\$	52,382	\$ 53,563,118	\$	54,143,327

The City of Douglasville's total long term obligations decreased by \$508,209 during the past fiscal year. This was due to the annual debt payments. There was not any new debt issued in fiscal year 2014. The only increase in outstanding long term obligations was due to the Net OPEB obligation. The City is currently looking for ways to limit the increase in the liability. Measures have been taken to change policy with Post–retirement Health Care costs.

Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Douglasville is \$64,250,653. The City does not have a formal policy for credit risk beyond the types of investments authorized by state statute.

Additional information regarding the City of Douglasville's long-term debt can be found in Note 7 of this report.

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

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

- The unemployment rate for the City of Douglasville is 9.20%, compared to 7.7% in Georgia.
- In March 2002, the residents of Douglas County approved a Special Local Option Sales Tax. This tax is to fund streets, recreation and fire facilities in Douglas County and Douglasville. The City will renovate existing park facilities, build a new recreation center and purchase land for future recreation use.
- In 2009, the Douglasville Development Authority was reactivated in an effort generate economic growth and prosperity throughout our community.

- In 2014, The Douglas County Development Authority announced that Keurig will build in Douglasville with an anticipated \$337 million investment and the creation of 550 new jobs by 2019.
- In 2014, The Douglasville Development Authority announced that Medline Industries will expand creating 20 jobs.
- McMaster-Carr is Building a 600,000 sqft foot regional headquarters, bringing 600 jobs to Douglasville.
- Gordon Foods: Creating 225 jobs and building a building a 250,000 Sqft Food Distribution Facility in Riverside West Business Park in Douglasville.
- The City of Douglasville is finished with the State of the Art Conference Center and Parking deck for downtown residents and look forward to attracting conferences nationwide and increasing Sales Tax collections in the City from Conference Attendees.

#### **Budget Highlights for the Fiscal Year Ending June 30, 2015**

- Revenues in the General Fund are budgeted to be 5% higher than the prior year beginning budget. Property taxes are budgeted to increase due to a proposed millage rate increase. The budget was adopted for a 1 mil increase for General Maintenance and Operations and .93 of a mil to generate revenue to pay for the increased cost of the Fire Service Agreement and Animal Control agreement. This is a 20 year agreement with Douglas County Board of Commissioners to provide these services in the unincorporated area.
- The sales taxes budget was projected to increase due to the Local Option Sales tax agreement. The 1% sales tax that is collected countywide is distributed to the County and the City based on a negotiated rate. The rate changes (increases) each year in January.
- Budgeted expenditures in the General Fund are increased by 5%. This is due to the new Fire services agreement with the City of Douglasville and Douglas County Board of Commissioners. The total cost for January through June of 2014 is \$798,000. The City of Douglasville increased the millage rate so that the City could maintain fund balance reserves.
- Transfers out of General fund to other Funds are: \$142,134 for the Douglasville Development Authority, \$206,251 to the Multiple Grant fund to fund matching and to finish out Capital projects. There is \$81,000 budgeted to transfer to the FEMA flood fund (Flood of 2009) and \$566,499 to transfer out to Conference Center and Parking Deck fund to pay for the Debt Service on the Parking Deck that benefits all that visit downtown.

**Business – type Activities:** The Sanitation rates in the City have not increased in the past year. The Sanitation fund continues to be operated without outsourcing any part of the service. In addition, the City has taken over recycling services which were outsourced in prior years. New crews have been added and new trucks have been purchased to handle recycling.

#### **Requests for Information:**

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

#### CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF NET POSITION JUNE 30, 2014

	Pr	imary Governmer	ıt	
	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
Assets:				·
Cash	\$ 5,755,664	\$ 1,546,506	\$ 7,302,170	\$ 18,032
Receivables, net:				
Trade	-	278,927	278,927	-
Taxes	210,799	-	210,799	-
Other	1,292,710	-	1,292,710	-
Internal balances	(1,685,183)	1,685,183	-	-
Due from other governments	479,873	-	479,873	-
Inventories	52,414	-	52,414	-
Prepaid items	378,216	28,479	406,695	3,329
Investments	3,085,934	-	3,085,934	-
Capital assets, non depreciated	29,829,799	-	29,829,799	-
Capital assets, depreciated, net	78,366,265	1,299,214	79,665,479	-
	. , ,	, ,	, ,	·
Total assets	117,766,491	4,838,309	122,604,800	21,361
Deferred outflows of resources:	500.070		500 070	
Accumulated fair value of hedge transaction	508,370	-	508,370	
Liabilities:				
Accounts payable and other current liabilities	2,104,201	263,555	2,367,756	17,501
Unearned revenue	1,001	-	1,001	-
Deposits payable	135,419	-	135,419	-
Noncurrent liabilities:				
Due within one year	2,795,450	42,382	2,837,832	-
Due in more than one year	50,720,047	5,239	50,725,286	
Total liabilities	55,756,118	311,176	56,067,294	17,501
Net Position:				
Net investment in capital assets	64,633,326	1,299,214	65,932,540	-
Restricted for:				
Culture and recreation	614,261	-	614,261	-
Debt service	35,458	-	35,458	-
Completion of projects	111,875	-	111,875	-
Public safety	2,452,548	-	2,452,548	-
Unrestricted	(5,328,725)	3,227,919	(2,100,806)	3,860
Total not position	¢ 60 E10 740	# 4 E27 122	+ 67 04E 070	+ <u>2960</u>
Total net position	\$ 62,518,743	\$ 4,527,133	\$ 67,045,876	\$ 3,860

#### CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

				ram Revenu		<b>a</b>	-				
		Channad		Operating	Capital Grants and Contributions			,	Governme	-	
Functions/Programs	Expenses	Charges fo Services		Grants and ontributions			Governmental Activities		ness-type tivities	Total	Component Unit
Primary Government	Lxpenses	Services			0	Intributions	Activities	A(	LIVILIES	TULAI	Unit
Governmental activities:											
General government	\$ 4,809,968	\$ 2,253,02	0 \$	-	\$	-	\$ (2,556,948)	\$	-	\$ (2,556,948)	
Judicial	466,150	1,116,85		-	Ψ	-	650,700	Ψ	-	650,700	
Public safety	11,527,647	331,94		237,258		26,420	(10,932,022)		-	(10,932,022)	
Health and welfare	144,708	001/01	-				(144,708)		-	(144,708)	
Public works	3,132,100		-	212,851		441,421	(2,477,828)		-	(2,477,828)	
Housing and development	1,236,085	410,57	0			248,613	(576,902)		-	(576,902)	
Culture and recreation	4,207,443	1,438,14		-		33,200	(2,736,094)		-	(2,736,094)	
Interest & fiscal charges on long-term debt	1,708,638	2,100,21	-	-			(1,708,638)		-	(1,708,638)	
Total governmental activities	27,232,739	5,550,53	6	450,109		749,654	(20,482,440)		-	(20,482,440)	
Business-type activities:											
Sanitation	3,244,222	3,689,97	3	-		-	-		445,751	445,751	
Total business-type activities	3,244,222	3,689,97		-		-	-		445,751	445,751	
Total Primary Government	\$ 30,476,961	\$ 9,240,50		450,109	\$	749,654	\$ (20,482,440)	\$	445,751	\$ (20,036,689)	
Component Unit	\$ 233,781	\$ 94,25	0 \$	100,500	\$	-					\$ (39,031)
	General revenue Property taxes Sales and use	taxes					6,041,140 5,156,024		-	6,041,140 5,156,024	-
	Hotel, motel ta						1,577,730		-	1,577,730	-
	Franchise taxe						1,878,032		-	1,878,032	-
	Insurance pre	mium tax					1,597,091		-	1,597,091	-
	Alcohol taxes						1,261,139		-	1,261,139	-
	Unrestricted ir	nvestment ear	nings				27,055		1,802	28,857	-
	Transfers						100,000		(100,000)	-	
		l revenues an	d tran	sfers			17,638,211		(98,198)	17,540,013	-
		net position					(2,844,229)		347,553	(2,496,676)	(39,031
	Net assets - beg	jinning, before	resta	tement			65,401,021	4	,179,580	69,580,601	42,891
	Restatement						(38,049)		-	(38,049)	
	Net position - b						65,362,972		,179,580	69,542,552	42,891
	Net position - e						\$ 62,518,743		,527,133	\$ 67,045,876	\$ 3,860
#### CITY OF DOUGLASVILLE, GEORGIA BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2014

		General Fund		nfiscated Assets		GEMA Flood	С	onference Center	Gov	Other vernmental Funds	Go	Total overnmental Funds
<u>Assets</u> Cash	\$	4,378,394	\$	650,996	\$	-	\$	-	\$	726,274	\$	5,755,664
Receivables, net:											·	
Taxes		210,799		-		-		-		-		210,799
Other		714,561		819		411,777		-		165,553		1,292,710
Due from other funds		-		-		-		-		350		350
Due from other governments Inventories		477,807 52,414		-		-		-		2,066		479,873 52,414
Investments		1,268,013	1	- L,817,921		-		-		-		3,085,934
Prepaid items		168,544								2,814		171,358
Total assets	\$	7,270,532	\$ 2	2,469,736	\$	411,777	\$		\$	897,057	\$	11,049,102
Liabilities, deferred inflows of resources, and fund balances Liabilities:												
Accounts payable	\$	892,726	\$	16,838	\$	-	\$	-	\$	129,237	\$	1,038,801
Accrued liabilities		371,793		-		-		-		21,794		393,587
Unearned revenue		-		-		-		-		1,001		1,001
Due to other funds		-		350		599,215		165,000		166,843		931,408
Deposits payable Advances from other funds		135,419		-		-		- 754,125		-		135,419 754,125
Advances from other futius								754,125		-		754,125
Total liabilities		1,399,938		17,188		599,215		919,125		318,875		3,254,341
Deferred inflows of resources:												
Unavailable revenues		307,919		-		167,124		-		-		475,043
Fund balances:												
Nonspendable		220,958		-		-		-		2,814		223,772
Restricted		-	2	2,452,548		-		-		758,780		3,211,328
Assigned		104,849		-		-		-		-		104,849
Unassigned		5,236,868		-		(354,562)		(919,125)		(183,412)		3,779,769
Total fund balances		5,562,675	2	2,452,548		(354,562)		(919,125)		578,182		7,319,718
Total liabilities, deferred inflows of resources, and fund balance	\$	7,270,532	\$ 2	2,469,736	\$	411,777	\$	-	\$	897,057		
Amounts reported for governmen different because:	ital act	ivities in the	state	ement of ne	et po	sition are						

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	108,196,064
The cumulative inflow from hedge transactions are not financial resources and therefore, are deferred inflows in the statement of net position.	508,370
Revenue earned but unavailable is not reported in the funds.	475,043
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unamortized bond insurance	206,858
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Net OPEB obligation Unmatured bonds payable Unamortized discount Unamortized premium	(8,563,436) (40,991,084) 23,675 (1,098,213)
Capital leases payable Accrued interest expense Interest rate swap payable Claims payable Accrued compensated absences	(1,497,116) (631,813) (508,370) (40,000) (880,953)
Net position of governmental activities	\$ 62,518,743

#### CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Confiscated Assets	GEMA Flood	Conference Center	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 15,712,028	\$-	\$-	\$-	\$ 1,577,730	\$ 17,289,758
Charges for services	1,698,797	-	-	-	208,128	1,906,925
Licenses and permits	2,124,865	-	-	-	-	2,124,865
Fines and forfeitures	1,444,877	146,268	-	-	-	1,591,145
Intergovernmental	4,750	-	-	-	817,721	822,471
Investment earnings	7,481	19,176	-	-	398	27,055
Miscellaneous revenue	126,892	750	-	-	606,735	734,377
Total revenues	21,119,690	166,194	-		3,210,712	24,496,596
Expenditures:						
Current:						
General government	4,002,367	-	-	-	53,205	4,055,572
Judicial	730,699	-	-	-	-	730,699
Public safety	8,710,648	779,103	-	-	40,733	9,530,484
Public works	1,733,633	-	-	-	-	1,733,633
Culture and recreation	2,637,770	-	-	-	1,010,122	3,647,892
Housing and development	998,655	-	-	-	467,147	1,465,802
Capital Projects	-	-	416,926	2,753	807,879	1,227,558
Debt Service			,	_/		_,,===
Principal, interest, and fees	2,027,122				1,676,103	3,703,225
Total expenditures	20,840,894	779,103	416,926	2,753	4,055,189	26,094,865
Excess (deficiency) of						
revenues over expenditures	278,796	(612,909)	(416,926)	(2,753)	(844,477)	(1,598,269)
Other financing sources (uses):						
Transfers in	632,045	-	125,337	-	2,379,007	3,136,389
Transfers out	(1,197,949)				(1,838,440)	(3,036,389)
Total other financing sources (uses)	(565,904)		125,337		540,567	100,000
Net change in fund balance	(287,108)	(612,909)	(291,589)	(2,753)	(303,910)	(1,498,269)
Fund balance at beginning of						
year, before restatement	5,849,783	3,065,457	(24,924)	(916,372)	882,092	8,856,036
Restatement			(38,049)			(38,049)
Fund balance at beginning of						
year, after restatement	5,849,783	3,065,457	(62,973)	(916,372)	882,092	8,817,987
Fund balance at end of year	\$ 5,562,675	\$ 2,452,548	\$ (354,562)	\$ (919,125)	\$ 578,182	\$ 7,319,718

#### 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, 2014

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (1,498,269)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense(3,543,142)Capital outlays1,628,932	(1,914,210)
The net effect of miscellaneous transactions involving capital assets (sales of \$54,391 and donations of \$22,700) is to decrease net position	(31,691)
The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	100,867
OPEB contributions in deficiency of annual actuarial costs are not recorded as expenses in the governmental funds	(1,366,871)
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position	1,908,176
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest expense24,925Prepaid expense(14,429)Accrued compensated absences(72,213)Claims payable(40,000)	
Amortization of bond discounts and premium59,486	(42,231)
Change in net position of governmental activities	\$ (2,844,229)

# CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2014

ASSETS	
	Sanitation Enterprise Fund
Current assets: Cash Receivables, net Due from other funds Prepaid expenses Total current assets	\$ 1,546,506 278,927 931,058 28,479 2,784,970
Noncurrent assets Property, plant and equipment, net Advances to other funds Total noncurrent assets	1,299,214 754,125 2,053,339
Total assets	\$ 4,838,309
LIABILITIES AND NET POSITION Current liabilities: Accounts payable Accrued liabilities Compensated absences Total current liabilities	\$ 234,135 29,420 42,382 305,937
Long-term liabilities (net of current portion): Compensated absences	5,239
Total liabilities	311,176
Net position: Invested in capital assets Unrestricted	1,299,214 3,227,919
Total net position	4,527,133
Total liabilities and net position	\$ 4,838,309

# CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Sanitation Enterprise Fund
Operating revenues:	
Charges for services	\$ 3,689,973
Total operating revenues	3,689,973
Operating expenses:	
Personal services and employee benefits	1,154,886
Contracted services	1,309,073
Other operating expenses	598,111
Depreciation	182,152
Total operating expenses	3,244,222
Operating income	445,751
Nonoperating revenues (expenses): Interest income	1,802
Total nonoperating revenues (expenses)	1,802
Income before transfers	447,553
Transfers out	(100,000)
Change in net position	347,553
Total net position, beginning	4,179,580
Total net position, ending	\$ 4,527,133

# CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Sanitation Enterprise Fund
Cash flows from (to) operating activities:	
Cash received from customers	\$ 3,708,180
Cash payments to suppliers for goods and services	(1,061,769)
Cash payments for employee services and fringe benefits	(1,161,220)
Net cash from (to) operating activities	1,485,191
Cash flows from (to) noncapital financing activities:	
Transfers out	(100,000)
Net cash from (to) noncapital financing activities	(100,000)
Cash flows from (to) capital and related financing activities:	
Acquisition of capital assets	(128,765)
Net cash from (to) capital and related financing activities	(128,765)
Cash flaws from (to) investing activities	
Cash flows from (to) investing activities: Interest earned on assets	1,802
	1,002
Net cash from (to) investing activities	1,802
Natingrappa (degrappa) in spak	1 750 770
Net increase (decrease) in cash	1,258,228
Cash at beginning of year	288,278
Cash at end of year	\$ 1,546,506
Deconciliation of encypting income to not each from encypting activities.	
<b>Reconciliation of operating income to net cash from operating activities:</b> Operating income	\$ 445,751
Adjustments to reconcile operating income to net	ψ 445,751
cash from operating activities:	
Depreciation	182,152
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	18,207
(Increase) decrease in due from other funds	1,802,943
(Increase) decrease in prepaid expenses (Increase) decrease in advances to other funds	9,389 (754 125)
(Increase) decrease in advances to other funds Increase (decrease) in accounts payable	(754,125) (203,148)
Increase (decrease) in due to other funds	(203,148) (9,644)
Increase (decrease) in accrued liabilities	(1,573)
Increase (decrease) in compensated absences	(4,761)
Net cash from (to) operating activities	\$ 1,485,191

# CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUND JUNE 30, 2014

	neficiary Fund
Assets:	
Current assets: Cash	\$ 22,159
Total assets	\$ 22,159
Liabilities Due to other governments and individuals	\$ 22,159
Total liabilities	\$ 22,159

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

#### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

The financial statements of the component units have been included as either a blended component unit or a discretely presented component unit. The fiscal year end of the component units is June 30. The component units do not issue separate Component Unit Financial Statements. A brief description of the component units is as follows:

#### Blended Component Units:

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

The Douglasville Public Purpose Corporation was organized to issue bonds to develop and promote commerce, industry, and general welfare within the City. The Corporation's board members are substantially the same as the City's council members and have contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Corporation; therefore, the Corporation is fiscally dependent and is purely a financing authority of the City. The Corporation is presented as a special revenue fund.

#### Discretely Presented Component Units:

The City of Douglasville Development Authority was created by the City as a separate legal entity by an act of the state legislature to promote and expand industry, welfare and trade for the public good and welfare of the City and make long-range plans for such development and expansion. The governing board of the Authority is appointed by the City Council for fixed terms. The Authority is fiscally dependent upon the City because the City Council has the sole authority to levy taxes for the Authority.

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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

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

The government reports the following major governmental funds:

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

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

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

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

The government reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

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

#### D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General Fund and Special Revenue Funds with the exception of the Multiple Grant Fund. Project length budgets are adopted for the Capital Project Funds. The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the City Council by the Finance Director.
- 2. A public hearing on the budget is held.
- 3. The budget is then legally enacted through a passage of an ordinance.
- 4. The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City Manager may make transfers of appropriations within a department without prior approval of the City Council if it is not capital related and is less than \$5,000. Transfers of appropriations between departments require the approval of the Mayor and City Council.

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

E. Cash and Investments

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

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

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

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

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

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

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

G. Inventories

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items.

I. Capital Assets

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

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

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

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

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

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

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

#### J. Compensated Absences

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

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

#### K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### L. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element,

deferred inflows of resources, represents a part of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, unavailable revenues reported only in the governmental funds balance sheet.

#### M. Fund Equity

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

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

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

N. Use of Estimates

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

## (2) DEPOSITS AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City reduces its exposure to this risk by requiring deposits of public funds to be collateralized in accordance with State law. As of June 30, 2014, deposits of confiscated asset funds totaling \$1,064,790 were uninsured and uncollateralized.

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of June 30, 2014, none of the government's investments were exposed to custodial credit risk.

The City's investments were comprised of certificates of deposits.

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

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

#### (3) **RECEIVABLES**

Receivables at June 30, 2014 consist of the following:

	Taxes and Fines	Utility Accounts Other		owance for collectibles	Net Receivables		
General Fund	\$ 210,799	\$ -	\$	1,618,086	\$ (903,525)	\$	925,360
Confiscated Assets Fund	-	-		819	-		819
GEMA Flood Fund	-	-		411,777	-		411,777
Nonmajor Governmental Funds	-	-		165,553	-		165,553
Sanitation Fund		368,881		-	 (89,954)		278,927
Total	\$ 210,799	\$ 368,881	\$	2,196,235	\$ (993,479)	\$	1,782,436

## (4) DUE FROM OTHER GOVERNMENTS

Due From Other Governments at June 30, 2014 consist of the following:

	Depa	of Georgia artment of evenue	Douglas County	Total		
General Fund	\$	477,807	\$ -	\$	477,807	
SPLOST Fund			 2,066		2,066	
	\$	477,807	\$ 2,066	\$	479,873	

#### (5) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

Interfund loans receivable are considered "available spendable resources." Such balances at June 30, 2014 include Due from (to) and are summarized as follows:

	 RECEI			
PAYABLE FROM	Sanitation Fund	Gove	Nonmajor ernmental Funds	 Total
GEMA Flood Fund Conference Center Fund Confiscated Assets Fund Nonmajor Governmental Funds	\$ 599,215 165,000 - 166,843	\$	- - 350 -	\$ 599,215 165,000 350 166,843
Total	\$ 931,058	\$	350	\$ 931,408

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

Advances from/to other funds for the current year were as follows:

	ADVA	NCES FROM
ADVANCES TO	Sani	tation Fund
Conference Center Fund	\$	754,125

The payable to the Sanitation Fund relates to long-term receivables issued in the prior year. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers for the current year were as follows:

		_			
	- ·	Nonmajor			
TRANSFER IN TO	General Fund	Governmental Funds	Sanitation Fund	Total	
General Fund GEMA Flood Fund Nonmajor Governmental Funds	\$- - 1,197,949	\$    632,045 125,337 1,081,058	\$ - - 100,000	\$ 632,045 125,337 2,379,007	
Total	\$ 1,197,949	\$ 1,838,440	\$ 100,000	\$ 3,136,389	

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

#### (6) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 29,465,527	\$ -	\$-	\$ 29,465,527
Construction in progress	133,786	286,134	(55,648)	364,272
Total capital assets not being depreciated	29,599,313	286,134	(55,648)	29,829,799
Capital assets, being depreciated:	06 004 740	016 070		07 700 000
Infrastructure	96,884,748	816,072	-	97,700,820
Buildings	53,327,312	14,375	-	53,341,687
Other improvements	11,415,928	39,383	(34,950)	11,420,361
Machinery, equipment and vehicles Total capital assets being depreciated	<u>14,393,179</u> 176,021,167	543,279 1,413,109	(53,037) (87,987)	<u>14,883,421</u> 177,346,289
Total capital assets being depreciated	170,021,107	1,413,109	(07,907)	177,340,209
Less accumulated depreciation for:				
Infrastructure	(78,061,191)	(802,176)	-	(78,863,367)
Buildings	(4,846,421)	(1,074,983)	-	(5,921,404)
Other improvements	(1,628,934)	(498,319)	8,738	(2,118,515)
Machinery, equipment and vehicles	(10,941,969)	(1,167,664)	32,895	(12,076,738)
Total accumulated depreciation	(95,478,515)	(3,543,142)	41,633	(98,980,024)
Total capital assets being depreciated, net	80,542,652	(2,130,033)	(46,354)	78,366,265
Governmental activities capital assets, net	\$ 110,141,965	\$ (1,843,899)	\$ (102,002)	\$ 108,196,064
Business-type activities:				
Capital assets, being depreciated:				
Vehicles	\$ 2,172,724	\$ 128,765	\$-	\$ 2,301,489
Machinery and equipment	579,141	-	-	579,141
Total capital assets being depreciated	2,751,865	128,765	-	2,880,630
Less accumulated depreciation for:				
Vehicles	(1,131,803)	(85,412)	-	(1,217,215)
Machinery and equipment	(267,461)	(96,740)		(364,201)
Total accumulated depreciation	(1,399,264)	(182,152)	-	(1,581,416)
Total capital assets being depreciated, net	1,352,601	(53,387)	-	1,299,214
	i			<u> </u>
Business-type activities capital assets, net	\$ 1,352,601	\$ (53,387)	<del>\$ -</del>	\$ 1,299,214

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

Governmental activities:

General government	\$ 887,950
Public safety	827,336
Public works, including depreciation of general infrastructure	654,859
Health and welfare	144,708
Culture and recreation	1,028,289
Total depreciation expense - governmental activities	\$ 3,543,142
Business-type activities:	
Sanitation	\$ 182,152

#### (7) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

		eginning Balance	Δ.	dditions	D	eductions		Ending Balance		e Within ne Year
		balance	A	uultions		uuctions		alalice		
Governmental activities:										
Bonds	\$42	2,665,545	\$	-	\$(:	1,674,461)	\$ 40	0,991,084	\$1	,767,842
Premium	1	.,159,377		-		(61,164)		1,098,213		-
Discount		(25,353)		-		1,678		(23,675)		-
Interest rate swap		555,240		108,288		(155,158)		508,370		-
Capital leases	1	,730,831		-		(233,715)		1,497,116		243,560
Net OPEB obligation	7	7,196,565	1	,616,016		(249,145)	8	8,563,436		-
Compensated absences		808,740		562,814		(490,601)		880,953		784,048
Governmental activities										
long-term liabilities	\$54	,090,945	\$ 2	,287,118	\$ (2	2,862,566)	\$ 53	3,515,497	\$ 2	,795,450
Business-type activities:										
Compensated absences	\$	52,382	\$	51,343	\$	(56,104)	\$	47,621	\$	42,382
Business-type activities										
long-term liabilities	\$	52,382	\$	51,343	\$	(56,104)	\$	47,621	\$	42,382
	-		_		_					

For governmental activities, compensated absences and OPEB liabilities are typically liquidated in the general fund.

#### **Governmental Activities:**

#### General Obligation

General Obligation bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2014:

\$7,253,713 Series 2005 Douglasville Public Purpose Corporation Authority bonds, serviced through lease payments from the City, due in annual installments commencing September 2, 2005 of \$19,062 to \$478,306 through April 1, 2026, bond interest at a variable rate (\$5,011,084 outstanding). The bonds were issued to finance the cost of constructing a public service building. When the bonds were issued, the City entered into an interest rate swap transaction with a hedge provider. The fair value balance of the City's derivative instruments outstanding at June 30, 2014, was (\$508,370). The notional amount of the City's derivative instruments was \$5,011,084 as of June 30, 2014. The fair values were estimated using a proprietary pricing model based on past, present, and estimated future

market conditions. As a means to lower its borrowing costs, when compared against fixedrate bonds at the time of issuance in 2005, the City entered into an interest rate swap in connection with the variable-rate bonds. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 4.11 percent. The swap counterparty was rated A by Standard & Poor's. The bonds and the related swap agreement mature on April 1, 2026. Under the swap, the City pays the counterparty a fixed payment of 4.11 percent and receives a variable payment based on the one month USA-LIBOR-BBA plus 1.15%. The bond's variable-rate coupons are based on the one month USA-LIBOR-BBA plus 1.15%. At June 30, 2014, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the derivative's fair value. The City is exposed to interest rate risk. As the LIBOR rate decreases, the City's net payment on the swap increases. The City is exposed to basis risk because the variable-rate payments received by the City on the hedging derivative instrument are based on an index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed weekly. The City or the counterparty may terminate the derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability.

\$23,000,000 Series 2009 City of Douglasville bonds, due in annual installments commencing February 1, 2010 of \$645,000 to \$1,680,000 through February 1, 2029; interest at 2.0 to 5.0 percent (\$18,915,000 outstanding). The bonds were issued to finance the cost of the acquisition, construction and furnishing of a facility to house public safety and municipal courts operations.

#### Revenue Bonds

Revenue bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2014:

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

\$3,770,000 Series 2012 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing February 1, 2014 of \$150,000 to \$525,000 through February 1, 2022; interest at 4.0 to 5.0 percent (\$3,380,000 outstanding). The bonds were issued to finance the cost of the design, acquisition, construction, and furnishing of a new conference center and parking facilities.

\$4,110,000 Series 2013 Douglasville Convention and Conference Center Authority bonds, serviced through lease payments from the City, due in annual installments commencing August 1, 2014 of \$160,000 to \$640,000 through August 1, 2035; interest at 1.00 to 3.25% percent (\$4,045,000 outstanding). The bonds were issued to refund the 2005 bond series used to construct a golf course.

The following is a schedule of the future payments on outstanding Governmental Activities bonds as of June 30, 2014:

Year Ending			
June 30,	Principal	Interest	Total
2015	\$ 1,767,842	\$ 1,670,840	\$ 3,438,682
2016	1,836,440	1,610,917	3,447,357
2017	1,901,619	1,548,298	3,449,917
2018	2,041,438	1,462,403	3,503,841
2019	2,122,204	1,393,016	3,515,220
2020-2024	12,006,498	5,488,482	17,494,980
2025-2029	13,035,043	2,912,026	15,947,069
2030-2034	5,280,000	886,675	6,166,675
2035-2036	1,000,000	41,413	1,041,413
Total	\$ 40,991,084	\$ 17,014,070	\$ 58,005,154

#### Capital Leases

The City leases certain equipment with costs totaling \$3,251,142. The interest rates for the leases are 4.05% - 4.24%. The leases qualify as capital leases. As of June 30, 2014, accumulated depreciation expense totaled \$638,303. This year \$79,994 was included in depreciation expense.

The following is a schedule of the future payments on outstanding Governmental Activities capital leases as of June 30, 2014:

Year Ending June 30,	I	Principal	 Interest	 Total
2015	\$	243,560	\$ 63,108	\$ 306,668
2016		253,859	52,810	306,669
2017		264,483	42,186	306,669
2018		235,068	30,891	265,959
2018		244,945	21,015	265,960
2019-2020		255,201	10,724	265,925
Total	\$	1,497,116	\$ 220,734	\$ 1,717,850

#### (8) PROPERTY TAXES

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

Property taxes are levied in October of each year on the assessed valuation of property as of the preceding January 1. Taxes were levied on September 15, 2013. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 60 days after the tax bill mailing. At that later date, generally mid-November, the bill becomes delinquent, subject to lien, and penalties and interest may be assessed by the City. Assessed values are established by the Douglas County Tax Assessor's office and are currently calculated at 40% of the market value.

#### (9) EMPLOYEE RETIREMENT SYSTEM

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

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

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

The January 1, 2014 valuation is used to determine the recommended contribution for the fiscal year 2014. During the plan year, total pension contributions were \$761,110. The City's payroll for employees covered by the System's defined benefit plan was \$8,913,577 as of January 1, 2014. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 7.75% a year, (b) projected salary increases of 3.5% a year based in year of service, (c) additional projected salary increases attributable to seniority or merit, (d) cost of living adjustments of 3.5% a year for employees hired on or before October 2, 2006, 0% otherwise, (e) inflation rate 3.5%, and (f) no post retirement benefit increases.

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

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

Employer contributions represented 8.39% of current year covered payroll and were in accordance with actuarial recommendations. The contribution requirement was \$761,110.

					Net			
	Fiscal	Annual		F	Pension		Annual	
	Year	Pension	Percentage	Oł	oligation		Amount	
_	Ended	Cost	Contributed	(	(Asset)	Co	ntributed	_
	6/30/14	\$ 761,110	100%	\$	-	\$	761,110	•
	6/30/13	989,147	100%		-		989,147	
	6/30/12	988,299	100%		-		988,299	

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

	Actuarial	Actuarial				UAAL as a
Actuarial	Value of	Accrued	Unfunded AAL	Funded	Covered	Percentage of
Valuation	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	Covered Payroll
Date	(a)	(b)	(b - a)	(a / b)	(c)	( (b - a) / c)
01/01/14	\$ 24,645,528	\$ 24,746,326	\$ 100,798	99.6%	\$ 8,913,577	1.1%

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

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

## (10) POST EMPLOYMENT HEALTH CARE PLAN

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

<u>Plan Description</u> - The City contributes to the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee post employment health care plan system that acts as a common investment and administrative agent for cities in the state of Georgia. All of the City's employees may become eligible for post employment healthcare benefits if they retire on or after the age of 55 with at least 20 years of service. As of January 1, 2013, there were 40 retirees eligible for the benefits and 209 active participants. The benefit provisions and all other requirements are established by the System and the Adoption Agreement executed by the City. The City has the authority to establish and amend benefit provisions.

<u>Funding Policy</u> - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. The plan is financed on a pay-as-you-go basis. During the fiscal year 2014, the City contributed \$249,145 to the plan. The cost of benefits for retirees is paid entirely by the City.

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS

	Fiscal	Annual		Net	Annual
	Year	OPEB	Percentage	OPEB	Amount
_	Ended	Cost	Contributed	Obligation	Contributed
	6/30/14	\$ 1,616,016	15%	\$ 8,563,436	\$ 249,145
	6/30/13	1,838,450	15%	7,196,565	273,146
	6/30/12	1,838,450	15%	5,631,264	272,835

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

Actuarial	Actuarial Value of	Actuarial Accrued	Unfunded AAL	Funded	Covered	UAAL as a Percentage of
Valuation	Assets	Liability (AAL)	(UAAL)	Ratio	Pavroll	Covered Payroll
Date	(a)		(b - a)	(a / b)	(c)	( (b - a) / c)
01/01/13	\$ -	\$ 16,108,511	\$ 16,108,511	0.0%	\$ 8,898,121	181.0%

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

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

Annual required contribution	\$ 2,126,963
Interest on net OPEB obligation	381,527
Adjustment to annual required contribution	(892,474)
Annual OPEB cost	1,616,016
Contributions made	(249,145)
(Increase) decrease in net OPEB obligation	1,366,871
Net OPEB obligation, beginning of year	7,196,565
Net OPEB obligation, end of year	\$ 8,563,436

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC.

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

Valuation date	1/2013
Actuarial cost method	Projected unit credit with benefits attributed From date of hire to date of decrement
Amortization method	Level dollar closed
Remaining amortization period	21 years as of July 1, 2012
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	4.0%
Inflation rate	3.5%
Medical and Drug Costs	8.0% graded to 5.00% over 6 years
Dental Cost trend rate	5.00%

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

#### (11) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks.

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

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

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

To select a person to serve as a Member representative.

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

To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

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

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

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

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

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

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

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

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

#### (12) JOINT VENTURE

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

## (13) DEFICIT FUND BALANCES

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

GEMA Flood Fund	\$ (354,562)
Conference Center Fund	\$ (919,125)
Bright Star Connector Fund	\$ (183,412)

## (14) COMMITMENTS AND CONTINGENCIES

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

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

Encumbrances: Encumbrances outstanding as of June 30, 2014 are as follows:

General fund	\$ 104,849
Confiscated assets fund	15,421
GEMA flood fund	31,981
Nonmajor funds:	
Multiple grant	333,334
Bright star connector fund	25,000
	\$ 510,585

## (15) FUND BALANCE

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

		Co	onfiscated	GEMA	С	onference	١	lonmajor	
	General		Assets	Flood		Center	Go	vernmental	
	 Fund		Fund	 Fund		Fund		Funds	 Total
Nonspendable:									
Prepaids	\$ 168,544	\$	-	\$ -	\$	-	\$	2,814	\$ 171,358
Inventories	52,414		-	-		-		-	52,414
Restricted for:									
Capital projects	-		-	-		-		111,875	111,875
Promotion of tourism	-		-	-		-		611,447	611,447
Debt service	-		-	-		-		35,458	35,458
Law enforcement	-		2,452,548	-		-		-	2,452,548
Assigned for:									
General government	104,849		-	-		-		-	104,849
Unassigned	5,236,868		-	 (354,562)		(919,125)		(183,412)	 3,779,769
	\$ 5,562,675	\$ 2	2,452,548	\$ (354,562)	\$	(919,125)	\$	578,182	\$ 7,319,718

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

#### (16) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following fund had expenditures in excess of appropriations for the fiscal year ended June 30, 2014:

	Budget		Actual		Variance with Final Budget	
General Fund:						
General government:						
Clerk of Council:						
Personal services	\$	81,364	\$	82,015	\$	(651)
City Manager:	7	,	т		т	()
Personal services		263,378		270,977		(7,599)
Finance Administration:				- / -		( ) )
Other operating expenditures		164,492		177,063		(12,571)
Information services:		- , -		,		( )- )
Personal services		220,905		227,200		(6,295)
Human Resources:						(-,,
Personal services		154,664		162,930		(8,266)
Engineering:		,		,		(, ,
Personal services		58,266		58,947		(681)
General administration:		,		,		( )
Personal services		347,609		407,582		(59,973)
Judicial:		•				. , ,
Municipal court:						
Personal services		554,520		566,426		(11,906)
Public works:						. , ,
Street maintenance:						
Personal services		829,910		872,277		(42,367)
Garage:						. , ,
Other operating expenditures		24,376		69,078		(44,702)
Culture and Recreation:						
Parks Administration						
Personal services		350,624		386,889		(36,265)
Other operating expenditures		179,462		217,084		(37,622)
Capital outlay		30,868		31,623		(755)
Jessie Davis Park						
Personal services		148,434		157,683		(9,249)
Capital outlay		20,000		20,235		(235)
Housing and development:						
Planning and zoning:						
Personal services		148,589		152,521		(3,932)
Code enforcements:						
Other operating expenditures		11,375		11,578		(203)
Community development:						
Personal services		177,560		211,204		(33,644)
Hotel/Motel Tax Fund:						
Culture and recreation		948,392		979,131		(30,739)
Convention and Conference Center Authority Fund:						
Debt service		1,142,424		1,143,524		(1,100)
Public Purpose Corporation Fund:						()
Culture and recreation		-		1,655		(1,655)

#### (17) CONDUIT DEBT OBLIGATIONS

The City of Douglasville Development Authority has issued bonds to provide financial assistance a local business owner for the improvement of property and facilities. At June 30, 2014, \$2,000,000 was outstanding. The bonds are secured by the property and facilities financed and are payable solely from the payments from the underlying funding agreement. Upon payment of the bonds, ownership of the property and facilities transfers to the local business owner. Neither the Authority nor the City is obligated in any manner for the repayment of the bonds. In accordance with Governmental Accounting Standards Board Interpretation 2 "Disclosure of Conduit Debt Obligations," the bonds are not reported as liabilities in the accompanying financial statements.

#### (18) RESTATEMENT

The Net Position/fund balance in the Governmental Activities and the GEMA Flood fund have been restated for revenue reported in error. The effect of the restatement to the City's financial statements is listed below.

	G	overnmental Activities	GEMA Flood Fund	
Net position/fund balance:				
As previously reported	\$	65,401,021	\$	(24,924)
Restatement		(38,049)		(38,049)
As restated	\$	65,362,972	\$	(62,973)
Net change in net position/fund balance:				
As previously reported	\$	5,561,033	\$	248,340
Effect of restatement		(38,049)		(38,049)
As restated	\$	5,522,984	\$	210,291

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

Retirement Plan:

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded / (UAAL)	AL Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Date	(a)	(b)	(b - a)	(a / b)	(c)	( (b - a) / c)
01/01/14	\$ 24,645,528	\$ 24,746,326	\$ 100,	798 99.6%	\$ 8,913,577	1.1%
01/01/13	23,140,665	23,592,533	451,8	368 98.1%	8,669,693	5.2%
01/01/12	21,751,171	21,102,027	(649,	144) 103.1%	7,989,143	-8.1%

OPEB Health Care Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b - a) / c)
01/01/13	\$ -	\$ 16,108,511	\$ 16,108,511	0.0%	\$ 8,898,121	181.0%
01/01/11	-	13,214,736	13,214,736	0.0%	8,247,391	160.2%
01/01/09	-	12,403,797	12,403,797	0.0%	8,340,917	148.7%

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues: Taxes Charges for services Licenses and permits Fines and forfeitures Intergovernmental revenues Investment earnings Miscellaneous revenue Total revenues	\$ 15,031,725 1,835,253 1,937,439 1,641,684 8,000 5,000 129,130 20,588,231		\$ 15,712,028 1,698,797 2,124,865 1,444,877 4,750 7,481 126,892 21,119,690	\$ 385,562 (8,687) 187,426 (160,579) (3,250) 2,481 (13,818) 389,135
Expenditures: Current: General government Mayor and council Personal services Other operating expenditures	220,313 54,090 274,403	220,313 84,490 304,803	207,570 80,167 287,737	12,743 4,323 17,066
Clerk of Council	81,364	81,364	82,015	(651)
Personal services	23,849	23,849	16,470	7,379
Other operating expenditures	105,213	105,213	98,485	6,728
City Manager	263,378	263,378	270,977	(7,599)
Personal services	60,896	62,796	54,705	8,091
Other operating expenditures	324,274	326,174	325,682	492
Financial administration	402,458	402,458	398,213	4,245
Personal services	160,020	164,492	177,063	(12,571)
Other operating expenditures	562,478	566,950	575,276	(8,326)
Legal	122,976	112,976	109,274	3,702
Personal services	275,168	225,168	102,072	123,096
Other operating expenditures	398,144	338,144	211,346	126,798
Information services	198,862	220,905	227,200	(6,295)
Personal services	530,726	553,703	536,042	17,661
Other operating expenditures	<u>185,820</u>	195,820	183,815	12,005
Capital outlay	915,408	970,428	947,057	23,371

	Original Budget	Final Budget	Actual	Variance with Fina Budget- Positive (Negative)
Human resources				
Personal services	147,664	154,664	162,930	(8,266
Other operating expenditures	33,440	73,440	67,835	5,605
	181,104	228,104	230,765	(2,661
Building and grounds				
Personal services	92,560	111,560	56,459	55,101
Other operating expenditures	60,565	60,565	37,304	23,261
	153,125	172,125	93,763	78,362
Communications				
Personal services	231,950	257,857	242,408	15,449
Other operating expenditures	71,768	56,818	42,440	14,378
Capital outlay	8,240	9,240	4,038	5,202
	311,958	323,915	288,886	35,029
Engineering				
Personal services	116,454	58,266	58,947	(681
Other operating expenditures	10,288	50,288	20,728	29,560
	126,742	108,554	79,675	28,879
General administration				
Personal services	281,500	347,609	407,582	(59,973
Other operating expenditures	523,560	523,190	456,113	67,077
	805,060	870,799	863,695	7,104
Total general government	4,157,909	4,315,209	4,002,367	312,842
Judicial				
Municipal court		554 530	FCC 420	(11.000
Personal services	550,520	554,520	566,426	(11,906
Other operating expenditures	169,825	174,075	164,273	9,802
Total judicial	720,345	728,595	730,699	(2,104
<b>Public safety</b> Police				
Personal services	7,329,575	7,256,734	7,167,166	89,568
Other operating expenditures	1,465,853	1,479,142	1,468,582	10,560
	=,,			23,000
Capital outlay	-	74,900	74,900	-

Continued

	Original	Final		Variance with Final Budget-
	Budget	Budget	Actual	Positive (Negative)
-				
Public Works				
Street maintenance	806,689	920.010	דדר רדס	(12 267)
Personal services Other operating expenditures	786,020	829,910 794,520	872,277 677,671	(42,367) 116,849
	1,592,709	1,624,430	1,549,948	74,482
-			_/0 .0/0 .0	
Garage				
Personal services	118,125	118,125	114,607	3,518
Other operating expenditures	24,250	24,376	69,078	(44,702)
-	142,375	142,501	183,685	(41,184)
Total public works	1,735,084	1,766,931	1,733,633	33,298
Culture and recreation Parks Administration				
Personal services	350,624	350,624	386,889	(36,265)
Other operating expenditures	176,555	179,462	217,084	(37,622)
Capital outlay	17,630	30,868	31,623	(755)
	544,809	560,954	635,596	(74,642)
Parks Maintenance		225 010	220.016	4 00 4
Personal services	315,010	335,010	330,916	4,094
Other operating expenditures Capital outlay	486,651	485,178	477,786	7,392 9,968
	<u>41,718</u> 843,379	41,718 861,906	31,750 840,452	21,454
-	043,375	001,000	040,452	21,737
Jessie Davis Park				
Personal services	153,434	148,434	157,683	(9,249)
Other operating expenditures	68,193	66,759	61,057	5,702
Capital outlay	20,000	20,000	20,235	(235)
-	241,627	235,193	238,975	(3,782)
West Pines Golf Course				
Personal services	502,830	492,830	492,708	122
Other operating expenditures	413,047	413,047	408,944	4,103
Capital outlay	17,300	63,300	21,095	42,205
· · · · ·	933,177	969,177	922,747	46,430
Total culture and recreation	2,562,992	2,627,230	2,637,770	(10,540)
Housing and development Inspections	260 121	200 021	222 407	77 574
Personal services	269,121	300,021	222,487	77,534
Other operating expenditures Capital outlay	121,550 35,600	121,550 21,213	110,311 14,382	11,239 6,831
	426,271	442,784	347,180	95,604
-	120,271	112,701	517,100	
Planning and zoning				
Personal services	146,589	148,589	152,521	(3,932)
Other operating expenditures	19,275	19,275	18,388	887
Capital outlay	1,500	1,500	1,293	207
-	167,364	169,364	172,202	(2,838)

	Original	Final		Variance with Final
	Original Budget	Final Budget	Actual	Budget- Positive (Negative)
	Dudget	Dudget	, locadi	robitite (Regutite)
Code enforcement				
Personal services	223,729	211,729	197,819	13,910
Other operating expenditures	11,375	11,375	11,578	(203)
	235,104	223,104	209,397	13,707
Community development				
Personal services	169,560	177,560	211,204	(33,644)
Other operating expenditures	59,050	59,050	51,491	7,559
Capital outlay	-	7,200	7,181	19
. ,	228,610	243,810	269,876	(26,066)
Total housing and development	1,057,349	1,079,062	998,655	80,407
Dakk Camina				
<b>Debt Service</b> Principal	1,133,680	1,133,680	1,133,715	(35)
Interest and fiscal charges	889,060	891,660	893,407	(1,747)
Interest and fiscal charges	000,000	051,000	0,407	(1,/+/)
Total debt service	2,022,740	2,025,340	2,027,122	(1,782)
Total expenditures	21,051,847	21,353,143	20,840,894	512,249
Excess (deficiency) of revenues				
over expenditures	(463,616)	(622,588)	278,796	901,384
Other financing sources (uses):				
Transfers in	600,000	600,000	632,045	32,045
Transfers out	(496,384)	(642,180)	(1,197,949)	(555,769)
Total other financing sources (uses)	103,616	(42,180)	(565,904)	(523,724)
Net change in fund balance	\$ (360,000)	\$ (664,768)	(287,108)	\$ 377,660
Fund balance at beginning of year			5,849,783	-
Fund balance at end of year			\$ 5,562,675	

## CITY OF DOUGLASVILLE, GEORGIA CONFISCATED ASSETS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget			Final Budget		Actual	Variance with Final Budget - Positive (Negative)		
Revenues			+						
Fines and forfeitures	\$	-	\$	-	\$	146,268	\$	146,268	
Investment earnings		-		-		19,176		19,176	
Miscellaneous revenues						750		750	
Total Revenues		_				166,194		166,194	
Expenditures: Current:									
Public safety		-	1,017,146			779,103		238,043	
Total Expenditures			1	L,017,146		779,103		238,043	
Excess (deficiency) of revenues									
over expenditures			(1	L,017,146)		(612,909)		404,237	
Net change in fund balance	\$		\$(1	L,017,146)		(612,909)	\$	404,237	
Fund balance at beginning of year					3	,065,455			
Fund balance at end of year					\$ 2	,452,546			

	 Special Revenue Funds							Capital Projects Funds			Total		
	Multiple Grant	Hotel/Motel Tax		Rental Car Tax Fund		Convention and Conference Center Authority		Public Purpose Corporation		SPLOST	Bright Star Connector		Non-Major vernmental Funds
<u>ASSETS</u> Cash Receivables, net:	\$ 231,625	\$	298,584	\$	8,610	\$	-	\$	77,646	\$ 109,809	\$ -	\$	726,274
Other Prepaid items Due from other governments	61,312 - -		88,991 2,814 -		15,250 - -		- -		- - -	- - 2,066	-		165,553 2,814 2,066
Due from other funds	 350		-		-								350
Total assets	\$ 293,287	\$	390,389	\$	23,860	\$	-	\$	77,646	\$ 111,875	\$ -	\$	897,057
LIABILITIES AND FUND BALANCES Liabilities:													
Accounts payable Accrued liabilities	\$ 44,125 -	\$	26,355 21,794	\$	-	\$	-	\$	65 -	\$ - -	\$    58,692 -	\$	129,237 21,794
Unearned revenue Due to other funds	 -		1,000 -		-		-		42,123		124,720		1,001 166,843
Total liabilities	 44,126		49,149		-		-		42,188		183,412		318,875
Fund balances:													/ /
Nonspendable Restricted Unassigned	 - 249,161 -		2,814 338,426 -		- 23,860 -		-		- 35,458 -	- 111,875 -	- - (183,412)		2,814 758,780 (183,412)
Total fund balance (deficit)	 249,161		341,240		23,860		-		35,458	111,875	(183,412)		578,182
Total liabilities and fund balance	\$ 293,287	\$	390,389	\$	23,860	\$		\$	77,646	\$ 111,875	\$ -	\$	897,057
#### CITY OF DOUGLASVILLE, GEORGIA COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		Special Rev	enue Funds			Capital Pro	jects Funds	Total
	Multiple Grant	Hotel/Motel Tax	Rental Car Tax Fund	Convention and Conference Center Authority	Public Purpose Corporation	SPLOST	Bright Star Connector	Non-Major Governmental Funds
<b>Revenues:</b> Taxes Charges for services Intergovernmental Investment earnings Miscellaneous revenues	\$ - 621,627 - 3,000	\$ 1,405,447 208,128 - 395 40,775	\$ 172,283 - - - -	\$ - - - - -	\$ - - 3 543,320	\$ - - 10,195 - -	\$ - - 185,899 - 19,640	\$ 1,577,730 208,128 817,721 398 606,735
Total revenues	624,627	1,654,745	172,283		543,323	10,195	205,539	3,210,712
Expenditures: Current:								
General government Public safety Housing and development Culture and recreation Debt service	53,205 40,733 467,147 29,336	- - - 979,131		- - - 1,143,524	- - 1,655 532,579	- - -	-	53,205 40,733 467,147 1,010,122 1,676,103
Capital projects						1,458	806,421	807,879
Total expenditures	590,421	979,131		1,143,524	534,234	1,458	806,421	4,055,189
Excess (deficiency) of revenues over expenditures	34,206	675,614	172,283	(1,143,524)	9,089	8,737	(600,882)	(844,477)
Other financing sources (uses): Transfers in Transfers out Total other financing	246,610	654,195 (1,514,245)	- (324,195)	1,143,524	-	-	334,678	2,379,007 (1,838,440)
sources (uses)	246,610	(860,050)	(324,195)	1,143,524			334,678	540,567
Net change in fund balance	280,816	(184,436)	(151,912)		9,089	8,737	(266,204)	(303,910)
Fund balance (deficit) at beginning of year	(31,655)	525,676	175,772		26,369	103,138	82,792	882,092
Fund balance (deficit) at end of year	\$ 249,161	\$ 341,240	\$ 23,860	\$-	\$ 35,458	\$ 111,875	\$ (183,412)	\$ 578,182

## CITY OF DOUGLASVILLE, GEORGIA HOTEL / MOTEL TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

_	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues Taxes	\$ 1,390,000	\$ 1,405,447	\$ 15,447
Charges for services	174,600	208,128	33,528
Investment earnings	300	395	95
Miscellaneous revenues	47,700	40,775	(6,925)
Total Revenues	1,612,600	1,654,745	42,145
Expenditures:			
Current: Culture and recreation	948,392	979,131	(30,739)
	·		
Total Expenditures	948,392	979,131	(30,739)
Excess (deficiency) of revenues over expenditures	664,208	675,614	11,406
over expenditures	004,208	075,014	11,400
Other financing sources (uses):			
Transfers in	767,370	654,195	(113,175)
Transfers out	(1,431,678)	(1,514,245)	(82,567)
Total other financing sources (uses)	(664,308)	(860,050)	(195,742)
Net change in fund balance	\$ (100)	(184,436)	\$ (184,336)
Fund balance at beginning of year		525,676	
Fund balance at end of year		\$ 341,240	

## CITY OF DOUGLASVILLE, GEORGIA RENTAL CAR TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues	Budget	Actual	Variance with Final Budget - Positive (Negative)
Taxes	\$ 165,000	\$ 172,283	\$ 7,283
Total Revenues	165,000	172,283	7,283
Other financing sources (uses): Transfers out	(165,000)	(324,195)	(159,195)
Total other financing sources (uses)	(165,000)	(324,195)	(159,195)
Net change in fund balance	<u>\$ -</u>	(151,912)	\$ (151,912)
Fund balance at beginning of year		175,772	
Fund balance at end of year		\$ 23,860	

## CITY OF DOUGLASVILLE, GEORGIA CONVENTION AND CONFERENCE CENTER AUTHORITY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures: Debt service	\$ 1,142,424	\$ 1,143,524	\$ (1,100)
Total Expenditures	1,142,424	1,143,524	(1,100)
Excess (deficiency) of revenues over expenditures	(1,142,424)	(1,143,524)	(1,100)
Other financing sources (uses): Transfers in	1,142,424	1,143,524	1,100
Total other financing sources (uses)	1,142,424	1,143,524	1,100
Net change in fund balance	<u>\$ -</u>	-	\$ -
Fund balance at beginning of year			
Fund balance at end of year		\$-	

## CITY OF DOUGLASVILLE, GEORGIA PUBLIC PURPOSE CORPORATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Devenues	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues	¢	3	\$ 3
Investment earnings	\$ - FFF 000	•	φ υ
Miscellaneous revenues	555,000	543,320	(11,680)
Total Revenues	555,000	543,323	(11,677)
Expenditures:			
Current:			<i>(,</i> , , , , , , , , , , , , , , , , , ,
Culture and recreation	-	1,655	(1,655)
Debt service	555,002	532,579	22,423
Total Expenditures	555,002	534,234	20,768
Excess (deficiency) of revenues			
Excess (deficiency) of revenues over expenditures	(2)	9,089	9,087
•		<i>,</i>	·,
Net change in fund balance	\$ (2)	9,089	\$ 9,091
Fund balance at beginning of year		26,369	
		+ 25 450	
Fund balance at end of year		\$ 35,458	

## CITY OF DOUGLASVILLE, GEORGIA STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	A	dditions	D	eductions	Balance June 30, 2014		
BENEFICIARY FUND Assets: Cash	\$ 28,370	\$	426,051	\$	432,262	\$	22,159	
Liabilities: Due to other governments and individuals	\$ 28,370	\$	426,051	\$	432,262	\$	22,159	

# STATISTICAL SECTION

# (Unaudited)

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

#### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

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

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

			Fisc	al Year							
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities											
Net Investment in capital assets	\$	30,120,795 \$	34,002,999 \$	43,749,967 \$	53,151,651 \$	55,527,069 \$	60,337,266 \$	65,423,890 \$	67,152,166 \$	64,611,565 \$	64,633,326
Restricted		321,480	333,076	349,394	362,639	365,659	4,213,000	4,516,907	4,458,968	3,896,412	3,214,142
Unrestricted		9,211,347	9,892,792	12,980,486	10,488,043	9,143,182	4,805,205	4,602,812	80,364	(3,106,956)	(5,328,725)
Total governmental activities net position	\$	39,653,622 \$	44,228,867 \$	57,079,847 \$	64,002,333 \$	65,035,910 \$	69,355,471 \$	74,543,609 \$	71,691,498 \$	65,401,021 \$	62,518,743
Business-type activities Net Investment in capital assets Unrestricted Total business-type activities net position	\$ \$	353,353 \$ 927,972 1,281,325 \$	517,311 \$ 1,494,217 2,011,528 \$	707,981 \$ 2,056,286 2,764,267 \$	741,194 \$ 2,519,857 3,261,051 \$	768,628 \$ 2,835,959 3,604,587 \$	636,678 \$ 3,226,160 3,862,838 \$	799,371 \$ 2,989,304 3,788,675 \$	1,402,308 \$ 2,531,539 3,933,847 <b>\$</b>	1,352,601 \$ 2,826,979 4,179,580 \$	1,299,214 3,227,919 4,527,133
Primary government											
Net Investment in capital assets	\$	30,474,148 \$	34,520,310 \$	44,457,948 \$	53,892,845 \$	56,295,697 \$	60,973,944 \$	66,223,261 \$	68,554,474 \$	65,964,166 \$	65,932,540
Restricted		321,480	333,076	349,394	362,639	365,659	4,213,000	4,516,907	4,458,968	3,896,412 \$	3,214,142
Unrestricted		10,139,319	11,387,009	15,036,772	13,007,900	11,979,141	8,031,365	7,592,116	2,611,903	(279,977)	(2,100,806)
Total primary government net position	\$	40,934,947 \$	46,240,395 \$	59,844,114 \$	67,263,384 \$	68,640,497 \$	73,218,309 \$	78,332,284 \$	75,625,345 \$	69,580,601 \$	67,045,876

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

Restatement to 2012's ending net position as a result of implementing GASB Statement 65

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

	<b>Fiscal Year</b>										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Expenses											
Governmental Activities: General government	\$ 3,506,276	\$ 3,693,108	\$ 4,125,003	\$ 4,520,811	\$ 4,729,133	\$ 4,503,356	\$ 5,202,563	\$ 5,177,481	\$ 5,733,608	\$ 4,809,968	
Judicial	375,125	268,309	261,879	320,989	400,197	630,881	658,943	837,390	\$ 5,755,008 814,164	4,809,908	
Public safety	7,209,476	7,371,184	8,199,075	9,467,312	10,525,769	10,583,333	10,202,244		11,920,070	11,527,647	
Public works	1,816,799	1,583,598	2,519,655	2,031,641	2,041,937	4,116,124	2,101,565		2,736,609	3,132,100	
Housing and development	1,082,001	1,626,733	2,319,033	1,613,271	1,491,222	1,147,220	1,277,614		2,730,009 929,920	1,236,085	
Health and Welfare	1,082,001	1,020,755	2,598,897	1,015,271	108,384	144,708	144,708		144,708	144,708	
Culture and recreation	3,279,811	1,157,181	1,275,954	5,144,631	2,302,582	1,132,943	2,130,160		5,492,366	4,207,443	
Interest on long-term debt	172,643	667,393	689,096	625,884	620,554	789,110	1,861,057	, ,	2,400,937	1,708,638	
interest on long-term debt	172,045	007,575	007,070	025,004	020,004	709,110	1,001,007	1,771,552	2,400,757	1,700,050	
Total governmental activities expenses	17,442,131	16,367,506	19,469,559	23,724,539	22,219,778	23,047,675	23,578,854	27,081,351	30,172,382	27,232,739	
Business-type activities:											
Sanitation	2,975,147	2,952,907	3,351,924	3,410,936	3,485,237	3,412,766	3,689,442	3,420,209	3,339,378	3,244,222	
Total business-type activities expenses	2,975,147	2,952,907	3,351,924	3,410,936	3,485,237	3,412,766	3,689,442	3,420,209	3,339,378	3,244,222	
Total primary government expenses	\$ 20,417,278	\$ 19,320,413	\$ 22,821,483	\$ 27,135,475	\$ 25,705,015	\$ 26,460,441	\$ 27,268,296	\$ 30,501,560	33,511,760	30,476,961	
Program Revenues Governmental Activities: Charges for service:											
General government	\$ 2,975,276	\$ 3,227,607	\$ 3,987,106	\$ 3,844,037	\$ 3,559,677	\$ 2,254,399	\$ 2,188,238	\$ 2,224,532	\$ 2,220,908	\$ 2,253,020	
Housing						234,665	509,097	216,306	331,530	410,570	
Judicial	1,137,021	1,178,890	1,192,270	1,475,400	1,650,572	2,040,382	1,816,603	1,644,337	1,439,864	1,116,850	
Public safety	547,185	778,756	1,914,549	521,733	1,377,450	314,151	363,673	368,658	408,686	331,947	
Culture and recreation	-	129,580	126,518	150,823	146,294	226,520	280,822	1,204,061	1,323,745	1,438,149	
Operating grants and contributions	172,168	90,662	43,747	65,296	18,015	1,506,986	1,503,681	671,401	470,025	450,109	
Capital grants and contributions	1,308,711	29,456	5,090,781	4,152,586	173,513	2,827,459	398,650	1,179,720	1,495,070	749,654	
Total governmental activities program revenues	6,140,361	5,434,951	12,354,971	10,209,875	6,925,521	9,404,562	7,060,764	7,509,015	7,689,828	6,750,299	
Business-type activities: Charges for services: Sanitation	3,429,919	3,699,760	4,082,617	3,942,026	3,823,295	3,760,796	3,658,354	3,610,033	3,628,855	3,689,973	
Total business-type activities program revenues	3,429,919	3,699,760	4,082,617	3,942,026	3,823,295	3,760,796	3,658,354	3,610,033	3,628,855	3,689,973	
Total primary government program revenues	\$ 9,570,280	\$ 9,134,711	\$ 16,437,588	\$ 14,151,901	\$ 10,748,816	\$ 13,165,358	\$ 10,719,118	\$ 11,119,048	\$ 11,318,683	\$ 10,440,272	

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

		Fiscal	Year							
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense)/Revenue</b> Governmental activities Business-type activities	\$ (11,302,070) 454,772	) \$ (10,932,555) 746,853	\$ (7,114,588) 730,693	\$ (13,514,624) 531,090	\$ (15,294,257) 338,058	\$ (13,643,113) \$ 348,030	(16,518,090) \$ (31,088)	(19,572,336) \$ 189,824	(22,482,554) \$ 289,477	(20,482,440) 445,751
Total primary government net expense	\$ (10,847,298)	\$ (10,185,702)	\$ (6,383,895)	\$ (12,983,534)	\$ (14,956,199)	\$ (13,295,083) \$	(16,549,178) \$	(19,382,512) \$	(22,193,077) \$	(20,036,689)
General Revenues and Other Chang in Net Position Governmental activities: Taxes Property taxes Sales taxes Other taxes and miscellaneous Unrestricted investment earnings Gain on sale of capital assets Transfers	\$ 3,289,001 6,218,268 4,800,167 64,616 (308,145) 35,000	35,000	\$ 3,845,787 9,728,513 5,828,816 537,630 24,822	\$ 4,522,459 9,441,788 5,775,782 445,450 206,631 45,000	\$ 4,752,206 5,544,003 5,672,736 358,889	\$ 6,421,627 \$ 5,768,997 5,726,915 59,994 - 45,000	10,244,877 5,721,070 131,666 45,000	5,934,651 \$ 4,434,938 6,250,535 55,101 - 45,000	5,780,387 \$ 4,789,513 6,274,184 32,437 - 45,000	5,156,024 6,313,992 27,055 100,000
Total governmental activities	\$ 14,098,907	\$ 15,507,800	\$ 19,965,568	\$ 20,437,110	\$ 16,327,834	\$ 18,022,533 \$	21,706,228 \$	16,720,225 \$	16,921,521 \$	17,638,211
Business-type activities Investment earnings Transfers	\$ 6,851 (35,000)	\$ 18,350 (35,000)	\$ 22,046	\$ 10,694 (45,000)	\$	\$ 221 \$ (45,000)	1,925 \$ (45,000)	348 \$ (45,000)	1,256 \$ (45,000)	1,802 (100,000)
Total business-type activities	(28,149)	(16,650)	22,046	(34,306)	5,478	(44,779)	(43,075)	(44,652)	(43,744)	(98,198)
Total primary government	\$ 14,070,758	\$ 15,491,150	\$ 19,987,614	\$ 20,402,804	\$ 16,333,312	\$ 17,977,754 \$	21,663,153 \$	16,675,573 \$	16,877,777 \$	17,540,013
<b>Change in Net Position</b> Governmental activities Business-type activities	\$ 3,404,104 426,623	\$ 4,575,245 730,203	\$ 12,850,980 752,739	\$ 6,922,486 496,784	\$ 1,033,577 343,536	\$ 4,379,420 \$ 303,251	5,188,138 \$ (74,163)	(2,852,111) \$ 145,172	(5,561,033) \$ 245,733	(2,844,229) 347,553
Total primary government	\$ 3,830,727	\$ 5,305,448	\$ 13,603,719	\$ 7,419,270	\$ 1,377,113	\$ 4,682,671 \$	5,113,975 \$	(2,706,939) \$	(5,315,300) \$	(2,496,676)

#### City of Douglasville, Georgia Fund Balances of Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year															
		2005		2006		2007		2008		2009		2010	2011	2012	2013	2014
General Fund																
Reserved	\$	495,996	\$	103,672	\$	848,165	\$	426,792	\$	243,496	\$	134,846				
Unreserved		3,071,609		6,683,356		9,130,852		7,423,336		8,617,489		9,524,890				
Nonspendable		-		-		-		-		-		- \$	349,310 \$	140,232 \$	265,788 \$	220,958
Restricted		-		-		-		-		-		-	-	365,777	-	-
Assigned		-		-		-		-		-		-	221,811	402,225	103,494	104,849
Unassigned		-		-		-		-		-		-	8,799,775	6,354,443	5,480,501	5,236,868
Total general fund	\$	3,567,605	\$	6,787,028	\$	9,979,017	\$	7,850,128	\$	8,860,985	\$	9,659,736 \$	9,370,896 \$	7,262,677 \$	5,849,783 \$	5,562,675
All Other Governmental Funds Reserved Unreserved, reported in:	\$	1,074,726	\$	121	\$	2,164	\$	-	\$	2,486	\$	29				
Special revenue funds		1,396,598		1,724,090		3,168,666		2,340,670		3,589,246		4,000,716				
Capital projects funds		3,085,512		1,882,725		313,027		226,185		(1,489,651)		10,131,882				
Nonspendable		-		-		-		-		-		- \$	242 \$	13,567 \$	1,250 \$	2,814
Assigned		-		-		-		-		-		-	-	93,071	82,792	
Restricted		-		-		-		-		-		-	4,516,665	9,843,790	3,895,162	3,211,328
Unassigned		-		-		-		-		-		-	(2,178,868)	(270,264)	(972,951)	(1,457,099)
Total all other governmental funds	\$	5,556,836	\$	3,606,936	\$	3,483,857	\$	2,566,855	\$	2,102,081	\$	14,132,627 \$	2,338,039 \$	9,680,164 \$	3,006,253 \$	1,757,043

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

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 14,285,636	\$ 14,977,323	\$ 19,385,214	\$ 19,619,663	\$ 16,009,963	\$ 15,766,406 \$	15,199,069	\$ 16,340,755 \$	16,556,891 \$	17,289,758
Licenses and permits	2,052,650	2,321,229	2,419,479	2,181,608	1,913,722	1,800,170	2,110,938	1,907,723	1,833,050	2,124,865
Intergovernmental	480,879	120,118	1,402,168	485,522	191,528	3,486,238	7,256,155	2,509,829	2,026,572	822,471
Fines and forfeitures	1,137,021	1,388,503	1,142,319	1,425,449	1,640,407	2,684,958	2,816,622	2,106,797	1,755,313	1,591,145
Charges for service	1,227,266	646,577	651,004	721,576	759,114	659,782	779,425	1,688,574	2,172,256	1,906,925
Contributions	1,000,000	-	-	-	-	-	-	-	-	-
Interest Income	64,616	468,956	537,630	445,450	358,889	286,276	131,632	55,112	32,437	27,055
Other Revenues	242,515	1,169,187	2,957,690	1,613,449	2,410,585	1,112,731	747,076	780,298	692,180	734,377
Total revenues	20,490,583	21,091,893	28,495,504	26,492,717	23,284,208	25,796,561	29,040,917	25,389,088	25,068,699	24,496,596
Expenditures										
General government	3,229,943	3,459,868	3,745,071	3,875,742	4,173,384	3,981,957	3,615,917	4,115,058	4,949,931	4,055,572
Judicial	374,280	269,336	261,351	319,960	369,494	583,930	597,735	762,214	730,670	730,699
Public safety	6,926,533	7,142,253	7,866,159	8,895,892	9,014,053	11,682,538	9,591,186	9,841,597	9,853,814	9,530,484
Public works	1,205,661	1,409,621	1,295,048	1,515,114	1,567,043	1,811,247	2,132,130	2,041,926	1,871,927	1,733,633
Culture and recreation	1,507,168	1,379,683	2,164,752	4,732,364	1,977,135	1,764,467	1,617,489	3,571,491	3,551,336	3,647,892
Housing and development	1,082,001	1,161,612	1,142,823	1,378,811	1,283,117	989,040	1,165,850	1,429,359	1,744,156	1,465,802
Capital outlay	5,245,872	10,866,209	7,375,488	8,104,995	3,295,180	12,920,739	19,690,713	9,371,480	6,974,022	1,227,558
Debt service										
Interest	119,418	700,294	894,588	465,002	627,081	985,231	1,457,363	1,518,752	2,243,242	1,900,149
Principal	601,756	590,212	706,136	631,772	482,738	1,210,995	1,348,319	1,397,918	1,493,900	1,803,076
Bond Issuance Cost	379,525	140,750	-	-	-	442,275	-	302,967	84,494	-
Total expenditures	20,672,157	27,119,838	25,451,416	29,919,652	22,789,225	36,372,419	41,216,702	\$ 34,352,762 \$	33,497,492 \$	26,094,865
Excess of revenues										
over (under) expenditures	(181,574)	(6,027,945)	3,044,088	(3,426,935)	494,983	(10,575,858)	(12,175,785)	(8,963,674)	(8,428,793)	(1,598,269)
Other Financing Sources (Uses)										
Transfers in	4,237,263	1,714,861	1,923,855	4,168,395	7,266,785	1,765,758	2,753,380	17,407,513	1,866,957	3,136,389
Transfers out	(4,202,263)	(1,679,861)	(1,923,855)	(4,123,395)	(7,266,785)	(1,720,758)	(2,708,380)	(17,362,513)	(1,821,957)	(3,036,389)
Insurance Recoveries	(1,202,205)	(1,079,001)	(1,725,055)	(1,125,575)	(7,200,705)	71,688	(2,700,500)	-	-	-
Bonds issued	4,325,000	7,253,713	-	-	-	23,000,000	-	13,410,000	4,110,000	-
Premium on bonds issued		-	-	-	-	584,491	-	742,580	-	-
Payment to refunded bond						,		,		
escrow agent	-	-	-	-	-	-	-	-	(4,000,154)	-
Long Term Debt Issued	-	-	-	-	-	-	-	-	187,142	-
Capital leases	2,964,000	-	-	-	-	-	-	-	-	-
Sale of capital assets	35,755	8,755	24,822	336,044	6,100	-	47,357	-	-	-
Total other financing										
sources (uses)	7,359,755	7,297,468	24,822	381,044	6,100	23,701,179	92,357	14,197,580	341,988	100,000
sources (uses)	1,339,133	7,297,408	24,822	581,044	0,100	23,701,179	92,557	14,197,380	541,988	100,000
Net change in fund balances	\$ 7,178,181	\$ 1,269,523	\$ 3,068,910	\$ (3,045,891)	\$ 501,083	\$ 13,125,321 \$	(12,083,428)	\$ 5,233,906 \$	(8,086,805) \$	(1,498,269)
Debt service as a percentage of noncapital expenditures	4%	8%	8%	5%	5%	9%	14%	12%	14%	15%
or noncupran experiences	+ /0	370	370	570	570	270	17/0	12/0	17/0	1.570

### 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
2005	3,267,201	4,056,623	941,340	1,441,884	934,059	493,621	13,636	11,148,364
2006	3,544,341	6,168,327	957,140	1,547,376	1,004,925	1,420,772	334,442	14,977,323
2007	3,827,885	5,305,914	954,123	1,748,191	1,051,403	1,420,772	364,980	14,673,268
2008	4,402,093	9,441,788	954,492	1,800,208	1,096,730	1,573,772	350,580	19,619,663
2009	4,752,206	5,544,003	980,503	1,844,589	1,123,002	1,385,477	339,165	15,968,945
2010	6,287,017	5,182,714	883,142	1,914,034	1,112,466	1,273,757	37,034	16,690,164
2011	5,531,632	10,379,214	1,052,872	2,029,849	1,080,135	1,273,564	38,708	21,384,974
2012	5,907,201	4,434,938	972,000	2,072,783	1,452,201	1,442,351	59,281	16,340,755
2013	5,723,361	4,789,513	980,438	1,983,582	1,542,480	1,492,717	44,800	16,556,891
2014	6,022,126	5,156,024	1,010,390	1,878,032	1,597,091	1,577,730	48,365	17,289,758

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

Digest Year	Real Property	Personal Property	Public Utilities Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2005	804,547,973	125,355,175	21,300,701	39,940,488	(11,405,495)	979,738,842	3.854	2,449,347,105	40.00
2006	870,063,249	123,175,612	21,222,763	40,436,924	(15,239,802)	1,039,722,922	3.854	2,599,307,305	40.00
2007	1,050,196,963	146,729,540	21,046,457	46,944,204	(28,385,502)	1,236,531,662	3.854	3,091,329,155	40.00
2008	1,100,345,728	154,867,223	11,727,391	52,957,564	(29,684,849)	1,290,213,057	3.854	3,225,532,643	40.00
2009	1,068,869,950	153,968,444	12,696,315	58,056,715	(29,613,729)	1,263,977,695	5.120 *	3,159,944,238	40.00
2010	1,087,146,826	153,996,576	12,039,977	53,073,942	(26,007,021)	1,280,250,300	5.069 *	3,200,625,750	40.00
2011	901,158,038	166,199,636	11,994,773	47,778,023	(33,225,096)	1,093,905,374	5.404 *	2,734,763,435	40.00
2012	863,062,342	148,464,889	11,717,620	50,152,681	(25,636,479)	1,047,761,053	5.497 *	2,619,402,633	40.00
2013	842,583,657	152,016,398	11,717,620	54,417,138	(31,276,370)	1,029,458,443	5.497 *	2,573,646,108	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)

	Dire	ect Rates			Total		
Fiscal Year	City of Douglasville	Bond City of Douglasville	Total Direct	Douglas County	Douglas County Board of Education	State of Georgia	Direct & Overlapping Rates
2005	3.854		3.854	7.35	18.40	0.25	29.85
2006	3.854		3.854	8.24	19.30	0.25	31.64
2007	3.854		3.854	8.24	19.70	0.25	32.04
2008	3.854		3.854	8.24	20.30	0.25	32.64
2009	3.854		3.854	7.932	21.35	0.25	33.39
2010	3.854	1.266	5.12	9.9	24.1	0.25	39.37
2011	3.854	1.215	5.069	9.9	22.95	0.25	38.17
2012	3.854	1.550	5.404	9.9	21.95	0.2	37.45
2013	3.853	1.643	5.496	12.25	21.65	0.15	39.55
2014	5.784	1.67	7.454	12.153	21.35	0.10	41.06

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

Fiscal Year	City of Douglasville/ Douglas <u>County/ BOE</u>	SPLOST Sales Tax	State of Georgia Sales Tax	Total Direct & Overlapping Rates
2005	2.00	1.00	4.00	7.00
2006	2.00	1.00	4.00	7.00
2007	2.00	1.00	4.00	7.00
2008	2.00	-	4.00	6.00
2009	2.00	-	4.00	6.00
2010	2.00	1.00	4.00	7.00
2011	2.00	1.00	4.00	7.00
2012	2.00	1.00	4.00	7.00
2013	2.00	1.00	4.00	7.00
2014	2.00	1.00	4.00	7.00

Source: Georgia Department of Revenue

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

Category	2004	2005	2006*	2007*	2008*	2009*	2010		2011	2012	2013
Accommodations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,437.00	\$	201,754.00	\$ 208,044.00	\$ 221,699.00
Apparel	164,444	182,225	198,801	213,481	207,470	194,325	-		2	,	,
Automotive	781,142	802,723	852,560	896,204	847,972	627,651	831,936		924,001	1,020,368	896,701
Construction	· ·	,	,		,	,	43,217		49,459	60,352	62,098
Food	747,671	735,960	819,634	819,441	845,618	815,033	1,387,058		1,472,134	1,562,526	1,646,232
General Merchandise	683,158	700,580	747,110	774,009	759,189	766,099	1,339,806		1,359,914	1,396,157	1,434,235
Home	416,875	458,021	526,192	533,673	500,312	424,237	692,166		685,867	699,906	710,677
Lumber	469,784	527,019	591,547	587,397	471,709	329,606	-		,		,
Manufacturers	236,040	251,923	293,166	299,505	282,586	284,720	553,695		514,814	538,874	536,355
Misc	491,542	520,524	615,590	634,977	625,189	535,641	900,789		923,651	932,264	985,155
Other Retail		-	-	-	-	-	1,090,584		1,118,443	1,169,833	1,190,265
Service	390,625	389,003	431,632	442,189	484,621	504,260	531,718		518,969	560,363	484,620
Utilities	548,445	596,235	664,579	707,998	760,253	816,291	1,012,472		1,039,326	1,006,630	963,917
Wholesale							633,194		810,195	924,923	919,177
Total	\$ 4,929,726	\$ 5,164,213	\$ 5,740,811	\$ 5,908,874	\$ 5,784,919	\$ 5,297,863	\$ 9,198,072	\$	9,618,527	\$ 10,080,240	\$ 10,051,131
Sales Tax Rate ***	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	1	2.00%	2.00%	2.00%

Source: Georgia Department of Revenue Statistical Report

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

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

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

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

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

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

			2014				2008*		
Taxpayer		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Arbor Place II, LLC	\$	13,122,040	1	1.25%	\$	13,589,346	1	1.05%	
MedLine Industries, Inc*	Ψ	17,300,212	2	1.64%	Ψ	15,507,510	1	1.0570	
DDRTC Douglasville Pavilion, LLC		8,782,320	3	0.83%		9,459,535	2	0.73%	
Trikell		8,599,658	4	0.82%		-		-	
Centerpoint Properties Trust		8,117,680	5	0.77%		8,317,171	7	0.64%	
Prologis TLF		7,809,920	6	0.74%		-		-	
Carlyle Centennial Lenox LP		7,647,280	7	0.73%		7,905,946	9	0.61%	
CAM Crestmark, LLC		7,415,184	8	0.70%					
Villas at West Ridge		7,040,000	9	0.67%					
Medline Industries Phase II *		58,984,704	10	5.60%					
SCI Brodick Hill Fund LLC ETAL						8,669,883	6	0.67%	
WPRE I Rocky Ridge, LLC						8,800,000	4	0.68%	
Douglasville Development						9,036,849	3	0.70%	
Development Authority of Douglas County						8,706,576	5	0.67%	
Mt. Vernon Associates LP						7,440,000	10	0.58%	
Staples Contract and Commercial						9,752,926	8	0.75%	
Total	\$	144,818,998		13.76%	\$	91,678,232		7.08%	

Source: Douglas County Tax Assssors

Total Gross City Tax Digest

\* Information for 9 years prior is not readily available

\* Although Medline has a higher property value, the tax abatement offered decreases the taxable amount and decreases the tax amount due.

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

Fiscal Year	Taxes Levied		Collected Fiscal Year		Collections	Total Collections to Date			
Ended 30-Jun	Tax Year	for the Fiscal Year	Amount	Percentage of Levy	in Subsequent Years	Amount	Percentage of Levy		
2005	2004 \$	\$ 3,447,903	\$ 3,215,977	93.27%	\$ 28,268	\$ 3,244,245	94.09%		
2006	2005	3,775,914	3,537,107	93.68%	52,987	3,590,094	95.08%		
2007	2006	4,007,092	3,774,897	94.21%	52,370	3,827,267	95.51%		
2008	2007	4,765,593	4,402,093	92.37%	148,781	4,550,874	95.49%		
2009	2008	4,971,710	4,793,224	96.41%	99,837	4,893,061	98.42%		
2010	2009	6,471,566	6,107,062	94.37%	153,861	6,260,924	96.75%		
2011	2010	5,638,882	5,336,879	94.64%	233,105	5,569,984	98.78%		
2012	2011	5,688,810	5,641,595	99.17%	34,594	5,676,189	99.78%		
2013	2012	5,483,852	5,299,807	96.64%	84,348	5,384,155	98.18%		
2014	2013	5,358,823	5,189,421	96.84%	-	5,189,421	96.84%		

Sources: City of Douglasville Finance Department

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

		Government	al Activities				
Fiscal Year	Note Payable	Capital Leases	Revenue Bonds	GO Bonds	Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita
20051	\$ 519,563	\$ 3,445,630	\$ 4,325,000	\$ -	\$ 8,290,193	-	352
2006	267,025	3,016,939	4,325,000	7,234,651	14,843,615	0.000099%	589
2007	-	2,622,422	4,325,000	6,994,939	13,942,361	0.000064%	468
2008	-	2,466,649	4,265,000	6,745,710	13,477,359	0.000064%	427
2009	-	2,304,617	4,205,000	6,485,004	12,994,621	0.000067%	432
2010	-	2,135,476	4,140,000	28,568,895	34,844,371	0.000154%	1,159
2011	-	1,959,621	4,070,000	27,466,431	33,496,052	0.000138%	1,082
2012		1,775,558	17,405,000	26,327,576	45,508,134	0.000210%	1,306
2013		1,730,831	18,183,996	25,615,573	45,530,400	0.000209%	1,307
2014		1,497,116	17,698,735	24,366,887	43,562,738	0.000164%	1,267

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

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

Fiscal Year	General Obligation Bonds	Less: Ar Restrict GO Debt	ed for	Total	Percentage of Actual Taxable Value of Property	Per Capita
2005	\$ -	\$	-	\$ -	0.00%	-
2006	7,234,651		-	7,234,651	0.30%	287
2007	6,994,939		-	6,994,939	0.27%	235
2008	6,745,710		-	6,745,710	0.22%	216
2009	6,485,004		-	6,485,004	0.20%	215
2010	28,568,895		-	28,568,895	0.90%	921
2011	27,466,431		-	27,466,431	0.86%	887
2012	26,327,576		-	26,327,576	0.96%	756
2013	25,615,573		-	25,615,573	0.98%	735
2014	23,926,084		-	23,926,084	0.91%	684

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

# City of Douglasville, Georgia Direct and Overlapping Governmental Activities Debt For the Fiscal Year Ended June 30, 2014

Governmental Unit	Debt Outstanding		Estimated Percentage Applicable	Estimated Share of Overlapping Debt	
Direct General Obligation Debt					
Lease/Purchase	\$	1,497,116	100.00%	\$ 1,497,116	
Bonds	\$	41,024,084	100.00%	 41,024,084	
	\$	42,521,200		\$ 42,521,200	
Overlapping General Obligation Debt					
Douglas County		61,811,340			
Capital Lease		878,793			
Total :	\$	62,690,133	27.337%	\$ 17,137,602	
Douglas County School District					
General Obligation Bonds		182,310,000			
	\$	182,310,000	27.337%	\$ 49,838,085	
Total Direct and Overlapping Debt	\$	287,521,333		\$ 109,496,886	

The percentage of overlapping debt applicable is estimated using taxable assessed property values.

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

							-	Fiscal Year					
	2005		2006		2007		2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 84,665,822	\$	90,091,337	\$	103,972,292	\$	126,491,716 \$	131,969,791 \$	129,359,142 \$	130,625,732 \$	112,713,047 \$	108,511,515 \$	105,274,737
Total net debt applicable to limit	 -		11,559,651		11,319,939		11,010,710	10,690,004	32,708,895	31,536,431	43,732,576	42,665,545	41,024,084
Legal debt margin	\$ 84,665,822	\$	78,531,686	\$	92,652,353	\$	115,481,006 \$	121,279,787 \$	96,650,247 \$	99,089,301 \$	68,980,471 \$	65,845,970 \$	64,250,653
Total net debt applicable to the													
limit as a percentage of debt limit	 0.00%	_	12.83%	_	10.89%		8.70%	8.10%	25.29%	24.14%	38.80%	39.32%	38.97%
						Le	gal Debt Margin C	Calculation for Fisc	al Year 2014				
						As	sessed value					\$	1,020,052,617
							ld back exempt real	property					32,694,757
						То	tal assessed value						1,052,747,374
						De	bt limit (10% of tota	al assessed value)					105,274,737
						De	bt applicable to limit	it:					
							Revenue bonds						17,065,000
							General obligation Less: Amount set as		of				23,959,084
							general obligation		01				
							Total net debt appli						41,024,084
						Le	gal debt margin					\$	64,250,653

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

Fiscal Year	Population <sup>1</sup>	Personal Income		 Per Capita Personal Income <sup>2</sup>	Median Age <sup>1</sup>	County School Enrollment	Unemployment Rate <sup>3</sup>
2005	23,562	\$	-	\$ -	-	21,928	5.40%
2006	25,216		594,391,552	23,572	-	23,951	5.20%
2007	29,776		727,904,096	24,446	-	24,162	5.00%
2008	31,163		667,044,015	21,405	33	24,403	4.80%
2009	30,098		644,247,690	21,405	33	24,215	12.60%
2010	31,004		753,118,164	24,291	29.5	24,417	9.40%
2011	31,169		783,869,181	25,149	31.0	24,250	9.80%
2012	31,269		621,946,801	22,291	32.8	24,500	11.01%
2013	32,207		739,465,631	22,960	32.8	24,500	10.01%
2014	31,890		773,204,940	24,246	34.1	25,500	9.20%

#### Data sources

<sup>1</sup>United States Census Bureau / Atlanta Regional Commission / Sperlings Data <sup>2</sup>Douglas County Development Authority <sup>3</sup>Bureau of Labor Statistics

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

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

		2014				2007*	
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Wellstar Douglas Hospital	834	1	4.28%	Wall Mart Super Center	700	1	4.53%
Wal-Mart Super Center	750	2	3.85%	Wellstar Douglas Hospital	650	2	3.34%
American Red Cross	500	3	2.57%	Kroger	562	3	3.64%
Medline Medical Ind., Inc	345	3	1.77%	Benton Georgia	350	4	2.27%
Google	300	4	1.54%	Sams Club	208	5	1.35%
Benton Georgia	258	5	1.33%	Home Depot	160	6	1.04%
Staples Customer Center	246	6	1.26%	Nioxin	155	7	1.00%
Sams Club	225	7	1.16%	John Bleakley Ford	147	8	0.95%
ALP lighting components	100	8	0.51%	ALP Lighting Systems	120	9	0.78%
Cahaba Health Care	100	9	0.51%	Publix	100	10	0.65%
Reflek	80	10	0.41%				
Total	3,738		19.20%	Total	3,152		19.55%

#### Source: Douglas County Development Authority

\*\*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>	2005	2006	2007	2008	2000	2010	2011	2012	2012
General Government:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governing Body	9	9	9	8	8	8	9	9	9
Chief Executive (Mgr. Or Admin.)	5	5	4	4	5	5	5	5	5
IT / MIS	3	2	4	4	5	5	2	2	3
Police Records & Court	9	8	10	10	10	10	12	12	12
Financial Administration	7	8	8	8	8	8	8	8	8
General Govt. Bldgs. & Plant	8	7	2	2	2	1	1	1	1
Human Resources	2	2	2	2	2	2	2	2	2
Public Safety:	2	2	2	2	2	2	2	2	2
Police Administration	6	6	5	5	5	9	10	9	9
Police - IT	-	-	-	-	-	-	2	2	2
Police Detective	14	12	17	15	15	18	17	14	17
Police Special OPS	6	4	8	8	6	7	7	8	8
Police Patrol	41	55	53	45	52	46	54	53	53
Police Motors	5	4	5	6	6	6	4	5	6
Police Training	-	-	-	-	-	-	2	2	3
Police SRO	8	5	7	10	6	4	2	4	4
Police Building Maintenance								1	1
Building Inspections	8	8	7	8	3	5	5	4	3
Code Enforcement	3	3	4	4	3	3	3	3	4
Planning & Zoning	2	2	2	2	1	1	2	2	2
Engineering	1	2	2	4	3	3	3	3	3
Community Development	-	-	2	3	4	4	4	2	4
Tourism	-	-	3	5	3	2	2	3	3
Culture/Recreation Administration	3	4	4	6	5	4	4	6	7
Conference Center	3	4	3	3	3	2	3	4	5
West Pines Golf	1	-	-	-	-	-	-		8
Parks Areas	9	9	9	8	9	9	8	6	8
Highways & Streets Admin.	14	12	17	18	18	18	15	17	17
Traffic Engineering		4.0					•		
Sanitary Administration	14	19	22	21	17	17	20	22	22
Maintenance & Shop	2	2	2	2	2	2	2	2	2
Video Production	-	-	-	-	4	4	4	4	3
Development Authority	-	-	-	-	1	1	1	1	1
Keep Douglasville Beautiful	-	-	-	-	3	3	4	3	4
Total	183	192	211	211	209	207	217	219	239

Source: City of Douglasville Finance Dept

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

	Fiscal Year								
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function									
Public Works:									
Street resurfacing (feet)	15,810	59,638	34,266	15,167	12,883	5,280	3,256	13,886	11,051
Police protection*:									
Number of citations written	6,060	8,909	10,096	10,322	11,744	14165	10,738	9,915	8,613
Number of automobile accidents	2,785	1,371	2,739	2,675	2,359	1989	2307	2,397	2,483
Number of reported crimes	3,121	1,548	3,288	3,050	5,452	3894	4768	4,160	4,160
**Sanitation:									
Large items pickup	-	-	510	217	56	123	97	63	88

Sources: \*City of Douglasville Courts and Records

**\*\*** City Sanitation Department

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

	Fiscal year								
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function									
Public works:									
Miles of streets	162	162	164	164	166	165	166	166	166
Number of street lights	2,040	2,040	2,040	2,044	2,046	2046	2048	2048	2048
Police protection:									
Number of stations	1	1	1	1	1	1	2	2	2
Number of police officers positions	95	95	95	89	89	82	91	94	94
Building permits issued	511	742	503	411	377	179	141	177	248
Recreation and culture: Number of parks	7	7	8	8	8	8	8	8	8
Park acreage	288	288	420	420	420	420	420	420	420

Sources: Various city departments.

# **COMPLIANCE SECTION**

# CITY OF DOUGLASVILLE, GEORGIA HOTEL/MOTEL TAX SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED FOR THE FISCAL YEAR ENDED JUNE 30, 2014

 Revenues	Exp	penditures	-	Percentage Expended	
\$ 1,405,447	\$	1,405,447	_	100%	

# CITY OF DOUGLASVILLE, GEORGIA CAR RENTAL TAX SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues	Expenditures	Percentage Expended
\$172,283	\$ 172,283	100%