CHAMBLEE
Georgia
A CITY ON THE RIGHT TRACK!



Comprehensive Annual Financial Report

December 31, 2013

CITY OF CHAMBLEE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

Prepared By:
City of Chamblee
Finance Department

CITY OF CHAMBLEE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2013

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CITY OF CHAMBLEE, GEORGIA

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INTRODUCTORY SECTION
(Unaudited)

- Letter of Transmittal
- Organizational Chart
- List of Principal Officials

CITY OF CHAMBLEE

5468 PEACHTREE ROAD CHAMBLEE, GA 30341

June 19, 2014

Honorable Eric Clarkson, Mayor
Members of the City Council, and
Citizens of Chamblee, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Chamblee, Georgia (the "City") for the year ended December 31, 2013 is hereby submitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials.

The financial section includes the independent auditor's report on financial statements. 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. The MD&A complements this letter of transmittal and should be read in conjunction with it. The basic audited financial statements with combining and individual fund statements and schedules along with required supplementary information follow the MD&A.

The statistical section contains selected historical financial data, debt statistics, and the miscellaneous social and economic data generally presented on a multi-year basis.

History-City of Chamblee

Chamblee is located in Northern DeKalb County and is bordered by Dunwoody to the northwest, Doraville to the east and Brookhaven to the southwest. The heart of what is known today as the City of Chamblee was originally a small community known as the Roswell Junction. In 1881, the Roswell Railroad completed its line with a stop in the

Roswell Junction community. The rail stop spurred growth in the area and due to postal confusion with Roswell, Roswell Junction became known as Chamblee. Chamblee was officially incorporated as a City by the State of Georgia on August 17, 1908. The City was defined as an area radiating one-half mile in every direction from the rail depot.

Since its incorporation in 1908, the City of Chamblee has undergone several annexations. The most recent of which became effective on December 30, 2013 and grew the City to a total of 7.85 square miles and 26,801 citizens.

Form of Government

The City of Chamblee operates under a mayor and council-city manager form of government. The Chamblee City Council is comprised of a mayor and five council members. The City is divided into three council districts and two at-large districts. One council member is elected from each of the three districts and two council members are elected from the city at large. The council members who are elected for the three districts must live in the district that they represent but all five council members are elected by a city-wide vote.

The Council enacts ordinances, establishes policy, adopts the annual budget, and establishes the ad valorem tax rate for each year. The City Manager is responsible for implementing the policies set forth by the council, overseeing all City employees, and managing the day to day operations of the City.

Services Provided

The services provided by the City under general governmental functions include police protection, planning and development, sidewalk and curb maintenance, and parks operation and maintenance. These services are primarily funded by property taxes, franchise fees, and occupational licenses.

In addition, the City provides stormwater, solid waste, and criminal history background checks under the enterprise fund concept. These services are provided for a fee that is set forth by the City Council.

Economic Outlook

Located just 14 miles from downtown Atlanta, the City of Chamblee is positioned for significant economic growth as the economy continues to recover. Two major interstate highways that border the City, I-285 to the north and I-85 to the southeast, provide easy roadway access to and from the City. For commuters, the roadway access is complimented by a MARTA (Metropolitan Atlanta Rapid Transit Authority) rail station

and several MARTA bus stops throughout the City. The City is also home to DeKalb Peachtree Airport (PDK), which is the second busiest airport in the State.

At the time of the 2010 census, the City of Chamblee ranked 37th in population out of 68 incorporated municipalities that were in the 10 counties that make up the Atlanta Regional Commission (ARC) with 9,892 citizens. Today, because of two annexations since the last census, Chamblee's 26,801 citizens would rank 15th in the same region.

The City of Chamblee's median household income in 2012 was $49,505. This is in line with the State of Georgia's median household income of $49,604 but slightly below DeKalb County's median household income of $51,252. Persons living below the poverty level in the City of Chamblee were at 21.2% while DeKalb County and the State of Georgia levels were at 18.6% and 17.4%, respectively. These figures combined with the median household income figures show that there is a greater disparity between the households at the top income levels and the households at the bottom income levels than there is throughout the state.

Chamblee is home to "Automobile Row", which houses car dealerships of virtually every car brand available in the market. Overall, the automobile industry enjoyed its best year in 2013 since 2007, selling more than 15 million units.

Chamblee has also benefited from the migration of the film and TV industry to the metro Atlanta area. Studio production companies constantly visit the wide variety of antiques shops that Chamblee has to offer as they search for valuable additions to their sets.

Building materials spent on new residential construction grew from $2.1 million in 2012 to more than $3.4 million in 2013. This residential growth has sparked more than $5.5 million in spending on new commercial construction through May of 2014 contrasted with only $182 thousand in spending throughout all of 2012.

As previously mentioned, Chamblee annexed an area of approximately 3.04 miles on December 30, 2013. When the City was approached by the citizens of the affected area about annexation, it was believed that the private and commercial mix of property would generate enough revenue to bring the City's high level of service to the area. However, the owners of Century Center, a nearly 100 acre commercial development, have filed a lawsuit to be excluded from the annexation. The outcome of this lawsuit will have a significant effect on the City's future revenues, future millage rates and level of services.

Awards

The City does intend to submit this report to the Government Finance Officers Association (GFOA) for its consideration for awarding the Certificate of Achievement for Excellence in Financial Reporting for the year 2013 CAFR. We believe that the report meets the Certificate of Achievement Program's requirements for the highest standards in government accounting and financial reporting. In order to be awarded a 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 CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgments

I would like to thank the Mayor, City Council, and City Manager for their support and guidance in preparation of this report. I would also like to express my appreciation to the City's staff for their assistance and cooperation in the preparation of this report.

Respectfully submitted,

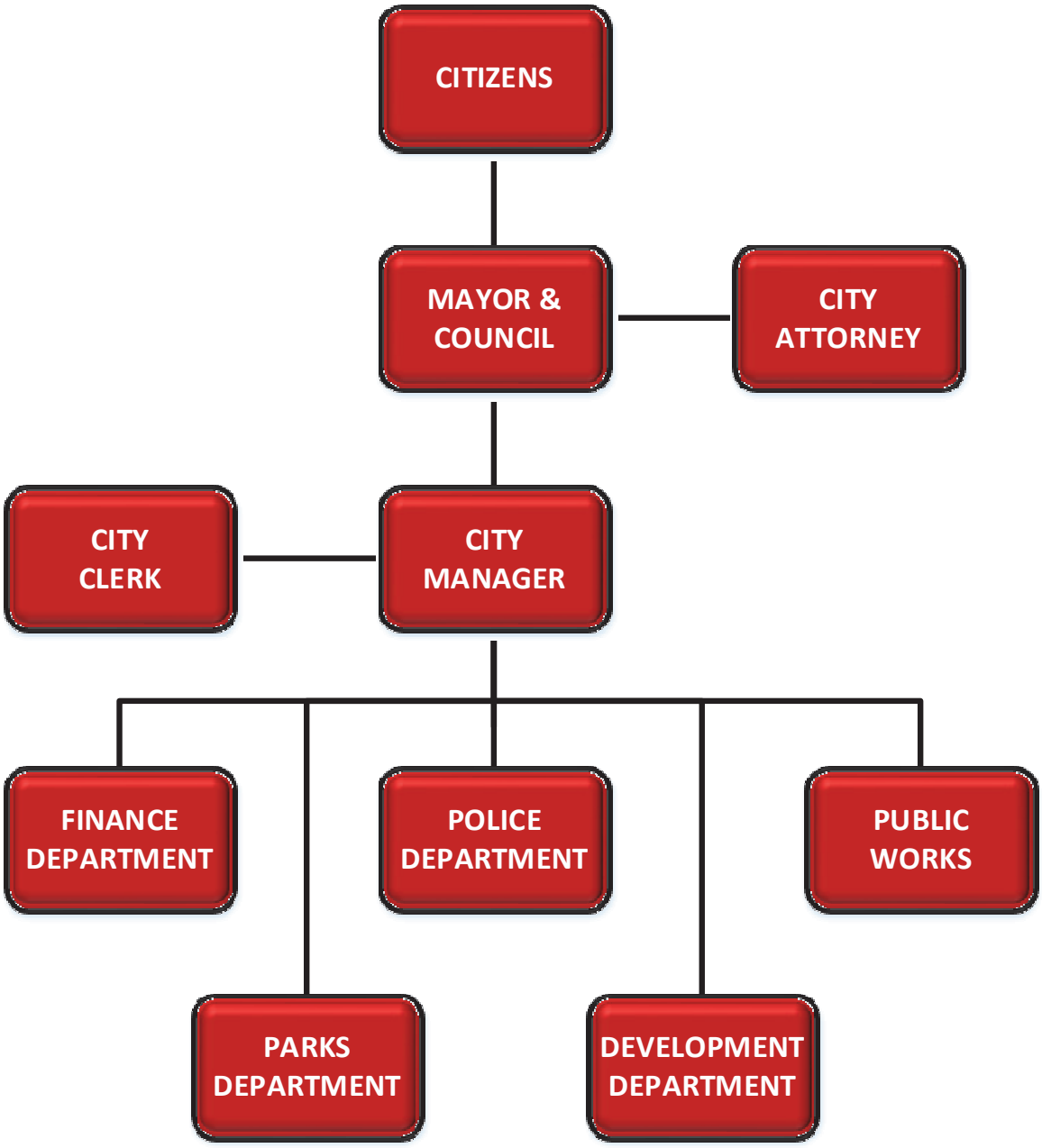
Travis Sims

Travis Sims
Finance Director

CITY OF CHAMBLEE, GEORGIA

ORGANIZATIONAL CHART

DECEMBER 31, 2013



CITY OF CHAMBLEE, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013

Legislative Branch

Mayor	R. Eric Clarkson
Council Member	Dan Zanger
Council Member	Thomas S. Hogan, II
Council Member	Leslie C. Robson
Council Member	John Mesa
Council Member	Brian Mock

Management Staff

City Manager	Marc Johnson
Director of Finance	Travis Sims
Director of Public Works	Reginald Anderson
Director of Development	Gary Cornell
City Clerk	Emmie Niethammer
Director of Parks & Recreation	Joel Holmes
Police Chief	Donny Williams
City Attorney	Loren Fowler

CHAMBLEE
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FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
    - Government-wide Financial Statements
    - Fund Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information
- Combining, Individual Fund Statements and Schedules

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of City Council of the
City of Chamblee, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Chamblee, Georgia**, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Chamblee, Georgia'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 of 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 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, each major fund, and the aggregate remaining fund information of the City of Chamblee, Georgia as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Confiscated Asset Fund, and Multiple Grants Fund 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 through 14 and Schedule of Funding Progress on page 49, as listed in the table of contents, 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 Chamblee, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules as well as the introductory and the statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 nonmajor fund financial statements and schedules 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 June 19, 2014, on our consideration of the City of Chamblee, 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 the City of Chamblee's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2014

As management of the City of Chamblee, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Chamblee for the year ended December 31, 2013.

FINANCIAL HIGHLIGHTS

- The City's total assets exceed liabilities and deferred inflows of resources by $24,093,915 at the end of the year. Of this amount, unrestricted net position of $8,791,805 may be used to meet the City's ongoing obligations to citizens and creditors.

- As a whole, the City's financial position improved during the year 2013. The City's net position increased by $1,224,969 or 5.4%. Of this amount, an increase of $850,636 was associated with governmental activities and an increase of $374,333 was associated with business-type activities.

- As of the close of the current year, the City's governmental funds reported combined ending fund balances of $8,308,728, an increase of $720,245 in comparison with the prior year. Of this amount, $5,517,332 is unassigned and available for spending.

- At the end of the current year, unassigned fund balance for the General Fund was $5,517,332, or 56.0% of total general fund expenditures.

- The General Fund reported a net increase in fund balance of $703,356 compared with an increase of $1,985,008 in the prior year.

- The City's total debt obligations (including accrued compensated absences) decreased by $5,328 (0.7%) during the current year. This compares to a 12.4% increase in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position (formally the statement of net assets) presents information on all of the City's assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources, with the difference between the these items being reported as net position. Over time,

increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future periods.

The government-wide financial statements of the City are divided into two (2) categories:

- **Governmental activities** – These include the basic services provided by the City that are principally supported by taxes and intergovernmental revenues. These include police, culture and recreation, public works and general administration.

- **Business-type activities** – These include services for which the City charges specific fees which are meant to recover all or a significant portion of the cost of providing the services. These include sanitation (solid waste collection), stormwater fees and criminal history background checks.

Governmental activities and business-type activities are consolidated and added to the total for the primary government.

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

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

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

The City maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Multiple Grants, and Confiscated Assets Fund, which are considered to be major funds. Data from the other four (4) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts annual appropriated budgets for its governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17 through 22 of this report.

Proprietary funds. The City maintains three (3) proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitation, stormwater, and criminal history background functions. Sanitation, Stormwater, and Criminal History Funds are considered to be major funds of the City.

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

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 can be found on pages 26 through 48 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 49 this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $24,093,915 at the close of the most recent year.

By far the largest portion of the City's net position (53.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources

needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position ($2,430,168) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($8,791,805) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Chamblee, Georgia's Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	$ 10,332,690	$ 9,742,607	$ 2,749,137	$ 2,712,126	$ 13,081,827	$ 12,454,733
Capital Assets	11,606,324	11,444,023	1,605,352	1,352,346	13,211,676	12,796,369
Total Assets	21,939,014	21,186,630	4,354,489	4,064,472	26,293,503	25,251,102
Liabilities:						
Current and other liabilities	1,124,509	1,244,732	75,416	134,153	1,199,925	1,378,885
Long term debt outstanding	718,763	698,512	86,900	112,479	805,663	810,991
Total Liabilities	1,843,272	1,943,244	162,316	246,632	2,005,588	2,189,876
Deferred inflows of resources:						
Unearned revenue - licenses and permits	194,000	192,280	-	-	194,000	192,280
Net position:						
Net investment in capital assets	11,337,688	11,182,359	1,534,254	1,251,288	12,871,942	12,433,647
Restricted	2,430,168	2,012,227		-	2,430,168	2,012,227
Unrestricted	6,133,886	5,856,520	2,657,919	2,566,552	8,791,805	8,423,072
Total Net Position	$ 19,901,742	$ 19,051,106	$ 4,192,173	$ 3,817,840	$ 24,093,915	$ 22,868,946

Governmental Activities. Governmental activities increased the City of Chamblee's net position by $850,636, thereby accounting for 69.4% of the total increase in the net position of the City. Key elements of this increase are as follows:

City of Chamblee, Georgia's Summary of Changes in Net Position

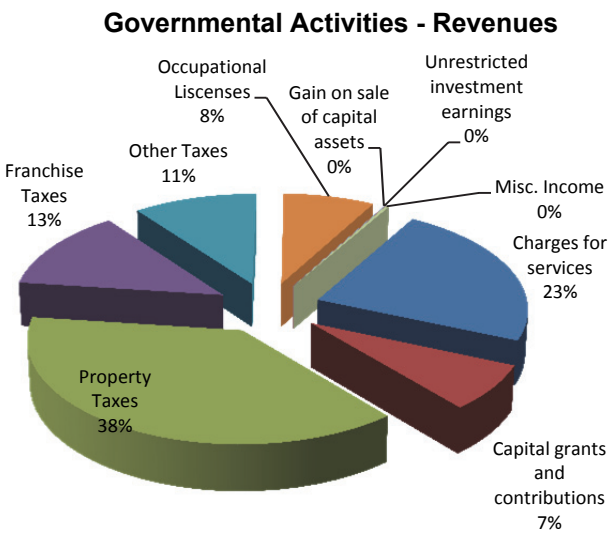
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for services	$ 2,634,063	$ 2,490,942	$ 1,755,412	$ 1,790,316	$ 4,389,475	$ 4,281,258
Capital grants and contributions	840,699	254,166	3,583	-	844,282	254,166
General revenues:						
Property taxes	4,340,202	4,934,955	-	-	4,340,202	4,934,955
Other taxes	3,519,015	3,987,090	-	-	3,519,015	3,987,090
Investment income	1,794	1,161	-	-	1,794	1,161
Gain on sale of capital assets	6,225	3,425	11,244	-	17,469	3,425
Miscelleneous	33,192	12,576	-	-	33,192	12,576
Total Revenues	11,375,190	11,684,315	1,770,239	1,790,316	13,145,429	13,474,631
Expenses:						
General government	1,718,753	1,390,498	-	-	1,718,753	1,390,498
Judicial	245,170	226,005	-	-	245,170	226,005
Public safety	5,741,808	5,469,687	-	-	5,741,808	5,469,687
Public w orks	1,316,389	1,258,183	-	-	1,316,389	1,258,183
Parks and recreation	896,655	805,707	-	-	896,655	805,707
Housing and development	681,563	399,986	-	-	681,563	399,986
Interest on long-term debt	4,678	9,881	-	-	4,678	9,881
Storm w ater	-	-	423,412	376,708	-	376,708
Sanitation	-	-	656,705	575,099	656,705	575,099
Criminal history	-	-	235,327	180,752	235,327	180,752
Total Expenses	10,605,016	9,559,947	1,315,444	1,132,559	11,920,460	10,692,506
Excess (Deficiency) before Transfers	770,174	2,124,368	454,795	657,757	1,224,969	2,782,125
Transfers	80,462	120,082	(80,462)	(120,082)	-	-
Increase (Decrease) in Net position	850,636	2,244,450	374,333	537,675	1,224,969	2,782,125
Net position, beginning of year	19,051,106	16,806,656	3,817,840	3,280,165	22,868,946	20,086,821
Net position, end of year	$ 19,901,742	$ 19,051,106	$ 4,192,173	$ 3,817,840	$ 24,093,915	$ 22,868,946

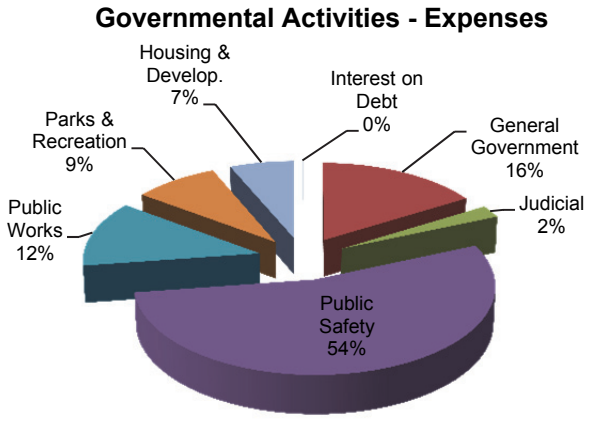
- Due mainly to a reduction in the millage rate from 7.40 mills to 6.40 mills, property tax collections declined by $594,753 or 12.1%.

- Expenses increased 11.5% from $10,692,506 to $11,920,460 as the City prepared itself for annexation.

See page 16 of the financial statements for the net cost (total cost less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's governmental revenues and expenses.

Governmental Activities





Business-type Activities. Business-type activities increased the City's net position by $374,333 thereby accounting for 30.6% of the total increase in the net position of the City. The primary reason for this increase was the Stormwater Fund. The Stormwater Fund is used to repair and maintain the City's stormwater drains and pipes. Repairs can include sinkholes that are caused by damaged stormwater pipes.

Business-type Activities

	Program Revenues		Program Expense		Program Income (Loss)	
	2013	2012	2013	2012	2013	2012
Fund:						
Stormw ater	$ 835,714	$ 767,799	$ 423,412	$ 376,708	$ 412,302	$ 391,091
Sanitation	408,870	400,488	656,705	575,099	(247,835)	(174,611)
Criminal History	514,411	622,029	235,327	180,752	279,084	441,277
Total	$ 1,758,995	$ 1,790,316	$ 1,315,444	$ 1,132,559	$ 443,551	$ 657,757

Although Criminal History revenue declined by $107,618, there was sufficient funds to support $241,319 in capital purchases. The revenues for the Stormwater Fund increased $67,915 from the previous year. Although the City took over stormwater services for the newly annexed area in 2011, it will not take over sanitation services for that area until 2014. Therefore, the revenues and expenses for sanitation remained in line with the previous year. Expenses exceeded the revenues which required a transfer of $104,254 from the General Fund and $56,603 from the Criminal History Fund.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's new resources available for spending at the end of the year.

As of December 31, 2013, the City's governmental funds reported combined ending balances of $8,308,728, an increase of $720,245 in comparison to the prior year. Of this amount, $5,517,332 is unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is not available for new spending because it is either restricted or committed for other purposes.

The restricted funds include $1,941,559 in Homestead Option Sales Tax (HOST) funds that can be used only for capital projects and $188,361 to be used to pay court bond refunds. The committed funds consist solely of $188,757 which is to be spent for police and municipal court technology expenditures with the approval of the Mayor and City Council.

General Fund. The General Fund is the City's chief operating fund. At the end of the current year, unassigned fund balance of the General Fund was $5,517,332 while total fund balance was $7,810,648. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 56.0% of the total General Fund expenditures for 2013, while total fund balance represents 79.3% of that same amount.

During the current year, the fund balance of the City's General Fund increased by $703,356. The revenues decreased by $281,191 or (2.6%), and the expenditures increased by $1,226,919 or 14.2% resulting in an excess of revenues over expenditures of $626,259. In addition, the General Fund transferred a net of $75,758 to other funds.

Confiscated Assets Fund. The Confiscated Assets Fund was established to account for funds held as evidence as well as those which were confiscated and subsequently awarded to the police department by a court pursuant to State or Federal law. The fund balance at year-end of $84,720 is restricted by law to specific law enforcement purposes.

Multiple Grants Fund. The Multiple Grants Fund was established to account for governmental grants received and the related expenditures. The fund balance at year-end was zero.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined unrestricted net positions of the three proprietary funds were $2,657,919 at the end of the year. Of this amount, $1,928,999 was from the Stormwater Fund and $(44,846), was from the Sanitation Fund. The remaining $773,766 belongs to the Criminal History Fund. Profits from this fund will be transferred to the General Fund to pay for capital purchases as approved by the Mayor and City Council.

GENERAL FUND BUDGETARY HIGHLIGHTS

For year 2013, the City's General Fund had a favorable budget variance of $1,748,056 due in part to receiving more H.O.S.T. money than was budgeted. Position vacancies that were created for the amended budget in the 4th quarter of the year in anticipation of the annexation played a major role in expenditures being $866,083 less than what was budgeted.

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities as of December 31, 2013, amounts to $11,606,324 (net of accumulated depreciation). These assets primarily reflect land, buildings, infrastructure, vehicles, furniture and equipment and park improvements. The City's investment in net capital assets for its business-type activities as of December 31, 2013, amounts to $1,605,352.

The total increase in the City's investment in capital assets for the current year was $415,307 or 3.3%. For more detailed information concerning capital assets, see note 6 to the financial statements.

Some of the major capital asset additions in year 2013 included the purchase of seven (7) new police cars and new recording and camera equipment for the entire fleet of police vehicles.

Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 1,525,278	$ 1,525,278	$ -	$ -	$ 1,525,278	$ 1,525,278
Construction in progress	556,781	525,007	-	-	556,781	525,007
Buildings and improvements	3,542,019	3,676,147	90,180	94,357	3,632,199	3,770,504
Infrastructure	2,283,656	2,389,354	744,636	696,483	3,028,292	3,085,837
Furniture, machinery, and equipment	847,147	498,658	58,474	72,067	905,621	570,725
Park Improvements	2,268,863	2,352,621	-	-	2,268,863	2,352,621
Vehicles	582,580	476,958	712,062	489,439	1,294,642	966,397
Total	$ 11,606,324	$ 11,444,023	$ 1,605,352	$ 1,352,346	$ 13,211,676	$ 12,796,369

LONG-TERM DEBT

At the end of 2013 year, the City had $805,663 in outstanding long-term debt. This is a net decrease of $5,328 compared to the prior year. More detailed information about the City's long-term liabilities is included in note 7 to the financial statements.

Outstanding Debt at December 31

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital leases payable	$ 268,636	$ 261,664	$ 71,098	$ 101,058	$ 339,734	$ 362,722
Compensated absences	450,127	436,848	15,802	11,421	465,929	448,269
Total	$ 718,763	$ 698,512	$ 86,900	$ 112,479	$ 805,663	$ 810,991

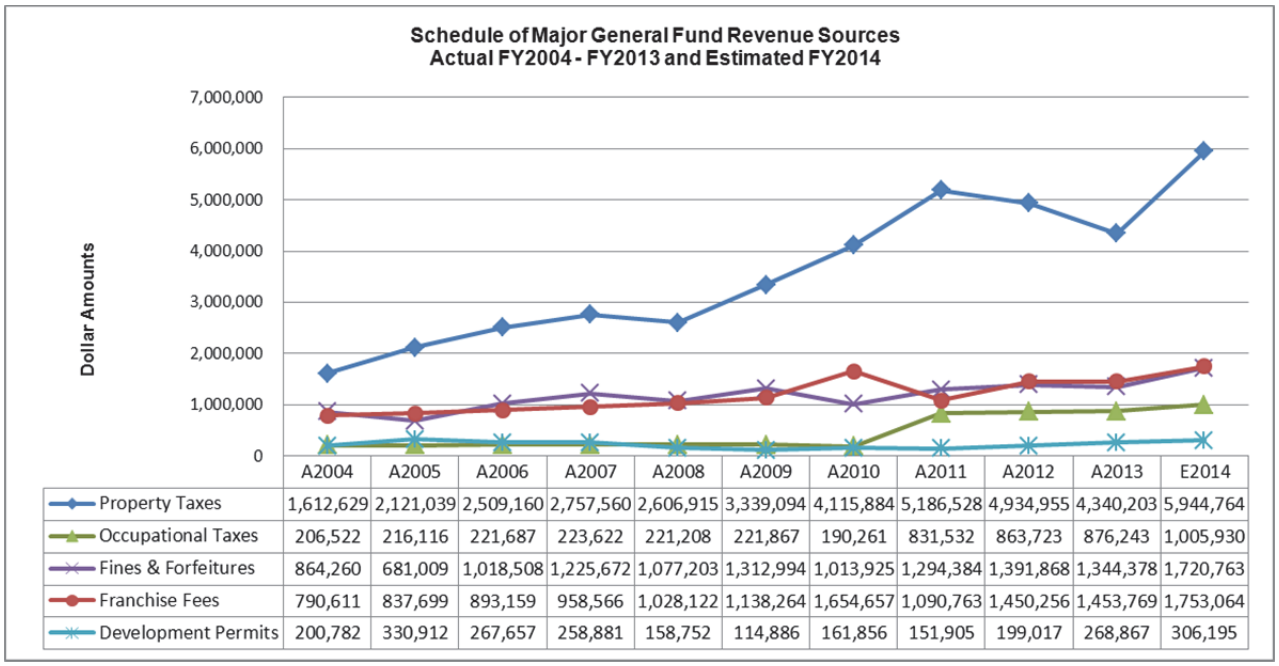
ECONOMIC AND NEXT YEAR'S BUDGET AND RATES

Funding for the City's governmental activities is derived from property tax, other taxes, and fees. During the calendar year 2013 budget process, the City considered projections on the State and local economy to estimate tax revenues for the proposed budget. The City's budget for 2014 was prepared using the 2013 millage rate of 6.4 mills.

The City of Chamblee increased in size on December 30, 2013, due to the annexation of approximately 3.04 square miles and 11,700 citizens. The City committed to having the police department prepared for the increased patrol area by December 30. That required the addition of 22 police officers and 2 additional 911 dispatchers. As many as possible were needed to be hired in late 2013 in order to be ready on December 30. Overall, the City plans to add 37 full time equivalents in 2014.

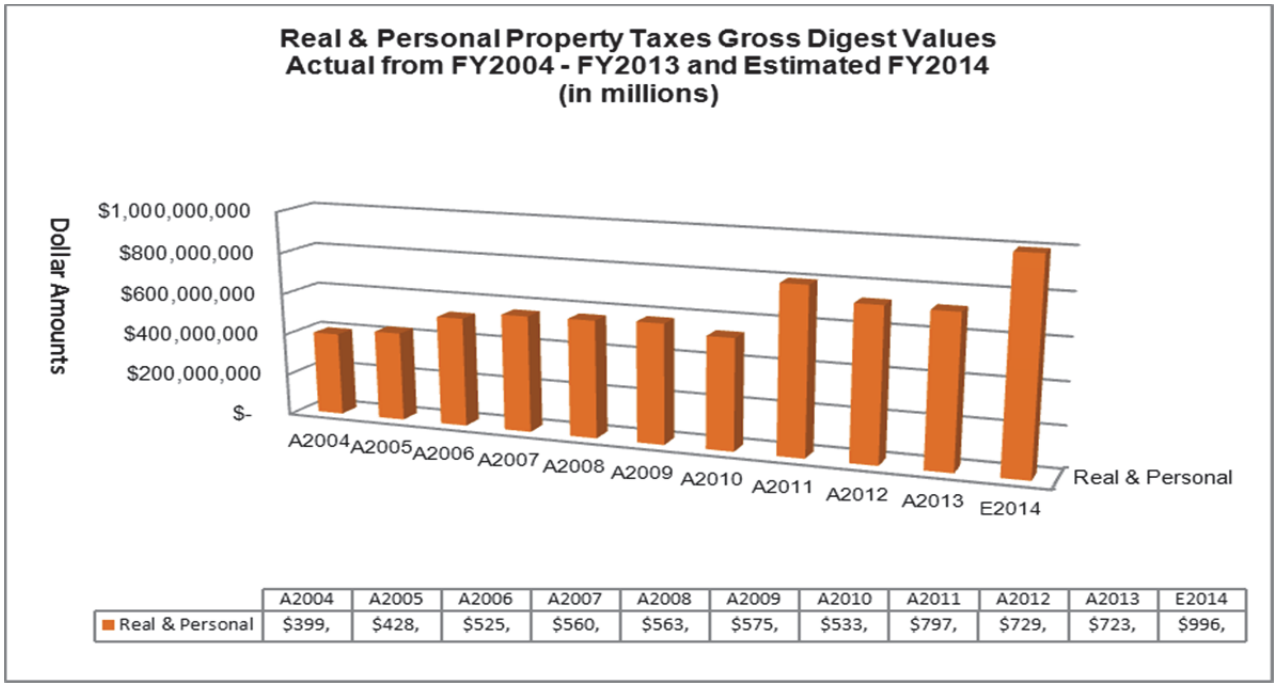
Property taxes, fines and forfeitures, and franchise fees along with revenue from the criminal history background checks function have been the City's main sources of revenue that support the general governmental operations. As expected, the City's overall revenues decreased in 2013. The City lowered its millage rate from 7.4 mills to 6.4 mills and as a result, revenues decreased by $329,202 or (2.4%) in 2013. Due to the annexation that became effective on December 30, the overall revenues will increase in 2014.

The table below shows the ten year revenue trends for the City's major revenue sources and the calendar year 2014 estimated revenue budget amount:

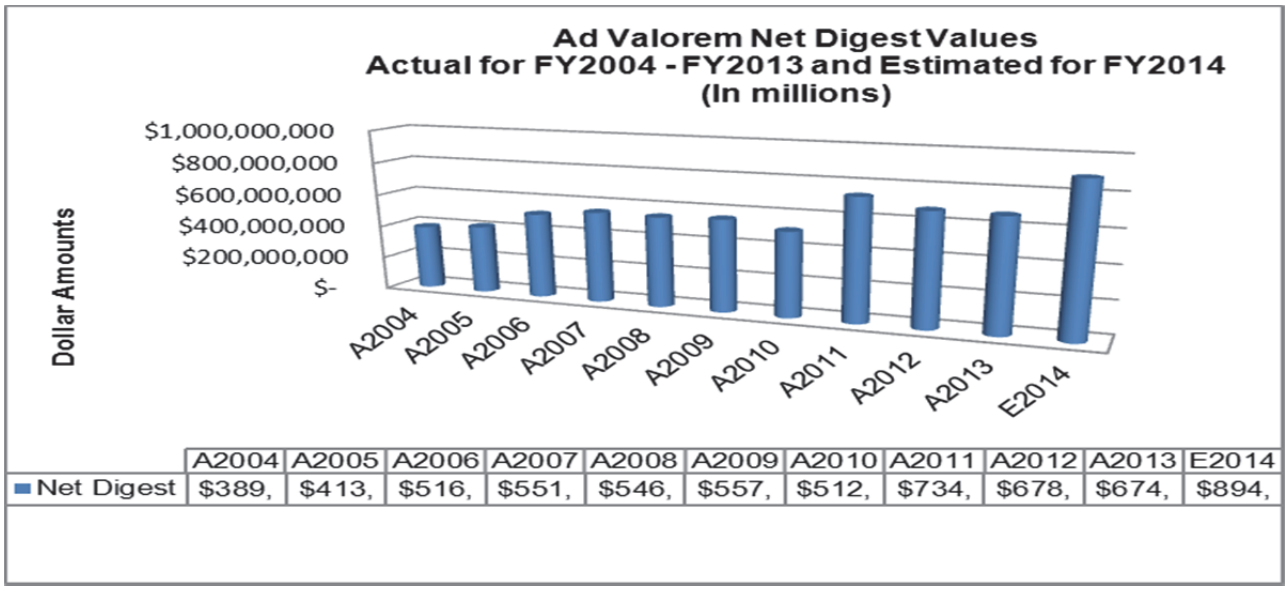


	A2004	A2005	A2006	A2007	A2008	A2009	A2010	A2011	A2012	A2013	E2014
Property Taxes	1,612,629	2,121,039	2,509,160	2,757,560	2,606,915	3,339,094	4,115,884	5,186,528	4,934,955	4,340,203	5,944,764
Occupational Taxes	206,522	216,116	221,687	223,622	221,208	221,867	190,261	831,532	863,723	876,243	1,005,930
Fines & Forfeitures	864,260	681,009	1,018,508	1,225,672	1,077,203	1,312,994	1,013,925	1,294,384	1,391,868	1,344,378	1,720,763
Franchise Fees	790,611	837,699	893,159	958,566	1,028,122	1,138,264	1,654,657	1,090,763	1,450,256	1,453,769	1,753,064
Development Permits	200,782	330,912	267,657	258,881	158,752	114,886	161,856	151,905	199,017	268,867	306,195

The following two tables show the ten year trends for the real and personal property tax gross digest values and the net tax digest values.



	A2004	A2005	A2006	A2007	A2008	A2009	A2010	A2011	A2012	A2013	E2014
Real & Personal	$399,	$428,	$525,	$560,	$563,	$575,	$533,	$797,	$729,	$723,	$996,



	A2004	A2005	A2006	A2007	A2008	A2009	A2010	A2011	A2012	A2013	E2014
Net Digest	$389,	$413,	$516,	$551,	$546,	$557,	$512,	$734,	$678,	$674,	$894,

Financial Contact

This financial report is designed to provide a general overview of the City's finances, comply with finance related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Department at 5468 Peachtree Road, Chamblee, Georgia, 30341.

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 7,621,314	$ 2,677,465	$ 10,298,779
Taxes receivable, net of allowance	1,214,207	-	1,214,207
Accounts receivable, net of allowance	188,018	59,820	247,838
Due from other governments	464,636	1,684	466,320
Prepaid items	172,471	10,168	182,639
Net pension asset	672,044	-	672,044
Capital assets:			
Non-depreciable	2,082,059	-	2,082,059
Depreciable, net of accumulated depreciation	9,524,265	1,605,352	11,129,617
Total assets	21,939,014	4,354,489	26,293,503
LIABILITIES			
Accounts payable	910,377	58,427	968,804
Accrued liabilities	210,979	5,679	216,658
Due to other governments	112	-	112
Deposits payable	2,500	11,310	13,810
Accrued interest payable	541	-	541
Compensated absences, due within one year	450,127	15,802	465,929
Capital leases, due within one year	206,873	30,955	237,828
Capital leases, due in more than one year	61,763	40,143	101,906
Total liabilities	1,843,272	162,316	2,005,588
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - licenses and permits	194,000	-	194,000
Total deferred inflows of resources	194,000	-	194,000
NET POSITION			
Net investment in capital assets	11,337,688	1,534,254	12,871,942
Restricted for:			
Judicial	188,361	-	188,361
Public safety	112,577	-	112,577
Culture and recreation	170,088	-	170,088
Capital projects	1,941,559	-	1,941,559
Debt service	17,583	-	17,583
Unrestricted	6,133,886	2,657,919	8,791,805
Total net position	$ 19,901,742	$ 4,192,173	$ 24,093,915

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

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
General government	$ 1,718,753	$ 300,415	$ 787,771	$ (630,567)	$ -	$ (630,567)
Judicial	245,170	1,344,378	-	1,099,208	-	1,099,208
Public safety	5,741,808	581,454	-	(5,160,354)	-	(5,160,354)
Public works	1,316,389	85	-	(1,316,304)	-	(1,316,304)
Parks and recreation	896,655	138,864	-	(757,791)	-	(757,791)
Housing and development	681,563	268,867	52,928	(359,768)	-	(359,768)
Interest on long-term debt	4,678	-	-	(4,678)	-	(4,678)
Total governmental activities	10,605,016	2,634,063	840,699	(7,130,254)	-	(7,130,254)
Business-type activities:						
Stormwater	423,412	835,714	-	-	412,302	412,302
Sanitation	656,705	405,287	3,583	-	(247,835)	(247,835)
Criminal history	235,327	514,411	-	-	279,084	279,084
Total business-type activities	1,315,444	1,755,412	3,583	-	443,551	443,551
Total primary government	$ 11,920,460	$ 4,389,475	$ 844,282	(7,130,254)	443,551	(6,686,703)
General revenues:						
Property taxes				4,340,202	-	4,340,202
Franchise taxes				1,453,769	-	1,453,769
Excise taxes				186,408	-	186,408
Insurance premium taxes				510,269	-	510,269
Business taxes				876,243	-	876,243
Other taxes				137,207	-	137,207
Hotel / motel taxes				195,000	-	195,000
Alcohol taxes				160,119	-	160,119
Unrestricted investment earnings				1,794	-	1,794
Gain on sale of capital assets				6,225	11,244	17,469
Miscellaneous				33,192	-	33,192
Transfers				80,462	(80,462)	-
Total general revenues and transfers				7,980,890	(69,218)	7,911,672
Change in net position				850,636	374,333	1,224,969
Net position, beginning of year				19,051,106	3,817,840	22,868,946
Net position, end of year				$ 19,901,742	$ 4,192,173	$ 24,093,915

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

CITY OF CHAMBLEE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

ASSETS	General Fund	Confiscated Assets Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 6,866,119	$ 410,217	$ -	$ 344,978	$ 7,621,314
Taxes receivable, net of related allowance	1,182,757	-	-	31,450	1,214,207
Accounts receivable, net of related allowance	146,631	-	-	41,387	188,018
Due from other governments	289,742	-	174,894	-	464,636
Due from other funds	160,894	-	-	-	160,894
Prepaid items	163,396	-	-	9,075	172,471
Total assets	$ 8,809,539	$ 410,217	$ 174,894	$ 426,890	$ 9,821,540
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 565,817	$ 325,497	$ 14,000	$ 5,063	$ 910,377
Accrued liabilities	202,512	-	-	8,467	210,979
Deposits payable	2,500	-	-	-	2,500
Due to other governments	112	-	-	-	112
Due to other funds	-	-	160,894	-	160,894
Total liabilities	770,941	325,497	174,894	13,530	1,284,862
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue - licenses and permits	194,000	-	-	-	194,000
Unavailable revenue - occupational taxes	2,959	-	-	-	2,959
Unavailable revenue - property taxes	30,991	-	-	-	30,991
Total deferred inflows of resources	227,950	-	-	-	227,950
FUND BALANCES					
Fund Balances:					
Nonspendable:					
Prepaid items	163,396	-	-	9,075	172,471
Restricted:					
Judicial	188,361	-	-	-	188,361
Public safety	-	84,720	-	27,857	112,577
Culture and recreation	-	-	-	170,088	170,088
Capital projects	1,941,559	-	-	-	1,941,559
Debt service	-	-	-	17,583	17,583
Committed:					
Police technology resources	-	-	-	188,757	188,757
Unassigned	5,517,332	-	-	-	5,517,332
Total fund balances	7,810,648	84,720	-	413,360	8,308,728
Total liabilities, deferred inflows of resources, and fund balances	$ 8,809,539	$ 410,217	$ 174,894	$ 426,890	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,606,324
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable (deferred inflows of resources) in the funds.	33,950
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.	(719,304)
Net pension asset that is not a financial resource used in governmental activities and therefore not reported in governmental funds	672,044
Net position of governmental activities	$ 19,901,742

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

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Confiscated Assets Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 7,537,242	$ -	$ -	$ 381,408	$ 7,918,650
Licenses and permits	498,998	-	-	-	498,998
Intergovernmental	787,771	-	52,928	-	840,699
Fines and forfeitures	1,344,378	53,833	-	-	1,398,211
Charges for services	269,381	-	-	467,473	736,854
Interest income	1,794	-	-	-	1,794
Other revenues	33,192	-	-	-	33,192
Total revenues	10,472,756	53,833	52,928	848,881	11,428,398
Expenditures					
Current:					
General government	1,664,070	-	-	-	1,664,070
Judicial	244,498	-	-	-	244,498
Public safety	5,307,569	52,519	-	793,284	6,153,372
Public works	1,296,605	-	-	-	1,296,605
Parks and recreation	692,437	-	-	35,404	727,841
Housing and development	578,476	-	131,385	-	709,861
Debt service:					
Principal retirements	58,619	-	-	81,039	139,658
Interest and fiscal charges	4,223	-	-	1,342	5,565
Total expenditures	9,846,497	52,519	131,385	911,069	10,941,470
Excess (deficiency) of revenues over (under) expenditures	626,259	1,314	(78,457)	(62,188)	486,928
Other financing sources (uses):					
Proceeds from sale of capital assets	6,225	-	-	-	6,225
Capital leases	146,630	-	-	-	146,630
Transfers in	528,350	-	78,457	452,325	1,059,132
Transfers out	(604,108)	-	-	(374,562)	(978,670)
Total other financing sources (uses)	77,097	-	78,457	77,763	233,317
Net change in fund balance	703,356	1,314	-	15,575	720,245
Fund balances, beginning of year	7,107,292	83,406	-	397,785	7,588,483
Fund balances, end of year	$ 7,810,648	$ 84,720	$ -	$ 413,360	$ 8,308,728

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

CITY OF CHAMBLEE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

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

Net change in fund balances - total governmental funds	$	720,245
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		162,301
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(59,433)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Principal payments		139,658
Initiation of capital leases		(146,630)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		34,495
Change in net position - governmental activities	$	850,636

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

CITY OF CHAMBLEE, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 7,593,490	$ 7,593,490	$ 7,537,242	$ (56,248)
Intergovernmental	375,000	375,000	787,771	412,771
Licenses and permits	386,300	386,300	498,998	112,698
Fines and forfeitures	1,450,000	1,450,000	1,344,378	(105,622)
Charges for services	212,748	212,748	269,381	56,633
Interest income	1,000	1,000	1,794	794
Other revenues	13,700	13,700	33,192	19,492
Total revenues	10,032,238	10,032,238	10,472,756	440,518
Expenditures				
Current:				
General government	1,433,004	1,742,004	1,664,070	77,934
Judicial	279,697	279,697	244,498	35,199
Public safety	4,952,258	5,569,463	5,307,569	261,894
Public works	1,664,258	1,664,258	1,296,605	367,653
Parks and recreation	753,098	753,098	692,437	60,661
Housing and development	543,060	634,060	578,476	55,584
Total current expenditures	9,625,375	10,642,580	9,783,655	858,925
Debt service:				
Principal retirements	65,000	65,000	58,619	6,381
Interest and fiscal charges	5,000	5,000	4,223	777
Total debt service	70,000	70,000	62,842	7,158
Total expenditures	9,695,375	10,712,580	9,846,497	866,083
Excess (deficiency) of revenues over (under) expenditures	336,863	(680,342)	626,259	1,306,601
Other financing sources (uses)				
Proceeds from sale of capital assets	1,500	1,500	6,225	4,725
Capital leases	-	153,625	146,630	(6,995)
Transfers in	378,750	378,750	528,350	149,600
Transfers out	(898,233)	(898,233)	(604,108)	294,125
Total other financing sources (uses)	(517,983)	(364,358)	77,097	441,455
Net change in fund balances	(181,120)	(1,044,700)	703,356	1,748,056
Fund balances, beginning of year	7,107,292	7,107,292	7,107,292	-
Fund balances, end of year	$ 6,926,172	$ 6,062,592	$ 7,810,648	$ 1,748,056

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

CITY OF CHAMBLEE, GEORGIA

CONFISCATED ASSETS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 53,833	$ 33,833
Total revenues	20,000	20,000	53,833	33,833
EXPENDITURES				
Public safety	50,000	50,000	52,519	(2,519)
Total expenditures	50,000	50,000	52,519	(2,519)
Net change in fund balances	(30,000)	(30,000)	1,314	31,314
FUND BALANCES, beginning of year	83,406	83,406	83,406	-
FUND BALANCES, end of year	$ 53,406	$ 53,406	$ 84,720	$ 31,314

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

CITY OF CHAMBLEE, GEORGIA

MULTIPLE GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 675,000	$ 675,000	$ 52,928	$ (622,072)
Total revenues	675,000	675,000	52,928	(622,072)
EXPENDITURES				
Housing and development	800,000	800,000	131,385	668,615
Total expenditures	800,000	800,000	131,385	668,615
Deficiency of revenues under expenditures	(125,000)	(125,000)	(78,457)	46,543
OTHER FINANCING SOURCES				
Transfers in	125,000	125,000	78,457	(46,543)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

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

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

ASSETS	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Sanitation Fund	Criminal History Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 1,931,908	$ -	$ 745,557	$ 2,677,465
Accounts receivable, net of allowances	6,585	12,312	40,923	59,820
Due from other governments	1,684	-	-	1,684
Prepaid items	2,363	7,805	-	10,168
Total current assets	1,942,540	20,117	786,480	2,749,137
CAPITAL ASSETS				
Depreciable assets	1,252,109	1,621,079	-	2,873,188
Accumulated depreciation	(421,917)	(845,919)	-	(1,267,836)
Capital assets, net	830,192	775,160	-	1,605,352
Total assets	2,772,732	795,277	786,480	4,354,489
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	3,942	54,485	-	58,427
Accrued liabilities	1,697	2,578	1,404	5,679
Deposits payable	-	-	11,310	11,310
Compensated absences payable	7,902	7,900	-	15,802
Capital lease, due within one year	-	30,955	-	30,955
Total current liabilities	13,541	95,918	12,714	122,173
LONG TERM LIABILITIES				
Capital lease, due in more than one year	-	40,143	-	40,143
Total noncurrent liabilities	-	40,143	-	40,143
Total liabilities	13,541	136,061	12,714	162,316
NET POSITION				
Net investment in capital assets	830,192	704,062	-	1,534,254
Unrestricted	1,928,999	(44,846)	773,766	2,657,919
Total net position	$ 2,759,191	$ 659,216	$ 773,766	$ 4,192,173

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

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Sanitation Fund	Criminal History Fund	Totals
OPERATING REVENUES				
Charges for sales and services	$ 835,714	$ 405,287	$ 514,411	$ 1,755,412
Total operating revenues	835,714	405,287	514,411	1,755,412
OPERATING EXPENSES				
Cost of sales and services	103,791	220,565	63,941	388,297
Personnel costs	239,192	326,256	171,386	736,834
Administration costs	7,970	23,111	-	31,081
Depreciation	72,459	83,824	-	156,283
Total operating expenses	423,412	653,756	235,327	1,312,495
Operating income (loss)	412,302	(248,469)	279,084	442,917
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	-	(2,949)	-	(2,949)
Gain on sale of capital assets	11,244	-	-	11,244
Other non-operating revenues	-	3,583	-	3,583
Total non-operating expenses	11,244	634	-	(2,949)
Income (loss) before transfers	423,546	(247,835)	279,084	454,795
Transfers in	-	160,857	-	160,857
Transfers out	-	-	(241,319)	(241,319)
Total transfers	-	160,857	(241,319)	(80,462)
Change in net position	423,546	(86,978)	37,765	374,333
Total net position, beginning of year	2,335,645	746,194	736,001	3,817,840
Total net position, end of year	$ 2,759,191	$ 659,216	$ 773,766	$ 4,192,173

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

CITY OF CHAMBLEE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Sanitation Fund	Criminal History Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 892,853	$ 403,595	$ 489,564	$ 1,786,012
Payments to suppliers	(185,550)	(206,390)	(63,941)	(455,881)
Payments to employees	(241,061)	(335,574)	(175,584)	(752,219)
Net cash provided by (used in) operating activities	466,242	(138,369)	250,039	577,912
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	160,857	-	160,857
Transfers out to other funds	-	-	(241,319)	(241,319)
Net cash provided by (used in) non-capital financing activities	-	160,857	(241,319)	(80,462)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(143,043)	(270,023)	-	(413,066)
Proceeds from sale of capital assets	15,021	-	-	15,021
Reimbursement for damaged property	-	3,583	-	3,583
Principal payments on capital leases	-	(29,960)	-	(29,960)
Interest paid	-	(2,949)	-	(2,949)
Net cash used in capital and related financing activities	(128,022)	(299,349)	-	(427,371)
Net increase (decrease) in cash	338,220	(276,861)	8,720	70,079
Cash, beginning of year	1,593,688	276,861	736,837	2,607,386
Cash, end of year	$ 1,931,908	$ -	$ 745,557	$ 2,677,465
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 412,302	$ (248,469)	$ 279,084	$ 442,917
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	72,459	83,824	-	156,283
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	55,249	(1,692)	(21,983)	31,574
Decrease in due from other governments	1,890	-	-	1,890
Increase in prepaid items	(92)	(304)	-	(396)
Increase (decrease) in accounts payable	(73,697)	37,590	-	(36,107)
Decrease in deposits payable	-	-	(2,864)	(2,864)
Decrease in accrued liabilities	(4,790)	(10,778)	(4,198)	(19,766)
Increase in compensated absences payable	2,921	1,460	-	4,381
Net cash provided by (used in) operating activities	$ 466,242	$ (138,369)	$ 250,039	$ 577,912

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Chamblee, Georgia (the "City"), which was incorporated on August 17, 1908 under the laws of the State of Georgia, is governed by a six member Mayor/Council –City Manager form of government. The Mayor is elected to a four-year term and council members are elected to staggered four-year terms. The City provides such services to its citizens as public safety, public works, development and permits, parks and recreation, and general and administrative services.

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

The City, for financial reporting purposes, includes all of the funds relevant to the operations of the City. The Governmental Accounting Standards Board has set forth criteria to determine if legally separate organizations are considered to be component units in which the City is considered to be financially accountable or other organizations whose nature and significant relationship with the City is such that exclusion would cause the City's financial statements to be incomplete or misleading. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon these criteria, the City has no component units.

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 non-fiduciary activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 considered among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and 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 the related cash flows. Property taxes are recognized as revenue 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 grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period, with the exception of grant revenues which are considered to be available when all eligibility requirements have been met and if they are collected within one year of the end of the current 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 payment is due.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

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

The **Confiscated Assets Fund** is used to account for the City's share of monies that have been forfeited through the court system and are restricted for law enforcement purposes.

The **Multiple Grants Fund** is used to account for governmental grants received and the related expenditures. These grant funds are restricted by Federal and State grantor agencies.

The City reports the following major enterprise funds:

The **Stormwater Fund** accounts for the receipt of ad valorem stormwater assessments to support capital improvement and administration costs of the City's stormwater system.

The **Sanitation Fund** accounts for the City's solid waste management operations.

The **Criminal History Fund** accounts for the City's receipt of fees by providing criminal history information/background checks to employers.

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements. The City applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Encumbrances

Encumbering amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, is classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No 54.

E. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. Annual operating budgets are adopted each year through passage of an annual budget ordinance and amended as required for all governmental funds. During the year ended December 31, 2013, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules. All unencumbered budget appropriations lapse at the end of each year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other State; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

G. Receivables and Payables

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

H. Prepaid Items and Inventory

Payments made to vendors for services that will benefit periods beyond December 31, 2013 are recorded as prepaid items in both government-wide and fund financial statements. Inventories are valued at lower of cost or market using the first-in, first out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

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 column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City has reported infrastructure consistent with the retroactive infrastructure reporting requirements of GASB Statement 34.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	30-50
Buildings and improvements	10-40
Park improvements	10-40
Furniture, machinery, and equipment	3-20
Vehicles	3-10

J. Deferred Outflows/Inflows of Resources

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities* as of January 1, 2012. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

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 no financial items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and occupational taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Also, the governmental funds and governmental activities report unearned revenue related to licenses and permits billed for the subsequent year's permit but received in advance as of December 31, 2013.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is only a liability for non-vesting accumulated rights to receive sick pay benefits when an employee has accrued in excess of 160 hours as the City does not have a policy to pay any amounts when employees separate from service with the City unless the above condition is met. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. 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 term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the Mayor and City Council (passage of a resolution). Only the Mayor and the City Council may modify or rescind the commitment through a majority vote.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has expressly delegated to the City Manager the authority to assign funds for particular purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balance may be reported in other governmental funds.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

N. Management Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $719,304 difference are as follows:

Capital leases payable	$	(268,636)
Accrued interest payable		(541)
Compensated absences		(450,127)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(719,304)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $162,301 difference are as follows:

Capital outlay	$	813,099
Depreciation expense		(650,798)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	162,301

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $34,495 difference are as follows:

Changes in:		
Accrued interest payable	$	887
Compensated absences		(13,279)
Net pension asset		46,887
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	34,495

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Chamblee, Georgia employs the following procedures in establishing its annual budget:

1. The initial budget is prepared based on revenues and expenditures of the prior year.
2. Work sessions are held to amend the amounts based on expected revenues.
3. The proposed budget is presented to the Mayor and City Council in a regular Council meeting.
4. The Council sets a date for a public hearing on the proposed budget.
5. After the hearing, the Council adopts the budget.
6. Over or under expended appropriations are not carried forward to the next year.
7. The legal level of budgetary control for the City of Chamblee, Georgia is at the departmental level. Budget revisions that alter the total expenditures of any department must be approved by the Mayor and City Council. Budget amounts are as originally adopted or as amended by the Mayor and City Council.

The following fund had a department with excess of actual expenditures over appropriations for the year ended December 31, 2013:

Confiscated Assets Fund - Public Safety	$	2,519

This over expenditures was funded by greater than anticipated revenues and by available fund balance. Although the City adopted a budget, the original budgets were not amended throughout the year. The City will monitor the budget more closely in the future and amend the budget as necessary.

NOTE 4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, 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 December 31, 2013, the City's bank balances were properly collateralized as defined by State Statutes.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – Investments: The City investments are made in the State of Georgia's Local Government Investment Pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. However, Georgia Fund 1 is regulated by the oversight of the Georgia Office of State Treasurer. The pool's primary objectives are safety of capital investment income, liquidity, and diversification while maintaining principal share value of $1.00 per share. The City has classified the Georgia Fund 1 funds as cash and cash equivalents; therefore, cash includes $1,511,247 in Georgia Fund 1. As of December 31, 2013, the Georgia Fund 1 had a weighted average maturity of 59 days and a credit rating of AAAf.

Interest Rate Risk: The City does not have a formal policy that addresses interest rate risk. At December 31, 2013, the above investments were subject to interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments.

Credit Risk Policy: State statutes authorize the City to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the State of Georgia's Local Government Investment Pool (Georgia Fund 1) established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of December 31, 2013, the City's only investments were in the local government pool established by State law.

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NOTE 5. RECEIVABLES

DeKalb County bills and collects real and personal property taxes for the City. Property taxes attach as an enforceable lien on property as of January 1, and are based on property values assessed as of January 1. Tax bills were levied in July 2013. The billings are considered due upon receipt by the taxpayer; however, they are considered late after November 15. After this date, the bill becomes delinquent and penalties and interest may be assessed by the City.

In the governmental funds, the City's property tax revenues are recognized when levied to the extent that they result in current receivables. Receivables outstanding more than 60 days after year-end are recorded as deferred inflows of resources - unavailable property taxes in the City's governmental funds and are recognized as revenue in the government-wide financial statements for governmental activities.

In the enterprise funds, storm water fees (for residential customers) are billed annually in July along with the property taxes and are due and payable in two installments. The first installment was due on August 15, 2013 and the second installment is due on November 15, 2013. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables at December 31, 2013, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Multiple Grants	Stormwater
Receivables:			
Taxes	$ 1,354,757	$ -	$ -
Accounts	146,631	-	104,085
Due from other governments	289,742	174,894	1,684
Less allowance for uncollectible	(172,000)	-	(97,500)
Net total receivable	$ 1,619,130	$ 174,894	$ 8,269

	Sanitation	Criminal History	Nonmajor Governmental Funds
Receivables:			
Taxes	$ -	$ -	$ 31,450
Accounts	15,312	80,686	41,387
Due from other governments	-	-	-
Less allowance for uncollectible	(3,000)	(39,763)	-
Net total receivable	$ 12,312	$ 40,923	$ 72,837

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,525,278	$ -	$ -	$ -	$ 1,525,278
Construction in progress	525,007	61,722	-	(29,948)	556,781
Total	2,050,285	61,722	-	(29,948)	2,082,059
Capital assets, being depreciated:					
Buildings and improvements	5,365,105	-	-	-	5,365,105
Infrastructure	2,980,961	-	-	-	2,980,961
Furniture and equipment	1,775,578	493,602	(514,192)	29,948	1,784,936
Park improvements	3,430,773	-	-	-	3,430,773
Vehicles	1,560,702	257,775	-	-	1,818,477
Total	15,113,119	751,377	(514,192)	29,948	15,380,252
Less accumulated depreciation for:					
Buildings and improvements	(1,688,958)	(134,128)	-	-	(1,823,086)
Infrastructure	(591,607)	(105,698)	-	-	(697,305)
Furniture and equipment	(1,276,920)	(175,061)	514,192	-	(937,789)
Park improvements	(1,078,152)	(83,758)	-	-	(1,161,910)
Vehicles	(1,083,744)	(152,153)	-	-	(1,235,897)
Total	(5,719,381)	(650,798)	514,192	-	(5,855,987)
Total capital assets, being depreciated, net	9,393,738	100,579	-	29,948	9,524,265
Governmental activities capital assets, net	$ 11,444,023	$ 162,301	$ -	$ -	$ 11,606,324

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Infrastructure	$ 840,973	$ 80,858	$ -	$ 921,831
Buildings	125,305	-	-	125,305
Machinery and equipment	177,269	-	-	177,269
Vehicles	1,331,964	332,208	(15,388)	1,648,784
Total	2,475,511	413,066	(15,388)	2,873,189
Less accumulated depreciation for:				
Infrastructure	(144,490)	(32,705)	-	(177,195)
Buildings	(30,948)	(4,177)	-	(35,125)
Machinery and equipment	(105,202)	(13,593)	-	(118,795)
Vehicles	(842,525)	(105,808)	11,611	(936,722)
Total	(1,123,165)	(156,283)	11,611	(1,267,837)
Total capital assets, being depreciated, net	1,352,346	256,783	(3,777)	1,605,352
Business-type activities capital assets, net	$ 1,352,346	$ 256,783	$ (3,777)	$ 1,605,352

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

Governmental activities:	
General government	$ 152,610
Public safety	329,552
Public works	51,667
Culture and recreation	116,969
Total depreciation expense - governmental activities	$ 650,798
Business-type activities:	
Stormwater	$ 72,459
Sanitation	83,824
Total depreciation expense - business-type activities	$ 156,283

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 261,664	$ 146,630	$ (139,658)	$ 268,636	$ 206,873
Compensated absences	436,848	445,209	(431,930)	450,127	450,127
Governmental activities Long-term liabilities	$ 698,512	$ 591,839	$ (571,588)	$ 718,763	$ 657,000

For governmental activities, capital leases, and compensated absences are liquidated by the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Capital leases	$ 101,058	$ -	$ (29,960)	$ 71,098	$ 30,955
Compensated absences	11,421	27,956	(23,575)	15,802	15,802
Business-type activities Long-term liabilities	$ 112,479	$ 27,956	$ (53,535)	$ 86,900	$ 46,757

Capital Leases – Public Safety Building and Equipment. The City has entered into lease agreements as lessee for financing the acquisition of equipment (cameras) and a public safety facility and vehicles used in general governmental activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. As of December 31, 2013, the City had a net book value of $257,415 ($429,702 acquisition cost, current year depreciation of $59,058, and accumulated depreciation of $172,287) for governmental activities of assets under capital leases.

Capital Leases – Sanitation Vehicle. The City has entered into lease agreements as lessee for financing the acquisition of a sanitation vehicle used in business activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions. As of December 31, 2013, the City had a net book value of $115,900 ($152,000 acquisition cost, current year depreciation of $15,200, and accumulated depreciation of $36,100) for business-type activities of assets under capital leases.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The City's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Year Ending December 31,	
2014	$ 209,523
2015	62,795
Total minimum lease payments	272,318
Less amount representing interest	3,682
Present value of future minimum lease payments	$ 268,636

	Business-type Activities
Year Ending December 31,	
2014	$ 32,909
2015	32,909
2016	8,227
Total minimum lease payments	74,045
Less amount representing interest	2,947
Present value of future minimum lease payments	$ 71,098

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Multiple Grants Fund	$ 160,894
		$ 160,894

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

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	$ 421,397
Nonmajor governmental funds	Nonmajor governmental funds	30,928
Sanitation Fund	General Fund	104,254
General Fund	Nonmajor governmental funds	343,634
General Fund	Criminal History Fund	184,716
Sanitation Fund	Criminal History Fund	56,603
Multiple Grants Fund	General Fund	78,457

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

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the Mayor and City Council, has established a defined benefit pension plan (the City of Chamblee Retirement Plan) covering all full-time employees. The City's Pension Plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by State law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the Mayor and City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees who work at least thirty (30) hours a week are eligible to participate after one (1) year. Elected officials have no waiting period for eligibility. Benefits vest after ten years of service. A City employee who retires at age 65 with five (5) years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of ten (10) years total credited service to receive full benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age not to exceed twenty (20) years. Employees of the City are not required to make contributions to this Plan.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

At July 1, 2013, the date of the most recent actuarial valuation, there were 136 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	48
Terminated vested participants not yet receiving benefits	27
Active participants - vested	43
Active participants - nonvested	18
Total	136

Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For year 2013, the actuarially determined contribution rate was 12.56% of covered payroll.

For the current year 2013, the City's annual required contribution was $351,588. Actual contributions totaled $351,588. The annual required contribution for the current year 2013 was determined as part of the July 1, 2012 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include a 7.75% rate of return on investments, and projected salary increases of 3.5% plus age and service based merit increases, and 3.5% cost of living adjustments. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1983 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provision and 30 years for actuarial assumptions and cost methods as a level dollar amount. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.

These amortization periods are closed for this Plan year. The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, is computed as a percentage of the average value of the Plan. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost

The City's actuarially required contribution, pension cost, and increase in net pension asset for the year ended December 31, 2013, were computed as follows:

Annual required contribution	$ 351,588
Interest	(46,887)
Annual pension cost	304,701
Actual contributions made	(351,588)
Increase (decrease) in net pension obligation (asset)	46,887
Net pension obligation (asset), December 31, 2012	(625,157)
Net pension obligation (asset), December 31, 2013	$ (672,044)

Employer Contributions

The funding policy for the Plan is to contribute an amount equal to the annual required contribution as determined by the Plan's actuary. The annual required contribution of $351,588 was determined as part of the July 1, 2012 actuarial valuation. The chart below shows the annual pension cost and the actual employer contributions for the current year and prior two years along with the percentage actually contributed by the City.

Year Ended December 31	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation (Assets)
2013	$ 304,701	$ 351,588	115.4 %	$ (672,044)
2012	295,934	342,242	115.6	(625,157)
2011	431,646	474,524	109.9	(578,849)

As of the most recent valuation date, July 1, 2013, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded (Surplus) AAL	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2013	$ 14,256,220	$ 14,000,882	101.82%	$ (255,338)	$ 2,509,651	0.00%

The required schedule of funding progress immediately 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 liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2013.

NOTE 10. DEFERRED COMPENSATION PLANS

457 (b) - Plan Description

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies.

In accordance with Section 457 of the Internal Revenue Code, Plan assets are held in trust for the exclusive benefit of participants and beneficiaries and administered by a third party. Accordingly, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

457 (b) - Plan Contributions

Under the Plan authorized by the Mayor and City Council, the City has elected not to make contributions to the Plan. The Plan is entirely employee funded. Employees can either have a percentage of their pay deducted or a specific dollar amount deducted and paid into this Plan. Employees contributed $112,403 during the year ended December 31, 2013. At the end of the year, there were 40 participants in the Plan. Total value of the deferred compensation plan as of year-end was $994,213 which results in an average participant balance of $24,855.

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401 (a) - Plan Description

The City offers full-time employees who are employed by the City on or after January 1, 2010; and two (2) employees initially employed prior to this date a Deferred Compensation Plan ("the Plan") created in accordance with Internal Revenue Code Section 401 (a). The Deferred Compensation Plan for the City is available to all employees and is a defined contribution plan and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. As required by Federal regulations, these Plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. The Plan is administered by a third party administrator, Georgia Municipal Association, who also serves as the trustee of the Plan. The City has no fiduciary relationship with the trust. Accordingly, the Plan assets are not reported in the City's financial statements.

401 (a) - Plan Contributions

Under the Plan authorized by the Mayor and City Council, the City has elected to make contributions to the Plan and the contributions and related investment earnings allocated to an employee's account are fully vested after the employee's probation period has ended, in accordance with the City's current personnel policy. The Plan is entirely employer funded as Participants are not allowed to contribute to the Plan. City contributions and interest forfeited by employees who leave employment before becoming vested are held in the Plan and are distributed to remaining participants. The City contributed $206,063 during the year ended December 31, 2013. The City's contribution rate is 10% of the employees' gross salary. At the end of the year, there were 52 participants in the Plan. Total value of the deferred compensation plan as of year-end was $572,058 which results in an average participant balance of $11,001.

NOTE 11. JOINT VENTURE

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

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased insurance for all other risks of loss, including workers compensation. The City uses Georgia Interlocal Risk Management Agency (GIRMA) and Worker's Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments, as their property/liability insurance and workers compensation insurance providers.

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

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

Settled claims have not exceeded the coverages in the last three (3) years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies:

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTE 14. HOTEL/MOTEL LODGING AND CAR RENTAL TAXES

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 5% in which 40% of the revenue is restricted and the remaining 60% is not restricted under State law. Revenues were $195,000 for the year ended December 31, 2013. Of this amount, 78%, or $152,404, was expended to promote tourism, conventions, and cultural events as required by O.C.G.A. 48-13-51 while, 22%, or $42,596, was left in the Hotel/Motel Tax Fund to be spent to promote tourism, conventions, and cultural events in year 2014.

A 3% excise tax on all rental motor vehicles within the City of Chamblee, Georgia was adopted through City ordinance on June 18, 1996. This car rental tax is intended to be used for public safety facility building capital lease. Revenues were $186,408 for the year ended December 31, 2013. During the year, the City expended $82,381 to pay principal and interest on the capital lease of the public safety building and $186,760 was transferred out to the General Fund to reimburse the General Fund for debt service payments made in prior years on the capital lease.

NOTE 15. SUBSEQUENT EVENT

On January 27, 2014, the City borrowed $1,055,804 from a financial institution to purchase police vehicles and video cameras. The money is to be repaid over five (5) years beginning February 27, 2014. Quarterly principal and interest payments total $55,063.

CHAMBLEE
Georgia
A CITY ON THE RIGHT TRACK!

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHAMBLEE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule of Funding Progress - Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Surplus) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/2013	$ 14,256,220	$ 14,000,882	$ (255,338)	101.82%	$ 2,509,651	0.00%
7/1/2012	13,719,834	13,953,252	233,418	98.33%	2,751,553	8.48%
7/1/2011	13,064,240	13,189,654	125,414	99.05%	2,888,551	4.34%
7/1/2010	12,191,345	12,921,521	730,176	94.35%	3,186,008	22.92%
7/1/2009	9,048,962	13,027,180	3,978,218	69.46%	3,511,740	113.28%
7/1/2008	11,833,740	12,471,756	638,016	94.88%	3,339,770	19.10%
7/1/2007	11,140,165	11,485,956	345,791	96.99%	3,237,732	10.68%
7/1/2006	10,463,640	10,377,263	(86,377)	100.83%	2,800,618	0.00%
7/1/2005	9,839,181	10,347,767	508,586	95.09%	2,522,649	20.16%

Note: See assumptions used for the Schedule of Funding Progress in Note 9 to the financial statements.

CITY OF CHAMBLEE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services and capital projects.

Rental Motor Vehicle Excise Tax Fund – This fund is used to account for the collection and expenditures of an excise tax levied on motor vehicles in the City. The proceeds of this tax are restricted by State law for public safety facility building capital lease.

E911 Fund – To account for the E911 fees collected that are required to be spent on the costs of operating a 911 emergency call center as restricted by State law.

Hotel/Motel Fund – To account for the 5% lodging tax levied in the City. Forty percent of the proceeds of this tax are restricted by State law to promote tourism, conventions, and cultural events within the City.

Police Technology Fund – To account for the technology fees on fines and forfeitures that are committed to be spent on police technology enhancement costs.

CITY OF CHAMBLEE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds				
ASSETS	**Rental Motor Vehicle Excise Tax Fund**	**E911 Fund**	**Hotel/Motel Tax Fund**	**Police Technology Fund**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ -	$ -	$ 156,221	$ 188,757	$ 344,978
Taxes receivable, net of related allowance	17,583	-	13,867	-	31,450
Accounts receivable, net of related allowance	-	41,387	-	-	41,387
Prepaid items	-	9,075	-	-	9,075
Total assets	$ 17,583	$ 50,462	$ 170,088	$ 188,757	$ 426,890
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 5,063	$ -	$ -	$ 5,063
Accrued liabilities	-	8,467	-	-	8,467
Total liabilities	-	13,530	-	-	13,530
FUND BALANCES					
Fund Balances:					
Nonspendable:					
Prepaid items	-	9,075	-	-	9,075
Restricted:					
Public safety	-	27,857	-	-	27,857
Culture and recreation	-	-	170,088	-	170,088
Debt service	17,583	-	-	-	17,583
Committed for:					
Police technology resources	-	-	-	188,757	188,757
Total fund balances	17,583	36,932	170,088	188,757	413,360
Total liabilities and fund balances	$ 17,583	$ 50,462	$ 170,088	$ 188,757	$ 426,890

CITY OF CHAMBLEE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds				
	Rental Motor Vehicle Excise Tax Fund	E911 Fund	Hotel/Motel Tax Fund	Police Technology Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ 186,408	$ -	$ 195,000	$ -	$ 381,408
Charges for services	-	328,930	-	138,543	467,473
Total revenues	186,408	328,930	195,000	138,543	848,881
EXPENDITURES					
Current:					
Public safety	-	793,284	-	-	793,284
Parks and recreation	-	-	35,404	-	35,404
Debt service:					
Principal retirements	81,039	-	-	-	81,039
Interest and fiscal charges	1,342	-	-	-	1,342
Total expenditures	82,381	793,284	35,404	-	911,069
Excess (deficiency) of revenues over (under) expenditures	104,027	(464,354)	159,596	138,543	(62,188)
Other financing sources (uses)					
Transfers in	-	452,325	-		452,325
Transfers out	(183,760)	-	(117,000)	(73,802)	(374,562)
Total other financing sources (uses)	(183,760)	452,325	(117,000)	(73,802)	77,763
Net change in fund balances	(79,733)	(12,029)	42,596	64,741	15,575
FUND BALANCES, beginning of year	97,316	48,961	127,492	124,016	397,785
FUND BALANCES, end of year	$ 17,583	$ 36,932	$ 170,088	$ 188,757	$ 413,360

CITY OF CHAMBLEE, GEORGIA
RENTAL MOTOR VEHICLE EXCISE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 120,000	$ 186,400	$ 186,408	$ 8
Total revenues	120,000	186,400	186,408	8
EXPENDITURES				
Debt service:				
Principal retirements	99,000	81,100	81,039	61
Interest and fiscal charges	7,100	13,400	1,342	12,058
Total expenditures	106,100	94,500	82,381	12,119
Excess of revenues over expenditures	13,900	91,900	104,027	12,127
OTHER FINANCING USES				
Transfers out	-	(183,800)	(183,760)	40
Net change in fund balances	13,900	(91,900)	(79,733)	12,167
FUND BALANCES, beginning of year	97,316	97,316	97,316	-
FUND BALANCES, end of year	$ 111,216	$ 5,416	$ 17,583	$ 12,167

CITY OF CHAMBLEE, GEORGIA
E911 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 256,310	$ 256,310	$ 328,930	$ 72,620
Total revenues	256,310	256,310	328,930	72,620
EXPENDITURES				
Public safety	854,483	894,982	793,284	101,698
Deficiency of revenues under expenditures	(598,173)	(638,672)	(464,354)	174,318
OTHER FINANCING SOURCES				
Transfers in	598,173	598,173	452,325	(145,848)
Net change in fund balances	-	(40,499)	(12,029)	28,470
FUND BALANCES, beginning of year	48,961	48,961	48,961	-
FUND BALANCES, end of year	$ 48,961	$ 8,462	$ 36,932	$ 28,470

CITY OF CHAMBLEE, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 164,000	$ 164,000	$ 195,000	$ 31,000
Total revenues	164,000	164,000	195,000	31,000
EXPENDITURES				
Culture and recreation	-	45,000	35,404	9,596
Total expenditures	-	45,000	35,404	9,596
Excess of revenues over expenditures	164,000	119,000	159,596	40,596
OTHER FINANCING USES				
Transfers out	(105,000)	(125,000)	(117,000)	8,000
Net change in fund balances	59,000	(6,000)	42,596	48,596
FUND BALANCES, beginning of year	127,492	127,492	127,492	-
FUND BALANCES, end of year	$ 186,492	$ 121,492	$ 170,088	$ 48,596

CITY OF CHAMBLEE, GEORGIA
POLICE TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 130,000	$ 130,000	$ 138,543	$ 8,543
Total revenues	130,000	130,000	138,543	8,543
EXPENDITURES				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	130,000	130,000	138,543	8,543
OTHER FINANCING USES				
Transfers out	(112,250)	(112,250)	(73,802)	38,448
Net change in fund balances	17,750	17,750	64,741	46,991
FUND BALANCES, beginning of year	124,016	124,016	124,016	-
FUND BALANCES, end of year	$ 141,766	$ 141,766	$ 188,757	$ 46,991

CHAMBLEE
Georgia
A CITY ON THE RIGHT TRACK!

Statistical Section

CITY OF CHAMBLEE, GEORGIA
STATISTICAL SECTION

This part of the City of Chamblee Georgia'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.

Page

Financial Trends..... **56**

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..... **61**

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

Debt Capacity..... **66**

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

Demographic and Economic Information..... **69**

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..... **72**

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 City's financial report for the relevant year. The City implemented GASB 54 in Year 2011; fund balance for governmental funds under the categories nonspendable, restricted, committed, assigned, and unassigned will be reflected in Year 2011 and subsequent periods. The City also implemented GASB 63; Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position in Year 2012.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 1
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities								
Net investment in capital assets	**$** 11,337,688	$ 11,182,359	$ 10,849,537	$ 10,967,745	$ 11,599,248	$ 12,294,025	$ 10,258,965	$ 9,781,140
Restricted	2,430,168	2,012,227	520,846	251,228	15,420	17,249	17,980	11,754
Unrestricted	6,133,886	5,856,520	5,436,273	3,413,854	2,009,283	754,919	3,504,527	3,255,790
Total governmental activities net position	**$** 19,901,742	$ 19,051,106	$ 16,806,656	$ 14,632,827	$ 13,623,951	$ 13,066,193	$ 13,781,472	$ 13,048,684
Business-type activities								
Net investment in capital assets	**$** 1,534,254	$ 1,251,288	$ 1,079,642	$ 882,258	$ 838,594	$ 940,200	$ 521,450	$ 222,075
Restricted	-	-	-	-	-	-	-	-
Unrestricted	2,657,919	2,566,552	2,200,523	1,723,854	963,802	660,709	113,402	64,892
Total business-type activities net position	**$** 4,192,173	$ 3,817,840	$ 3,280,165	$ 2,606,112	$ 1,802,396	$ 1,600,909	$ 634,852	$ 286,967
Primary government								
Net investment in capital assets	**$** 12,871,942	$ 12,433,647	$ 11,929,179	$ 11,850,003	$ 12,437,842	$ 13,234,225	$ 10,780,415	$ 10,003,215
Restricted	2,430,168	2,012,227	520,846	251,228	15,420	17,249	17,980	11,754
Unrestricted	8,791,805	8,423,072	7,636,796	5,137,708	2,973,085	1,415,628	3,617,929	3,320,682
Total primary government net position	**$** 24,093,915	$ 22,868,946	$ 20,086,821	$ 17,238,939	$ 15,426,347	$ 14,667,102	$ 14,416,324	$ 13,335,651

Source: Current year and prior year financial statements of the City of Chamblee, Georgia

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2013 (9)	2012	2011 (7),(8)	2010	2009 (3),(4)	2008	2007 (2)	2006	2005	2004 (1)
Expenses										
Governmental activities:										
General government	$ 1,718,753	$ 1,390,498	$ 1,357,621	$ 1,291,718	$ 1,128,643	$ 1,397,804	$ 1,156,311	$ 1,024,869	$ 1,159,224	$ 1,012,483
Judicial	245,170	226,005	205,951	190,617	97,000	-	-	-	-	-
Public safety	5,741,808	5,469,687	5,307,569	4,250,043	4,278,893	3,752,432	3,432,825	3,279,217	3,052,649	2,966,803
Public works	1,316,389	1,258,183	1,034,529	871,680	1,124,299	1,827,141	1,651,774	1,534,782	1,523,340	1,396,564
Permitting and inspection	-	-	-	-	-	-	-	291,134	185,309	178,938
Parks and recreation	896,655	805,707	676,861	713,080	717,953	606,506	708,043	684,098	776,574	706,368
Housing and development	681,563	399,986	500,936	411,499	341,582	-	-	-	-	-
Development and permits	-	-	-	-	-	479,695	480,057	-	-	-
Community Development	-	-	-	-	-	-	-	73,486	40,783	93,135
Court	-	-	-	-	-	181,189	167,125	135,166	118,290	272,024
911 System	-	-	-	-	-	641,321	552,663	498,057	298,841	264,725
Interest on long-term debt	4,678	9,881	14,899	39,765	16,906	16,295	19,171	22,045	24,828	-
Total governmental activities expenses	10,605,016	9,559,947	9,098,366	7,768,402	7,705,276	8,902,383	8,167,969	7,542,854	7,179,838	6,891,040
Business-type activities:										
Stormwater	423,412	376,708	386,321	299,816	340,026	623,614	210,027	327,186	339,801	-
Sanitation	656,705	575,099	564,986	574,562	585,655	-	-	-	-	-
Criminal History	235,327	180,752	171,681	123,897	-	-	-	-	-	-
Total business-type activities expenses	1,315,444	1,132,559	1,122,988	998,275	925,681	623,614	210,027	327,186	339,801	-
Total primary government expenses	$ 11,920,460	$ 10,692,506	$ 10,221,354	$ 8,766,677	$ 8,630,957	$ 9,525,997	$ 8,377,996	$ 7,870,040	$ 7,519,639	$ 6,891,040
Program Revenues										
Governmental activities:										
Charges for services	$ 2,634,063	$ 2,490,942	$ 2,327,563	$ 2,042,447	$ 2,877,340	$ 2,929,965	$ 3,595,462	$ 3,457,222	$ 3,355,702	$ 3,286,322
Operating grants and contributions	840,699	254,166	64,365	19,515	67,869	493,845	200,836	238,054	216,429	119,133
Total governmental activities program revenues	3,474,762	2,745,108	2,391,928	2,061,962	2,945,209	3,423,810	3,796,298	3,695,276	3,572,131	3,405,455
Business-type activities:										
Charges for services	1,755,412	1,790,316	1,729,437	1,519,716	848,326	527,861	557,912	477,723	476,231	-
Capital grants and contributions	3,583	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,758,995	1,790,316	1,729,437	1,519,716	848,326	527,861	557,912	477,723	476,231	-
Total primary government program revenues	$ 5,233,757	$ 4,535,424	$ 4,121,365	$ 3,581,678	$ 3,793,535	$ 3,951,671	$ 4,354,210	$ 4,172,999	$ 4,048,362	$ 3,405,455

(Continued)

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2013	2012	2011 (7),(8)	2010	2009(5),(6)	2008	2007	2006	2005	2004(1)
Net (expense)/revenue										
Governmental activities	$ (7,130,254)	$ (6,814,839)	$ (6,706,438)	$ (5,706,440)	$ (4,760,067)	$ (5,478,573)	$ (4,371,671)	$ (3,847,578)	$ (3,607,707)	$ (3,485,585)
Business-type activities	443,551	657,757	606,449	521,441	(77,355)	(95,753)	347,885	150,537	136,430	-
Total primary government net (expense) revenue	$ (6,686,703)	$ (6,157,082)	$ (6,099,989)	$ (5,184,999)	$ (4,837,422)	$ (5,574,326)	$ (4,023,786)	$ (3,697,041)	$ (3,471,277)	$ (3,485,585)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 4,340,202	$ 4,934,955	$ 5,186,528	$ 4,115,844	$ 3,382,942	$ 2,642,734	$ 2,551,520	$ 2,399,791	$ 2,063,821	$ 1,571,402
Franchise taxes	1,453,769	1,450,256	1,090,763	1,654,657	1,085,876	1,028,123	958,567	893,160	837,700	790,611
Excise taxes	186,408	149,002	143,188	95,036	89,097	-	-	-	-	-
Insurance premium taxes	510,269	492,821	463,976	514,201	529,593	534,608	522,102	500,523	478,397	444,661
Business taxes	876,243	863,723	831,532	190,261	51,895	-	-	-	-	-
Other taxes	137,207	25,572	156,177	51,484	67,401	137,369	229,488	232,764	218,054	182,589
Hotel/motel taxes	195,000	185,041	143,759	55,757	47,994	-	-	-	-	-
Alcohol taxes	160,119	159,073	165,245	293,982	305,540	321,814	339,135	313,931	325,935	368,747
Sanitation	-	-	-	-	-	197,308	153,124	145,250	144,215	141,946
Rental motor vehicle excise	-	-	-	-	-	88,976	109,493	121,203	141,559	143,166
Sales taxes	-	661,602	712,230	-	-	-	-	-	-	-
Unrestricted investment earnings	1,794	1,161	6,843	7,898	6,235	66,922	178,681	134,055	59,003	21,689
Gain on sale of assets	6,225	3,425	22,242	-	-	-	27,078	-	2,210	-
Miscellaneous	33,192	12,576	25,388	16,073	29,970	66,824	35,271	65,882	41,664	64,201
Transfers	80,462	120,082	(67,604)	(279,877)	(278,718)	-	-	-	-	-
Total governmental activities	7,980,890	9,059,289	8,880,267	6,715,316	5,317,825	5,084,678	5,104,459	4,806,559	4,312,558	3,729,012
Business-type activities:										
Unrestricted investment earnings	-	-	-	2,398	124	-	-	-	-	-
Gain on sale of assets	11,244	-	-	-	-	-	-	-	-	-
Transfers	(80,462)	(120,082)	67,604	279,877	278,718	-	-	-	-	-
Total business-type activities	(69,218)	(120,082)	67,604	282,275	278,842	-	-	-	-	-
Total primary government	$ 7,911,672	$ 8,939,207	$ 8,947,871	$ 6,997,591	$ 5,596,667	$ 5,084,678	$ 5,104,459	$ 4,806,559	$ 4,312,558	$ 3,729,012
Change in Net Position										
Governmental activities	$ 850,636	$ 2,244,450	$ 2,173,829	$ 1,008,876	$ 557,758	$ (393,895)	$ 732,788	$ 958,981	$ 704,851	$ 243,427
Business-type activities	374,333	537,675	674,053	803,716	201,487	(95,753)	347,885	150,537	136,430	-
Total primary government	$ 1,224,969	$ 2,782,125	$ 2,847,882	$ 1,812,592	$ 759,245	$ (489,648)	$ 1,080,673	$ 1,109,518	$ 841,281	$ 243,427

Source: Current year and prior year financial statements of the City of Chamblee, Georgia

Notes:

(1) The City did not seperately report business type activities prior to 2005

(2) In 2007, Permitting and Inspection & Community Development were consolidated to Development and Permits

(3) In 2009, Court was moved to the Judicial function.

(4) During 2009, the City stopped reporting E911 as a separate function and started reporting it in the public safety function.

(5) In 2009, Rental Motor Vehicle Excise taxes were moved under the heading of Excise taxes.

(6) In 2009, Business taxes and Hotel/Motel taxes became major revenue categories.

(7) On January 1, 2011, the City annexed an area of 1.5 square miles that included 6,000 residences

(8) In 2011, the City changed the way it calculated Occupation Licenses from a flat fee to a formula to include gross sales and number of employees.

(9) In 2013, H.O.S.T. revenue, which had been accounted for as Sales taxes the previous two years, is now accounted for under capital grants and contributions

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2013	2012	2011 *	2010	2009	2008	2007	2006	2005	2004
General fund										
Nonspendable	$ 163,396	$ 35,197	$ 45,160	$ 61,236	$ 156,496	$ 207,692	$ 127,277	$ 75,504	$ 85,159	$ 225,302
Restricted	2,129,920	1,655,052	271,781	205,908	48,804	60,393	1,566,324	1,529,817	19,067	21,944
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	5,517,332	5,417,043	4,805,343	2,891,930	1,629,521	1,501,617	2,892,495	2,597,853	3,042,917	2,364,092
Total general fund	**$ 7,810,648**	**$ 7,107,292**	**$ 5,122,284**	**$ 3,159,074**	**$ 1,834,821**	**$ 1,769,702**	**$ 4,586,096**	**$ 4,203,174**	**$ 3,147,143**	**$ 2,611,338**
All other governmental funds										
Nonspendable	$ 9,075	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	300,248	357,175	249,065	105,310	15,420	17,249	17,980	-	-	-
Committed	188,757	124,016	172,803	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	8,058	(597,147)	(1,100,124)	(826,713)	(665,026)	(628,005)
Total all other governmental funds	**$ 498,080**	**$ 481,191**	**$ 421,868**	**$ 105,310**	**$ 23,478**	**$ (579,898)**	**$ (1,082,144)**	**$ (826,713)**	**$ (665,026)**	**$ (628,005)**

Source: Current year and prior year financial statements of the City of Chamblee, Georgia

* For 2011, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2013	2012	2011	2010	2009(2),(3)	2008	2007(1)	2006	2005	2004
Revenues										
Taxes	$ 7,918,650	$ 9,009,498	$ 8,864,082	$ 6,971,531	$ 5,561,788	$ 4,915,114	$ 4,842,777	$ 4,548,686	$ 4,195,971	$ 3,664,853
Licenses and permits	498,998	436,793	383,522	310,301	474,396	485,280	592,906	607,032	775,295	639,987
Intergovernmental	840,699	254,166	64,365	19,515	67,869	493,845	200,836	238,054	216,429	119,133
Fines and forfeitures	1,398,211	1,425,339	1,320,659	1,105,326	1,345,888	1,082,447	1,266,577	944,515	794,730	857,721
Charges for services	736,854	628,810	623,382	626,820	1,057,056	1,362,238	1,735,979	1,905,675	1,785,677	1,788,614
Interest income	1,794	1,161	6,843	7,898	6,235	66,922	178,681	134,055	59,003	21,689
Other Revenues	33,192	12,576	25,388	16,073	29,970	66,824	35,271	65,882	41,664	70,617
Total revenues	11,428,398	11,768,343	11,288,241	9,057,464	8,543,202	8,472,670	8,853,027	8,443,899	7,868,769	7,162,614
Expenditures										
General government	1,664,070	1,265,867	1,204,491	1,137,216	1,102,861	1,369,975	1,096,897	1,094,676	1,101,889	1,186,529
Judicial	244,498	224,126	205,194	193,770	179,730	-	-	-	-	-
Public safety	6,153,372	5,556,891	5,243,827	4,324,951	4,045,773	3,792,921	3,612,795	3,236,448	2,990,590	2,908,897
Public works	1,296,605	1,329,472	975,700	831,768	962,525	1,864,161	1,694,265	1,469,091	1,511,964	1,362,999
Permitting and inspection	-	-	-	-	-	-	-	291,801	181,858	176,884
Development and permits	-	-	-	-	-	462,514	481,671	-	-	-
Parks and recreation	727,841	632,688	632,273	606,145	929,542	1,410,749	745,916	616,491	704,236	605,450
Community Development	-	-	-	-	-	-	-	65,828	28,427	176,342
Court	-	-	-	-	-	180,782	167,514	135,157	117,626	271,358
911 system	-	-	-	-	-	765,547	540,966	447,981	370,169	227,432
Capital outlay	-	-	-	-	-	926,778	305,404	83,562	256,894	-
Housing and development	709,861	649,714	520,550	419,277	343,970	-	-	-	-	-
Debt service										
Principal	139,658	177,529	172,319	112,703	109,006	105,303	108,498	108,520	108,542	105,344
Interest	5,565	11,232	16,444	39,254	16,915	-	-	-	-	-
Total expenditures	10,941,470	9,847,519	8,970,798	7,665,084	7,690,322	10,878,730	8,753,926	7,549,555	7,372,195	7,021,235
Excess (deficiency) of revenues over (under) expenditures	486,928	1,920,824	2,317,443	1,392,380	852,880	(2,406,060)	99,101	894,344	496,574	141,379
Other financing sources (uses)										
Capital leases	146,630	-	-	293,582	-	91,912	-	-	-	63,433
Proceeds from sale of capital assets	6,225	3,425	29,929	-	-	-	28,390	-	2,210	-
Transfers in	1,059,132	1,105,252	735,791	240,916	160,531	-	-	-	-	-
Transfers out	(978,670)	(985,170)	(803,395)	(520,793)	(439,249)	-	-	-	-	-
Total other financing sources (uses)	233,317	123,507	(37,675)	13,705	(278,718)	91,912	28,390	-	2,210	63,433
Net change in fund balances	$ 720,245	$ 2,044,331	$ 2,279,768	$ 1,406,085	$ 574,162	$ (2,314,148)	$ 127,491	$ 894,344	$ 498,784	$ 204,812
Debt Service as a Percentage of noncapital expenditures	**1.35%**	**1.95%**	**2.15%**	**2.02%**	**1.66%**	**1.07%**	**1.30%**	**1.47%**	**1.55%**	**1.52%**

Source: Current year and prior year financial statements of the City of Chamblee, Georgia

Notes: Prior to 2009, principal and interest were indistiguishable for debt service.

(1) In 2007, Community development became Development and permits.

(2) In 2009, the Court & Development and permits functions became the Judicial & Housing and development functions, respectively.

(3) In 2009, 911 system was moved to public safety function.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 5
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)

Year	Property Tax	Franchise Tax	Excise Tax	Insurance Premium Tax	Business Tax	Other Tax	Hotel Motel Tax	Sanitation Tax	Rental Motor Vehicle Excise Tax	Alcohol Tax	Sales Taxes	Total
2004	$ 1,571,402	$ 790,611	$ -	$ 444,661	$ -	$ 182,589	$ -	$ 141,946	$ 143,166	$ 368,747	$ -	$ 3,643,122
2005	2,063,821	837,700	-	478,397	-	218,054	-	144,215	141,559	325,935	-	4,209,681
2006	2,399,791	893,160	-	500,523	-	232,764	-	145,250	121,203	313,931	-	4,606,622
2007	2,551,520	958,567	-	522,102	-	229,488	-	153,124	109,493	339,135	-	4,863,429
2008	2,642,734	1,028,123	-	534,608	-	137,369	-	197,308	88,976	321,814	-	4,950,932
2009(1),(2)	3,382,942	1,085,876	89,097	529,593	51,895.0	67,401	47,994	-	-	305,540	-	5,560,338
2010	4,115,844	1,654,657	95,036	514,201	190,261.0	51,484	55,757	-	-	293,982	-	6,971,222
2011	5,186,528	1,090,763	143,188	463,976	831,532.0	156,177	143,759	-	-	165,245	712,230	8,893,398
2012(3)	4,934,955	1,450,256	149,002	492,821	863,723	25,572	185,041	-	-	159,073	661,602	8,922,045
2013(4)	**4,340,202**	**1,453,769**	**186,408**	**510,269**	**876,243**	**137,207**	**195,000**	**-**	**-**	**160,119**	**-**	**7,859,217**

Source: Current year and prior year financial statements of the City of Chamblee, Georgia

(1) In 2009, Hotel/Motel and Business taxes were broken out as major revenue sources.

(2) In 2009, Sanitation Tax became a separate fund and Rental Motor Vehicle Excise Tax became Excise Tax.

(3) In 2012, the City started receiving sales taxes in the form of H.O.S.T. revenue.

(4) In 2013, H.O.S.T. revenue, which had been accounted for under Sales the previous two years, is now accounted for under Capital Grants & Contributions

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
- ALL TAXABLE PROPERTY
LAST TEN YEARS
(accrual basis of accounting)

	Real Property		Personal Property		Public Utility		Motor Vehicle		Total Property				
Year	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value	Percent Increase in Estimated Actual Value Over Prior Year
2004	$ 268,363,340	$ 670,908,350	$ 155,289,570	$ 388,223,925	$ 15,652,118	$ 39,130,295	$ 14,268,030	$ 35,670,075	$ 453,573,058	$ 1,133,932,645	4.13	40%	-5.45%
2005	316,304,450	790,761,125	108,307,713	270,769,283	15,199,898	37,999,745	12,441,720	31,104,300	452,253,781	1,130,634,453	5.44	40%	-0.29%
2006	373,254,354	933,135,885	152,341,395	380,853,488	12,872,794	32,181,985	13,940,100	34,850,250	552,408,643	1,381,021,608	5.00	40%	22.15%
2007	385,554,122	963,885,305	141,003,340	352,508,350	13,544,670	33,861,675	15,280,060	38,200,150	555,382,192	1,388,455,480	5.00	40%	0.54%
2008	386,100,564	965,251,410	179,606,067	449,015,168	12,389,798	30,974,495	15,561,050	38,902,625	593,657,479	1,484,143,698	5.00	40%	6.89%
2009	397,861,328	994,653,320	166,457,935	416,144,838	10,769,822	26,924,555	16,118,770	40,296,925	591,207,855	1,478,019,638	6.31	40%	-0.41%
2010	388,248,161	970,620,403	144,949,798	362,374,495	9,563,181	23,907,953	14,546,770	36,366,925	557,307,910	1,393,269,775	7.95	40%	-5.73%
2011	611,126,366	1,527,815,915	193,372,547	483,431,368	11,087,937	27,719,843	14,131,410	35,328,525	829,718,260 (1)	2,074,295,650	7.40	40%	48.88%
2012	562,328,458	1,405,821,145	167,649,642	419,124,105	9,128,386	22,820,965	22,076,110	55,190,275	761,182,596	1,902,956,490	7.40	40%	-8.26%
2013	**568,117,263**	**1,420,293,158**	**155,457,702**	**388,644,255**	**9,726,659**	**24,316,648**	**27,471,830**	**68,679,575**	**760,773,454**	**1,901,933,635**	**6.40**	**40%**	**-0.05%**

Source: City of Chamblee Finance Department

(1) - Assessed values increased from 2010 to 2011 due to an annexation.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 7
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
LAST TEN TAX DIGEST YEARS
(Rate per $1,000 of assessed value)

	Direct Rates			Overlapping Rates			Total
	City of Chamblee						
Tax Digest Year	Operating Millage	Debt Service	Total	State of Georgia	DeKalb County	DeKalb County School System	Direct and Overlapping Millage Rate
2004	4.13	-	4.13	0.25	13.27	22.98	40.63
2005	5.44	-	5.44	0.25	12.65	22.98	41.32
2006	5.00	-	5.00	0.25	13.33	22.98	41.56
2007	5.00	-	5.00	0.25	12.52	22.90	40.67
2008	5.00	-	5.00	0.25	12.73	22.98	40.96
2009	6.31	-	6.31	0.25	12.85	22.98	42.39
2010	7.95	-	7.95	0.25	12.85	22.98	44.03
2011	7.40	-	7.40	0.25	15.18	22.98	45.81
2012	7.40	-	7.40	0.20	15.65	23.98	47.23
2013	**6.40**	**-**	**6.40**	**0.15**	**14.76**	**23.98**	**45.29**

Source: City of Chamblee Finance Department and DeKalb County Financial Statements

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

	2013			2007(1)		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
EQR-Peachtree A LLC	$ 16,567,520	1	2.92%	$ 15,600,000	1	4.18%
AP Chatworth LLC	11,046,000	2	1.95%	-		-
Walmart Real Estate Business	10,448,480	3	1.84%	-		-
Camden Creekstone LLC	10,107,980	4	1.78%	-		-
Perimeter Park 230 LLC	9,775,040	5	1.72%	-		-
TMP Savoy LLC	9,280,000	6	1.64%	-		-
SG Miller Station LLC	8,929,976	7	1.57%	-		-
Lowes Home Centers INC	8,406,000	8	1.48%	8,556,520	3	2.29%
Gentry's Walk Apartments LLC	5,675,000	9	1.00%	-		-
Chamblee Business Center Assoc	3,800,000	10	0.67%	-		-
McKesson Corp	-		-	9,025,800	2	2.42%
Southern Company Services	-		-	8,243,682	4	2.21%
Fleet Capital Corporation	-		-	7,800,000	5	2.09%
SE Leasing LLC	-		-	7,518,755	6	2.01%
5300 Peachtree LP	-		-	7,395,720	7	1.98%
Global Aviation	-		-	7,200,000	8	1.93%
Spectrum Brands	-		-	6,520,000	9	1.75%
Spanos Corporation	-		-	6,460,120	10	1.73%
All Others	473,450,732		83.43%	288,836,215		77.40%
Totals	$ 567,486,728		100.00%	$ 373,156,812		100.00%

Source: City of Chamblee Finance Department

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	Total Tax Levy	Collections of Current Years Taxes During Year	Percentage of Levy Collected During Year	Collection of Prior Years Taxes During Year	Total Collections	Accumulated Uncollected Taxes	Ratio of Accumulated Uncollected Taxes to Current Year's Levy	Millage Rates
2004	$ 1,513,846	$ 1,471,792	97.22%	$ 42,054	$ 1,513,846	-	0.00%	4.13
2005	1,944,244	1,906,145	98.04%	38,099	1,944,244	-	0.00%	5.44
2006	2,291,661	2,203,077	96.13%	84,933	2,288,010	3,651	0.16%	5.00
2007	2,457,960	2,342,630	95.31%	111,325	2,453,955	4,005	0.16%	5.00
2008	2,533,753	2,356,612	93.01%	165,555	2,522,167	11,587	0.46%	5.00
2009	3,238,048	3,043,576	93.99%	173,386	3,216,962	21,086	0.65%	6.31
2010	4,126,425	3,819,012	92.55%	268,065	4,087,077	39,349	0.95%	7.95
2011	4,958,540	4,709,627	94.98%	207,586	4,917,213	41,327	0.83%	7.40
2012	4,611,577	4,326,902	93.83%	256,037	4,582,939	28,638	0.62%	7.40
2013	**3,929,413**	**3,841,910**	**97.77%**	**-**	**3,841,910**	**87,503**	**2.23%**	**6.40**

Source: City of Chamblee Finance Department

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 10
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities				Business-type Activities					
Year	General Obligation Bonds	Capital Leases	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Stormwater	Sanitation	Capital Leases	Total Primary Government	Percent of Personal Income	Per Capita
2004	$ -	$ 847,861	0.07%	87	$ -	$ -	$ -	$ 847,861	0.44%	87
2005	-	732,184	0.06%	75	-	-	-	732,184	0.38%	75
2006	-	645,709	0.05%	66	-	-	-	645,709	0.33%	66
2007	-	556,382	0.04%	57	-	-	-	556,382	0.29%	57
2008	-	539,639	0.04%	55	-	-	-	539,639	0.28%	55
2009	-	430,633	0.03%	44	-	-	-	430,633	0.22%	44
2010	-	611,512	0.04%	62	-	-	-	611,512	0.24%	62
2011	-	439,193	0.02%	28	-	-	130,055	569,248	0.14%	37
2012	-	261,664	0.01%	17	-	-	101,058	362,722	0.09%	23
2013	-	**268,636**	**0.01%**	**10**	**-**	**-**	**71,098**	**339,734**	**0.05%**	**12**

Source: City of Chamblee Finance Department

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2013

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Chamblee (1)	Amount Applicable to City of Chamblee
Dekalb County	$ 269,530,000	3.677%	$ 9,910,618
Fulton-DeKalb Hospital Authority(Dekalb portion)	43,815,000	3.677%	1,611,078
Dekalb County Board of Education	85,085,000	3.677%	3,128,575
Total direct and overlapping debt	$ 398,430,000		$ 14,650,271

Source: Assessed value data used to estimate applicable percentages provided by the DeKalb County Tax Assessor and the DeKalb County Financial Statements

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Chamblee, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Year	Assessed Value	Percent	Debt Limit	Amount Applicable (1)	Legal Debt Margin
2004	$ 453,573,058	10%	$ 45,357,306	-	$ 45,357,306
2005	452,253,781	10%	45,225,378	-	45,225,378
2006	552,408,643	10%	55,240,864	-	55,240,864
2007	555,382,192	10%	55,538,219	-	55,538,219
2008	593,657,479	10%	59,365,748	-	59,365,748
2009	591,207,855	10%	59,120,786	-	59,120,786
2010	557,307,910	10%	55,730,791	-	55,730,791
2011	829,718,260	10%	82,971,826	-	82,971,826
2012	761,182,596	10%	76,118,260	-	76,118,260
2013	**760,773,454**	**10%**	**76,077,345**	**-**	**76,077,345**

Source: City of Chamblee Finance Department

Notes:

(1) The City of Chamblee has had no general obligation bonds outstanding during the last ten years.

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 13
DEMOGRPAHIC AND ECONOMIC STATISTICS INFORMATION
LAST TEN YEARS

Year	Population (1)	Personal Income (1)	Per Capita Income (1)	Median Age (2)	Median Education Level in Years of Formal Schooling (2)	School Enrollment (4)	Unemployment Rate (3)
2004	9,690	$ 193,131,390	$ 19,931	27.6	12	-	5.4%
2005	9,724	193,809,044	19,931	27.6	12	-	6.0%
2006	9,757	194,466,767	19,931	27.6	12	-	5.1%
2007	9,791	195,144,421	19,931	27.6	12	-	4.9%
2008	9,825	195,822,075	19,931	27.6	12	-	6.4%
2009	9,858	196,479,798	19,931	27.6	12	-	9.9%
2010	9,892	259,724,352	26,256	29.0	12	-	10.5%
2011	15,491	406,731,696	26,256	29.0	12	2,824	10.2%
2012	15,790	414,582,240	26,256	29.0	12	2,656	9.3%
2013	**27,300**	**716,788,800**	**26,256**	**29.0**	**12**	**2,620**	**8.3%**

Notes:

(1) City of Chamblee Development Department

(2) Source: U.S. Census

(3) Source: Georgia Department of Labor

(4) Includes: Chamblee Charter High School, Chamblee Middle School, and Huntley Hills Elementary School
Information prior to Fiscal Year 2011 is not readily available.

CITY OF CHAMBLEE, GEORGIA

SCHEDULE 14

PRINCIPAL EMPLOYERS

Current Year and Two Previous Years (Earliest Available)

	2013			2011(1)		
Employer	Employees	Rank	Percentage of Total Employees	Employees	Rank	Percentage of Total Employees
Wal-Mart Supercenter	314	1	3.6%	319	1	3.8%
Jim Ellis Volkswagen, Inc.	287	2	3.3%	318	2	3.8%
RR Donnelley	201	3	2.3%	178	3	2.1%
UniHealth Post-Acute Care of	195	4	2.2%	145	8	1.7%
Curry Cars, LLC	167	5	1.9%	154	6	1.8%
World Toyota	161	6	1.8%	135	10	1.6%
Jim Ellis Atlanta, Inc	160	7	1.8%	171	4	2.0%
Epps Air Service	144	8	1.7%	145	7	1.7%
Lowe's Home Centers,LLC	114	9	1.3%	140	9	1.7%
Malcom Cunningham Ford	110	10	1.3%			
Austin Outdoor, LLC				164	5	1.9%
All Others	6,856			6,601		
Totals	8,709			8,470		

Source: City of Chamblee Finance Department

Notes:

(1) Prior to 2011, the City did not include number of employees in its calculation of Occupational Tax

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 15
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013
Administrative	12	12	12	12	12	18	18	19
Police	32	32	32	32	32	44	44	44
Public Works	6	6	6	6	6	9	9	9
Parks and Recreation	6	6	6	6	6	6	6	6
E-911	8	8	8	8	8	12	13	13
Stormwater	4	4	4	4	4	4	4	4
Sanitation	11	11	11	11	11	11	11	11
	79	79	79	79	79	104	105	106

Source: City of Chamblee Finance Department

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 16
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	1,020	881	789	870	1,000	925	803	912	858	854
Traffic Violations	9,010	7,642	10,161	13,219	9,970	10,508	9,458	12,754	12,257	12,211
Sanitation										
Refuse Collected (tons/year)	2,574	2,473	2,421	2,473	2,340	2,336	2,272	2,173	2,195	2,231
Recyclables Collected (tons/year)	1,291	1,282	894	872	880	996	960	1,297	1,251	1,346
Public Safety										
Police Patrol Units	19	19	19	19	19	19	19	23	23	23

Source: City of Chamblee Finance Department

CITY OF CHAMBLEE, GEORGIA
SCHEDULE 17
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Hall										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	1	2
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	29	29	29	29	29	29	33	36	39	46
Public Works										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	6	6	6	7	7	10	12	11	11	12
Culture and recreation										
Parks acreage	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7
Parks	7	7	7	7	7	7	7	7	7	7
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
Vehicles	3	3	3	3	3	3	3	3	3	3
Sanitation										
Vehicles	7	7	7	10	11	11	11	12	14	18
Stormwater										
Vehicles	-	-	-	2	2	4	4	4	4	5

Source: City of Chamblee Finance Department

CHAMBLEE
Georgia
A CITY ON THE RIGHT TRACK!

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

The Honorable Mayor and Members
of City Council
City of Chamblee, Georgia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Chamblee, Georgia** (the "City") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2014.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2013-001 to be a material weakness.

Compliance and Other Matters

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

City of Chamblee, Georgia's Response to Finding

The City of Chamblee, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Chamblee, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2014

CITY OF CHAMBLEE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ___ no
Significant deficiencies identified?	___ yes X no
Noncompliance material to financial statements noted?	___ yes X no

Federal Awards

There was not an audit of major federal award programs for the year ended December 31, 2013 due to the City not expending federal awards of $500,000 or more during the year ended December 31, 2013.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-001: Segregation of Duties (Repeat Finding)

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: The size of the City's accounting and administrative staff precluded certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. A significant number of duties relative to the receipt and disbursement process, payroll, and general ledger functions are handled by one individual. The most significant issues noted are as follows:

- Individuals who post cash receipts to the accounting records can perform other functions which should typically be segregated, such as the write-off of delinquent accounts, editing the master receivable file, and reviewing the receivables aging trial balance.
- Those responsible for review, authorization, or signing of checks are also responsible for the reconciliation of bank accounts.
- Those responsible for approval of rates and fees can prepare bills, collect accounts receivable, post cash receipts, investigate receivable discrepancies and are also responsible for reviewing the receivable trial balance.
- Check signing (including control of mechanical check signers and signature plates) is not independent of the initiator of purchases, approver of purchases, preparer of checks, cash receipts, accounts payable, and cash bookkeeping.

CITY OF CHAMBLEE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-1: Segregation of Duties (Repeat Finding) (Continued)

- Individuals who have access to edit the vendor master file can initiate purchase orders, prepare or issue debit memos, investigate account discrepancies, and maintain custody of assets.
- IT personnel have the responsibility for transaction and accounting duties. IT personnel administering security have responsibilities for programming, database management, and computer operations. IT programmers also have access to modify the software code.
- Responsibilities for payroll accounting and payroll deposits are not separated from the general ledger function.

Context/Cause: We addressed this matter with City officials who understand that the size of the City's accounting and administrative staff precluded certain internal controls, that would be preferred if the office staff were large enough, to provide optimum segregation of duties.

Effects/Possible Effects: Failure to properly segregate duties between recording, distribution, and reconciliation of accounts may allow for errors or irregularities to occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions.

Recommendation: We understand the staffing limitations which result in these overlapping duties; however, we recommend the City's management implement additional controls that would reduce the risk of fraudulent activity and the risk that such activities go unnoticed by management and the Mayor and City Council. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that proper controls are implemented to mitigate the risks described above.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable

CITY OF CHAMBLEE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION IV
PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There was not an audit of major federal award programs as of the prior year (December 31, 2012) due to the total amount expended being less than $500,000; therefore, no prior year findings related to Federal awards.