CITY OF DECATUR, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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CITY OF DECATUR, GEORGIA

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TABLE OF CONTENTS

Page

INTRODUCTORY SECTION (Unaudited)

- Letter of Transmittal ..... i-xv
- GFOA Certificate of Achievement xvi
- Principal Officials xvii
- Organizational Chart xviii

FINANCIAL SECTION

- Independent Auditor's Report 1-3
- Management's Discussion and Analysis 4-17
- Basic Financial Statements:
  - Government-wide Financial Statements:
    - Statement of Net Position 18
    - Statement of Activities 19
  - Fund Financial Statements:
    - Balance Sheet – Governmental Funds 20
    - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 21
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
    - General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 23
    - Statement of Net Position – Proprietary Funds 24
    - Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 25
    - Statement of Cash Flows – Proprietary Funds 26
    - Statement of Net Position – Fiduciary Funds 27
    - Statement of Changes in Net Position – Pension Trust Fund 28
  - Notes to Financial Statements 29-76
- Required Supplementary Information:
  - Schedule of Changes in the City's Net Pension Liability and Related Ratios 77
  - Schedule of City Contributions – Retirement Plan 78
  - Schedule of Pension Investment Returns – Retirement Plan 79
  - Schedule of Changes in the City's Total OPEB Liability and Related Ratios 80
- Combining and Individual Fund Statements and Schedules:
  - Combining Balance Sheet – Nonmajor Governmental Funds 81
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 82

CITY OF DECATUR, GEORGIA

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

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Confiscated Drug Fund 83

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Emergency Telephone System Fund 84

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grant Fund 85

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Children and Youth Services Fund 86

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tree Bank Fund 87

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hotel/Motel Tax Fund 88

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund 89

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – SPLOST Fund 90

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Improvement Fund 91

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2007 Bonds Fund 92

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2010 URA Bonds Fund 93

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – 2013 URA Bonds Fund 94

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Public Facilities Authority Fund 95

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cemetery Capital Improvement Fund 96

Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 97

Combining Statement of Assets and Liabilities – Agency Funds 98

Statement of Changes in Assets and Liabilities – Agency Funds 99

Balance Sheet – Component Unit – Downtown Development Authority 100

Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – Downtown Development Authority 101

Balance Sheet – Component Unit – Decatur Tourism Board 102

Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Unit – Decatur Tourism Board 103

CITY OF DECATUR, GEORGIA

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

TABLE OF CONTENTS

Page

STATISTICAL SECTION (Unaudited)

- **Net Position by Component 104**
- **Changes in Net Position ..... 105 and 106**
- **Governmental Activities Tax Revenues by Source 107**
- **Fund Balances of Governmental Funds 108**
- **Changes in Fund Balances of Governmental Funds 109**
- **General Governmental Tax Revenues by Source 110**
- **Assessed Value and Estimated Actual Value – All Taxable Property 111**
- **Property Tax Rates – All Overlapping Governments 112**
- **Principal Taxpayers 113**
- **Property Tax Levies and Collections 114**
- **Ratios of Outstanding Debt by Type 115**
- **Ratios of General Bonded Debt Outstanding 116**
- **Direct and Overlapping Governmental Activities Debt 117**
- **Legal Debt Margin Information 118**
- **Demographic and Economic Statistics 119**
- **Principal Employers 120**
- **Full-time Equivalent City Government Employees by Function 121**
- **Operating Indicators by Function 122**
- **Capital Asset Statistics by Function 123**

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December 11, 2019

To the Members of the City Commission and Residents of the City of Decatur, Georgia:

State law requires that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with these standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Decatur, Georgia (the City) for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management staff has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Decatur's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the general fund, special revenue funds and debt service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established by function within an individual fund (e.g., at the department level in the general fund).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of

transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Decatur, first chartered as a municipality by the State of Georgia in 1823, provides a full range of municipal services. These services include public safety (police and fire protection, inspections, codes enforcement, etc.), public works (streets and sidewalk construction and maintenance, storm drainage construction and maintenance, facilities and grounds maintenance, refuse collection, street sweeping, etc.), parks and recreation, the operation of a municipal cemetery and community and economic development. In addition, the City of Decatur owns a 280-space parking facility and a 25,000 square foot conference center.

The City currently occupies a land area of approximately 4.6 square miles and serves an estimated population of 25,750. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Decatur operates under the commission-manager form of government. There are five City Commissioners, elected in nonpartisan elections, for overlapping four-year terms. Elections are held on the first Tuesday after the first Monday in November in odd-numbered years. In one election, three City Commissioners are elected – one at-large, one from District 1 (north) and one from District 2 (south). At the next election, two City Commissioners are elected - one from District 1 (north) and one from District 2 (south). At its organizational meeting in January of each year, the City Commission elects one of its members to be the Mayor/Chair of the City Commission. At that same meeting the City Commission also elects a Mayor pro tem/Vice-Chair. It is the responsibility of the Mayor to preside at all meetings of the City Commission. The Mayor has no veto power but retains the right to vote on all matters brought before the City Commission.

The City Commission is the legislative and policy-making arm of the City government. It is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, task forces and commissions, hiring the City Manager and appointing the City Attorney and municipal court judges. The City Commission appoints a professional administrator known as the City Manager who serves at its pleasure. The City Charter designates the City Manager as the Chief Executive Officer and the Chief Administrative Officer of the City. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the government and the appointment of all employees except that the appointment of department heads is subject to confirmation by the City Commission. All disciplinary action is the responsibility of the City Manager in accordance with the Personnel Rules and Regulations adopted by the City Commission. The current City Manager has served since January 2019.

The Georgia General Assembly first adopted the City Charter, under which the City operates, in 1909. In 1920, the General Assembly amended the Charter to provide for the Commission-Manager form of government. In 1977, acting under its home rule authority, the City recodified and revised its Charter to delete obsolete sections, to clarify meanings and to generally bring the Charter up-to-date. The Charter was updated again in 2001.

The annual budget serves as the foundation for the City's financial planning and control. All agencies are required to submit departmental budget requests to the City Manager or her designee by the end of February. These requests are the starting point for developing the proposed budget. The City also provides multiple opportunities for public involvement in the budgeting process ranging from informal meetings to an online forum.

The proposed budget is presented to the City Commission on the third Monday in May. The operating budget includes the proposed expenditures and the means for financing them. The City publishes the proposed budget in the official legal organ of the County, makes hard copies available to the residents of the City and posts the proposed budget on the City's website. Public hearings on the proposed budget are held during the month of June. The budget is then legally enacted through the passage of a resolution by the City Commission, normally on the third Monday in June but no later than June 30, the close of the fiscal year. Budgetary control is exercised at the departmental level. The City Manager is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Commission. Budget-to-actual comparisons are provided in this report for the general fund. This comparison is presented on page 23 as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City of Decatur is the seat of DeKalb County, a large, urban county in the Atlanta metropolitan area. With its central location within the county and as the location of county offices and the court system, Decatur's is primarily a service economy. Legal, banking, medical, insurance, accounting, governmental and educational services are the mainstay of this economy. The essential nature of these services provides a solid basis for the City's economic well-being.

Real Estate Digest

The City's overall 2019 real estate property digest shows a growth rate of approximately 7.5% compared to the 2018 digest. Approximately 42% of this increase is due to growth from new construction, with 58% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2019 total millage rate was increased from 13.62 mills to 13.92 mills, which included a 0.48 millage increase in the Capital Improvement Fund to cover debt service for the purchase of the former United Methodist Children's Home (now known as Decatur Legacy Park). The general fund and general obligation bond funds millage rates combined were reduced 0.18 mills.

Actual real estate market sales data for 2019 indicate that average sales prices have stabilized and actually dropped slightly over the past year. The average sales price of a single-family home decreased from $687,000 in November 2018 to $661,000 in November 2019, a 4% decrease. A closer look at the data shows that the number of homes that sold for less than $400,000 in 2019 was almost three times the number sold in 2018. The number of days a home was on the market increased from 31 days in 2018 to 38 days in 2019. The number of dwellings sold decreased slightly from 224 in 2018 to 203 in 2019. Demand for single-family residences remains strong. Additional data from the spring real estate

market will be more useful for determining if the current numbers reflect a more long-term trend in housing prices.

Residential Activity

The residential housing market continues to be strong. Several single-family developments are under construction and in-fill single-family dwellings remain highly desirable. We continue to issue permits for renovations to existing single-family dwellings and for some commercial properties. In 2018, the City issued permits for 29 new detached single-family dwellings, while issuing 31 demolition permits for existing dwellings. It is anticipated that by the end of calendar year 2019, the City will issue permits for at least 28 new single-family dwellings, 24 new attached townhouses and demolition permits for 25 existing dwellings. Overall, permit and inspection fees decreased from $1,460,692 in fiscal year 2018 to $915,876 in fiscal year 2019. The numbers indicate a healthy development environment, however less robust than the prior year.

A 32-unit attached townhouse development is under construction on the corner of Church Street and Forkner Drive and the initial phase has been completed and residences are being occupied. Phase II is under construction with occupancy expected in fourth quarter of 2019 and completion of all phases in fourth quarter 2020. Another 10-unit attached townhouse development, which includes live-work units, is under construction at the corner of East College Avenue and Mead Road on a site previously occupied by surface parking. Completion of construction is anticipated the fourth quarter of 2020. A 59-unit residential subdivision with 27 attached townhouses and 32 detached dwellings at the corner of South Columbia Drive and Katie Kerr Drive began construction in early 2018. The initial phase has been completed and residences are being occupied. Completion of all phases is expected in late 2020.

In December, 2015, the City Commission approved an intergovernmental contract between the City and the Decatur Downtown Development Authority (DDDA) to facilitate development of a cottage court pilot project adjacent to the downtown commercial district. A cottage court is a development of smaller single-family homes that share common green space to provide a more affordable housing option for young professionals, empty nesters and service-sector employees in a targeted income range. The cottage court development is one of the new affordable housing options that is allowed by the Unified Development Ordinance and specifically addresses Principle D, Goal 15 “Expand the Variety of High Quality Housing Options to Meet the Needs of a Diverse Community” of the 2010 Strategic Plan.

The DDDA is facilitating the development of this pilot project to prove that a market exists for smaller house options in the City of Decatur and to encourage private sector developers to consider cottage court developments. A parcel of land within walking distance of downtown Decatur was identified and purchased. The DDDA worked with a designer to create a site plan and architectural design options in cooperation with the Historic Preservation Commission and the adjacent neighborhood. The plan has six dwellings with floor areas ranging from 470 square feet to 1,100 square feet. Significant interest in purchasing the residences has already been shown. A construction loan has been secured and a builder has been selected. Construction of this prototype project should begin in 2020.

Commercial Activity

In addition to government-related employers, mainly DeKalb County, the City's employment base continues to be driven by the professional and service sector industries. Based on current reports from CoStar, the vacancy rate for available office space in the Decatur submarket is 2.7%, considerably lower than the 11.5% vacancy rate for the metropolitan Atlanta office market area. The Decatur submarket is larger than the City of Decatur. A more detailed examination of the buildings within the City limits shows the City's average vacancy rate for office buildings between 10,000-170,000 square feet at 6.6% which has generally held steady over the last 12-months. Two of Decatur's office buildings, Commerce Square and West Court Square, are in transition and have higher vacancy rates than the other commercial office buildings in the City. These two buildings are renovating the interior and exterior finishes to reposition the buildings at higher rental rates. On the horizon is the delivery of a new 33,000 square foot office building with ground floor retail at the corner of West Trinity Place and North McDonough Street, developed by AMLI and Cousins Properties. The office tenant build-out begins in January 2020 and is expected to be completed in May 2020. Average rental rates in the City of Decatur are $25 per square foot, up 5% from last year. This increase can be attributed to an increase in rental rates at West Court Square.

In the fall of 2019, the Decatur Downtown Development Authority launched an office recruitment strategy. It is anticipated that the marketing and recruitment activities related to this strategy will have a positive impact on office building occupancy.

Interest in restaurant activity continues to be strong in downtown Decatur while activity in other commercial districts remains stable. Retail interest has increased and remains a targeted sector for additional activity. The eastern edge of downtown Decatur has been rebranded as the Old Depot District, which has elevated its presence as a location for commercial activity. Four restaurants, a neighborhood grocery market, a hair salon, an art gallery, several professional offices and co-working spaces, and a dog daycare have solidified the Old Depot District as a new destination for the Decatur community.

The Oakhurst Business District is stable and steady given the size and scope of the area. Turnover has been limited and some additional businesses have opened. The City's Fire Station Number 2, a 4,800 square foot LEED-certified building, is located in the business district and provides an institutional presence in the community. The Oakhurst Business District continues to provide a strong local commercial center for the surrounding neighborhood. Tenant occupancy has remained stable at the historic Scottish Rite Hospital property. In February 2019, the Decatur Development Authority sold the Scottish Rite property to the Historic Scottish Rite Property Group. The DDA had purchased the property in 2014 as it was facing foreclosure. DDA's debt related to the 2014 purchase was retired upon the property sale.

Activity along the East College Avenue corridor remains constant, including East Decatur Station, a 70,000 square foot mixed-use property that currently contains several restaurants, a small church, hair salon and a number of professional offices. This area is becoming a center of local artisanal manufacturing with the opening of a craft brewery, a coffee roaster, a glassblowing artist and a small batch whiskey distillery.

Construction of a 134-room Hampton Inn is complete in downtown Decatur adjacent to the Marriott and the City-owned conference center. The addition of this new hotel provides much-needed hotel room inventory allowing the conference center to host larger, regional meetings. The addition of this new hotel has also increased the City's hotel/motel tax revenue. Interest among hotel developers to locate within the city of Decatur has increased and suggests there may be more hotel investment in 2020.

Mixed-Use Activity

Development of mixed-use projects has provided a robust vitality to the City's central business district since the early 2000s. Occupancy of mid-rise residential developments continues to be strong. The American Planning Association (APA) recognized Downtown Decatur as a "Top 10 Great American Neighborhood" in October 2013 citing its emphasis on sustainability, transit and a well-designed pedestrian environment as well as for community engagement efforts and a long-term commitment to downtown revitalization.

The City's 2010 strategic plan calls for a mixture of housing types and the availability of rental apartments has consistently been identified as an underserved market. With the rebounding economy and the availability of financing, three developments containing apartment dwellings were completed between 2016 and 2018. All three show occupancy rates exceeding 90%, exceeding marketing projections and continuing strong demand.

The City's Urban Redevelopment Agency purchased the Callaway Building site from DeKalb County in 2013. The County vacated the property in April 2016 and the property was sold to a private developer in August, 2016 for redevelopment as a mid-rise, mixed-use project. The development includes 329 rental apartments, 18,000 square feet of retail space and 33,000 square feet of office space built around a 721-space parking deck. It is anticipated that that the project will be completed in early 2020.

The Bank of America site in downtown Decatur received plan approval for a new mixed-use project that broke ground in the third quarter of 2019. This site represents one of the last large redevelopment properties available in the downtown Decatur district and is a key gateway into downtown Decatur. Currently, the site is the location of a small two-story bank building and a large surface parking lot. The new development will include 194 residential units, a new 4,500 square foot banking facility to replace the existing building; and, 25,000 square feet of street level retail surrounding a 386-space parking deck. The site is currently appraised for $2.4 million. The value for the completed project is expected to exceed $70 million.

In the East Decatur commercial district, the Decatur Downtown Development Authority partnered with the Metropolitan Atlanta Rapid Transit Authority (MARTA) to request proposals for redevelopment of an underutilized 7.6 acre surface parking lot. A master plan for the area was created with funding from the Atlanta Regional Commission's Livable Centers Initiative program. Columbia Ventures was selected as the development partner for this project, which was completed in the first quarter of 2019. The project includes 370 market rate rental apartments and 22,000 square feet of retail and commercial space, which is currently being marketed for lease. Some commercial tenants have pulled permits for further build-out activity. Columbia Ventures was successful in obtaining tax credits for a 95-unit affordable, senior, independent-living component of the project. Construction of the senior dwellings has been completed and units are being occupied. The project also includes a parking deck with spaces for MARTA patrons, project residents and retail and restaurant customers. The project also incorporates a bicycle and pedestrian connection in partnership with the PATH Foundation that connects with the Stone Mountain trail to the north of the project and the East Decatur Greenway to the south of the project.

Institutional Activity

Agnes Scott College, a four-year liberal arts college for women, remains financially healthy with an enrollment of approximately 1,000 students. Within the past year, Agnes Scott College has developed a Campus Master Plan that will shape the campus for at least the next ten years. The college is in the process of seeking community input and the plan is expected to be finalized in early 2020. Columbia Theological Seminary, a Presbyterian graduate institution, remains financially strong with an enrollment of approximately 350 students.

The City Schools of Decatur has completed the majority of a $30 million construction program; however, increasing student enrollment continues to put pressure on the capacity of existing facilities. To address increasing enrollments, the City Schools developed a capital master plan. Four phases of capital construction were identified using a combination of capital funding methods to finance the work. City Schools issued $18 million in certificates of participation (COPs) and construction of Phase I is complete. General obligation debt of $75 million was approved in a referendum that was part of the November 2015 municipal elections. The bonds were sold in February 2016 and construction of Phase II is complete. Phase III includes construction of a new elementary school academy that was completed for occupancy in time for the start of school in August 2019.

The Decatur Housing Authority (DHA) completed the redevelopment of the Gateway Manor apartment complex located off West Trinity Place. This project included demolition of 116 units of subsidized housing and was renamed Trinity Walk. DHA was successful in securing tax credits for the project in 2015 and for 2016. Phase I and II included construction of 121 apartment units that have been completed and occupied. Phase III includes redevelopment of garden apartments located at 1111 Oakview Road. This project includes demolition and reconstruction of 34 dwellings of affordable and workforce housing. DHA was successful in securing tax credits for the project and construction is underway with occupancy expected to begin in late 2019. The DHA has also secured tax credits for major renovations and upgrades of the existing buildings of the Swanton Heights apartment complex. Construction started in 2nd quarter of 2019 and is expected to be completed by 3rd quarter of 2020. Most importantly, the existing residents will not be displaced and will be able to reside in housing at Legacy Park during the construction.

The Task Force for Global Health, one of the largest non-profit organizations in the nation, purchased the 90,000 square foot Clark Harrison Building located at 330 West Ponce de Leon Avenue from DeKalb County in 2016 and has occupied the building. The Task Force now plans to keep their original building at 325 Swanton Way to accommodate future expansion and to be able to lease office space to smaller, aligned non-profit organizations. The Task Force works closely with the nearby Centers for Disease Control to address global health issues and provides over 100, high paying, white collar jobs.

MAJOR ACTIVITIES

In March 2011 the City Commission adopted a second ten-year strategic plan for the City of Decatur. The plan was the result of a year-long planning process that incorporated input from over 1,500 individuals. The plan supports the community-based vision that the City of Decatur will assure a high quality of life for its residents, businesses and visitors, both today and in the future. The plan consists of 89 tasks to be accomplished by 2020 and provides the blueprint for how the City will prioritize its work program and

allocation of assets over the ten year period. Currently, 99% of all tasks have been completed or are in progress.

In August 2019 the City Commission approved a contract with Tunnell, Spangler and Walsh (TSW) to conduct the planning process for the next ten-year strategic plan. Communication strategies and roundtable discussions have been initiated this year and the official community-wide kickoff event will occur in January 2020. It is anticipated that the strategic planning process will occur over a one-year period.

In December 2016 the City became aware of the potential sale of the 77-acre United Methodist Children's Home (UMCH) property located adjacent to the existing City limits. Due to the unique and long-term benefits this property presented, the City of Decatur had been expressing interest in acquiring it for the past decade. Ultimately, the City entered into negotiations to purchase the property. In order to facilitate the purchase, the City worked with local members of the Georgia General Assembly to establish the City of Decatur Public Facilities Authority (PFA) as a conduit for acquiring and financing the acquisition of the property. In addition to issuing approximately $29 million in revenue bonds, the City and the PFA were able to work with the Georgia Environmental Financing Authority to secure approximately $11 million in funding from the Clean Water State Revolving Fund to purchase for preservation and protection 22 of the 77 acres in a conservation easement. The property was purchased in August 2017 and the City took possession of the property in October 2017. A community-based master planning effort started in January 2018 to create a long-term vision for the property and identify uses, opportunities and partnerships to achieve that vision. The master plan, for what is now known as Decatur Legacy Park, was adopted by the City Commission on December 3, 2018.

A number of the recommendations from the Decatur Legacy Park Master Plan have been addressed over the past year. The Decatur Youth Council participated in the planting of an orchard; the City worked with the City Schools of Decatur to create a cross-country course; and, a plan for affordable housing on the property has been developed and will soon be presented to the City Commission for approval. In response to the plan's recommendation for a 'dedicated management entity' to focus on implementation of the master plan, financial management and ongoing operations of the park, the City Commission accepted a proposal from a local not for profit organization, the Decatur Legacy Project, Inc. (DLP), to manage these responsibilities. The DLP board membership includes the Mayor, Mayor pro tem, City Manager, an appointee of the City and three, soon to be five, community members. This balanced community representation will serve to promote and foster the partnership and accountability needed for a successful working relationship between the City and the DLP. In January 2019 the City entered into an agreement with the Decatur Housing Authority (DHA) for the rental of eight (8) duplex units and two (2) single family homes located at Decatur Legacy Park for use by DHA families during the rehabilitation of 98 units in the Swanton Heights community. The United Methodist Children's Home (UMCH) retains ownership of the chapel on the Legacy Park property. In November 2019 the UMCH provided the City and the PFA with a notice of its intent to transfer, lease, convey and/or assign its interest in the chapel property which is the first step to allowing the City and PFA to purchase the chapel property.

In early 2019 the City worked closely with members of the DeKalb County delegation in the State General Assembly for approval of Senate Bill 89 to annex the Legacy Park properties as well as twenty other parcels between the City limits and the Legacy Park property. Among the advantages of having this property within the City limits, the annexation ensures that the DHA families will continue to have access to the City Schools of Decatur.

The United States is facing an affordable housing crisis. In November 2018 the City hosted a housing summit to develop a shared understanding of Decatur's housing context, define the term 'affordability' and its application to the City of Decatur, and explore strategies for affordable and inclusive housing. In June 2019 the City Commission appointed a 25-member Affordable Housing Task Force to develop a report that identifies the existing landscape of affordable housing in Decatur, the projected future needs, current programs and initiatives to create and preserve housing affordability and to recommend policy responses to ensure a vibrant mix of housing options. The final report to the City Commission is expected in early 2020.

In May 2019 the City Commission approved the construction of an underground fiber optic network for all City and City Schools of Decatur facilities. The network will replace and expand upon a 20 year old fiber network installed by the incumbent cable company. The project will provide a single 288-count fiber optic cable network that includes 14 City and 10 School sites. The project budget is $2,350,000 and the school system is contributing 28% of the total cost. Construction started August 2019 and is expected to take 12-14 months, depending on weather, non-City permitting, and unanticipated delays.

On January 23, 2018 the City filed a petition for eminent domain in the Superior Court of DeKalb County to acquire thirteen residential lots adjacent to the existing Dearborn Park. Following a special master hearing, the Court accepted the special master's award, which condemns the property and awards the property owner $2,180,000. The City is appealing the amount of the award. Meanwhile, pursuant to condemnation procedure and the Court's direction, the City has paid the award into the Registry of the Court and has taken title to the property. The property will be used as unimproved greenspace.

In September 2006 the voters approved issuance of $33,245,000 in general obligation debt to finance major capital improvement projects for the City and for the City Schools of Decatur. In December 2006 Moody's Investors Service issued a rating of Aa3 and Standard & Poor's upgraded the City's rating to AA from A+ for the bonds. The bonds were issued in January 2007. In December 2010 the Urban Redevelopment Agency issued $12.76 million in revenue bonds. At that time Moody's Investors Service upgraded the City's rating from Aa3 to Aa2 while Standard & Poor's upgraded the City's rating from AA to AA+. In July 2017 the City of Decatur Public Facilities Authority issued $29.2 million in revenue bonds and Moody's Investors Service upgraded the City's rating from Aa2 to Aa1 and Standard & Poor's confirmed the City's rating at AA+.

The City secured grant funding for pedestrian safety improvements to the CSX railroad crossings in the Candler/McDonough/Howard corridor, for the North McDonough Streetscape Improvements project, as well as for Clairemont/Commerce/Church Street Pedestrian Safety and Bicycle Trail Improvements. Matching funds will be provided from the City's capital improvement fund and HOST proceeds. The railroad crossing and North McDonough Improvements are complete. Acquisition of right-of-way for the Clairemont/Commerce/Church Street project has begun and construction is anticipated in late 2020.

The City partnered with the PATH Foundation of Atlanta to design and build the Commerce Drive Cycle Track, providing protected bicycle lanes linking the cycle track built as part of the North McDonough Streetscape Improvements and the planned Clairemont/Commerce/Church Street Pedestrian Safety and Bicycle Trail Improvements. The Commerce Drive Cycle Track is expected to open in early 2020.

In December 2010 the Urban Redevelopment Agency of the City of Decatur issued $12,793,800 in Recovery Zone Economic Development Bonds to cover the cost of construction of improvements to Fire

Station No. 1, the Decatur Recreation Center, and the Decatur Public Works facility. All of the projects are completed. The debt is being repaid using Special Purpose Local Option Sales Tax (SPLOST) proceeds.

In May 2013 the Urban Redevelopment Agency of the City of Decatur issued $29,290,000 in revenue bonds to cover the cost of construction for redevelopment of the Beacon Municipal Center. Construction has been completed. Funding for the $38,300,000 project came from a combination of bond proceeds, a transfer from the general fund balance and HOST proceeds. The debt is being repaid using SPLOST proceeds.

Part of the redevelopment of the Beacon Municipal Center included construction of a one million cubic foot regional storm water management facility. The facility was designed to manage storm water from the downtown Decatur drainage basin and provides an option for private developers to purchase capacity in the retention facility in lieu of building individual facilities when properties are redeveloped. Currently, four redevelopment projects have purchased storm water capacity in the facility.

In conjunction with private and institutional construction projects in the central business district, the City has financed substantial capital improvements through the storm water utility over the past several years. The final improvement to the main downtown drainage system was completed in 2017. The City has completed a majority of the priority projects identified in the existing comprehensive storm water master plan. For just over a year, Decatur residents have been working with the city and its consultant team on a new Stormwater Master Plan addressing the infrastructure needs of Decatur's next two decades. The key aspects of the draft plan were presented to the public in October 2019. It is anticipated that the final plan will be presented to the City Commission in early 2020.

The City owns a 25,000 square foot conference center and a 280-vehicle, three-level parking deck which were built in 1987 adjacent to a privately-owned 179-room hotel, also built in 1987. In 2011, the hotel property was sold to Noble Investment Group. At the same time as the hotel sale, the City entered into a long-term lease with the Decatur Downtown Development Authority (DDA) for operation and management of the conference center and parking deck. The DDA entered into a sub-lease with the Noble Investment Group for management and operation of the conference center, including significant capital renovations and upgrades. In October 2015 the hotel property was sold to Summit Hotel TRS 126, LLC, who retained existing management. Occupancy rates at the hotel have averaged approximately 80%, compared to the US industry average of 69%. Future hotel/motel tax collections for the upkeep and maintenance of the conference center are placed in a reserve account to be used by the management firm for maintenance of the facility. This will be the only public financial obligation for operation, maintenance and capital improvements for the conference center.

In February 2018 the City Commission passed a resolution requesting the Georgia General Assembly adopt local legislation increasing the hotel-motel tax rate from 7% to 8%, or from 7 cents per dollar to 8 cents per dollar. Local legislation was approved and signed by Governor Nathan Deal in June 2018. The increased tax rate went into effect in October 2018. A new hotel opened in downtown Decatur in April 2019 and the additional hotel-motel tax revenue is being recognized.

There are restrictions on how the funds collected from an 8% hotel-motel tax can be distributed. Of the eight cents, three cents (37.5%) goes to the City's general fund, which produces approximately the same amount of revenue as the previous hotel/motel tax. Three and one-half cents (43.75%) is required to go to the City's "Designated Marketing Organization," in this case, the Decatur Tourism Bureau, to continue with promotion of tourism, conventions and trade shows. For accounting purposes, the Decatur Tourism Bureau

is treated as a component unit, similar to the Decatur Downtown Development Authority. One and one-half cents (18.75%) is required to go towards "Tourism Products Development" (TPD) which is specifically defined in O.C.G.A. § 48-13-50.2 (6) and includes capital and operating costs for meeting and convention facilities. The funds used for TPD must be allocated as part of the City's annual budget and are reported annually to the Georgia Department of Community Affairs in the "Hotel-Motel Tax Report." At this time, the TPD funds will be dedicated to the capital maintenance costs of the Decatur Conference Center.

The City's volume-based sanitation collection system continues to be highly successful. The City currently has reduced landfill deposits by approximately 42% from the benchmark fiscal year 1991-1992. This is well in excess of the State of Georgia's goal of a 25% reduction. The City sponsored two electronics recycling events during the past year, resulting in 24 tons of electronic equipment being recycled and diverted from the landfill. Since starting the electronics recycling program in 2005, the City has recycled over 748 tons of electronic equipment. In addition, the City recycled 443 tons of glass during fiscal year 2018-2019.

In prior years, the City contracted with a private company to collect and transport recyclables to a material recovery facility. Three weeks before the start of the 2018-2019 service period, the company failed to sign a new contract. The City now collects recyclable materials and has contracts with multiple recycling companies to accept materials.

The City of Decatur recycling program currently includes paper, plastics #1-7, glass, and metal. The material recovery facilities are accepting commingled recyclables that include plastics #1-7 and no glass. We continue to self-haul glass to Strategic Materials in College Park. Recycling markets continue to struggle to find markets for plastics #3-7 and there are some industry professionals saying in the future they will no longer accept comingled recycling that contains plastic #3-7. The markets for plastic materials are volatile and demand driven. The recycling industry continues to be impacted by China's ban on importing certain types of recyclable materials. Despite the increased operating costs and growing uncertainties in the recycling industry, our staff continue to work diligently to control costs and provide quality service.

In 2019 the City's Insurance Services Office (ISO) Fire Rating was renewed at the Class 2 level, a rating that is obtained by just 6% of all the Fire Departments in Georgia and 4% nationwide. The Police Department is certified through the Georgia Association of Chiefs of Police. The City has implemented a Smart911 system to assist residents and businesses with voluntarily providing additional information to emergency services staff. The system also includes a reverse emergency notification system that allows the City to send recorded telephone messages to residents and businesses regarding civil emergencies.

Finance and budgeting staff have been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for every Comprehensive Annual Financial Report since 2005. Starting with the fourth quarter of fiscal year 2018-2019, the Finance department has implemented quarterly financial reporting to the City Commission.

LONG-TERM FINANCIAL PLANNING

On November 7, 2017, DeKalb County voters approved two referenda that restructured the former Homestead Option Sales Tax (HOST) and replaced it with a Special Purpose Local Option Sales Tax (SPLOST), effective April 1, 2018. The new Equalized Homestead Option Sales Tax (EHOST) applies 100% of the proceeds from a one percent sales tax to fund homestead exemptions applied to DeKalb County's tax levy for general maintenance and operations and for support of the Fulton-DeKalb Hospital

Authority. This is meant to equalize the benefit of the sales tax for DeKalb County taxpayers regardless of whether they live in a city or in an unincorporated area.

The SPLOST provides funding for capital transportation, public safety and limited capital maintenance projects as well as allowing proceeds to cover debt service payments for municipalities that were using HOST proceeds for debt service. Collection of the EHOST and SPLOST began in April 2018. The City collected approximately $3,300,000 in fiscal year 2019. Proceeds are being used to cover debt service payments for the URA 2010 and URA 2013 bond issues, to plan, design and build improvements to the Atlanta Avenue railroad crossing at its intersection with West College Avenue and West Howard Avenue and for other transportation related improvements. In September 2018 the City issued $5,095,000 in sales tax anticipation bonds to fund the Atlanta Avenue improvements. Planning has started on the Atlanta Avenue project and construction is anticipated in late 2020/early 2021.

In 2010 Decatur voters approved a referendum providing for the use of a Tax Allocation District (TAD) as a financing mechanism to pay for infrastructure improvements, parks, pedestrian and bicycling amenities and similar public improvements in a specifically designated district using revenues from increased property tax values from new development in the district. Typically, bonds are issued to fund public improvements and the increased tax revenues generated from new development and growth of the tax digest are pledged to pay for the bonds. The tax revenue generated by the base value will continue to flow into the general, school, capital improvement and DDA funds. Only the additional revenues generated by increased tax values will be used to help fund public improvements. Establishment of the district base value does not obligate the City, the City Schools of Decatur or DeKalb County to participate in the TAD.

In December 2015 the City Commission adopted a redevelopment plan and established the 2015 property values as the “base value” for the East Decatur TAD, the City’s first TAD. By setting the base value, any increase in the tax digest over the district’s base value can be used to pay for public improvements. With the start of the Avondale MARTA station redevelopment, it was essential to establish the base value for the district by the end of 2015 so that future new development and property value reevaluations could begin to be credited to the district.

On November 6, 2017, a complaint was filed with the Georgia Immigration Enforcement Review Board (IERB) by Lt. Governor Casey Cagle, alleging that the City is in violation of O.C.G.A. §36-80-23, known as the Georgia “sanctuary policy” statute. The complaint threatened the City’s eligibility for state-administered federal funding. The City contested the complaint. In January 2019 the IERB approved a resolution of all proceedings and litigation involving the City. The key components of the resolution were a minor amendment to the City’s non-detainer policy, a ruling by the IERB that the City’s policy, as amended, does not violate the State’s “sanctuary policy” statute, and a payment of $12,000 from the IERB to the City for attorney’s fees and other costs. Subsequently, in April 2019, House Bill 553 dissolved the IERB.

The Georgia General Assembly continues to have the potential to affect the City’s future overall financial position. In 2008 the General Assembly enacted legal limitations to the growth of local real estate digests preventing increases to both residential and commercial real estate values. The legislation’s provisions expired with the establishment of the 2011 real estate digest. In 2012 the General Assembly adopted legislation that converted ad valorem taxes on motor vehicles to an excise tax paid at the time of sale. Although there are provisions aimed at keeping local governments financially whole, research indicated that after five years, the change would result in reduced revenue for local governments. It is possible that the legislature may consider future actions which could restrict taxes collected based on the value of real property or they may look to limit other revenue sources that local governments use to pay for services.

Other impacts on the City's financial statements which are beyond local control have primarily occurred due to pronouncements of the Governmental Accounting Standards Board (GASB). Although GASB has no legal authority to impose financial obligations, it has adopted rules that, in effect, manufacture financial commitments for local governments. GASB's recent rule requiring accounting for other post-employment benefits (OPEB's) is an example of an "obligation" that must be accounted for in financial statements and results from GASB's unrealistic definition of a "pay-as-you-go" system of benefits funding.

In 2012 the City Commission contracted with the Center for State and Local Government Excellence for a review of the City of Decatur Employees' Retirement System. The results of the study indicated that:

- the City consistently made its annual required contribution, which keeps the retirement plan on track to be fully funded over time;
- the plan amortizes its liabilities over a 20-year period which is more conservative than the typical 30-year amortization period that most pension plans use the return on investment assumption for Decatur's plan is 7.5 percent compared to 7.9 percent nationwide;
- the vesting period for both public safety and general employees is 10 years, which is somewhat higher than many state and local pension plans; and,
- the plan does not provide automatic cost of living adjustments.

The study indicated that since 2005, the retirement plan's funding ratio fluctuated from a low of 76.6 percent (in 2011) to a high of 85.9 percent (in 2007, before the economic downturn). The review concluded that because of its fiscally conservative practices, the City is positioned to strengthen the funded status of its retirement plan more quickly than most other pension plans.

In addition, the Board of Trustees of the City of Decatur Employees' Retirement System reviewed an actuarial experience study that assesses actual plan performance against plan assumptions over the past seven years. The review showed that employer contributions have been steady, with total payroll costs ranging from 6.25 percent in 2017 to a high of 9.07 percent in 2011. The plan actuary made a number of recommendations to adjust the actuarial assumptions to more accurately reflect actual plan experience. These include lowering, over a five-year period, the long term anticipated rate of return on plan assets from 7.5% to 7%; updating the mortality assumptions from the RP-2000 projected to the 2020 (Scale AA) to the static RP 2014 table; lowering the rate of anticipated salary increases; and, modifying the anticipated employee retirement rates. These changes were adopted by the Board of Trustees effective with the funding of the plan for fiscal year beginning July 1, 2017. To implement the changes in a five-year phase-in period, the recommended required annual contribution rate rose from 6.25% in 2017, 7.43% in 2018, and 8.58% in 2019. The contribution rate for the fiscal year 2020-2021 will increase to 8.89% of payroll.

The Board of Trustees also approved instituting an 8.5% benefit increase for retirees who retired before March 1, 2001, and a prorated percentage for retirees who retired after March 1, 2001 but before July 1, 2017. The last cost of living increase was approved by the Board in 2001.

In May 2019 the Board of Trustees approved revisions to the disability retirement benefit provisions of the retirement plan. The amendments addressed inconsistencies of the retirement plan with the Internal Revenue Code and its definition of disability for retirement plan distributions as well as conflicts with the gratuities clause of the Georgia Constitution which prohibits the payment of an early, unreduced retirement

benefit unless the employee is prevented from having any gainful employment. The changes protect our employees from an on-the-job injury that prevents them from ever having gainful employment by retaining the plan's disability retirement benefit and complies with federal and state regulations that limit such benefits to catastrophic disabilities.

Since 2006 the City has used the National Research Center to conduct a citizen survey every other year. One of the questions asked what impact the responder thinks the economy would have on family income in the next six months. The following table summarizes the responses:

	2018	2016	2014	2012	2010	2008	2006
Very Positive	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	27%	28%	32%	19%	11%	11%	19%
Neutral	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	13%	12%	11%	19%	28%	32%	21%
Very Negative	1%	0%	0%	5%	9%	7%	4%

The results of the 2018 survey indicate that respondents generally feel that the potential effect of the economy will be positive to neutral, about the same as they did in 2016.

Annexation

The issue of annexation for the City of Decatur is not new. From the turn of the 20th century through the late-1930's, the City annexed adjacent areas expanding the city limits from a small area directly surrounding the existing downtown Courthouse Square to the boundaries that exist today. Currently, City of Decatur and City Schools of Decatur staff have developed a set of metrics based on housing-type characteristics for the impact of any potential annexation area on student enrollment. Presently, applications for annexation of individual residential properties are not being considered. As stated earlier, the City had the support of the DeKalb Legislative Delegation for local legislation during the 2019 session that resulted in the annexation of Decatur Legacy Park into the city limits.

Annexation of primarily commercial properties is being considered on a case-by-case basis. In August 2018 the City Commission approved annexation of approximately 9.7 acres of underdeveloped commercial properties located at East Ponce de Leon Avenue and Grove Street for development of a mixed-use project containing up to 265 apartment units and 65,800 square feet of commercial space, including an opportunity to locate a large national grocery store as part of the project.

Conclusion

The City of Decatur continues to be financially secure. The City takes a conservative approach to budgeting and finance, with an emphasis on estimating expenses on the high-end and estimating revenues on the low-end. This has resulted in controlled expenditures with low to moderate growth. This has also allowed the City to accumulate a healthy fund balance over time which has been used to fund capital improvements and maintain a stable millage rate.

While there will continue to be challenges, we currently anticipate being able to rely on stable revenue increases supported by moderate growth in the real property digest for the next several fiscal years, along with controlled expenditures and continued use of the City's traditional conservative budgeting practices.

Credit must be given to the City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Decatur's finances. The preparation of this report would not have been possible without the efficient and dedicated work of the entire staff of the Administrative Services Department, particularly Finance Director Russ Madison. We would like to express our appreciation to all members of the City staff who assisted in and contributed to the preparation of this report.

Respectfully Submitted,



Andrea Arnold
City Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Decatur

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2019

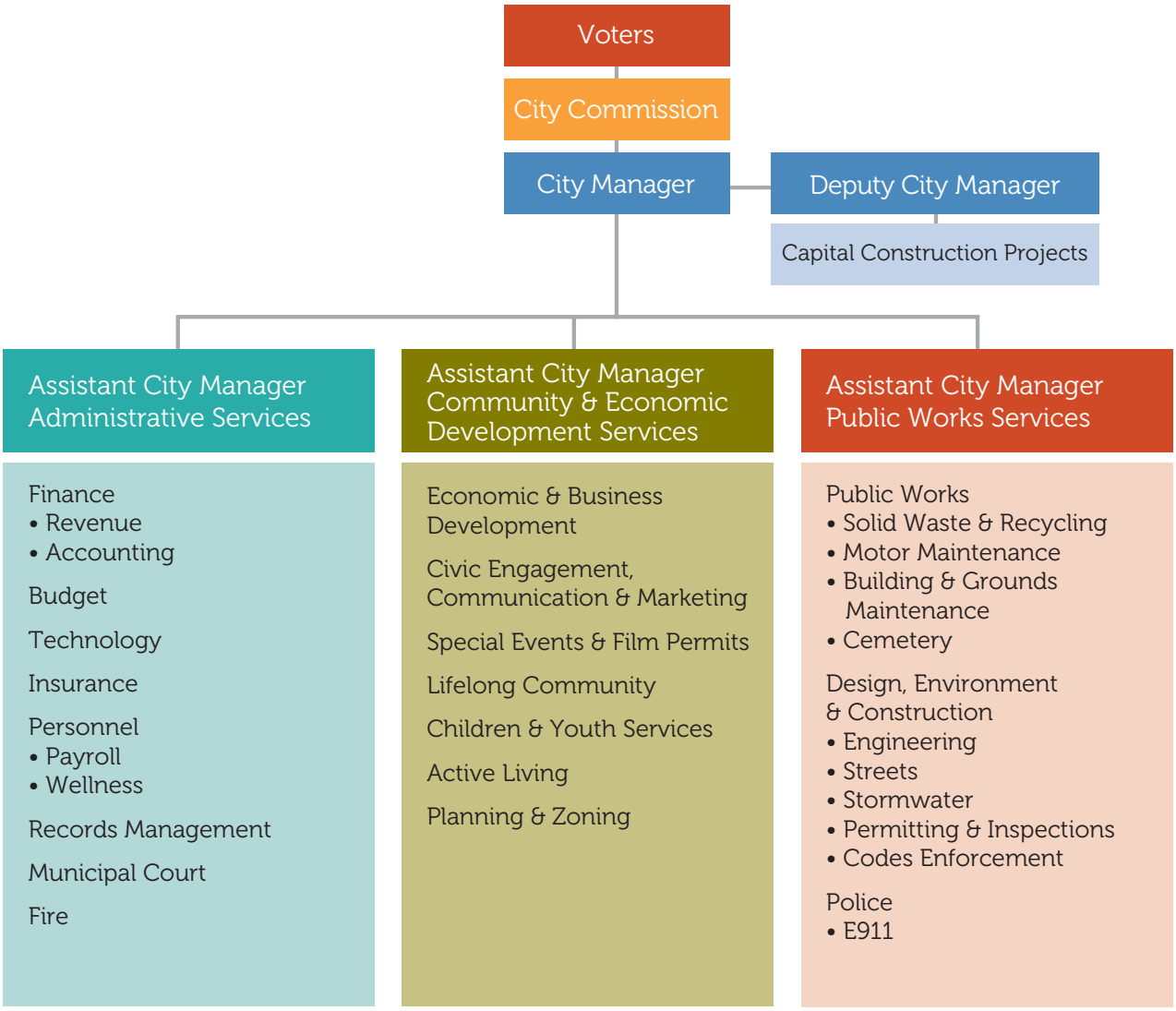
CITY COMMISSION

Patti Garrett	Mayor
Tony Powers	Mayor Pro-Tem
Kelly Walsh	Commissioner
Brian Smith	Commissioner
Scott Drake	Commissioner

APPOINTED ADMINISTRATIVE OFFICIALS

Andrea Arnold	City Manager
Hugh Saxon	Deputy City Manager
Bryan Downs	City Attorney
Teresa Taylor	Assistant City Manager - Administrative Services
Lyn Menne	Assistant City Manager - Community & Economic Development
David Junger	Assistant City Manager - Public Works
Russ Madison	Finance Director

City Organization



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Of the City Commission
City of Decatur, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Decatur, Georgia** (the "City") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Decatur, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the fiscal 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 17) and the pension and other postemployment benefit information (on pages 77 through 80) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, as well as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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.

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2019

As management of the City of Decatur (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information in conjunction with the letter of transmittal, financial statements and footnotes.

Overview of the Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) is presented in three distinct sections:

- An Introductory Section which includes the Letter of Transmittal and general information;
- Financial Section which includes the Independent Auditor's Report, Management's Discussion and Analysis, Government-wide and Fund Financial Statements, along with Notes to these statements; and
- Statistical Section

Financial Highlights

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $77,561,688 (total net position). In fiscal 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which decreased total net position by $20,027,761.

- The City had $41,824,694 in expenses related to governmental activities and $10,650,352 or 25.46% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were $32,808,958 and $27,236,694 or 83% of these revenues were from property taxes.

- General fund balance at June 30, 2019, was $10,696,463 and represents 42.3% of general fund expenditures.

- In November 2015, Decatur voters approved a $75 million general obligation bond issuance for City Schools of Decatur capital improvements projects. The general obligation bonds were issued in February 2016 and the proceeds were transferred to the school system.

- In August 2017, the City of Decatur Public Facilities Authority (PFA) purchased a 77-acre property now known as Legacy Park. Two forms of financing were used to finance the purchase of the property: the PFA issued $29,625,000 in revenue bonds and received a loan through the Georgia Environmental Finance Authority (GEFA) from the Clean Water State Revolving Fund for $11,452,000.

- In November 2017, voters approved a referendum to replace the HOST (Homestead Option Sales Tax) with an EHOST (Equalized Homestead Option Sales Tax). EHOST proceeds are applied to homestead exemptions through DeKalb County property tax funds for maintenance and operations and the hospital authority in owner-occupied, single family residences. This eliminates the differential benefit among unincorporated and incorporated taxpayers under the HOST. Simultaneously, a six-year special purpose local option sales tax (SPLOST) was approved which funds debt service previously covered by HOST as well as finance transportation-related projects.

- In September 2018, the City issued $5,095,000 in general obligation sales bonds which were approved by voters in conjunction with the authorization of the one-percent SPLOST. The bond proceeds are being used for transportation improvements to the Atlanta Avenue-West Howard Avenue-West College Avenue intersection.

Overview of the Financial Statements

This discussion and analysis is 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. These statements provide both long-term and short-term information about the City's overall financial status. The statement of net position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources. 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. To assess the City's overall health, the reader needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and recreation. The business-type activities of the City include the conference center and parking deck, the stormwater utility and solid waste.

The government-wide financial statements include not only the City itself (known as the primary government), but also two discretely presented component units, the Downtown Development Authority and the Decatur Tourism Board. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund financial statements. A fund is a grouping of related accounts 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 three categories: governmental funds, proprietary funds, and fiduciary 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 fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, PFA Fund, Capital Improvement Fund and Debt Service Fund, which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the

form of combining statements elsewhere in this report. The PFA Fund and SPLOST Fund were added in fiscal year 2017-2018 and the URA Callaway Building Project Fund was closed.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

Proprietary funds. The City maintains three enterprise funds in the proprietary fund group. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Decatur uses enterprise funds to account for its Conference & Parking Deck activities, the Stormwater Utility and for Solid Waste functions.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like the accounting for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the financial statements. The notes provide additional information 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 29 through 76 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year the City's net position was ($77,561,688), or $1,823,048 better than the prior year.

City of Decatur Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Assets						
Current assets	$ 32,955	$ 37,737	$ 4,043	$ 4,565	$ 36,998	$ 42,302
Capital assets	107,403	108,021	15,155	15,571	122,558	123,592
Other non-current asset	6,287	6,156	-	-	6,287	6,156
Total assets	146,645	151,914	19,197	20,136	165,842	172,050
Deferred outflows of resources	4,730	5,072	216	108	4,946	5,180
Liabilities						
Long-term liabilities	234,842	230,809	932	860	235,774	231,669
Other liabilities	5,255	11,314	2,193	2,198	7,448	13,512
Total liabilities	240,097	242,123	3,125	3,058	243,222	245,181
Deferred inflows of resources	7,952	9,565	-	46	7,952	9,611
Net Position						
Net investment in capital assets	13,343	17,811	16,155	15,269	29,498	33,081
Restricted	12,058	11,064	-	-	12,058	11,064
Unrestricted	(122,075)	(123,577)	1,134	1,871	(120,941)	(121,707)
Total net position	$ (96,674)	$ (94,702)	$ 17,289	$ 17,140	$ (79,385)	$ (77,562)

The largest portion of the City's net position, $33,080,803, reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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; consequently, these assets are not currently 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.

The remaining portions of the City's net position are either restricted $11,063,574 or unrestricted deficit $(121,706,065). The negative unrestricted net position results from two significant general obligation issuances on behalf of the city school system. In 2007, the city incurred $33,245,000 in long-term debt of which $16,500,000 was transferred to the school system. In 2016, the city issued $75 million in general obligation bonds all of which was transferred to the school system. With the transfer of title to the school system, neither the cash nor the capital assets related to the school portion of the bond issuances are reported on the city's statement of net position, thus resulting in a deficit in the unrestricted portion of net position and a deficit in the overall net position for governmental activities. As discussed earlier, the GASB 75 accounting standards resulted in an increase in the OPEB liability of $20,027,761.

Changes in Net Position

At the conclusion of fiscal year 2018 the City's net position improved by $1,823,048, most of which can be attributed current year decreases in pension liabilities.

City of Decatur Changes in Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Revenues						
Program revenues:						
Charges for services	$ 7,155	$ 6,584	$ 4,036	$ 4,080	$ 11,191	$ 10,664
Operating grants & contributions	297	306	-	-	297	306
Capital grants & contributions	3,324	3,760	-	-	3,324	3,760
General revenues:						
Property taxes	24,717	27,237	-	-	24,717	27,237
Franchise taxes	1,647	1,670	-	-	1,647	1,670
Sales taxes	7,099	1,336	-	-	7,099	1,336
Other taxes	1,869	1,949	-	-	1,869	1,949
Investment earnings	496	564	-	-	496	564
Gain on sale of capital assets	4	-	-	-	4	-
Miscellaneous	18	53	-	-	18	53
Total revenues	46,626	43,459	4,036	4,080	50,662	47,539
Expenses						
General government	12,288	11,663	-	-	12,288	11,663
Public safety	12,521	12,102	-	-	12,521	12,102
Public works	6,190	5,687	-	-	6,190	5,687
Recreation	5,640	6,050	-	-	5,640	6,050
Interest on long-term debt	6,084	6,323	-	-	6,084	6,323
Conference center	-	-	481	417	481	417
Stormwater	-	-	760	1,278	760	1,278
Sanitation	-	-	2,515	2,196	2,515	2,196
Total expenses	42,723	41,825	3,756	3,891	46,479	45,716
Income (Loss) before transfers and special item	3,903	1,634	280	189	4,183	1,823
Transfers	242	338	(242)	(338)	-	-
Special Item	-	-	-	-	-	-
Change in net position	4,145	1,972	38	(149)	4,183	1,823
Net position beginning of year	(100,819)	(96,674)	17,251	17,289	(83,568)	(79,385)
Net position end of year	$ (96,674)	$ (94,702)	$ 17,289	$ 17,140	$ (79,385)	$ (77,562)

Revenues

Governmental *charges for services* decreased $570,456 or 7.97% mostly because of decreases in building permits and electrical inspection fees. Fiscal 2018 permitting included significant activity for the Callaway project, a downtown hotel, and the Avondale MARTA project; activity in fiscal 2019 is lower in comparison. Fines and forfeitures and recreation charges for services remained consistent with prior years. *Operating grants and contributions* were stable*. Capital grants and contributions* increased $436,613 or 13.14%. Prior year revenues for this category included significant revenues from projects through the Georgia Department of Transportation's (GDOT) Transportation Enhancement Program as well as an $800,000 grant from DeKalb County for greenspace acquisition. While there was a significant drop off in GDOT revenues and county grants, SPLOST revenues are included in this category and increased from $760,465 in 2018 to $3,217,372 in 2019. Property taxes, including real estate and personal property, increased $2,519,679 or 10.19% from the prior year. This increase occurred primarily as a result increases in assessed values of property. Franchise taxes were consistent with the prior year. Sales taxes decreased $5,763,984 or 81.19% with the termination of the HOST sales tax as discussed above. Charges for services for business-type activities were consistent with the prior year.

Revenues from business type activities were consistent with prior years. Business type revenues are discussed in further detail on pages 13 and 14.

Expenses

General Government expenses decreased $625,695 or 5.09%. Fiscal 2018 expenses for this category included $365,000 of professional fees related to the purchase of the Methodist Children's Home which were not required in fiscal 2019. There were also significant reductions in estimates of pension and OPEB liabilities in fiscal 2019 compared to 2018. These reductions were approximately $280,000. Public safety expenses decreased $418,786 or 3.34%. Public safety pension and OPEB liabilities decreased $681,000. These decreases were partially offset by increases public safety compensation expenses. Public Works expenses decreased $502,800 or about 8.12%. Public Works expenses in 2018 included $766,000 of debt issuance costs related to the purchase of Legacy Park. In addition, there were almost $230,000 of decreases in pension and OPEB liabilities. Offsetting these decreases were $325,000 of increases in compensation and another $275,000 increase in general fund Public Works expenses. Recreation expenses increased $410,451 or 7.28% and is primarily related to increases in the allocation of pool management expenses to fiscal 2019. Interest on long-term debt increased by $237,968 or 3.91% and reflects additions in bonds payable.

Expenses for business-type activities increased $135,640. Conference Center expenses decreased $63,469. Stormwater expenses increased $518,364. Solid Waste expenses decreased $319,255. Business type expenditures are discussed in further detail on pages 13 and 14.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of this section 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 and assigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year or for use during the fiscal year to balance cash flow needs. The table below compares total governmental fund revenues and expenditures for 2018 and 2019 (in thousands).

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	2018	2019	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 35,261	$ 32,160	$ (3,101)	% (9)
Licenses & permits	1,218	605	(613)	(50)
Intergovernmental	4,613	4,909	296	6
Fines & forfeitures	859	855	(4)	(0)
Charges for services	4,417	4,592	175	4
Other revenues	248	395	147	59
Total revenues	46,616	43,516	(3,100)	(7)
Expenditures				
General government	11,257	10,914	(343)	(3)
Public safety	9,749	10,082	333	3
Public works	3,850	4,313	463	12
Recreation	4,051	4,811	760	19
Capital Outlay	42,672	4,676	(37,996)	(89)
Debt Service	11,598	11,939	341	3
Total expenditures	83,177	46,735	(36,442)	(44)
Excess of revenues over expenditures	(36,561)	(3,219)	33,342	(91)
			-	
Other financing sources (uses)			-	
Issuance of bonds	29,625	5,095	(24,530)	(83)
Bond premium	435	-	(435)	(100)
Issuance of note payable	11,452	2,334	(9,118)	(80)
Financed purchases	450	150	(300)	(67)
Proceeds from sale of capital assets	4	-	(4)	(100)
Transfers in	4,375	6,745	2,370	54
Transfers out	(4,133)	(6,407)	(2,274)	55
Total other financing sources (uses)	42,208	7,917	(34,291)	(81)
Net change in fund balances	5,647	4,697	(950)	(17)
Fund balances, beginning of year	24,224	29,871	5,647	23
Fund balances, end of year	$ 29,871	$ 34,568	$ 4,697	% 16

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $34,568,424, an increase of $4,697,458 from the prior year. Of the total amount, $8,337,705, or 24%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $26,230,719, is within the following classifications: $1,326,500 is non-spendable which means it is not available for new spending because it is a non-cash asset such as inventories, prepaid items or advances; $20,588,436 is restricted which means it is legally restricted for specific purposes. Specifically, this fund balance is restricted for 1) capital construction ($14,988,756); 2) debt service ($4,048,420); 3) law enforcement ($15,062); 4) Public Safety-E911 ($526,072); and 5) equipment purchases ($1,010,126). $1,371,604 is committed which means it can only be used for specific purposes pursuant to a formal vote of the City Commission. Fund balance is

committed for 1) tree preservation ($62,675) and 2) Children and Youth Services ($1,308,929). $2,944,179 of fund balance is assigned which is any amount intended to be used for specific purposes as determined by the City Manager. Fund balance is assigned for 1) fiscal year 2020 operations ($2,316,410); 2) greenspace acquisition ($12,765); 3) cemetery operations ($143,913); and 4) equipment purchases ($471,091).

Total governmental revenues decreased $3,100,355 or 6.65%. Tax revenues decreased $3,100,296 primarily from a $5,924,369 reduction of HOST taxes which were offset by increases in property taxes primarily from increased assessed values of property. Licenses and permit revenues decreased $612,320 or 50.27% as the prior year reflected permitting of several large projects including the Callaway project, a downtown hotel and the Avondale MARTA project. Intergovernmental revenues increased $293,668 or 6.37% and was driven by increases in SPLOST revenues in excess of decreases in Department of Transportation grants.

Total governmental expenditures decreased $36,441,776 or 43.81%. Capital outlay expenses decreased $37,995,843 or 89% as the prior year capital outlay included the purchased of the Methodist Children's Home for approximately for $40 million. Recreation expenses increased $760,167 or 18.76% and can be attributed to increase allocation of pool management expenses of $435,000 combined with general increases in other recreation expenses. Public Works expenses increased $463,464 or 12% and is primarily attributed to increases in salaries and benefits allocated to this department and general increases in expenses.

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $10,696,463, while the total fund balance for all governmental funds was $34,568,424. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2019, unassigned general fund balance represents 33% of total general fund expenditures.

The table below compares general fund revenues and expenditures for 2018 and 2019 (in thousands).

Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund

	2018	2019	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 20,898	$ 22,141	$ 1,243	% 5.95
Licenses & permits	1,218	606	(612)	(50.25)
Intergovernmental	504	351	(153)	(30.36)
Fines & forfeitures	855	855	-	-
Charges for services	1,770	1,855	85	4.80
Other revenues	156	209	53	33.97
Total revenues	25,401	26,017	616	2.43
Expenditures				
General government	9,414	9,190	(224)	(2.38)
Public safety	8,729	9,129	400	4.58
Public works	3,703	4,303	600	16.20
Recreation	2,090	2,669	579	27.70
Total expenditures	23,936	25,291	1,355	5.66
Excess of revenues over expenditures	1,465	726	(739)	(50.44)
Other financing sources (uses)				
Proceeds from sale of capital assets	4	-	(4)	(100.00)
Transfers in	703	789	86	12.23
Transfers out	(1,358)	(1,350)	8	(0.59)
Total other financing sources (uses)	(651)	(561)	90	(13.82)
Net change in fund balances	814	165	(649)	(79.73)
Fund balances, beginning of year	9,716	10,530	814	8.38
Fund balances, end of year	$ 10,530	$ 10,695	$ 165	% 1.57

General Fund Revenues. Overall, general fund revenues increased $615,362 or 2.42% over the prior year revenues. Revenue from all taxes increased approximately $1,242,270 or 5.94%. Most tax categories remained stable. The largest single source of revenue for the City's general fund operations is real property tax which totals $16,749,779. The total real property tax revenue for the current fiscal year increased $1,097,173 or 7% and can primarily be attributed to increases in assessed property values. The 2018 digest increased just over 10% from 2017. Licenses and permits decreased $612,320 as a result of less revenue from development-related permits. Development activity remains strong, but the previous fiscal year was particularly productive and included several large projects such as the Callaway project, a downtown hotel and the Avondale MARTA project. There is a corresponding decrease in expenditures for outsourced development permitting and inspections services. Fines and forfeitures remained consistent with the prior year. Intergovernmental revenues decreased $153,832 or 30.5%, as a result of reduced management fees charged by the City to the Decatur Downtown Development Authority. Charges for services increased $85,194 or 4.81% and are primarily related to recreation service fees which continue to increase in popularity with city residents.

General Fund Expenditures. Overall, general fund expenditures increased $1,354,519 or 5.66% from the prior year and remained well within the overall budget. The majority of the increase is within personnel services, including full-time and part-time salaries and group insurance. Full-time and part-time salaries increased $649,256 or 5.58% in the general fund. Based on the results of a comprehensive salary survey, all full-time employees received a 5% market-rate salary adjustment on January 1, 2018. Also, all full-time salary ranges were extended 10% to improve the City's competitiveness in the Atlanta jobs market. Four new positions were approved in fiscal year 2017-2018 including one position dedicated to the recently acquired Legacy Park. Health Insurance costs increased $136,000 or 6%. It is important to note that health care costs for the City will fluctuate within a partially self-insured plan depending on the number and severity of claims. The general fund's employee health benefits costs of $2,596,000 include approximately $65,000 for wellness programming plus the cost to fund employee premium discounts for participation in the City's wellness program.

Professional services decreased approximately $476,000 across all departments. The largest decrease were the costs associated with permitting and inspection services provided by a third party decreased from the previous years as fewer development-related permits were issued in this fiscal year. These permitting costs decreased by $546,000. Legal fees which are also included in professional fees decreased $74,000 as certain legal matters were resolved in the prior year. These decreases were offset by modest increases in professional fees across most other departments. Contractual service expenses increased $581,087 across all categories and departments. The largest increase was for recreational contract services, primarily pool management as contract increases and changes in allocation between fiscal years resulted in significant increases in this category.

General Government expenditures decreased $224,330 or 2.38% and was driven by decreases in permitting and inspection expenses as discussed above which were offset by increases in compensation costs of $140,000 and increases in utilities of $154,000 as well as modest increases in most other general government departments. Public Safety expenditures increased $399,521 or 4.58% with most of the increase found in personnel related expenditures. Public Works expenditures increased $600,072 or 16.2%. Personnel related expenses for Public Works increased $327,000, and includes one additional Public Works positions approved to support facility and grounds maintenance at the 77-acre Legacy Park. Other general increases in operating expenses accounted for the remainder of increases in Public Works expenses. Recreation expenditures increased $579,256 or 27.72%, the largest increase being related to pool management expenses as described above.

Transfers from other funds increased from $703,094 to $789,001 which is an increase of $85,907. The transfer includes the overhead costs charged to the solid waste and stormwater funds for support services provided by the general fund such as accounting, billing and personnel services. The overhead costs are re-calculated each year. Also, the general fund credits the solid waste fund and stormwater fund for the fee waivers provided to low-income seniors. The distribution from the hotel/motel fund increased $32,348. Transfers to other funds in total was consistent with the prior year, however transfers to the PFA increased $150,000 and was offset by decreases in transfers to E911 of $50,000 and Children and Youth services of $100,000. Transfers to the Children and Youth Services Fund were at zero for the current fiscal year as this fund becomes self-supporting. After accounting for transfers in and out, the addition to fund balance was $165,513, resulting in an end of year fund balance of $10,696,463.

Other Fund Activities

SPLOST Fund. The SPLOST Fund accounts for special purpose local option sales tax revenue collected and payments made for capital project expenditures on projects included in the voter approve referendum as well as debt service related to financing of transportation projects in prior years. Collection of these sales taxes began in April 2018, so fiscal 2019 is the first full year of collection of these revenues. As a result, revenues for this fund increased from $760,465 in 2018 to $3,217,372 in fiscal 2019. There were no expenditures for this fund in fiscal 2018. This fund issued bonds of $5,095,000 to advance the completion of the approved transportation projects and repayment of these bonds will be paid out of the related sales tax collections. SPLOST funds of $2,229,420 were used to pay debt service for Series 2010 and 2013 Urban Redevelopment Bond debt.

Capital Improvement Fund. The Capital Improvement Fund's fund balance decreased by $1,643,970 to $9,173,138. Overall revenues were $5,363,313 less than the prior year. Tax revenues decreased $4,510,718 and this decrease is primarily related to the termination of HOST taxes which were replaced by SPLOST taxes as described above. Intergovernmental revenue decreased $907,081 as certain federal and state funded transportation grant came to a close. The intergovernmental revenue included funds for the North McDonough streetscapes, railroad crossings project and the Clairemont/Church/Commerce intersection improvements design. About $7,396,883 of the fund balance is from HOST funds and is dedicated to proposed capital projects. The purpose of the capital improvement fund is to provide for construction of major capital improvements and to purchase capital equipment items for operating departments. In addition to the projects described above, other major capital outlay projects in fiscal year 2019 included streets repair and paving, traffic calming projects, sidewalk repair and installation, and lease payments for a variety of vehicles and other equipment. This fund also spent $2,180,000 for green space purchase of 4.19 acres adjacent Dearborn Park. The capital improvement fund transferred about $2,094,946 to other funds for debt service for Legacy Park and other capital construction projects.

Debt Service Fund. The Debt Service Fund's fund balance, all of which is restricted for the payment of debt service, increased by $196,970. The fund balance is used to cover cash flow needs for debt service payments for the general obligation bonds issued in 2007 and refunded in 2015 as well as the general obligation bonds issued in 2016 for the school system. This fund had a fund balance of $4,254,829 at June 30, 2019.

The activities of other non-major governmental funds can be found on pages 81 and 82.

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 City maintains three enterprise funds that account for activities operated in a business fashion. Those funds include the Conference Center and Parking Deck Fund, the Stormwater Utility Fund and the Solid Waste Fund.

Conference and Parking Deck Fund. The City entered into a long term management services agreement with the Downtown Development Authority (DDA) for operation of the conference center and parking deck. The DDA sublets the management and operation of the conference center and the DDA manages the parking deck through a contract with a parking management vendor. Hotel/motel tax collections for the upkeep and maintenance of the conference center are placed in a reserve account to be used by the conference center management company for maintenance of the facility. The transfer from the hotel/motel tax fund is $163,690 and will be placed in a reserve account with the DDA. This was approximately $20,355 less than the prior year. The audit includes this amount in 'cost of sales and services.' There were no expenses out of this fund for maintenance and repairs to the conference center's parking deck. Depreciation expenses decreased from $296,791 to $253,677 as the parking facility and conference become fully depreciated. Future years' depreciation should be approximately 210,000 less than the current year. A maintenance reserve account has also been created with revenue from the parking deck management contract. The revenue in this account, as managed by the DDA, is available for maintenance and repairs for the parking deck.

Stormwater Utility Fund. The stormwater utility fund accounts for the collection of fees for planning, repairs, maintenance and construction of the City's stormwater system based on a calculation of each property's impervious surface using a measurement of equivalent residential units or ERUs. The total net position of the stormwater utility fund decreased by $311,375 to $15,788,108. The City's regional stormwater management facility represents over $10 million of the fund's total net position. Operating revenues increased slightly from $1,290,166 in fiscal 2018 to $1,318,345 in fiscal 2019. Cost of sales and services increased from $387,610 in fiscal 2018 to

$871,107 in fiscal 2019. The increase was driven by increases in professional and engineering services. The fund transferred $330,500 to the general fund for indirect costs. In June 2016, the City Commission approved an increase in the ERU from $75 to $100. The previous fee had been adopted in 2005.

This fund ended the year with over $1,880,000 in cash available for operating and capital expenses.

Solid Waste Fund. The solid waste fund accounts for the collection of fees for residential and commercial sanitation services. Revenues in this fund were consistent with the prior year. In March 2018, the City Commission increased the single-family residential fee from $278 to $290 and increased rates for the 95 gallon carts, commercial refuse containers and 3 cubic yard containers. The increase in the single-family residential fee was recommended to cover actual cost increases and due to volatility in the recycling industry. In June 2018, the City Commission approved contracts allowing the City to provide residential recycling services as an agreement with the incumbent provider could not be reached. In March 2019, the City Commission re-affirmed the single-family residential fee and rates for commercial collections at the 2018 amounts. Operating expenses decreased from $2,340,480 in fiscal 2018 to $2,002,210 in fiscal 2019 primarily from savings realized from the takeover of recycling services and the transfer of certain administrative costs to the general fund. Reductions in estimates for pension liabilities decreased retirement related costs by approximately $83,000.

Total net position increased by $415,869 to $1,032,602. By June 30, 2019, the commercial sanitation collection rate for the 2018 service year was 98%. The solid waste fund ended with a positive cash position with cash balances at June 30, 2019, of $2,580,003. The Public Works staff continues to analyze costs and service charges to confirm that fees charged cover the cost of services delivered as well as developing alternative service delivery options to reduce costs.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The primary fiduciary fund is the Pension Trust Fund that holds assets to be used for paying pension obligations of city employees. The Pension Trust Fund had a net increase of $1,568,117 to net position during fiscal year 2018-2019 reflecting continued strength in the financial markets. The net position restricted for benefits remains healthy at $44,094,790.

General Fund Budgetary Highlights

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 23. The original and final budgets anticipated a reduction to fund balance to decrease the total fund balance. Actual revenues were $214,805 more than the final budgeted amounts. Actual general fund expenditures were $1,050,404 less than the final budget. Personnel related services were $301,124 less than budgeted, mostly the result of actual full- and part-time salaries being less than budgeted. There were savings in other line items including professional services, contractual services, dues and fees, business meetings, computer equipment, software, gasoline, education & training and postage. The budget anticipated using $1,121,300 in fund balance. Higher revenues and much lower than budgeted expenditures resulted in an addition to fund balance of $165,513. This is $1,286,813 more than anticipated and resulted in an ending fund balance of $10,696,463.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounts to $123,591,347 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixtures, improvements, machinery and equipment, vehicles, and infrastructure (roads, bridges and drainage culverts, etc.). The City has invested in capital assets through the continuing expenditure of bond proceeds for the fire station #1 renovation and addition, cemetery improvements, sidewalk construction, streetscapes improvements, Decatur Recreation Center renovation, Public Works facility renovation and the Beacon municipal center capital project. The purchase of 77 acres of land and buildings produced the increase in capital assets in fiscal year 2018. Additional information on the City's capital assets can be found in Note 6 on pages 50 through 52 of this report. The following table summarizes the capital assets (net of depreciation) for governmental activities, business-type activities and the total for the primary government.

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Governmente	
	2018	2019	2018	2019	2018	2019
Land	$ 32,545	$ 34,725	$ 280	$ 280	$ 32,825	$ 35,005
Construction in progress	3,342	949	-	-	3,342	949
Land improvements	2,665	2,597	-	-	2,665	2,597
Infrastructure	14,797	17,984	14,757	14,386	29,554	32,370
Building & improvements	50,776	48,574	308	77	51,084	48,651
Machinery & equipment	2,224	2,032	-	-	2,224	2,032
Vehicles	1,053	1,160	-	-	1,053	1,160
Furniture, fixtures, & equipment	-	-	809	828	809	828
Total	$ 107,402	$ 108,021	$ 16,154	$ 15,571	$123,556	$123,592

Long-term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of $177,226,194 including the bond issuance premium. State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's total assessed valuation for fiscal 2019 is $2,178,822,000 with a current debt limitation for the City of $217,882,000, not including current debt outstanding. Current debt that applies to the debt limit totals $105,933,000, which leaves the City a legal debt margin of $111,949,000. The ratio of the City's outstanding general obligation bond debt to assessed valuation is 4.86%.

At June 30, 2019, the City had long-term debt in the amount of $237,469,760 which was comprised of $177,226,194 in bonds payable, $59,525,957 in financed purchases, notes payable, certificates of participation, claims and judgments, total OPEB liability, net pension liability and compensated absences in the governmental activities and $717,609 in financed purchases, net pension liability and compensated absences in the business-type activities.

For fiscal 2018, the PFA issued $29,625,000 in revenue bonds as well as $11,452,000 in loans from GEFA for the acquisition and site improvements to Legacy Park. In fiscal 2019, the city issued $5,095,000 of General Obligation Sales Tax bonds to advance projects to be funded with SPLOST taxes.

Additional information on the City's long-term debt can be found in Note 7 on pages 53 through 61 of this report.

Pension and Other Post-Employment Benefits. The City sponsors a single-employer defined benefit pension plan for all of its full-time employees. Annually, an independent actuary engaged by the Board of Trustees of the retirement system calculates the amount of the annual contribution the City must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. The City normally fully funds the annually determined contribution to the retirement system as determined by the actuary. The City's contribution of $945,300 is approximately $14,000 less than the actuarially determined contribution for the fiscal year ending June 30, 2019, due to payroll being less than budgeted.

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 67 went into effect on July 1, 2013. This statement relates to the pension plan accounting and results in significant changes to the actuarial reporting and financial report footnotes. The provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, were effective July 1, 2014, and significantly change the City's accounting for pension amounts. GASB asserts the new standard will improve accounting and financial reporting by state and local governments for pensions.

GASB Statement No. 68 relates to employer accounting and results in changes to the accounting in the statements of net position and changes in net position for the pension trust fund. Net pension liability is included in the government-wide financial statements. The net pension liability is the difference between the total pension liability and plan fiduciary net position.

Essentially, the net pension liability is the plan's unfunded pension obligation which GASB has determined meets the definition of a liability and should be recognized in the basic financial statements. The GASB statements refer to plan accounting, not funding. The City continues to use the actuarially determined contribution (ARC) to determine appropriate funding of the pension plan.

At June 30, 2019, City's total pension liability was $53,486,522. The plan fiduciary net position was $44,094,790 resulting in the City's net pension liability of $9,391,732. The plan fiduciary net position as a percentage of the total pension liability was 82.4%. The plan's funded ratio, an indicator of funding status, increased from 80.4% to 82.4%. According to the Center for State and Local Government Excellence, in 2015 only 38% of plans were over 80% funded. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. This evaluation used updated, conservative assumptions based on the results of a study that was completed in August 2015 taking into account seven years of data. It is important to note that the net pension liability is sensitive to changes in the discount rate. The discount rate of 7% is conservative. An increase in the rate by 1% results in a reduction of the liability of $5.7 million.

The City also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of June 30, 2019, the most recent actuarial date, there were 104 retired or disabled employees and beneficiaries receiving these benefits, which are financed on a pay-as-you-go basis. Effective July 1, 2017, the City implemented GASB Statement 75 which significantly changed the accounting and reporting for OPEB. An independent actuarial analysis determined the City's total liability for these benefits or total OPEB obligation was $33,254,113. This total amount was reported as a liability on the City's statement of net position. The City does not have a contract nor agreement with retirees to provide these benefits. Rather, the continuation of these benefits is contingent upon annual budget approval by the City Commission.

Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 9 and 10 in the notes to the financial statements.

Economic Factors

The economic outlook for the City is positive. The 2019 real property digest is 7.6% higher than the final 2018 digest. New value accounts for 42% of the increase and 58% is from revaluation of existing properties. This increase is consistent with local real estate sales reports and recent permitting activity. Permitting is expected to decrease but values should continue to increase. A number of projects are underway that will add to the City's tax digest in the near future. The Hampton Inn has added 134 new hotel rooms, which has been drawing more conferences and meetings to the city-owned Decatur Conference Center. Construction on the Callaway Building site with a new mixed-use development at West Trinity Place and Commerce Drive has entered the second of four phases and will have over 320 residential units and a Class A office building once complete. The second phase of the Avondale MARTA station redevelopment was completed in the third quarter of 2019. The project includes 90 units of affordable housing for seniors, targeting individuals making 60-80% of the average median income for the Atlanta metropolitan region. A multi-family residential project at the corner of Winn Way and Arcadia Avenue may be completed by third quarter of 2020. The redevelopment of the Bank of America site on Commerce Drive will include 194 residential units in addition to commercial office space.

Additional growth is anticipated for 2020 based on the level of new residential and commercial construction and increasing values associated with the desirability of the community. The City's tax collection rate remains high at 99.9% and City delinquent accounts are minimal. Revenue concerns include the uncertain future of franchise taxes, motor vehicle taxes, and state restrictions on local government revenues and budgets. Ultimately, the City's conservative financial practices, long-term planning, culture of innovation, and strategic approach to financial challenges have resulted in the City's ability to maintain or expand high quality service delivery.

According to the federal Bureau of Labor Statistics, the unemployment rate for DeKalb County is currently 3.1%, down from 3.6% a year ago. Unemployment rates are not available for the City but because of the variety of employers the City's rate is likely slightly lower. Inflationary trends in the region compare favorably to national indices. Interest in downtown Decatur commercial space remains high with newer tenants representing smaller professional, service and creative businesses that will bring a healthier mix of businesses capable of weathering changes in the new economy. Residential living units in the central business district continue to add to the economic vitality of the district.

In June 2017, Moody's Investors Services upgraded the City's bond credit rating from Aa2 to Aa1. The credit opinion report stated that the City's sound financial position was one of the main factors of the upgrade. Specifically, the report identified the City's established record of proactive management, comprehensive fiscal policies, and healthy fund balance levels as factors contributing to the upgrade. The strong bond credit rating ensures lower interest costs on outstanding debt. The fiscal year 2018-2019 audit report and the City's current and future practices continue to promote these core financial management principles.

Next Year's Budget

At June 30, 2019, unassigned fund balance in the general fund was $8,337,705. The City has estimated $2,316,410 will be deducted from fund balance in the 2020 fiscal year budget bringing the total fund balance to $6,856,675 or 24% of budgeted expenditures. This is consistent with the City's fund balance policy which strives to maintain an unreserved, unassigned fund balance between twenty and thirty percent of the operating budget. The budget includes funding for a 2.5% merit increase for employees who are still below the maximum in their salary range as well as a 5% shift in the pay ranges to move the City closer to offering a $15 per hour minimum wage for all full-time positions. The 2020 budget maintains the partially self-insured model for group health benefits. The 2020 fiscal year budget includes an increase for health insurance costs. To offset the increased costs, employee contributions increased 8% and plan changes were made. The City's required contribution to the Employees' Retirement System increased to 8.6% of payroll based on actuarial funding requirements.

In November 2017, voters approved a referendum to replace the HOST with an EHOST. All proceeds from the EHOST will be used to fund homestead exemptions from DeKalb County property tax funds for general county operations and the hospital authority. In addition to the EHOST, voters approved a SPLOST which increases the countywide sales tax by one cent. The SPLOST proceeds will replace the funding the City previously received from HOST. The SPLOST was originally anticipated to provide around $20,500,000 to the City of Decatur over six years; however, estimated receipts from the SPLOST were incorrectly calculated by DeKalb County and the anticipated funding is now closer to $18,980,000.

Approximately $13,500,000 of the SPLOST receipts is budgeted to debt service for the Urban Redevelopment Agency series 2010A, 2010B and 2013A bonds. The balance will be spent on improvements to the Atlanta Avenue/W. Howard Avenue/W. College Avenue intersection and bicycle, pedestrian and traffic calming improvements. In September 2018, the issued $5,095,000 in general obligation SPLOST bonds for the Atlanta Avenue Railroad Crossing Improvement project.

The budgeted projects and activities directly support the following strategic plan principles: Principle A: Manage growth while retaining character; Principle B: Encourage a diverse and engaged community; Principle C: Serve as good stewards of the environment and community resources; Principle D: Support a safe, healthy, lifelong community; and an internally developed principle, Principle E: Provide the necessary support within city government to achieve the vision and goals of the community. Capital investments will be financed through the capital improvements fund, the general obligation bond financing approved in September 2006, recovery zone economic development bonds issued in December 2010, revenue bonds issued in April and October 2013, and general obligation bonds issued in September 2018. The City uses a combination of pay-as-you-go and long-term financing to invest in capital infrastructure while spreading the overall debt burden over the useful life of capital projects.

Requests for Information

This report is designed to provide an overview of the City's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Manager, 509 North McDonough Street, Decatur, Georgia 30030. This report and other financial reports can be viewed on the City's website at www.decaturga.com within the Administrative Services Department section.

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units	
ASSETS	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
Cash and cash equivalents	$ 33,276,937	$ 4,607,180	$ 37,884,117	$ 1,605,341	$ 195,517
Taxes receivable	1,024,404	-	1,024,404	38,721	-
Other receivables	454,877	-	454,877	-	-
Accounts receivable, net of allowances	-	144,719	144,719	29,458	-
Due from primary government	-	-	-	220,687	44,194
Due from component unit	40,880	-	40,880	-	-
Due from other governments	812,024	-	812,024	-	-
Internal balances	186,554	(186,554)	-	-	-
Prepaid items	1,326,500	-	1,326,500	-	-
Restricted:					
Investments	608,801	-	608,801	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	4,350,000	-	4,350,000	-	-
Lease receivable	1,464,955	-	1,464,955	868,773	-
Fair value of hedging derivative	341,229	-	341,229	-	-
Capital assets:					
Non-depreciable	35,674,032	280,065	35,954,097	2,272,979	-
Depreciable, net of accumulated depreciation	72,346,646	15,290,604	87,637,250	901,769	4,500
Total assets	151,914,339	20,136,014	172,050,353	5,937,728	244,211
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	1,709,228	-	1,709,228	-	-
OPEB related items	1,780,568	-	1,780,568	-	-
Pension related items	1,582,597	107,917	1,690,514	-	-
Total deferred outflows of resources	5,072,393	107,917	5,180,310	-	-
LIABILITIES					
Accounts payable	1,065,982	133,966	1,199,948	33,174	17,951
Accrued liabilities	4,252,133	46,801	4,298,934	-	-
Unearned revenue	-	1,694,265	1,694,265	-	-
Due to component unit	44,194	163,690	207,884	-	-
Due to primary government	-	-	-	-	40,880
Certificates of participation due within one year	155,000	-	155,000	-	-
Certificates of participation due in more than one year	2,380,000	-	2,380,000	-	-
Claims and judgments payable due within one year	2,760	-	2,760	-	-
Claims and judgments payable due in more than one year	4,140	-	4,140	-	-
Compensated absences due within one year	987,026	100,360	1,087,386	-	-
Compensated absences due in more than one year	174,181	17,710	191,891	-	-
Financed purchases due within one year	114,948	58,730	173,678	-	-
Financed purchases due in more than one year	395,429	242,489	637,918	-	-
Notes payable due within one year	506,782	-	506,782	70,195	-
Notes payable due in more than one year	12,768,385	-	12,768,385	1,798,748	-
Bonds payable due within one year	4,789,943	-	4,789,943	-	-
Bonds payable due in more than one year	172,436,251	-	172,436,251	-	-
Net pension liability due in more than one year	8,792,193	599,539	9,391,732	-	-
Total OPEB liability due in more than one year	33,254,113	-	33,254,113	-	-
Total liabilities	242,123,460	3,057,550	245,181,010	1,902,117	58,831
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - intergovernmental	141,951	-	141,951	-	-
Accumulated increase in fair value of hedging derivative	341,229	-	341,229	-	-
OPEB related items	8,400,234	-	8,400,234	-	-
Pension related items	681,458	46,469	727,927		
Deferred service concession arrangement receipts	-	-	-	1,366,595	-
Total deferred inflows of resources	9,564,872	46,469	9,611,341	1,366,595	-
NET POSITION					
Net investment in capital assets	17,811,353	15,269,450	33,080,803	1,485,721	4,500
Restricted for capital projects	8,455,437	-	8,455,437	-	-
Restricted for law enforcement	15,062	-	15,062	-	-
Restricted for E911 services	526,072	-	526,072	-	-
Restricted for debt service	2,067,003	-	2,067,003	-	-
Restricted for tourism	-	-	-	-	180,880
Unrestricted	(123,576,527)	1,870,462	(121,706,065)	1,183,295	-
Total net position	$ (94,701,600)	$ 17,139,912	$ (77,561,688)	$ 2,669,016	$ 185,380

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

CITY OF DECATUR, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 11,662,447	$ 1,097,659	$ -	$ -
Public safety	12,102,436	2,452,529	-	-
Public works	5,687,111	97,751	15,000	3,760,214
Recreation	6,050,236	2,936,182	-	-
Interest and fiscal charges on long-term debt	6,322,464	-	291,017	-
Total governmental activities	41,824,694	6,584,121	306,017	3,760,214
Business-type activities:				
Solid waste	2,195,517	2,761,766	-	-
Stormwater	1,278,432	1,318,342	-	-
Conference center & parking deck	417,367	-	-	-
Total business-type activities	3,891,316	4,080,108	-	-
Total primary government	$ 45,716,010	$ 10,664,229	$ 306,017	$ 3,760,214
Component units:				
Downtown Development Authority	$ 1,443,561	$ -	$ -	$ -
Decatur Tourism Board	273,210	14,211	-	-
Total component units	$ 1,716,771	$ 14,211	$ -	$ -
General revenues:				
Property taxes				
Franchise taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
$ (10,564,788)	$ -	$ (10,564,788)	$ -	$ -
(9,649,907)	-	(9,649,907)	-	-
(1,814,146)	-	(1,814,146)	-	-
(3,114,054)	-	(3,114,054)	-	-
(6,031,447)	-	(6,031,447)	-	-
(31,174,342)	-	(31,174,342)	-	-
-	566,249	566,249	-	-
-	39,910	39,910	-	-
-	(417,367)	(417,367)	-	-
-	188,792	188,792	-	-
$ (31,174,342)	$ 188,792	$ (30,985,550)	$ -	$ -
$ -	$ -	$ -	$ (1,443,561)	$ -
-	-	-	-	(258,999)
$ -	$ -	$ -	$ (1,443,561)	$ (258,999)
$ 27,236,694	$ -	$ 27,236,694	$ 967,406	$ -
1,670,207	-	1,670,207	-	-
1,335,537	-	1,335,537	-	-
1,948,587	-	1,948,587	-	331,028
564,030	-	564,030	-	373
53,160	-	53,160	640,902	-
383	-	383	372,168	-
337,975	(337,975)	-	-	-
33,146,573	(337,975)	32,808,598	1,980,476	331,401
1,972,231	(149,183)	1,823,048	536,915	72,402
(96,673,831)	17,289,095	(79,384,736)	2,132,101	112,978
$ (94,701,600)	$ 17,139,912	$ (77,561,688)	$ 2,669,016	$ 185,380

CITY OF DECATUR, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

ASSETS	General Fund	SPLOST Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 11,157,359	$ 5,638,217	$ 8,259,583	$ 3,620,714	$ 4,601,064	$ 33,276,937
Taxes receivable	697,314	-	102,888	134,071	90,131	1,024,404
Other receivables	369,411	-	-	-	85,466	454,877
Due from other funds	416,650	54,347	122,577	-	133,733	727,307
Due from component unit	40,880	-	-	-	-	40,880
Due from other governments	-	270,542	189,563	-	-	460,105
Restricted:						
Investments	-	-	608,801	-	-	608,801
Advances to other funds	-	-	401,325	-	-	401,325
Prepaid expenditures	29,583	-	295,038	506,691	495,188	1,326,500
Other current assets	6,500	-	-	-	-	6,500
Total assets	$ 12,717,697	$ 5,963,106	$ 9,979,775	$ 4,261,476	$ 5,405,582	$ 38,327,636
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 956,099	$ -	$ -	$ -	$ 109,883	$ 1,065,982
Accrued liabilities	676,802	-	500,096	-	85,292	1,262,190
Due to component unit	-	-	-	-	44,194	44,194
Due to other funds	124,328	50,105	274,376	-	493,269	942,078
Total liabilities	1,757,229	50,105	774,472	-	732,638	3,314,444
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	264,005	-	32,165	6,647	-	302,817
Deferred revenue - intergovernmental	-	-	-	-	141,951	141,951
Total deferred inflows of resources	264,005	-	32,165	6,647	141,951	444,768
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaids	29,583	-	295,038	506,691	495,188	1,326,500
Restricted:						
Capital construction	-	5,913,001	7,396,883	-	1,678,872	14,988,756
Equipment purchases	-	-	1,010,126	-	-	1,010,126
Debt service	-	-	-	3,748,138	300,282	4,048,420
Law enforcement	-	-	-	-	15,062	15,062
E911 services	-	-	-	-	526,072	526,072
Committed:						
Tree preservation	-	-	-	-	62,675	62,675
Children and youth services	-	-	-	-	1,308,929	1,308,929
Assigned:						
Fiscal year 2020 operations	2,316,410	-	-	-	-	2,316,410
Greenspace acquisition	12,765	-	-	-	-	12,765
Cemetery operations	-	-	-	-	143,913	143,913
Equipment purchases	-	-	471,091	-	-	471,091
Unassigned	8,337,705	-	-	-	-	8,337,705
Total fund balances	10,696,463	5,913,001	9,173,138	4,254,829	4,530,993	34,568,424
Total liabilities, deferred inflows of resources, and fund balances	$ 12,717,697	$ 5,963,106	$ 9,979,775	$ 4,261,476	$ 5,405,582	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	108,020,678
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	302,817
Receivables of governmental activities arising from long term receivables and interest are not current financial resources and, therefore, are not reported in the governmental funds.	6,166,874
The fair market value of an effective hedging instrument is not a current financial resource used in governmental activities and, therefore, is not reported in the governmental funds.	341,229
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(195,995,560)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.	(341,229)
The net pension liability, total OPEB liability, and related deferred outflows and inflows of resources are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(47,764,833)
Net position of governmental activities	$ (94,701,600)

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

CITY OF DECATUR, GEORGIA

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

	General Fund	SPLOST Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 22,140,637	$ -	$ 3,393,546	$ 5,823,397	$ 802,873	$ 32,160,453
Licenses and permits	605,710	-	-	-	-	605,710
Intergovernmental	350,598	3,217,372	497,468	-	841,421	4,906,859
Fines and forfeitures	855,454	-	-	-	-	855,454
Charges for services	1,854,748	-	-	-	2,737,102	4,591,850
Investment income	14,449	90,383	10,170	-	13,472	128,474
Contributions	15,000	-	-	-	-	15,000
Other revenues	180,509	-	53,160	-	18,150	251,819
Total revenues	26,017,105	3,307,755	3,954,344	5,823,397	4,413,018	43,515,619
Expenditures						
Current:						
General government	9,189,666	533	1,368,430	-	355,117	10,913,746
Public safety	9,128,900	-	48,063	-	904,999	10,081,962
Public works	4,303,336	-	-	-	9,955	4,313,291
Recreation	2,669,074	-	-	-	2,142,307	4,811,381
Capital outlay	-	184,097	4,491,564	-	-	4,675,661
Debt service:						
Principal retirements	-	674,000	298,975	2,030,000	1,979,237	4,982,212
Interest expenditures	-	72,825	61,579	3,596,427	3,136,888	6,867,719
Issuance costs	-	89,344	-	-	-	89,344
Total expenditures	25,290,976	1,020,799	6,268,611	5,626,427	8,528,503	46,735,316
Excess (deficiency) of revenues over expenditures	726,129	2,286,956	(2,314,267)	196,970	(4,115,485)	(3,219,697)
Other financing sources (uses):						
Issuance of bonds	-	5,095,000	-	-	-	5,095,000
Financed purchases	-	-	149,837	-	-	149,837
Note payable proceeds	-	-	2,333,960	-	-	2,333,960
Proceeds from sale of capital assets	383	-	-	-	-	383
Transfers in	789,001	-	281,446	-	5,674,366	6,744,813
Transfers out	(1,350,000)	(2,229,420)	(2,094,946)	-	(732,472)	(6,406,838)
Total other financing sources (uses)	(560,616)	2,865,580	670,297	-	4,941,894	7,917,155
Net change in fund balances	165,513	5,152,536	(1,643,970)	196,970	826,409	4,697,458
Fund balances, beginning of year	10,530,950	760,465	10,817,108	4,057,859	3,704,584	29,870,966
Fund balances, end of year	$ 10,696,463	$ 5,913,001	$ 9,173,138	$ 4,254,829	$ 4,530,993	$ 34,568,424

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

CITY OF DECATUR, GEORGIA

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

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

Net change in fund balances - total governmental funds	$	4,697,458
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		617,815
In the governmental funds, payments received on long-term receivables are reported as intergovernmental revenues. However, in the statement of activities, the long-term receivables are recorded in the year it is created and principal payments serve to reduce the long-term receivable. This is the net effect of these differences in the current year.		(230,608)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		30,572
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.		(1,932,900)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,210,106)
Change in net position - governmental activities	$	1,972,231

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

CITY OF DECATUR, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 21,056,000	$ 21,713,060	$ 22,140,637	$ 427,577
Licenses and permits	1,153,550	831,400	605,710	(225,690)
Fines and forfeitures	1,000,000	920,000	855,454	(64,546)
Charges for services	2,078,360	1,814,100	1,854,748	40,648
Intergovernmental	530,780	316,140	350,598	34,458
Interest income	2,000	12,000	14,449	2,449
Contributions	2,500	-	15,000	15,000
Miscellaneous	134,600	195,600	180,509	(15,091)
Total revenues	25,957,790	25,802,300	26,017,105	214,805
Expenditures				
Current:				
General government:				
Commission	211,480	239,390	238,447	943
Manager	809,160	867,120	866,653	467
Administrative services	3,168,000	3,065,470	2,906,897	158,573
Attorney	350,000	550,000	493,971	56,029
Community & economic development	2,008,820	1,635,450	1,524,307	111,143
Development and inspection	2,197,070	1,957,580	1,734,638	222,942
Accounting, collection and records	1,656,130	1,611,310	1,424,753	186,557
Total general government	10,400,660	9,926,320	9,189,666	736,654
Public safety:				
General management	1,541,370	1,347,960	1,291,888	56,072
Fire	3,609,430	3,674,040	3,590,398	83,642
Police	4,447,720	4,310,640	4,246,614	64,026
Total public safety	9,598,520	9,332,640	9,128,900	203,740
Public works:				
Engineering	661,040	638,350	561,305	77,045
Motor maintenance	814,220	1,057,160	1,056,335	825
Buildings and grounds maintenance	2,260,770	2,254,340	2,253,585	755
Cemetery	454,170	462,830	432,111	30,719
Total public works	4,190,200	4,412,680	4,303,336	109,344
Recreation	2,561,890	2,669,740	2,669,074	666
Total expenditures	26,751,270	26,341,380	25,290,976	1,050,404
Excess (deficiency) of revenues over expenditures	(793,480)	(539,080)	726,129	1,265,209
Other financing sources (uses)				
Proceeds from sale of capital assets	5,000	5,000	383	(4,617)
Transfers out	(1,500,000)	(1,350,000)	(1,350,000)	-
Transfers in	807,450	762,780	789,001	26,221
Total other financing sources (uses)	(687,550)	(582,220)	(560,616)	21,604
Net change in fund balances	(1,481,030)	(1,121,300)	165,513	1,286,813
Fund balances, beginning of year	10,530,950	10,530,950	10,530,950	-
Fund balances, end of year	$ 9,049,920	$ 9,409,650	$ 10,696,463	$ 1,286,813

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

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
ASSETS	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund Conference & Parking Deck Fund	Totals
CURRENT ASSETS				
Cash	$ 2,580,003	$ 1,880,564	$ 146,613	$ 4,607,180
Accounts receivable, net of allowances	100,214	44,505	-	144,719
Due from other funds	243,820	-	48,591	292,411
Total current assets	2,924,037	1,925,069	195,204	5,044,310
NONCURRENT ASSETS				
Land	-	85,205	194,860	280,065
Infrastructure	-	18,550,388	-	18,550,388
Buildings	-	-	8,605,815	8,605,815
Furniture, fixtures and equipment	2,941,750	392,667	340,382	3,674,799
	2,941,750	19,028,260	9,141,057	31,111,067
Accumulated depreciation	(2,249,344)	(4,437,685)	(8,853,369)	(15,540,398)
Total capital assets	692,406	14,590,575	287,688	15,570,669
Total assets	3,616,443	16,515,644	482,892	20,614,979
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	82,782	25,135	-	107,917
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	120,820	13,146	-	133,966
Accrued liabilities	38,297	8,504	-	46,801
Compensated absences payable	87,886	12,474	-	100,360
Financed purchases	58,730	-	-	58,730
Due to other funds	64,558	13,082	-	77,640
Due to component unit	-	-	163,690	163,690
Unearned revenue	1,141,463	552,802	-	1,694,265
Total current liabilities	1,511,754	600,008	163,690	2,275,452
NONCURRENT LIABILITIES				
Compensated absences - long term	15,509	2,201	-	17,710
Financed purchases - long term	242,489	-	-	242,489
Net pension liability	459,900	139,639	-	599,539
Advances from other funds	401,325	-	-	401,325
Total noncurrent liabilities	1,119,223	141,840	-	1,261,063
Total liabilities	2,630,977	741,848	163,690	3,536,515
DEFERRED INFLOWS OF RESOURCES				
Pension related items	35,646	10,823	-	46,469
NET POSITION				
Net investment in capital assets	391,187	14,590,575	287,688	15,269,450
Unrestricted	641,415	1,197,533	31,514	1,870,462
Total net position	$ 1,032,602	$ 15,788,108	$ 319,202	$ 17,139,912

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

CITY OF DECATUR, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference & Parking Deck Fund	Totals
OPERATING REVENUE				
Stormwater fees	$ -	$ 1,318,342	$ -	$ 1,318,342
Sanitation fees	2,690,711	-	-	2,690,711
Miscellaneous	71,055	-	-	71,055
Total operating revenues	2,761,766	1,318,342	-	4,080,108
OPERATING EXPENSES				
Cost of sales and services	2,002,210	871,107	163,690	3,037,007
Depreciation	193,307	407,325	253,677	854,309
Total operating expenses	2,195,517	1,278,432	417,367	3,891,316
Income (loss) before transfers	566,249	39,910	(417,367)	188,792
Transfers in	-	12,000	163,690	175,690
Transfers out	(150,380)	(363,285)	-	(513,665)
Total transfers	(150,380)	(351,285)	163,690	(337,975)
Change in net position	415,869	(311,375)	(253,677)	(149,183)
Total net position, beginning	616,733	16,099,483	572,879	17,289,095
Total net position, ending	$ 1,032,602	$ 15,788,108	$ 319,202	$ 17,139,912

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

CITY OF DECATUR, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference & Parking Deck Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,743,329	$ 1,330,085	$ -	$ 4,073,414
Payments to suppliers	(1,717,877)	(491,615)	(190,162)	(2,399,654)
Payments to employees	(1,194,168)	(291,356)	-	(1,485,524)
Net cash provided by (used in) operating activities	(168,716)	547,114	(190,162)	188,236
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	12,000	150,000	162,000
Transfers out to other funds	(150,380)	(363,285)	-	(513,665)
Repayment of advances from other funds	(177,770)	(12,637)	-	(190,407)
Net cash provided by (used in) non-capital financing activities	(328,150)	(363,922)	150,000	(542,072)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(243,819)	(26,658)	-	(270,477)
Proceeds from financed purchases	301,219			301,219
Net cash provided by (used in) capital and related financing activities	57,400	(26,658)	-	30,742
Net increase (decrease) in cash	(439,466)	156,534	(40,162)	(323,094)
Cash, beginning of year	3,019,469	1,724,030	186,775	4,930,274
Cash, end of year	$ 2,580,003	$ 1,880,564	$ 146,613	$ 4,607,180
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 566,249	$ 39,910	$ (417,367)	$ 188,792
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	193,307	407,325	253,677	854,309
Change in assets and liabilities:				
(Increase) decrease in fees receivable	(13,019)	9,970	-	(3,049)
(Increase) decrease in due from other funds	(243,820)	259,255	-	15,435
Decrease in deferred outflows for pension items	91,587	16,581	-	108,168
Decrease in accounts payable	(26,674)	(112,920)	-	(139,594)
Increase in accrued liabilities	7,600	1,797	-	9,397
Increase in compensated absences payable	15,866	1,093	-	16,959
Increase (decrease) in unearned revenue	(5,418)	1,773	-	(3,645)
Decrease in due to component unit	-	-	(20,355)	(20,355)
Decrease in due to other funds	(579,766)	(67,799)	(6,117)	(653,682)
Decrease in net pension liability	(210,274)	(20,694)	-	(230,968)
Increase in deferred inflows for pension items	35,646	10,823	-	46,469
Net cash provided by (used in) operating activities	$ (168,716)	$ 547,114	$ (190,162)	$ 188,236

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

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

ASSETS	Pension Trust Fund	Agency Funds
Cash	$ 371,698	$ 2,777,358
Uncollected taxes	-	982,251
Investments:		
Mutual funds invested in equity securities	24,576,135	-
Mutual funds invested in fixed income securities	19,200,107	-
Total assets	44,147,940	3,759,609
LIABILITIES		
Due to others	53,150	3,702,612
Due to component unit	-	56,997
Total liabilities	53,150	3,759,609
NET POSITION		
Net position restricted for pension benefits	$ 44,094,790	$ -

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

CITY OF DECATUR, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADDITIONS	
Contributions	
Plan member contributions	$ 1,099,074
Employer contributions	945,300
Total contributions	2,044,374
Investment earnings	
Net increase in fair value of investments	2,352,035
Interest and dividends	879,062
Total investment earnings	3,231,097
Less investment expense	115,308
Net investment earnings	3,115,789
Total additions	5,160,163
DEDUCTIONS	
Benefit payments	3,482,149
Administrative fees	109,897
Total deductions	3,592,046
Change in net position	1,568,117
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	42,526,673
End of year	$ 44,094,790

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City operates under a commission/manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, and general and administrative services. Additionally, the City owns and contracts for management of a parking deck and convention center for the benefit of the downtown Decatur area.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Decatur Downtown Development Authority (the "DDA") has been included as a discretely presented component unit in the accompanying financial statements. The City appoints all members of its board and has the ability to impose its will on the DDA by removing those board members and appointing, hiring, reassigning or dismissing those persons responsible for the day-to-day operations of the DDA. Financial information with regard to the DDA can be obtained from the DDA's administrative offices at 509 North McDonough Street, Decatur, Georgia 30030. Separate financial statements for the Downtown Development Authority are not prepared.

The Decatur Tourism Board (the "DTB") has been included as a discretely presented component unit in the accompanying financial statements. The Board does not have the power to levy taxes or issue bonded debt and a financial benefit or burden relationship exists as the City has assumed the obligation to provide financial support to the DTB in the form of hotel/motel occupancy taxes collected on lodgings in the City. Financial information with regard to the DTB can be obtained from the DTB's administrative offices at 509 North McDonough Street, Decatur, Georgia 30030. Separate financial statements for the Decatur Tourism Board are not prepared.

The Urban Redevelopment Agency of the City of Decatur (the "URA") has been included as a blended component unit in the accompanying financial statements. All members of the City Commission serve on the Commission for the URA. Although it is legally separate from the City, its sole purpose is to finance construction and acquisitions of the City. The debt and assets of the URA have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The City of Decatur Public Facilities Authority (the "PFA") has been included as a blended component unit in the accompanying financial statements. The City appoints all members of its board and has the ability to impose its will on the PFA by removing those board members at will. Although it is legally separate from the City, its sole purpose is to finance the purchase and maintenance of buildings, facilities, equipment, and services for the citizens of the City. The debt and assets of the PFA have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 program revenues are reported instead as general revenues.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of intergovernmental revenues which the City considers to be available if they are collected within six (6) months of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

The **SPLOST Fund** accounts for the special purpose local option sales tax revenue collected and payments made for capital project expenditures on projects included in the voter approved referendum.

The **Capital Improvement Fund** accounts for the receipt and expenditure of funds related to major capital projects throughout the City.

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

The City reports the following major proprietary funds:

The **Solid Waste Fund** accounts for the collection of fees for garbage collection, disposal and recycling programs and related expenses.

The **Stormwater Utility Fund** accounts for the collection of fees for upgrades to stormwater drains and related expenses.

The City also reports the following fund types:

The **Special Revenue funds** are used to account for specific revenues, such as confiscations/forfeitures, emergency telephone system charges, hotel/motel tax revenues and various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Capital Projects funds** are used to account for the expenditures of proceeds from the issuance of general obligation and revenue bonds as well as for receipts and expenditures of funds for cemetery projects throughout the City.

The **Pension Trust Fund** accounts for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the City at rates determined by actuarial computations.

Agency funds are accounted for on the accrual basis of accounting, and are used to account for funds that the City holds for others in an agency capacity, including municipal court bonds and property taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise 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. 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. All appropriations lapse at fiscal year-end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

E. Deposits and Investments

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

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. There are no limitations or restrictions on participant withdrawals from the pool. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments (Continued)

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

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal 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."

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

G. Inventories

The costs of governmental fund type inventories (which are not significant to the City) are recorded as expenditures when purchased rather than when consumed (purchase method).

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items in both government-wide and fund financial statements. In accounting for these prepaid items, the City utilizes the consumption method whereby items are recorded as expenditures when they are consumed.

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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has reported infrastructure assets consistent with the retroactive 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, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Machinery and equipment	3-20
Vehicles	5
Land improvements	15-20
Infrastructure	15-50
Buildings and improvements	30-50

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City's deferred charge on refunding qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category.

The statement of net position reports the *accumulated increase in the fair value of the hedging derivative* as a deferred inflow of resources. As the derivative qualifies as an effective hedge, the change in fair value which occurs each fiscal year is deferred and thus the asset and deferred inflow are adjusted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources (Continued)

The statement of net position also reports the *deferred service concession arrangement receipts* as a deferred inflow of resources. This balance includes the effect of deferring the recognition of revenue from the present value of installment payments to be received by the Decatur Downtown Development Authority under the conference center facilities service concession arrangement. The balance of the deferred inflow of resources as of June 30, 2019 will be recognized as revenue on a straight-line basis and increase net position over the remaining life of the contract.

The City also reports as deferred inflows of resources items that arise from the revenue recognition of property taxes and intergovernmental revenues. The first item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The second item, *deferred revenue*, which is reported in both the governmental funds balance sheet and the government-wide statement of net position, pertains to intergovernmental revenues received by the City before time requirements are met and thus will be recognized as inflows (revenue) in future periods once those requirements are met.

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

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 no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. 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 reported as expenses in the periods in which they are incurred.

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

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management 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 the City Commission. Approval of a resolution after a formal vote of the City Commission is required to establish a commitment of fund balance. Similarly, the City Commission may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

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

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. The City intends to maintain an unassigned fund balance in the general fund between twenty and thirty percent of the operating budget or an amount equal to 3-4 months' operating expenditures.

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

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

N. Pensions

The City of Decatur Employees' Retirement System uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when due as deductions from the employees' payroll. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the Plan and City procedures for termination.

O. 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 Funds 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 "receivables of governmental activities arising from capital leases and interest are not current financial resources and, therefore, are not reported in the governmental funds." The details of this $6,166,874 difference are as follows:

Installment sale receivable	$	4,350,000
Leases receivable		1,464,955
Accrued interest receivable		351,919
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	6,166,874

Another element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $195,995,560 difference are as follows:

Financed purchases payable	$	(510,377)
Certificates of participation		(2,535,000)
Claims and judgments payable		(6,900)
Accrued interest payable		(2,989,943)
Notes payable		(13,275,167)
Bonds payable		(167,673,690)
Bond premium		(9,552,504)
Deferred charges from bond refunding		1,709,228
Compensated absences		(1,161,207)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(195,995,560)

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

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another element of that reconciliation explains that "the net pension liability, total OPEB liability, and related deferred inflows and outflows of resources are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds." The details of this $47,764,833 difference are as follows:

Deferred outflows of resources - pension related items	$	1,582,597
Deferred inflows of resources - pension related items		(681,458)
Deferred outflows of resources - OPEB related items		1,780,568
Deferred inflows of resources - OPEB related items		(8,400,234)
Total OPEB liability		(33,254,113)
Net pension liability		(8,792,193)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(47,764,833)

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 $617,815 difference are as follows:

Capital outlay	$	4,517,879
Depreciation expense		(3,900,064)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	617,815

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

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

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $1,932,900 difference are as follows:

Principal retirements	$	4,982,212
Financed purchases		(149,837)
Issuance of notes payable		(2,333,960)
Issuance of bonds		(5,095,000)
Amortization of premiums		758,642
Amortization of deferred charges from refunding		(94,957)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(1,932,900)

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 $1,210,107 difference are as follows:

Compensated absences	$	46,737
Claims and judgments		12,611
Accrued interest		(29,086)
OPEB expense		(408,380)
Pension expense		(831,989)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(1,210,107)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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

1. In accordance with the Fiscal Control Ordinance of the City, the City Manager submits a proposed operating budget to the City Commissioners. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Commissioners, the City publishes the proposed budget in the official legal organ, other community newspapers and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the City Commission.
5. Budgetary control is exercised at the department level. The City Manager is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Commissioners. Budget amounts shown in these financial statements reflect amendments approved by the City Commissioners. Such amendments resulted in no supplemental appropriations.

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NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

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

Investment	Maturities	Fair Value
Deposits with Financial Institutions	---	$ 34,823,432
Guaranteed Investment Contract	June 1, 2028	608,801
Georgia Fund 1 - cash equivalents	10 days	5,838,043
Total		$ 41,270,276
As reported in the Statement of Net Position:		
Cash and cash equivalents		$ 37,884,117
Restricted:		
Investments		608,801
Cash and cash equivalents - Agency Funds		2,777,358
Total		$ 41,270,276

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

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

The interest rate swap agreement that is more fully described in Note 7 is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

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

The City's Guaranteed Investment Contract is a nonparticipating interest-earning investment contact and, accordingly, is recorded at cost.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Primary Government (Continued)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2019, the City had deposits with three (3) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had certificates of deposit with another financial institution that were collateralized by pledged securities, as defined above, such that all of the City's deposits with financial institutions as of June 30, 2019 were insured and/or collateralized as required by State statutes.

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

Pension Trust Fund

The Pension Trust Fund's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Board of Trustees of the Employees' Retirement System of the City of Decatur. The Pension Trust Fund is authorized to invest in cash and cash equivalents (including money market funds and stable value funds), fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper or similar fixed income contracts), and domestic equities.

As of June 30, 2019, the Pension Trust Fund had $43,776,242 invested in the following types of investments:

Investment		Fair Value
Mutual funds invested in equities	$	24,576,135
Mutual funds invested in fixed income		19,200,107
Total	$	43,776,242

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Fund (Continued)

Credit risk: The Pension Trust Fund's investment policy adopts the following asset allocation mix to achieve the lowest level of risk while obtaining the average annual return benchmark (8.25%): Cash and Cash Equivalents targeted at 1% but with an acceptable range between 0.25% and 2%; Fixed Income targeted at 49% but with an acceptable range between 40% and 50%; Domestic Equities targeted at 50% but with an acceptable range between 50% and 60% (at historical cost); and Foreign Equities targeted at 0% but with an acceptable range between 0% and 5% (at historical cost). At June 30, 2019, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2019, the Pension Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of plan fiduciary net position.

Interest rate risk: The Pension Trust Funds holds assets to collateralize the pension promises. The projected benefits extend out over 50+ years. The investment policy considers the duration of the assets and liabilities when managing interest rate risk in the bond portfolio. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees of the Employees' Retirement System of the City of Decatur.

As of June 30, 2019, the Pension Trust Fund had $43,776,242 invested in the following investments as categorized by interest rate risk:

Investment		Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	$	24,576,135	n/a
Mutual funds invested in fixed income		19,200,107	6.51
Total	$	43,776,242	

Rate of Return: For the year ended June 30, 2019, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 7.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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. As of June 30, 2019, the Pension Trust Fund did not have any deposits with financial institutions which were uninsured or under collateralized, as defined by State statutes.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Fund (Continued)

Fair Value Measurements: The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2019:

Investment	Level 1
Mutual funds invested in equities	$ 24,576,135
Mutual funds invested in fixed income	19,200,107
Total investments	$ 43,776,242

The mutual fund securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The tax levy is divided into two billings. The first billing is mailed April 1 which is considered the levy date, and the second billing is mailed no later than October 20. The billings are considered due upon receipt by the taxpayer; however, the actual due dates are June 1 and December 20. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred inflows of resources (unavailable revenues) when assessed. Revenues are recognized when available.

Enterprise fund solid waste fees and stormwater fees are billed annually on April 1 for the calendar year and are due June 1.

Receivables at June 30, 2019, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Capital Improvement	Debt Service	Nonmajor Funds	Governmental Funds Total
Receivables:						
Taxes	$ 711,593	$ -	$ 105,047	$ 136,752	$ 90,131	$ 1,043,523
Intergovernmental	-	270,542	189,563	-	-	460,105
Other	369,411	-	-	-	85,466	454,877
Less allowance for uncollectible	(14,279)	-	(2,159)	(2,681)	-	(19,119)
Net total receivable	$ 1,066,725	$ 270,542	$ 292,451	$ 134,071	$ 175,597	$ 1,939,386

	Stormwater	Solid Waste	Proprietary Funds Total
Receivables:			
Accounts	$ 187,532	$ 97,085	$ 284,617
Less allowance for uncollectible	(87,318)	(52,580)	(139,898)
Net total receivable	$ 100,214	$ 44,505	$ 144,719

NOTE 5. RECEIVABLES (Continued)

Installment Sale Receivable – Governmental Activities: The City has entered into an installment sale with the City's School District. The agreement executed between the City and the School District called for the City to construct a central administration facility for the School District who, in turn, would be responsible for paying to the City amounts equal to the debt service requirements on the URA Revenue Bonds, Series 2013B.

Future payments to be received by the City under the installment sale are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2020	$ 220,000	$ 183,175	$ 403,175
2021	230,000	176,175	406,575
2022	235,000	167,375	402,375
2023	245,000	157,975	402,975
2024	250,000	153,075	403,075
2025-2029	1,410,000	607,175	2,017,175
2030-2034	1,760,000	260,700	2,020,700
Total	$ 4,350,000	$ 1,705,650	$ 6,056,050

NOTE 5. RECEIVABLES (Continued)

Capital Leases Receivable – Governmental Activities:

The City has entered into a capital lease transaction as the lessor with the City's School District. Through the agreement executed between the City and the School District, the City has leased a portion of its public works building to provide the School District with space for its Facilities and Maintenance Department.

Future payments to be received by the City under the capital lease are as follows:

	Governmental Activities
Fiscal Year Ending June 30,	
2020	$ 121,605
2021	121,605
2022	121,605
2023	121,605
2024	121,605
2025-2029	680,988
2030-2034	729,630
2035-2039	802,593
2040-2044	851,235
2045-2046	340,494
Total minimum lease payments	4,012,965
Less amount representing interest	2,548,010
Present value of future minimum lease payments	$ 1,464,955

Lease Receivable – Decatur Downtown Development Authority (DDDA): In May of 2011 the DDDA entered into an agreement with a third party for the operation of the City's Conference Center that qualifies for reporting as a service concession arrangement under GASB Statement No. 60. Under the terms of the agreement, the third-party operator was required to make monthly rental payments until construction of the leasehold improvements was completed and subsequently the operator would receive rental forgiveness in the amount of the leasehold improvements made. As of June 30, 2019, the balance of the lease receivable is $868,773 and consists of the total rent to be received under the terms of the agreement, reduced for the dollar amount of leasehold improvements made. The deferred inflows of resources related to this service concession arrangement are being recognized as revenue on a straight-line basis. Upon the termination of the lease (May 1, 2035), the Conference Center will be returned to the City.

NOTE 6. CAPITAL ASSETS

Primary Government

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 32,545,426	$ 2,180,000	$ -	$ -	$ 34,725,426
Construction in progress	3,341,863	1,412,308	-	(3,805,565)	948,606
Total	35,887,289	3,592,308	-	(3,805,565)	35,674,032
Capital assets, being depreciated:					
Land improvements	3,871,925	693	-	-	3,872,618
Infrastructure	33,720,050	228,134	-	3,805,565	37,753,749
Buildings and improvements	63,083,311	1,049	-	-	63,084,360
Machinery and equipment	7,409,986	263,032	-	(37,702)	7,635,316
Vehicles	5,881,732	432,663	-	37,702	6,352,097
Total	113,967,004	925,571	-	3,805,565	118,698,140
Less accumulated depreciation for:					
Land improvements	(1,206,710)	(68,630)	-	-	(1,275,340)
Infrastructure	(18,922,904)	(846,530)	-	-	(19,769,434)
Buildings and improvements	(12,306,946)	(2,204,058)	-	-	(14,511,004)
Machinery and equipment	(5,186,265)	(427,471)	-	(10,262)	(5,603,474)
Vehicles	(4,828,605)	(353,375)	-	10,262	(5,192,242)
Total	(42,451,430)	(3,900,064)	-	-	(46,351,494)
Total capital assets, being depreciated, net	71,515,574	(2,974,493)	-	3,805,565	72,346,646
Governmental activities capital assets, net	$ 107,402,863	$ 617,815	$ -	$ -	$ 108,020,678

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

Governmental activities:	
General government	$ 222,850
Public safety	1,449,901
Public works	1,137,540
Recreation	1,089,773
Total depreciation expense - governmental activities	$ 3,900,064

NOTE 6. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 280,065	$ -	$ -	$ -	$ 280,065
Total	280,065	-	-	-	280,065
Capital assets, being depreciated:					
Infrastructure	18,550,388	-	-	-	18,550,388
Buildings	8,605,815	-	-	-	8,605,815
Furniture, fixtures, and equipment	3,404,322	270,477	-	-	3,674,799
Total	30,560,525	270,477	-	-	30,831,002
Less accumulated depreciation for:					
Infrastructure	(3,793,351)	(370,645)	-	-	(4,163,996)
Buildings	(8,298,160)	(231,010)	-	-	(8,529,170)
Furniture, fixtures, and equipment	(2,594,578)	(252,654)	-	-	(2,847,232)
Total	(14,686,089)	(854,309)	-	-	(15,540,398)
Total capital assets, being depreciated, net	15,874,436	(583,832)	-	-	15,290,604
Business-type activities capital assets, net	$ 16,154,501	$ (583,832)	$ -	$ -	$ 15,570,669

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:	
Solid Waste	$ 193,307
Stormwater	407,325
Conference Center and Parking Deck	253,677
Total depreciation expense - business-type activities	$ 854,309

NOTE 6. CAPITAL ASSETS (Continued)

Component Units

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

	Beginning Balance, restated	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,355,208	$ 1,974,061	$ (1,056,290)	$ 2,272,979
Total	1,355,208	1,974,061	(1,056,290)	2,272,979
Capital assets, being depreciated:				
Buildings	517,338	-	(379,210)	138,128
Leasehold Improvements	1,139,834	-	-	1,139,834
Total	1,657,172	-	(379,210)	1,277,962
Less accumulated depreciation for:				
Buildings	(71,866)	(11,881)	52,668	(31,079)
Leasehold Improvements	(297,621)	(47,493)	-	(345,114)
Total	(369,487)	(59,374)	52,668	(376,193)
Total capital assets, being depreciated, net	1,287,685	(59,374)	(326,542)	901,769
Decatur Downtown Development Authority capital assets, net	$ 2,642,893	$ 1,914,687	$ (1,382,832)	$ 3,174,748

The beginning balance of the DDA's capital assets was restated to reflect the receipt of a donated asset that was received in prior years. See Note 17 for additional information.

NOTE 7. LONG-TERM DEBT

Primary Government

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 166,105,000	$ 5,095,000	$ (4,359,000)	$ 166,841,000	$ 4,763,000
Direct placement bonds	858,108	-	(25,418)	832,690	26,943
Plus issuance premium	10,311,146	-	(758,642)	9,552,504	-
Total bonds payable	177,274,254	5,095,000	(5,143,060)	177,226,194	4,789,943
Financed purchases from direct borrowings	509,515	149,837	(148,975)	510,377	114,948
Notes payable from direct borrowings	11,240,026	2,333,960	(298,819)	13,275,167	506,782
Certificates of participation	2,685,000	-	(150,000)	2,535,000	155,000
Claims and judgments	19,511	6,900	(19,511)	6,900	2,760
Total OPEB liability	32,364,456	4,621,427	(3,740,770)	33,245,113	-
Net pension liability	9,541,664	4,407,923	(5,157,394)	8,792,193	-
Compensated absences	1,207,944	1,058,890	(1,105,627)	1,161,207	987,026
Governmental activities Long-term liabilities	$ 234,842,370	$ 17,673,937	$ (15,764,156)	$ 236,752,151	$ 6,556,459

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Financed purchases from direct borrowings	$ -	$ 301,219	$ -	$ 301,219	$ 58,730
Net pension liability	830,507	299,349	(530,317)	599,539	-
Compensated absences	101,111	71,195	(54,236)	118,070	100,360
Business-type activities Long-term liabilities	$ 931,618	$ 370,544	$ (584,553)	$ 717,609	$ 100,360

For governmental funds, compensated absences, the net pension liability, total OPEB liability, and claims and judgments are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability are liquidated by the Stormwater Utility Fund and the Solid Waste Fund.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

General Obligation Bonds. In April 2015, the City issued $29,895,000 of City of Decatur 2015 Obligation Refunding Bonds. The proceeds from the bonds were used to refund $29,345,000 of the Series 2007 Bonds and to pay the costs of issuance. The bonds bear interest at rates ranging from 2% – 3.25% and mature on January 1, 2037. General obligation bonds are direct obligations and pledge the full faith and credit of the government. As of June 30, 2019, the outstanding principal amount is $28,210,000.

In February 2016 the City issued General Obligation Bonds (City Schools of Decatur Projects), Series 2016 in the amount of $69,755,000. The proceeds from the bonds, combined with an original issue premium in the amount of $6,224,013, were used to disburse $75,000,000 to the City of Decatur Board of Education to be used for various capital projects. The bonds are payable from the levy of taxes on all property in the City subject to general obligation school bond taxation. Interest rates range from 3% to 5% and payments are due semi-annually on February 1 and August 1, beginning on August 1, 2016. The bonds mature August 1, 2042. As of June 30, 2019, the outstanding principal amount is $68,590,000.

In September 2018, the City issued $5,095,000 of City of Decatur 2018 General Obligation Bonds. The proceeds of the bonds were used to finance various capital projects at the City. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The bonds bear interest at 2.68% and mature on April 1, 2024. As of June 30, 2019, the outstanding principal amount is $4,421,000.

Revenue Bonds. In December 2010, the Urban Redevelopment Agency of the City of Decatur (URA) issued Series 2010A Bonds in the amounts of $12,760,000. The proceeds from the bonds were used to pay for the costs of acquiring, constructing, equipping, and renovating of a fire station, a public works facility, and a recreation center as well as the issuance costs. The bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. Interest rates range from 2.52% to 6.92% and payments are due semi-annually on July 1 and January 1, beginning July 1, 2011. The bonds mature January 1, 2038. As of June 30, 2019, the outstanding principal amount is $10,520,000.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds (continued). In December 2010, the Urban Redevelopment Agency of the City of Decatur (URA) issued Series 2010B Bond as a direct placement in the amount of 1,000,000. The proceeds from the bonds were used to pay for the costs of acquiring, constructing, equipping, and renovating of a fire station, a public works facility, and a recreation center as well as the issuance costs. The bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. The interest rate is 6% and payments are due semi-annually on July 1 and January 1, beginning July 1, 2011. The bonds mature January 1, 2037. As of June 30, 2019, the outstanding principal amount is $832,690.

In May 2013 the Urban Redevelopment Agency of the City of Decatur (URA) issued Series 2013A and Series 2013B Revenue Bonds in the amounts of $23,930,000 and $5,360,000, respectively. The proceeds from the bonds will be used to pay for the costs related to the Beacon Center redevelopment project as well as the issuance costs. The bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. Interest rates range from 2.0% to 5.0% and payments are due semi-annually on July 1 and January 1, beginning July 1, 2013. The bonds mature January 1, 2044. As of June 30, 2019, the outstanding principal amounts are $21,705,000 and $4,350,000, respectively.

In August 2017, the City of Decatur Public Facilities Authority (the “PFA”), issued revenue bonds, Series 2017 in the amount of $29,625,000. The proceeds from the bonds were used to finance the purchase of a 77-acre United Methodist Children’s Home campus and various improvements to the property. The bonds bear interest at rates ranging from 3.0% to 5.0% with semi-annual payments of principal and interest commencing on February 1, 2019 until the bonds mature on February 1, 2040. As of June 30, 2019, the outstanding principal amount is $29,045,000.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds (continued). The City's total debt service requirements to maturity on all of its outstanding bond issues are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 4,763,000	$ 6,463,922	$ 11,226,922
2021	5,040,000	6,283,712	11,323,712
2022	5,334,000	6,088,673	11,422,673
2023	5,652,000	5,875,036	11,527,036
2024	5,977,000	5,620,749	11,597,749
2025-2029	30,240,000	24,128,812	54,368,812
2030-2034	38,050,000	16,711,609	54,761,609
2035-2039	38,140,000	9,298,505	47,438,505
2040-2044	29,185,000	3,281,059	32,466,059
2045-2049	4,460,000	291,188	4,751,188
Total	$ 166,841,000	$ 84,043,265	$ 250,884,265

The City's total debt service requirements to maturity on its outstanding direct placement bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 26,943	$ 49,961	$ 76,904
2021	28,560	48,345	76,905
2022	30,273	46,631	76,904
2023	32,090	44,815	76,905
2024	34,015	42,889	76,904
2025-2029	203,250	181,272	384,522
2030-2034	271,994	112,528	384,522
2035-2038	205,565	25,147	230,712
Total	$ 832,690	$ 551,588	$ 1,384,278

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings. In August 2015, the City entered into a lease-purchase agreement in the amount of $173,477 to finance the purchase of police body camera equipment. The original cost of the City's assets under lease-purchase arrangements at June 30, 2019 is $173,477 and there has been $173,477 of accumulated depreciation as of year-end. The current year amortization expense from the lease-purchase is included in depreciation expense for the City. Annual principal and interest payments were required at an interest rate of 3.58%, and the lease was paid off in August of 2018.

In May 2018, the City entered into a lease-purchase agreement in the amount of $450,000 to finance the purchase of vehicles, a tornado warning system, and police training simulator. The original cost of the City's assets under lease-purchase arrangements at June 30, 2019 is $450,000 and there has been $62,138 of accumulated depreciation as of year-end. The current year amortization expense from the lease-purchase is included in depreciation expense for the City. Annual principal and interest payments are required until maturity on May 25, 2023 at an interest rate of 3.2%.

In August 2018, the City entered into a lease-purchase agreement in the amount of $57,400 to finance the purchase of a recycling truck. The original cost of the City's asset under lease-purchase arrangements at June 30, 2019 is $57,400 and there has been $11,497 of accumulated depreciation as of year-end. The current year amortization expense from the lease-purchase is included in depreciation expense for the City. Annual principal and interest payments are required until maturity on August 10, 2022 at an interest rate of 4.32%.

In January 2019, the City entered into a lease-purchase agreement in the amount of $393,656 to finance the purchase of a grapple truck. The original cost of the City's asset under lease-purchase arrangements at June 30, 2019 is $393,656 and there has been $20,104 of accumulated depreciation as of year-end. The current year amortization expense from the lease-purchase is included in depreciation expense for the City. Annual principal and interest payments are required until maturity on January 4, 2024 at an interest rate of 3.71%.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings (Continued). Future minimum lease payments as of June 30, 2019 for governmental activities are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2020	$ 114,948	$ 17,248	$ 132,196
2021	118,768	13,430	132,198
2022	122,716	9,484	132,200
2023	121,756	5,406	127,162
2024	32,189	1,192	33,381
Total	$ 510,377	$ 46,760	$ 557,137

Future minimum lease payments as of June 30, 2019 for business-type activities are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2020	$ 58,730	$ 11,525	$ 70,255
2021	60,991	9,264	70,255
2022	63,339	5,916	69,255
2023	65,779	4,477	70,256
2024	52,380	1,943	54,323
Total	$ 301,219	$ 33,125	$ 334,344

Notes Payable from direct borrowings. In August 2017, the Public Facilities Authority issued a note payable to the Georgia Environmental Finance Authority (GEFA) from the Clean Water State Revolving Fund in the amount of $11,452,000. Interest on the note payable accrues at 1.70%. Principal and interest on the note will be due monthly until maturity in September 2047. As of June 30, 2019, the outstanding principal amount is $10,941,207.

In June 2019, the City entered issued a note payable to BB&T in the amount of $2,333,960. Interest on the note payable accrued at 3.08%. Principal and interest on the note will be due monthly until maturity in June 2029. As of June 30, 2019, the outstanding principal amount is $2,333,960.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Notes Payable from direct borrowings (Continued). Debt service requirements to maturity on the notes are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 506,782	$ 255,526	$ 762,308
2021	518,237	244,071	762,308
2022	529,974	232,334	762,308
2023	542,000	220,308	762,308
2024	554,322	207,986	762,308
2025-2029	2,967,399	844,140	3,811,539
2030-2034	1,863,866	574,025	2,437,891
2035-2039	2,029,101	408,791	2,437,892
2040-2044	2,208,984	228,908	2,437,892
2045-2049	1,554,502	44,831	1,599,333
Total	$ 13,275,167	$ 3,260,920	$ 16,536,087

Certificates of Participation. In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling $1,320,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Certificates of Participation (Continued). The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2019, the floating rate being paid by the City is 2.21% and the market value of this agreement is $341,229, an increase of $78,854 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2019 based on the derivative contract and it is reported as a non-current asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

In July 2005, the City issued certificates of participation, Series 2005, in the principal amount of $2,810,000 with principal and interest payments beginning January 1, 2006 through January 1, 2026 at an interest rate of 3.91%. Proceeds were used to acquire, construct, install and equip certain renovations and additions to its City Hall. In February 2015, the City negotiated an interest rate reduction from 3.91% to 2.60%. This rate reduction did not change the outstanding balance of the certificates of participation or the future maturities with regard to principal payments.

The City's total certificates of participation debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 155,000	$ 94,290	$ 249,290
2021	160,000	90,260	250,260
2022	165,000	86,100	251,100
2023	175,000	81,810	256,810
2024	180,000	77,260	257,260
2025-2028	1,700,000	328,450	2,028,450
Total	$ 2,535,000	$ 758,170	$ 3,293,170

NOTE 7. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Decatur DDA:					
Bonds payable	$ 1,570,000	$ -	$ (1,570,000)	$ -	$ -
Notes payable from direct borrowings	202,406	1,710,000	(43,463)	1,868,943	70,195
Decatur DDA Long-term liabilities	$ 1,772,406	$ 1,710,000	$ (1,613,463)	$ 1,868,943	$ 70,195

Notes Payable from direct borrowings. In July 2017, the Decatur DDA entered into a note payable with DeKalb County in the amount of $224,896 to reimburse DeKalb County for the DDA's portion of a joint sewer expansion project. Principal is due annually with no interest bearing on the note. As of June 30, 2019, the outstanding principal amount is $179,916.

In January 2019, the Decatur DDA issued a note payable to Redhead Properties, LLC to purchase land at 252 S. Columbia Drive in the amount of $1,710,000. Interest accrues monthly at a rate .42% (or 5% annually) with monthly payments of $11,285 until maturity in February 2039. As of June 30, 2019, the outstanding principal amount is $1,689,027.

Debt service requirements to maturity on the notes payable from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2020	$ 70,195	$ 76,428	$ 146,623
2021	77,081	80,826	157,907
2022	79,874	78,033	157,907
2023	82,810	75,097	157,907
2024	85,896	72,011	157,907
2025-2029	436,613	307,946	744,559
2030-2034	473,745	203,346	677,091
2035-2039	562,729	69,386	632,115
Total	$ 1,868,943	$ 963,073	$ 2,832,016

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from primary government and component units:

Receivable Fund	Payable Fund	Amount
Component unit - Downtown Development Authority	Primary government - Agency fund	$ 56,997
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	163,690
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	44,194
Total		$ 264,881

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 308,454
General Fund	Solid Waste Fund	64,558
General Fund	Stormwater Utility Fund	13,082
General Fund	Capital Improvement Fund	30,556
Capital Improvement Fund	SPLOST Fund	40,700
Capital Improvement Fund	Nonmajor governmental funds	81,877
SPLOST Fund	Nonmajor governmental funds	54,347
Nonmajor governmental funds	General Fund	124,328
Nonmajor governmental funds	SPLOST Fund	9,405
Solid Waste Fund	Capital Improvement Fund	243,820
Nonmajor enterprise funds	Nonmajor governmental funds	48,591
Total		$ 1,019,718

All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made. The amount receivable for the SPLOST Fund from nonmajor governmental funds is related to the disbursement of SPLOST funds on debt service in accordance with the SPLOST referendum; however, management intends to use non-SPLOST funds to pay this portion of debt service and will repay the SPOST Fund.

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

Advances to/from other funds are as follows:

Receivable Fund	Payable Fund	Amount
Capital Improvement Fund	Solid Waste Fund	$ 401,325

The amounts payable from the Solid Waste Fund relate to equipment and vehicles purchased by the Capital Improvement Fund and transferred to these funds.

Interfund transfers:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor governmental funds	$ 308,221
General Fund	Stormwater Utility Fund	330,400
General Fund	Solid Waste Fund	150,380
		$ 789,001
Nonmajor governmental funds	Capital Improvement Fund	$ 2,094,946
Nonmajor governmental funds	SPLOST Fund	2,229,420
Nonmajor governmental funds	General Fund	1,350,000
		$ 5,674,366
Capital Improvement Fund	Nonmajor governmental funds	248,561
Capital Improvement Fund	Stormwater Utility Fund	32,885
		$ 281,446
Stormwater Utility Fund	Nonmajor governmental funds	$ 12,000
Nonmajor Enterprise Funds	Nonmajor governmental funds	$ 163,690

Transfers are used to (1) move unrestricted revenues collected in various funds to finance various programs of the City accounted for in the General Fund in accordance with budgetary authorizations, (2) move cash to cover operations to the nonmajor governmental funds, (3) move Hotel/Motel taxes between funds for expending in accordance with State law, (4) to provide funding to the 2010 URA Bonds Fund, the 2013 URA Bonds Fund, and the Capital Improvement Fund for construction and other capital asset acquisition and project costs paid, and (5) to repay portions of the 2010 and 2013 URA Bonds from the SPLOST Fund in accordance with the voter approved referendum.

NOTE 9. PENSION PLANS

Plan Administration

All of the City's full-time regular employees are covered by the City's single-employer defined benefit pension plan (the "Plan") which is administered by the Decatur Employees' Retirement System. The Plan was established in 1947 by the Decatur City Commission. The Board of Trustees of the Plan consists of seven members (the City Manager, the City Clerk, one City Commissioner appointed by the City Commission, one Participant who is either a Firefighter or a Police Officer, one Participant who is a General Employee, one private citizen of the City appointed by the other members of the Board and one private citizen appointed by the City Commission) and has the authority to establish and amend the Plan.

The Plan is contributory in nature with contributions coming from both the City and its covered employees. All eligible employees become participants in the Plan upon employment, while elected officials are not covered. Employees become fully vested after 10 years of service. The Plan does not issue a separate financial statement.

Plan Membership

As of July 1, 2018, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	104
Terminated vested participants not yet receiving benefits	11
Active participants	201
	316

Benefits

The Plan provides retirement, disability, and death benefits. Retirement benefits for general plan members are calculated as 1 percent of the member's average basic compensation plus 1.65% of average compensation in excess of $500 times years of credited service. Retirement benefits for public safety employees are calculated as average compensation times credited service up to thirty (30) years times the following percentages:

Years of Benefit Service	Percent
10 - 14	2.00%
15 - 19	2.25%
20 - 24	2.50%
25 - 29	2.75%
30	3.00%

NOTE 9. PENSION PLANS (Continued)

Benefits (Continued)

General plan members with 10 years of continuous service are eligible to retire at age 65. Public safety plan members with 10 years of continuous service are eligible to retire at age 60. General plan members may retire at age 60 after 15 years of service (or at any age as long as age plus service equals 80). Public safety plan members may retire at age 55 after 15 years of service (or at any age as long as age plus service equals 75). All plan members are eligible for non-duty disability benefits at the date determined to be permanently disabled provided he or she is at least age 50 and has completed 10 years of continuous service. For duty-related disability benefits, all members are eligible upon the date determined to be permanently disabled. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction.

A monthly death benefit is payable to a spouse of a married member should he or she die either (i) while employed but eligible for early retirement or (ii) after termination of employment on or after eligibility for early retirement, provided he or she has deferred commencement of benefits and has left all member contributions in the system.

If a member terminates employment prior to completing ten years of continuous service, he or she shall be entitled to a refund of his or her accumulated contributions with interest.

Employee Contributions

The authority to establish and amend contribution requirements rests with the Board of Trustees. Currently, Plan members are required to contribute to the Plan in the following manner:

Public Safety Employees	14% of compensation
General Employees	4% of compensation up to $2,000 plus 8% of compensation in excess of $2,000

Plan members who were active employees on July 1, 1997, and elected not to have the Unreduced Early Retirement Option are required to contribute to the Plan in the following manner:

Public Safety Employees	9% of compensation
General Employees	2% of compensation up to $2,000 plus 6% of compensation in excess of $2,000

Employee contributions are made on a pre-tax basis as permitted under Section 414(h) of the Internal Revenue Code. Public Safety employees consist of firefighters and police officers.

NOTE 9. PENSION PLANS (Continued)

City Contributions

The City contribution is determined by the actuary as necessary to keep the Plan in compliance with the funding requirements of the State of Georgia. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, the City's contribution rate was 8.45% of covered payroll.

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that same date.

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75%-6.75% for inflation plus merit increases of 0.5 to 3.5%
Investment rate of return	7.0%, including inflation, net of investment expense

Mortality rates were based upon the RP-2014 Total Dataset Mortality with no projection scale for healthy retirees and the RP-2014 Disabled Retiree Mortality with no projection scale for disabled retirees.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent experience study which was completed in August 2015 taking into account 7 years of data experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are: Domestic fixed income equities securities – 2.3%, Domestic equities – 6.7%, International equities – 6.3%, Real estate – 5.5% and Cash .9%.

NOTE 9. PENSION PLANS (Continued)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2019 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	$ 52,898,844	$ 42,526,673	$ 10,372,171
Changes for the year:			
Service cost	1,006,350	-	1,006,350
Interest	3,651,487	-	3,651,487
Differences between expected and actual experiences	(588,010)	-	(588,010)
Contributions—employer	-	945,300	(945,300)
Contributions—employee	-	1,099,074	(1,099,074)
Net investment income	-	3,115,789	(3,115,789)
Benefit payments, including refunds of employee contributions	(3,482,149)	(3,482,149)	-
Current year changes	-	-	-
Administrative expense	-	(109,897)	109,897
Net changes	587,678	1,568,117	(980,439)
Balances at 6/30/19	$ 53,486,522	$ 44,094,790	$ 9,391,732

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

NOTE 9. PENSION PLANS (Continued)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$ 15,240,525	$ 9,391,732	$ 3,655,146

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 June 30, 2019 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2019, the City recognized pension expense of $1,700,957. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 775,537	$ (474,098)
Differences resulting from changes in actuarial assumptions	914,977	-
Net difference between projected and actual earnings on pension plan investments	-	(253,829)
Total	$ 1,690,514	$ (727,927)

NOTE 9. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2020	$	863,080
2021		316,693
2022		(77,205)
2023		(139,981)
Total	$	962,587

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits

The City of Decatur Other Postretirement Benefits Plan (the "OPEB Plan") is a single-employer defined benefit postretirement health care, dental and vision plan, or other postemployment benefit (OPEB) plan. The City Commission has the authority to establish and amend the OPEB Plan. The City has not elected to advance fund the plan, but rather maintains the plan on a "pay as you go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The OPEB Plan does not issue a separate report. Eligible retirees and former employees are offered a different health and prescription drug plan than active employees and the same vision and dental coverage as active employees. The City pays approximately 80% of the total costs of healthcare for eligible employees and retirees.

Eligible participants for Other Postemployment Benefits include:

1. The City allows all retirees to enroll in the OPEB plan upon onset of retirement from the City.
2. Surviving spouses/beneficiaries are allowed enrollment into the plan if the employee had elected coverage for the dependents before onset of electing retirement.
3. Employees retiring under the City's disability retirement benefit are allowed to enroll upon onset of retirement from the City.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

As of July 1, 2018, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	83
Active participants	211
	294

City Contributions

The City contribution is determined by the actuary as necessary to keep the Plan in compliance with the funding requirements of the State of Georgia; however, the City has elected to fund the plan on a pay-as-you go basis. For the year ended June 30, 2019, the City contributed $775,665 for the pay as you go benefits for the plan.

Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018 with the actuary using standard techniques to rollforward the liability to the measurement date.

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

Discount rate:	3.51%
Healthcare Cost Trend Rate:	8.50% - 5.00%, ultimate trend in 2027
Inflation rate:	2.75%
Salary increase:	0.5% plus merit increases ranging from 0.50% to 3.50%, plus inflation

Mortality rates were based on the SOA RP 2014 Total Dataset Mortality with no projection scale for healthy participants and SOA RP 2014 Disabled Retiree Mortality with no projection scale for disabled participants.

If an active employee does not enroll in the City's health insurance program, they are assumed not to participate in the OPEB plan as a retiree. If an active employee is enrolled in the City's health insurance program, they are assumed to receive benefits as a retiree.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 3.51%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – which was 3.51% as determined by the Bond Buyer 20-Bond GO Index rate as of June 30, 2019.

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended June 30, 2019, were as follows:

	Total OPEB Liability (a)
Balances at 6/30/18	$ 32,364,456
Changes for the year:	
Service cost	1,541,662
Interest	1,297,300
Differences between expected and actual experience	(2,956,105)
Assumption changes	1,782,465
Benefit payments	(775,665)
Net changes	889,657
Balances at 6/30/19	$ 33,254,113

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

	1% Decrease (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB liability	$ 39,088,821	$ 33,254,113	$ 28,644,840

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5% decreasing to 4%) or 1-percentage-point higher (9.5% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (7.5% decreasing to 4%)	1% Decrease (8.5% decreasing to 5%)	1% Decrease (9.5% decreasing to 6%)
Total OPEB liability	$ 27,837,944	$ 33,254,113	$ 40,251,857

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2019 and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended June 30, 2019, the City recognized OPEB expense of $1,184,045. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (8,400,234)
Changes in assumptions	1,780,568	-
Total	$ 1,780,568	$ (8,400,234)

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2020	$	(1,654,917)
2021		(1,654,917)
2022		(1,654,917)
2023		(1,654,915)
Total	$	(6,619,666)

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Decatur's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. Plan provisions and contribution requirements are established and may be amended by the City's Commission. At June 30, 2019, there were 57 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Commission has approved discretionary employer contributions for five employees. Total employer and employee contributions for the year ended June 30, 2019, were $44,998 and $19,304, respectively.

The Decatur Downtown Development Authority's Internal Revenue Code Section 401(a) Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. Plan provisions and contribution requirements are established and may be amended by the Assistant City Manager. At June 30, 2019, there were 2 plan members.

Employees are not required to contribute to the Plan. Total employer contributions for the year ended June 30, 2019, were $21,683.

NOTE 12. 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 13. RELATED ORGANIZATIONS

The City's mayor is responsible for appointing all board members of the Decatur Housing Authority. However, the City has no further accountability for the authority.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In response to these risks, the City has purchased commercial insurance for all property and liability coverage. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

Workers' Compensation Insurance

The City is partially self-insured for workers' compensation claims. The City pays annual aggregate claims up to $1,000,000 over a two-year period. After the claims reach this amount, a private insurance carrier pays the remaining claims. In addition to the biennial aggregate limit, individual limits for City payments are $300,000 per claim. After the individual limits are met, the private insurance carrier covers the claims. The City has entered into a contract with a third party to administer the program. This activity is recorded in the General Fund.

The following describes the activity related to these claims based on actual claims presented after year-end and historical experience.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2019	$ 19,511	$ 6,900	$ 19,511	$ 6,900
2018	44,492	27,281	52,262	19,511

NOTE 14. RISK MANAGEMENT (Continued)

Health Insurance

The City is partially self-insured for employee medical claims. The City pays approximately 80% of the premium equivalent rates for each employee. The annual out-of-pocket maximum for employees is $3,000 per individual; $6,000 per family for in-network services. Each employee's portion of the medical premium cost is deducted from that employee's paycheck. Employees may opt out of the group health insurance coverage if they certify that that have alternate coverage.

The City is responsible for aggregate claims equivalent to $9,924 per year per participating employee or approximately $2,381,600. If the total claims reach this amount, a private insurance carrier will pay the remaining claims. In addition to the aggregate limit, the City's self-insurance is limited to $75,000 per individual per plan year. After an individual's claims reach this amount, the private insurance carrier will pay any additional medical claims. This activity is recorded in the General Fund and the ending claims payable liability is included in the accrued liabilities reported by the General Fund as of June 30, 2019.

The following describes the activity related to these claims based on actual claims presented after year-end and historical experience.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2019	$ 132,357	$ 2,944,320	$ 3,066,474	$ 10,203
2018	102,210	3,087,385	3,057,238	132,357

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is involved in several pending lawsuits. 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.

Contractual Commitments:

For the fiscal year ended June 30, 2019, contractual commitments on uncompleted contracts were $4,167,778.

NOTE 15. COMMITMENTS AND CONTINGENCIES (Continued)

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 16. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 7%. Revenues were $802,873 for the year ended June 30, 2019. Of this amount 100% was expended. Expenditures of the tax were used to promote tourism, conventions, and trade shows as well as to operate, maintain, and market a conference center facility as required by O.C.G.A. 48-13-51.

NOTE 17. RESTATEMENT

The City has determined the following restatements to beginning net position were required in relation to the Decatur Downtown Development Authority Component Unit to record the prior year donation of a capital asset that was not added to the DDA's financial statements in prior years. These adjustments resulted in changes to beginning net position of the DDA Component Unit as follows:

Beginnning net position, DDA, as previously reported	$	1,902,209
Record donation of the Train Depot capital asset		229,892
Beginning net position, DDA, as restated	$	2,132,101

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DECATUR, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	$ 1,006,350	$ 1,022,483	$ 952,885	$ 938,166	$ 895,868	$ 889,392
Interest on total pension liability	3,651,487	3,427,102	3,317,074	3,164,496	3,036,569	2,861,732
Differences between expected and actual experience	(588,010)	820,485	-	849,742	(12,910)	611,982
Changes in actuarial assumptions	-	-	-	2,744,933	-	-
Changes in benefit terms	-	1,101,020	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Net change in total pension liability	587,678	3,554,361	1,551,241	5,378,908	1,725,710	2,480,083
Total pension liability - beginning	52,898,844	49,344,483	47,793,242	42,414,334	40,688,624	38,208,541
Total pension liability - ending (a)	$53,486,522	$52,898,844	$49,344,483	$47,793,242	$42,414,334	$40,688,624
Plan fiduciary net position						
Contributions - employer	$ 945,300	$ 880,322	$ 859,173	$ 941,003	$ 904,872	$ 892,161
Contributions - employee	1,099,074	1,040,763	989,242	1,006,352	974,037	970,477
Net investment income	3,115,789	3,312,134	3,606,939	87,025	1,780,322	5,379,030
Benefit payments, including refunds of member contributions	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Administrative expenses	(109,897)	(39,816)	(46,743)	(54,408)	(46,989)	(47,909)
Net change in plan fiduciary net position	1,568,117	2,376,674	2,689,893	(338,457)	1,418,425	5,310,736
Plan fiduciary net position - beginning	42,526,673	40,149,999	37,460,106	37,798,563	36,380,138	31,069,402
Plan fiduciary net position - ending (b)	$44,094,790	$42,526,673	$40,149,999	$37,460,106	$37,798,563	$36,380,138
City's net pension liability - ending (a) - (b)	$ 9,391,732	$10,372,171	$ 9,194,484	$10,333,136	$ 4,615,771	$ 4,308,486
Plan fiduciary net position as a percentage of the total pension liability	82.44%	80.39%	81.37%	78.38%	89.12%	89.41%
Covered payroll	$11,185,643	$11,691,803	$11,696,251	$10,892,115	$10,315,075	$10,159,477
City's net pension liability as a percentage of covered payroll	83.96%	88.71%	78.61%	94.87%	44.75%	42.41%

Notes to the Schedule:

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

CITY OF DECATUR, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 959,243	$ 868,373	$ 680,251	$ 672,425	$ 861,769
Contributions in relation to the actuarially determined contribution	945,300	880,322	859,173	941,003	904,872
Contribution deficiency (excess)	$ 13,943	$ (11,949)	$ (178,922)	$ (268,578)	$ (43,103)
Covered payroll	$ 11,185,643	$ 11,691,803	$ 11,696,251	$ 10,892,115	$ 10,315,075
Contributions as a percentage of covered payroll	8.45%	7.53%	7.35%	8.64%	8.77%

	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 839,456	$ 824,767	$ 794,420	$ 843,607	$ 781,383
Contributions in relation to the actuarially determined contribution	892,161	846,745	799,121	798,184	826,543
Contribution deficiency (excess)	$ (52,705)	$ (21,978)	$ (4,701)	$ 45,423	$ (45,160)
Covered payroll	$ 10,159,477	$ 10,012,057	$ 9,918,986	$ 10,237,604	$ 9,999,934
Contributions as a percentage of covered payroll	8.78%	8.46%	8.06%	7.80%	8.27%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	June 30, 2018
Cost Method	Entry age cost method with 5 year phase-in of discount rate assumption changes.
Actuarial Asset Valuation Method	20% write up method
Assumed Rate of Return on Investments	7.00% net of investment expenses
Projected Salary Increases	3.75%-6.75% (including 2.50% for inflation) with merit increases ranging from 0.5% to 3.5%
Cost-of-living Adjustment	N/A
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	20 years (open)

CITY OF DECATUR, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	7.7%	8.5%	14.9%

	2016	2015	2014
	0.1%	4.6%	17.4%

Notes to the Schedule:

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

CITY OF DECATUR, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

	2019	2018
Total OPEB liability		
Service cost	$ 1,541,662	$ 1,704,797
Interest on total OPEB liability	1,297,300	1,426,178
Differences between expected and actual experience	(2,956,105)	-
Changes of assumptions and other inputs	1,782,465	(8,521,132)
Benefit payments	(775,665)	(749,348)
Net change in total OPEB liability	889,657	(6,139,505)
Total OPEB liability - beginning	32,364,456	38,503,961
Total OPEB liability - ending	$ 33,254,113	$ 32,364,456
Covered payroll	$ 13,326,662	$ 10,296,426
City's total OPEB liability as a percentage of covered payroll	249.53%	314.33%

Notes to the Schedule:

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

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

CITY OF DECATUR, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Drug Fund – To account for the use of confiscated drug money by the City's Police Department. These revenues are restricted by State law to be expended on investigations and other police department activity.

Emergency Telephone System Fund – To account for emergency services which are provided to all City taxpayers. Financing is provided through user fees and charges. The charges from the telephone providers are restricted by State law O.C.G.A. 46-5-134.

Grant Fund – To account for grants received and the expenditures related to the grants. These revenues are restricted by the external resource providers from whom the City has received the funds.

Children and Youth Services Fund – To account for charges for the City's after school program and the expenditures incurred in operating the program. The City Commission has committed all revenues generated by the after school programs to be used for the operation of the program.

Tree Bank Fund – To account for the monies collected from the City's Tree Bank fees. The City Commission has committed all revenues to be expended for the operation of the program.

Hotel/Motel Tax Fund – To account for the 7% lodging tax levied in the City. The tax revenues are restricted by O.C.G.A. 48-13-51.

2007 GO Bonds Fund – To account for the proceeds of the Series 2007 General Obligation bonds and the expenditure of these funds towards the construction, acquisition and equipping of capital assets.

2010 URA Bonds Fund – To account for the proceeds from the issuance of Recovery Zone Economic Development bonds and the expenditures of those funds for major capital projects.

2013 URA Bonds Fund – To account for the proceeds from the issuance of the Series 2013 revenue bonds and the expenditures of those funds for major capital projects.

Public Facilities Authority Fund – To account for the proceeds from the issuance of the Series 2017 revenue bonds, proceeds from the issuance of a note payable, and the expenditures of those funds for major capital projects.

Cemetery Capital Improvement Fund – To account for the financing and expenditure activity of a capital nature occurring within the cemetery. Financing is provided by one-half of the proceeds from cemetery lot sales. This fund is intended to provide for the capital needs of the cemetery into perpetuity.

CITY OF DECATUR, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds					
ASSETS	**Confiscated Drug Fund**	**Emergency Telephone System Fund**	**Grant Fund**	**Children and Youth Services Fund**	**Tree Bank Fund**	**Hotel/Motel Tax Fund**
Cash and cash equivalents	$ 15,062	$ 571,923	$ 65,496	$ 1,645,799	$ 92,741	$ 76,722
Taxes receivable	-	-	-	-	-	90,131
Other receivables	-	83,590	-	1,876	-	-
Due from other funds	-	-	-	-	2,035	-
Prepaid items	-	-	-	-	-	-
				-		
Total assets	$ 15,062	$ 655,513	$ 65,496	$ 1,647,675	$ 94,776	$ 166,853
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 4,971	$ -	$ 63,761	$ 32,101	$ -
Accrued expenditures	-	24,228	-	61,064	-	-
Due to component unit	-	-	-	-	-	44,194
Due to other funds	-	100,242	-	213,921	-	122,659
Total liabilities	-	129,441	-	338,746	32,101	166,853
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - intergovernmental	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Restricted:						
Law enforcement	15,062	-	-	-	-	-
E911 services	-	526,072	-	-	-	-
Capital construction	-	-	65,496	-	-	-
Debt service	-	-	-	-	-	-
Committed:						
Tree preservation	-	-	-	-	62,675	-
Children and youth services	-	-	-	1,308,929	-	-
Assigned:						
Cemetery operations	-	-	-	-	-	-
Total fund balance	15,062	526,072	65,496	1,308,929	62,675	-
Total liabilities, deferred inflows of resources and fund balances	$ 15,062	$ 655,513	$ 65,496	$ 1,647,675	$ 94,776	$ 166,853

Capital Projects Funds						
2007 GO Bonds Fund	2010 URA Bonds Fund	2013 URA Bonds Fund	Public Facilities Authority Fund	Cemetery Capital Improvement Fund	Total Nonmajor Governmental Funds
$ -	$ 351,895	$ 14,874	$ 1,612,688	$ 153,864	$ 4,601,064
-	-	-	-	-	90,131
-	-	-	-	-	85,466
-	121,605	9,405	688	-	133,733
-	-	495,188	-	-	495,188
$ -	$ 473,500	$ 519,467	$ 1,613,376	$ 153,864	$ 5,405,582
$ -	$ -	$ -	$ -	$ 9,050	$ 109,883
-	-	-	-	-	85,292
-	-	-	-	-	44,194
-	54,347	1,199	-	901	493,269
-	54,347	1,199	-	9,951	732,638
-	141,951	-	-	-	141,951
-	141,951	-	-	-	141,951
-	-	495,188	-	-	495,188
-	-	-	-	-	15,062
-	-	-	-	-	526,072
-	-	-	1,613,376	-	1,678,872
-	277,202	23,080	-	-	300,282
-	-	-	-	-	62,675
-	-	-	-	-	1,308,929
-	-	-	-	143,913	143,913
-	277,202	518,268	1,613,376	143,913	4,530,993
$ -	$ 473,500	$ 519,467	$ 1,613,376	$ 153,864	$ 5,405,582

CITY OF DECATUR, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	Confiscated Drug Fund	Emergency Telephone System Fund	Grant Fund	Children and Youth Services Fund	Tree Bank Fund	Hotel/Motel Tax Fund
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 802,873
Charges for services	-	646,067	-	2,082,734	8,301	-
Intergovernmental	-	-	-	-	-	-
Interest	7	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	7	646,067	-	2,082,734	8,301	802,873
EXPENDITURES						
Current:						
General government	-	-	-	-	7,776	330,962
Public safety	553	904,446	-	-	-	-
Public works	-	-	9,955	-	-	-
Culture and recreation	-	-	-	2,142,307	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	553	904,446	9,955	2,142,307	7,776	330,962
Excess (deficiency) of revenues over expenditures	(546)	(258,379)	(9,955)	(59,573)	525	471,911
Other financing sources (uses):						
Transfers in	-	350,000	-	-	-	-
Transfers out	-	-	-	-	-	(471,911)
Total other financing sources (uses)	-	350,000	-	-	-	(471,911)
Net change in fund balances	(546)	91,621	(9,955)	(59,573)	525	-
FUND BALANCES, beginning of year	15,608	434,451	75,451	1,368,502	62,150	-
FUND BALANCES, end of year	$ 15,062	$ 526,072	$ 65,496	$ 1,308,929	$ 62,675	$ -

Capital Projects Funds					
2007 GO Bonds Fund	2010 URA Bonds Fund	2013 URA Bonds Fund	Public Facilities Authority Fund	Cemetery Capital Improvement Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 802,873
-	-	-	-	-	2,737,102
-	412,622	401,575	27,224	-	841,421
-	-	328	13,137	-	13,472
-	-	-	-	18,150	18,150
-	412,622	401,903	40,361	18,150	4,413,018
-	-	-	3,686	12,693	355,117
-	-	-	-	-	904,999
-	-	-	-	-	9,955
-	-	-	-	-	2,142,307
-	420,418	680,000	878,819	-	1,979,237
-	742,410	1,200,750	1,193,728	-	3,136,888
-	1,162,828	1,880,750	2,076,233	12,693	8,528,503
-	(750,206)	(1,478,847)	(2,035,872)	5,457	(4,115,485)
-	1,027,408	1,996,958	2,300,000	-	5,674,366
(230,561)	-	-	-	(30,000)	(732,472)
(230,561)	1,027,408	1,996,958	2,300,000	(30,000)	4,941,894
(230,561)	277,202	518,111	264,128	(24,543)	826,409
230,561	-	157	1,349,248	168,456	3,704,584
$ -	$ 277,202	$ 518,268	$ 1,613,376	$ 143,913	$ 4,530,993

CITY OF DECATUR, GEORGIA
CONFISCATED DRUG FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ 10	$ 10	$ 7	$ (3)
Total revenue	10	10	7	(3)
EXPENDITURES				
Public safety	1,000	500	553	(53)
Net change in fund balances	(990)	(490)	(546)	(56)
FUND BALANCES, beginning of year	15,608	15,608	15,608	-
FUND BALANCES, end of year	$ 14,618	$ 15,118	$ 15,062	$ (56)

CITY OF DECATUR, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 555,000	$ 567,630	$ 646,067	$ 78,437
EXPENDITURES				
Public safety	1,019,880	1,013,900	904,446	109,454
Debt service:				
Principal retirements	10,000	10,000	-	10,000
Total expenditures	1,029,880	1,023,900	904,446	119,454
Deficiency of revenues over expenditures	(474,880)	(456,270)	(258,379)	197,891
OTHER FINANCING SOURCES				
Transfers in	400,000	350,000	350,000	-
Net change in fund balances	(74,880)	(106,270)	91,621	197,891
FUND BALANCES, beginning of year	434,451	434,451	434,451	-
FUND BALANCES, end of year	$ 359,571	$ 328,181	$ 526,072	$ 197,891

CITY OF DECATUR, GEORGIA
GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 33,300	$ 25,660	$ -	$ (25,660)
EXPENDITURES				
Public works	33,300	6,840	9,955	(3,115)
Net change in fund balances	-	18,820	(9,955)	(28,775)
FUND BALANCES, beginning of year	75,451	75,451	75,451	-
FUND BALANCES, end of year	$ 75,451	$ 94,271	$ 65,496	$ (28,775)

CITY OF DECATUR, GEORGIA
CHILDREN AND YOUTH SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 2,031,570	$ 2,080,000	$ 2,082,734	$ 2,734
Total revenue	2,031,570	2,080,000	2,082,734	2,734
EXPENDITURES				
Recreation	2,502,270	2,431,190	2,142,307	288,883
Deficiency of revenues over expenditures	(470,700)	(351,190)	(59,573)	291,617
OTHER FINANCING SOURCES				
Transfer in	100,000	-	-	-
Net change in fund balances	(370,700)	(351,190)	(59,573)	291,617
FUND BALANCES, beginning of year	1,368,502	1,368,502	1,368,502	-
FUND BALANCES, end of year	$ 997,802	$ 1,017,312	$ 1,308,929	$ 291,617

CITY OF DECATUR, GEORGIA
TREE BANK FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 25,000	$ 11,000	$ 8,301	$ (2,699)
EXPENDITURES				
General government	75,000	45,400	7,776	37,624
Net change in fund balances	(50,000)	(34,400)	525	34,925
FUND BALANCES, beginning of year	62,150	62,150	62,150	-
FUND BALANCES, end of year	$ 12,150	$ 27,750	$ 62,675	$ 34,925

CITY OF DECATUR, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 850,000	$ 752,000	$ 802,873	$ 50,873
EXPENDITURES				
General government	350,000	329,000	330,962	(1,962)
Excess of revenues over expenditures	500,000	423,000	471,911	48,911
OTHER FINANCING USES				
Transfers out	(500,000)	(423,000)	(471,911)	(48,911)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

CITY OF DECATUR, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 5,650,000	$ 5,817,800	$ 5,823,397	$ 5,597
Interest	500	-	-	-
Total revenues	5,650,500	5,817,800	5,823,397	5,597
EXPENDITURES				
Debt service:				
Principal retirements	2,030,000	2,030,000	2,030,000	-
Interest and fiscal charges	3,596,750	3,596,750	3,596,427	323
Total expenditures	5,626,750	5,626,750	5,626,427	323
Net change in fund balances	23,750	191,050	196,970	5,920
FUND BALANCES, beginning of year	4,057,859	4,057,859	4,057,859	-
FUND BALANCES, end of year	$ 4,081,609	$ 4,248,909	$ 4,254,829	$ 5,920

CITY OF DECATUR, GEORGIA
SPLOST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,400,000	$ 3,200,000	$ 3,217,372	$ 17,372
Interest	-	-	90,383	90,383
Total revenues	3,400,000	3,200,000	3,307,755	107,755
EXPENDITURES				
General government	-	-	533	(533)
Capital outlay	550,000	350,000	184,097	165,903
Debt service:				
Principal retirements	164,480	674,000	674,000	-
Interest and fiscal charges	200,000	72,830	72,825	5
Issuance costs	-	87,850	89,344	(1,494)
Total expenditures	914,480	1,184,680	1,020,799	163,881
Excess of revenues over expenditures	2,485,520	2,015,320	2,286,956	271,636
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	4,800,000	5,095,000	5,095,000	-
Transfers out	(2,231,270)	(2,229,420)	(2,229,420)	-
Total other financing sources (uses)	2,568,730	2,865,580	2,865,580	-
Net change in fund balances	5,054,250	4,880,900	5,152,536	271,636
FUND BALANCES, beginning of year	760,465	760,465	760,465	-
FUND BALANCES, end of year	$ 5,814,715	$ 5,641,365	$ 5,913,001	$ 271,636

CITY OF DECATUR, GEORGIA
CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 4,361,400	$ 3,347,000	$ 3,393,546	$ 46,546
Intergovernmental	2,532,000	1,065,260	497,468	(567,792)
Interest	-	-	10,170	10,170
Miscellaneous	-	-	53,160	53,160
Total revenues	6,893,400	4,412,260	3,954,344	(457,916)
EXPENDITURES				
General government	1,764,100	1,690,150	1,368,430	321,720
Public safety	75,700	48,200	48,063	137
Capital outlay	7,707,630	5,143,460	4,491,564	651,896
Debt service:				
Principal retirements	663,500	280,000	298,975	(18,975)
Interest and fiscal charges	81,490	58,490	61,579	(3,089)
Total expenditures	10,292,420	7,220,300	6,268,611	951,689
Deficiency of revenues over expenditures	(3,399,020)	(2,808,040)	(2,314,267)	493,773
OTHER FINANCING SOURCES (USES)				
Financed purchases	2,277,500	-	149,837	149,837
Note payable proceeds	-	-	2,333,960	2,333,960
Transfers in	29,000	259,560	281,446	21,886
Transfers out	(1,300,000)	(1,300,000)	(2,094,946)	(794,946)
Total other financing sources (uses)	1,006,500	(1,040,440)	670,297	1,710,737
Net change in fund balances	(2,392,520)	(3,848,480)	(1,643,970)	2,204,510
FUND BALANCES, beginning of year	10,817,108	10,817,108	10,817,108	-
FUND BALANCES, end of year	$ 8,424,588	$ 6,968,628	$ 9,173,138	$ 2,204,510

CITY OF DECATUR, GEORGIA
2007 BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
OTHER FINANCING USES				
Transfers out	$ (230,561)	$ (230,561)	$ (230,561)	$ -
Net change in fund balances	(230,561)	(230,561)	(230,561)	-
FUND BALANCES, beginning of year	230,561	230,561	230,561	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

CITY OF DECATUR, GEORGIA
2010 URA BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 410,750	$ 412,600	$ 412,622	$ 22
EXPENDITURES				
Debt service:				
Principal retirements	420,420	420,420	420,418	2
Interest and fiscal charges	742,420	742,420	742,410	10
Total expenditures	1,162,840	1,162,840	1,162,828	12
Deficiency of revenues over expenditures	(752,090)	(750,240)	(750,206)	34
OTHER FINANCING SOURCES				
Transfers in	752,090	750,240	1,027,408	277,168
Net change in fund balances	-	-	277,202	277,202
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ 277,202	$ 277,202

CITY OF DECATUR, GEORGIA
2013 URA BONDS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 401,580	$ 401,580	$ 401,575	$ (5)
Interest	-	-	328	328
Total revenues	401,580	401,580	401,903	323
EXPENDITURES				
Debt service:				
Principal retirements	680,000	680,000	680,000	-
Interest and fiscal charges	1,200,760	1,200,760	1,200,750	10
Total expenditures	1,880,760	1,880,760	1,880,750	10
Deficiency of revenues over expenditures	(1,479,180)	(1,479,180)	(1,478,847)	333
OTHER FINANCING SOURCES				
Transfers in	1,479,180	1,479,180	1,996,958	517,778
Total other financing sources	1,479,180	1,479,180	1,996,958	517,778
Net change in fund balances	-	-	518,111	518,111
FUND BALANCES, beginning of year	157	157	157	-
FUND BALANCES, end of year	$ 157	$ 157	$ 518,268	$ 518,111

CITY OF DECATUR, GEORGIA
PUBLIC FACILITIES AUTHORITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 13,400	$ 20,260	$ 27,224	$ 6,964
Interest	-	-	13,137	13,137
Total revenues	13,400	20,260	40,361	20,101
EXPENDITURES				
General government	50,000	-	3,686	(3,686)
Capital outlay	489,000	80,000	-	80,000
Debt service:				
Principal retirements	878,820	878,820	878,819	1
Interest and fiscal charges	1,193,730	1,193,730	1,193,728	2
Total expenditures	2,611,550	2,152,550	2,076,233	76,317
Deficiency of revenues over expenditures	(2,598,150)	(2,132,290)	(2,035,872)	96,418
OTHER FINANCING SOURCES				
Transfers in	2,300,000	2,300,000	2,300,000	-
Total other financing sources	2,300,000	2,300,000	2,300,000	-
Net change in fund balances	(298,150)	167,710	264,128	96,418
FUND BALANCES, beginning of year	1,349,248	1,349,248	1,349,248	-
FUND BALANCES, end of year	$ 1,051,098	$ 1,516,958	$ 1,613,376	$ 96,418

CITY OF DECATUR, GEORGIA

CEMETERY CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	$ 25,000	$ 2,650	$ 18,150	$ 15,500
EXPENDITURES				
General government	100,000	8,650	12,693	(4,043)
Excess (deficiency) of revenues over expenditures	(75,000)	(6,000)	5,457	11,457
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing uses	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(105,000)	(36,000)	(24,543)	11,457
FUND BALANCES, beginning of year	168,456	168,456	168,456	-
FUND BALANCES, end of year	$ 63,456	$ 132,456	$ 143,913	$ 11,457

CITY OF DECATUR, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST:						
Repayment of 2010 Series Urban Redevelopment Bonds	$ 4,600,000	$ 4,600,000	$ -	$ 750,240	$ 750,240	16.31 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	8,900,000	-	1,479,180	1,479,180	16.62
Street intersection improvements	5,920,000	5,920,000	-	1,020,799	1,020,799	17.24
Pedestrian, Bicycle & Traffic Improvements	1,109,218	1,109,218	-	-	-	0.00
Total SPLOST	$ 20,529,218	$ 20,529,218	$ -	$ 3,250,219	$ 3,250,219	

CITY OF DECATUR, GEORGIA

FIDUCIARY FUNDS

Municipal Court Fund – To account for the collection of court fines and miscellaneous charges and payments to the General Fund and other governments.

Board of Education Fund – To account for the collection and payment of property taxes levied and collected by the City for the City of Decatur Board of Education.

Downtown Development Authority Fund – To account for the collection and payment of property taxes levied and collected by the City for the Decatur Downtown Development Authority.

CITY OF DECATUR, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

ASSETS	Municipal Court Fund	Board of Education Fund	Downtown Development Authority Fund	Totals
Cash	$ 113,419	$ 2,606,942	$ 56,997	$ 2,777,358
Uncollected taxes	-	982,251	-	982,251
Total assets	$ 113,419	$ 3,589,193	$ 56,997	$ 3,759,609
LIABILITIES				
Due to others	$ 113,419	$ 3,589,193	$ -	$ 3,702,612
Due to component unit	-	-	56,997	56,997
Total liabilities	$ 113,419	$ 3,589,193	$ 56,997	$ 3,759,609

CITY OF DECATUR, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
MUNICIPAL COURT				
Assets - cash	$ 88,850	$ 1,051,138	$ 1,026,569	$ 113,419
Liabilities - due to others	$ 88,850	$ 1,051,138	$ 1,026,569	$ 113,419
BOARD OF EDUCATION				
Assets:				
Cash	$ 2,348,339	$ 35,404,776	$ 35,146,173	$ 2,606,942
Uncollected taxes	782,798	31,850,304	31,650,851	982,251
Total assets	$ 3,131,137	$ 67,255,080	$ 66,797,024	$ 3,589,193
Liabilities - due to others	$ 3,131,137	$ 67,255,080	$ 66,797,024	$ 3,589,193
DOWNTOWN DEVELOPMENT AUTHORITY				
Assets:				
Cash	$ 55,058	$ 792,788	$ 790,849	$ 56,997
Liabilities - due to component unit	$ 55,058	$ 792,788	$ 790,849	$ 56,997
TOTAL AGENCY FUNDS				
Assets				
Cash	$ 2,492,247	$ 37,248,702	$ 36,963,591	$ 2,777,358
Uncollected taxes	782,798	31,850,304	31,650,851	982,251
Total assets	$ 3,275,045	$ 69,099,006	$ 68,614,442	$ 3,759,609
Liabilities:				
Due to others	$ 3,219,987	$ 68,306,218	$ 67,823,593	$ 3,702,612
Due to component unit	55,058	792,788	790,849	56,997
Total liabilities	$ 3,275,045	$ 69,099,006	$ 68,614,442	$ 3,759,609

COMPONENT UNITS

CITY OF DECATUR, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2019

ASSETS	
Cash	$ 1,605,341
Taxes receivable	38,721
Other receivables, net of allowance	29,458
Due from primary government	220,687
Total assets	$ 1,894,207
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 33,174
Total liabilities	33,174
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	15,039
Total deferred inflows of resources	15,039
FUND BALANCE	
Unassigned	1,845,994
Total fund balance	1,845,994
Total liabilities, deferred inflows of resources, and fund balance	$ 1,894,207

CITY OF DECATUR, GEORGIA

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

REVENUES	
Taxes	$ 966,135
Miscellaneous	554,864
Total revenues	1,520,999
EXPENDITURES	
Downtown development	3,305,531
Debt service:	
Principal retirement	1,613,463
Interest and fiscal charges	88,828
Total expenditures	5,007,822
Deficiency of revenues over expenditures	(3,486,823)
OTHER FINANCING SOURCES	
Issuance of note payable	1,710,000
Proceeds from sale of capital assets	1,755,000
Total other financing sources	3,465,000
Net change in fund balance	(21,823)
FUND BALANCE, beginning of year	1,867,817
FUND BALANCE, end of year	$ 1,845,994

CITY OF DECATUR, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2019

ASSETS		
Cash	$	195,517
Due from primary government		44,194
Total assets	$	239,711
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	17,951
Due to primary government		40,880
Total liabilities		58,831
FUND BALANCE		
Restricted for promotion of tourism		180,880
Total fund balance		180,880
Total liabilities and fund balance	$	239,711

CITY OF DECATUR, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DECATUR TOURISM BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

REVENUES		
Taxes	$	331,028
Charges for services		14,211
Interest		373
Total revenues		345,612
EXPENDITURES		
Tourism		271,924
Total expenditures		271,924
Net change in fund balance		73,688
FUND BALANCE, beginning of year		107,192
FUND BALANCE, end of year	$	180,880

STATISTICAL SECTION

This part of the City of Decatur'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 104

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 110

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

Debt Capacity 115

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 119

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 121

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

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

CITY OF DECATUR, GEORGIA

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
Governmental activities				
Net investment in capital assets	**$ 17,811**	$ 13,343	$ 13,369	$ 10,030
Restricted	**11,064**	12,058	6,664	5,969
Unrestricted	**(123,577)**	(122,076) (4)	(99,455)	(98,095) (3)
Total governmental activities net position	**$ (94,702)**	$ (96,675)	$ (79,422)	$ (82,096)
Business-type activities				
Net investment in capital assets	**$ 15,269**	$ 16,155	$ 16,221	$ 15,116
Unrestricted	**1,870**	1,135	(339)	(396)
Total business-type activities net position	**$ 17,140**	$ 17,290	$ 15,882	$ 14,720
Primary government				
Net investment in capital assets	**$ 33,081**	$ 29,498	$ 29,590	$ 25,146
Restricted	**11,064**	12,058	6,664	5,969
Unrestricted	**(121,706)**	(120,941) (4)	(99,794)	(98,491)
Total primary government net position	**$ (77,562)**	$ (79,385)	$ (63,540)	$ (67,376)

NOTES: (1) In May 2011 the City of Decatur transferred title to all of the capital assets related to the schools to the City Schools of Decatur. This reduced the amount reported as net investment in capital assets and net position overall for governmental activities.

(2) During 2015, capital assets were transferred from governmental to business-type activities.

(3) During 2016, the City issued General Obligation Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were passed through to the City Schools of Decatur in the amount of $75,000,000.

(4) During 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* , as of July 1, 2017.

2015	2014	2013	2012	2011	2010
$ 8,347 (2)	$ 20,161	$ 14,725	$ 12,964	$ 12,718 (1)	$ 52,582
5,233	310	1,946	2,024	1,073	663
(22,540)	(17,724)	(13,403)	(12,067)	(11,007) (1)	11,384
$ (8,961)	$ 2,747	$ 3,268	$ 2,921	$ 2,784 (1)	$ 64,629
$ 15,399 (2)	$ 6,093	$ 5,574	$ 5,269	$ 4,448	$ 4,754
(404)	(395)	729	1,424	1,743	1,469
$ 14,996	$ 5,698	$ 6,303	$ 6,693	$ 6,191	$ 6,223
$ 23,746	$ 26,254	$ 20,299	$ 18,233	$ 17,166	$ 57,336
5,233	310	1,946	2,024	1,073	663
(22,944)	(18,119)	(12,674)	(10,643)	(9,264)	12,853
$ 6,035	$ 8,445	$ 9,571	$ 9,614	$ 8,975	$ 70,852

CITY OF DECATUR, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
Expenses				
Governmental activities:				
General government	**$ 11,662**	$ 12,288	$ 11,913	$ 10,601
Education	**-**	-	-	-
Public safety	**12,102**	12,521	12,592	12,311
Public works	**5,687**	6,190	4,759	4,678
Recreation	**6,050**	5,640	4,966	4,556
Interest on long-term debt	**6,322**	6,084	5,099	3,989
Total governmental activities expenses	**41,825**	42,723	39,329	36,133
Business-type activities:				
Conference center	**417**	481	479	497
Stormwater	**1,278**	760	1,036	803
Solid waste	**2,196**	2,515	2,603	2,424
Total business-type activities expenses	**3,891**	3,756	4,118	3,724
Total primary government expenses	**$ 45,716**	$ 46,479	$ 43,447	$ 39,857
Program Revenues				
Governmental activities:				
Charges for services:				
General government	**$ 1,098**	$ 1,787	$ 2,031	$ 1,470
Education	**-**	-	-	-
Public safety	**2,453**	2,403	2,396	2,333
Public works	**98**	91	71	112
Recreation	**2,936**	2,873	2,643	2,446
Operating grants and contributions	**306**	297	306	423
Capital grants and contributions	**3,760**	3,324	3,341	1,713
Total governmental activities program revenues	**10,650**	10,775	10,789	8,498
Business-type activities:				
Charges for services:				
Conference center	**-**	**-**	-	-
Stormwater	**1,318**	**1,290**	2,108	1,123
Solid waste	**2,762**	**2,745**	2,716	2,337
Total business-type activities program revenues	**4,080**	**4,035**	4,824	3,460
Total primary government program revenues	**$ 14,730**	$ 14,810	$ 15,613	$ 11,958

2015	2014	2013	2012	2011	2010
$ 10,642	$ 9,244	$ 8,572	$ 7,301	$ 6,951	$ 6,804
-	-	-	-	-	2,071
10,959	10,804	9,960	9,828	9,648	10,511
4,007	3,993	3,941	3,935	3,731	3,883
4,248	3,934	3,513	3,335	2,887	3,041
3,038	3,522	2,546	2,422	1,869	1,878
32,894	31,497	28,532	26,821	25,084	28,188
491	485	463	392	314	325
838	909	537	547	592	713
2,153	2,170	2,066	1,936	1,979	2,154
3,482	3,564	3,066	2,875	2,885	3,192
$ 36,376	$ 35,061	$ 31,598	$ 29,696	$ 27,969	$ 31,380
$ 2,258	$ 2,258	$ 1,295	$ 1,232	$ 1,142	$ 842
-	-	-	-	36	91
2,724	2,371	1,803	2,404	2,252	1,985
92	102	109	95	79	114
2,267	1,930	1,694	1,510	1,399	1,322
440	456	573	501	324	320
991	393	305	605	624	10,474
8,772	7,510	5,779	6,347	5,856	15,148
5	-	-	-	81	84
1,076	975	968	976	988	928
2,287	2,327	2,279	2,283	2,226	2,223
3,368	3,302	3,247	3,259	3,295	3,235
$ 12,140	$ 10,812	$ 9,026	$ 9,606	$ 9,151	$ 18,383

(Continued)

CITY OF DECATUR, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016	
Net (expense)/revenue					
Governmental activities	**$ (31,174)**	$ (31,948)	$ (28,540)	$ (27,635)	
Business-type activities	**189**	279	706	(264)	
Total primary government net expense	**$ (30,985)**	$ (31,669)	$ (27,834)	$ (27,899)	
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	**$ 27,237**	$ 24,717	$ 22,151	$ 20,149	
Franchise taxes	**1,670**	1,647	1,704	1,623	
Sales taxes	**1,336**	7,100	5,504	5,001	
Other taxes	**1,949**	1,869	1,777	1,676	
Unrestricted investment earnings	**564**	496	479	1,921	
Gain on sale of capital assets	**1**	4	-	-	
Miscellaneous	**53**	18	55	98	
Transfers	**338**	242	(456)	12	
Special item	**-**	-	-	(75,979)	(3)
Total governmental activities	**33,147**	36,092	31,214	(45,499)	
Business-type activities:					
Gain on sale of capital assets	-	-	-	-	
Transfers	**(338)**	(242)	456	(12)	
Total business-type activities	**(338)**	(242)	456	(12)	
Total primary government	**$ 32,809**	$ 35,850	$ 31,670	$ (45,511)	
Change in Net Position					
Governmental activities	**$ 1,972**	$ 4,145	$ 2,673	$ (73,134)	
Business-type activities	**(149)**	37	1,162	(276)	
Total primary government	**$ 1,823**	$ 4,182	$ 3,835	$ (73,410)	

NOTES: (1) In May 2011 the City of Decatur transferred title to all of the capital assets related to the schools to the City Schools of Decatur. There was no compensation provided by the School District and, therefore, the City reports a loss for this activity.

(2) During 2015, capital assets were transferred from governmental to business-type activities.

(3) During 2016, the City issued GO Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were used to make a $75,000,000 payment to the City Schools of Decatur to be used on capital projects for the schools.

2015	2014	2013	2012	2011	2010
$ (24,122)	$ (23,987)	$ (22,753)	$ (20,474)	$ (19,228)	$ (13,040)
(114)	(262)	181	384	410	43
$ (24,236)	$ (24,249)	$ (22,571)	$ (20,090)	$ (18,818)	$ (12,998)
$ 17,720	$ 15,058	$ 14,680	$ 14,634	$ 14,571	$ 15,135
1,564	1,451	1,486	1,509	1,466	1,377
5,675	4,944	4,580	3,706	694	617
1,560	1,500	1,464	1,332	1,397	1,394
21	42	33	37	55	151
21	3	-	23	-	-
178	116	278	67	-	-
(9,819) (2)	350	580	(118)	442	371
-	-	-	-	(61,242) (1)	-
16,920	23,464	23,101	21,190	(42,617)	19,045
-	9	9	-	-	-
9,819 (2)	(350)	(580)	118	(442)	(371)
9,819	(341)	(571)	118	(442)	(371)
$ 26,739	$ 23,123	$ 22,530	$ 21,308	$ (43,059)	$ 18,674
$ (7,202)	$ (523)	$ 348	$ 716	$ (61,845)	$ 6,005
9,705	(603)	(390)	502	(32)	(328)
$ 2,503	$ (1,126)	$ (42)	$ 1,218	$ (61,877)	$ 5,677

CITY OF DECATUR, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Insurance Tax	Other Taxes	Total
2010	15,135	1,377	617	1,006	388	$ 18,523
2011	14,571	1,466	694	977	420	18,128
2012	14,634	1,509	3,706 (1)	907	425	21,181
2013	14,680	1,486	4,580	963	501	22,210
2014	15,058	1,451	4,944	997	502	22,952
2015	17,720	1,564	5,675	1,046	513	26,519
2016	20,149	1,623	5,001	1,114	562	28,449
2017	22,151	1,704	5,504	1,223	554	31,136
2018	24,717	1,647	7,100	1,305	564	35,333
2019	27,237	1,670	1,336 (2)	1,407	541	32,191

NOTE: (1) The increase is the result of the fact that 2012 was the first fiscal year in which the City received payments of Homestead Option Sales Taxes (HOST) from DeKalb County.

(2) The decrease is the result of the fact that the City will no longer receive Homestead Option Sales Taxes (HOST) from DeKalb County.

CITY OF DECATUR, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
General fund				
Reserved	**$ -**	$ -	$ -	$ -
Unreserved	**-**	-	-	-
Nonspendable - prepaids	**29**	3	25	43
Assigned:				
Greenspace acquisition	**13**	13	13	13
Beacon School redevelopment	**-**	-	-	-
Next fiscal year operations	**2,316**	1,481	1,180	1,224
Unassigned	**8,338**	9,034	8,498	7,140
Total general fund	**$ 10,696**	$ 10,531	$ 9,716	$ 8,420
All other governmental funds				
Reserved	**$ -**	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	**-**	-	-	-
Capital projects funds	**-**	-	-	-
Nonspendable - prepaids				
Prepaids	**1,297**	1,364	1,690	1,096
Advances	**-**	-	585	549
Assets held for resale	**-**	-	-	6,335
Restricted:				
Capital construction	**14,989** (3)	11,278	6,099	5,865
Equipment purchases	**1,010**	740	193	227
Debt service	**4,048**	3,543	4,023	5,377
Law enforcement	**15**	16	12	14
E911 services	**526**	425	333	268
Tourism	**-**	-	-	-
Committed:				
Tree preservation	**63**	62	194	168
Children and youth services	**1,309**	1,369	1,193	1,131
Assigned:				
Development activities	**-**	-	-	324
Cemetery operations	**144**	168	173	203
Equipment purchases	**471**	376	129	987
Unassigned	**-**	-	(117)	(25)
Total all other governmental funds	**$ 23,872**	$ 19,341	$ 14,508	$ 22,517

NOTES: (1) The City implemented GASB Statement 54 in fiscal year 2011.

(2) The increase from 2012 to 2013 is the result of the issuance of URA Bonds, Series 2013 which will be used to fund capital projects in future periods.

(3) The increase from 2018 to 2019 is the result of the issuance of SPLOST Bonds, which will be used to fund capital projects in future periods.

2015	2014	2013	2012	2011 (1)	2010
$ -	$ -	$ -	$ -	$ -	$ 23
-	-	-	-	-	7,670
60	15	15	6	88	-
12	12	12	12	12	-
-	-	3,000	3,000	-	-
-	-	654	702	1,295	-
7,137	5,475	5,065	5,324	6,965	-
$ 7,209	$ 5,502	$ 8,746	$ 9,044	$ 8,360	$ 7,693
$ -	$ -	$ -	$ -	$ -	$ 14,985
-	-	-	-	-	1,560
-	-	-	-	-	1,884
35	54	150	42	1,157	-
337	476	334	395	343	-
5,089	5,089	-	-	-	-
5,108	11,038	35,890 (2)	15,661	17,566	-
265	495	659	667	705	-
7,496	7,317	6,862	3,189	3,949	-
14	10	12	12	12	-
175	156	269	278	331	-
5	25	45	61	81	-
143	164	51	62	40	-
953	796	748	804	1,023	-
193	-	-	-	-	-
167	151	78	55	41	-
1,049	892	1,707	255	1,425	-
(1,163)	(420)	-	-	-	-
$ 19,866	$ 26,243	$ 46,805	$ 21,481	$ 26,672	$ 18,429

CITY OF DECATUR, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
Revenues				
Taxes	**$ 32,160**	$ 35,261	$ 31,176	$ 28,397
Licenses and permits	**606**	1,218	1,472	653
Intergovernmental	**4,907**	4,613	4,418	3,123
Fines and forfeitures	**855**	859	805	707
Charges for services	**4,592**	4,417	4,307	4,175
Interest income	**128**	36	10	1,260
Other revenues	**267**	212	346	851
Total revenues	**43,516**	46,616	42,534	39,165
Expenditures				
General government	**10,914**	11,257	11,086	9,232
Education	**-**	-	-	-
Public safety	**10,082**	9,749	9,498	9,790
Public works	**4,313**	3,850	3,445	3,557
Recreation	**4,811**	4,051	3,901	3,599
Capital outlay	**4,676**	42,672	6,050	2,468
Intergovernmental	**-**	-	-	75,000 (1)
Debt service				
Principal retirements	**4,982**	4,456	9,130	3,870
Interest and fiscal charges	**6,868**	6,376	5,682	3,107
Cost of issuance	**89**	766	-	979
Total expenditures	**46,735**	83,177	48,792	111,603
Excess of revenues over (under) expenditures	**(3,220)**	(36,561)	(6,258)	(72,438)
Other financing sources (uses)				
Proceeds from financed purchases	**150**	450	-	173
Proceeds from notes payables	**2,334**	-	-	-
Issuance of long-term debt	**5,095**	41,077	-	69,755
Premium on bond issuance	**-**	434	-	6,224
Refunding deposit with escrow agent	**-**	-	-	-
Proceeds from sale of capital assets	**-**	5	2	30
Transfers in	**6,745**	4,375	4,184	3,714
Transfers out	**(6,407)**	(4,133)	(4,640)	(3,596)
Total other financing sources (uses)	**7,917**	42,208	(454)	76,300
Net change in fund balances	**$ 4,697**	$ 5,647	$ (6,712)	$ 3,862
Debt service as a percentage of noncapital expenditures	**28.07%**	26.68%	34.62% (2)	6.41%

NOTES: (1) In 2016 the City issued GO Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were used to make a $75,000,000 payment to the City Schools for capital projects.

(2) In 2017 the City retired the URA Bonds, Series 2013C pursuant to the sale of the Callaway Building in August of 2016. The bonds required a single principal payment equal to the entire amount of the bond ($5,120,000).

2015	2014	2013	2012	2011	2010
$ 26,500	$ 22,994	$ 22,354	$ 21,317	$ 18,323	$ 18,748
1,429	1,482	882	852	730	481
1,621	1,014	1,010	1,177	891	784
1,341	1,171	581	1,153	1,039	767
3,661	3,328	3,019	2,875	2,732	2,682
21	43	33	37	55	110
838	632	565	358	465	318
35,411	30,664	28,444	27,769	24,235	23,890
9,313	8,432	7,253	6,759	6,523	5,836
-	-	-	-	-	-
9,379	9,347	8,990	8,675	8,406	8,430
3,013	3,171	3,232	3,223	3,171	3,139
3,413	3,093	3,016	2,946	2,679	2,745
9,375	32,103	14,887	6,939	4,639	3,502
-	-	-	-	-	-
2,032	1,367	2,532	2,310	2,198	1,546
3,734	3,297	2,394	2,397	1,644	1,623
608	168	826	-	271	140
40,867	60,978	43,130	33,250	29,530	26,961
(5,456)	(30,315)	(14,686)	(5,481)	(5,294)	(3,071)
-	1,030	744	-	-	-
-	-	-	-	-	-
29,895	5,120	34,705	-	13,760	5,900
2,337	-	3,673	-	-	101
(31,624)	-	-	-	-	-
25	8	10	27	3	-
3,621	10,981	3,101	2,554	9,936	1,446
(3,467)	(10,631)	(2,521)	(1,607)	(9,494)	(1,075)
787	6,508	39,712	975	14,205	6,372
$ (4,669)	$ (23,807)	$ 25,026	$ (4,507)	$ 8,911	$ 3,301
18.38%	16.19%	17.53%	18.00%	15.42%	14.18%

CITY OF DECATUR, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Insurance Tax	Other Taxes	Total
2010	$ 15,360	$ 1,377	$ 617	$ 1,006	$ 388	$ 18,748
2011	14,766	1,466	694	977	420	18,323
2012	14,769	1,510	3,706 (1)	907	425	21,317
2013	14,824	1,486	4,580	963	501	22,354
2014	15,100	1,451	4,944	997	502	22,994
2015	17,701	1,564	5,675	1,046	514	26,500
2016	20,098	1,623	5,001	1,114	561	28,397
2017	22,193	1,704	5,504	1,223	553	31,177
2018	24,647	1,647	7,100	1,305	563	35,262
2019	27,207	1,670	1,336 (2)	1,407	541	32,160

NOTE: (1) The increase is the result of the fact that 2012 was the first fiscal year in which the City received payments of Homestead Option Sales Taxes (HOST) from DeKalb County.

(2) The decrease is the result of the fact that the City will no longer receive Homestead Option Sales Tax (HOST) from DeKalb County.

CITY OF DECATUR, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property	Public Utility	Motor Vehicle
	Residential	Commercial			
2010	$ 1,000,018	$ 162,993	$ 20,649	$ 15,989	$ 46,120
2011	993,586	158,863	21,086	13,590	46,724
2012	1,000,689	167,430	22,174	14,299	49,311
2013	1,003,607	175,035	23,054	14,640	42,384
2014	1,104,202	190,813	21,507	15,153	47,331
2015	1,370,510	210,898	23,124	15,236	28,417
2016	1,417,946	243,143	22,447	15,708	21,299
2017	1,545,077	279,030	25,729	16,522	18,785
2018	1,658,748	344,392	26,234	16,258	10,600
2019	1,785,021	345,720	24,168	15,852	8,059

Source: DeKalb County, Georgia Board of Tax Assessors

Source: City of Decatur Revenue Division

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 122,579	$ 1,123,190	1.266	$ 2,246,380	50.00%
125,110	1,108,739	1.262	2,217,478	50.00%
126,914	1,126,989	1.262	2,253,978	50.00%
111,549	1,147,171	1.262	2,294,342	50.00%
98,373	1,280,633	1.262	2,561,266	50.00%
131,095	1,517,090	1.162	3,034,180	50.00%
132,877	1,587,666	1.279	3,175,332	50.00%
104,883	1,780,260	1.311	3,560,520	50.00%
109,049	1,947,183	1.324	3,894,366	50.00%
111,280	2,067,540	1.354	4,135,080	50.00%

CITY OF DECATUR, GEORGIA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $1000 of Assessed Value)
LAST TEN YEARS

Calendar Year	City of Decatur, Georgia			DeKalb County	School District	Downtown Development Authority	State	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage		Operating Millage	Operating Millage		
2010	1.122	0.144	1.266	40.09	1.990	0.038	0.25	43.634
2011	1.130	0.132	1.262	44.44	2.090	0.038	0.25	48.080
2012	1.120	0.142	1.262	45.39	2.090	0.038	0.25	49.030
2013	1.120	0.142	1.262	45.34	2.090	0.038	0.15	48.880
2014	1.120	0.142	1.262	45.19	2.050	0.038	0.10	48.640
2015	1.070	0.092	1.162	42.63	1.866	0.038	0.05	45.746
2016	1.030	0.249	1.279	42.55	1.866	0.038	0.00	45.728
2017	1.030	0.249	1.311	42.55	1.866	0.038	0.00	45.760
2018	1.052	0.272	1.324	43.99	1.866	0.038	0.00	47.218
2019	1.096	0.258	1.354	43.89	2.025	0.038	0.00	47.307

Source: City of Decatur Tax Department and DeKalb County

CITY OF DECATUR, GEORGIA

PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
MARTA	$ 25,961,550	1	1.26% %	$ -	-	- %
Decatur Properties I Llc	24,954,000	2	1.21%	-	-	-
Mcref Decatur Llc	24,550,000	3	1.19%	-	-	-
Tycon One Inc	19,749,500	4	0.96%	-	-	-
Dtc Partners Llc	16,595,000	5	0.80%	-	-	-
Pln Owcs L P	14,167,500	6	0.69%	-	-	-
Amco 120 West Trinity Llc	13,403,450	7	0.65%	-	-	-
Gateway Clairemont Llc	12,750,000	8	0.62%	-	-	-
Tdc 250 E Ponce Llc	12,060,450	9	0.58%	-	-	-
Gp Govt Properties I Llc	11,145,650	10	0.54%	-	-	-
Decatur Towncenter Association	-	-	-	9,854,000	1	0.88%
Bell South Communications	-	-	-	9,404,000	2	0.84%
06 Qcc 0110 Llc	-	-	-	6,676,000	3	0.59%
Lexington Decatur, LLC	-	-	-	5,720,000	4	0.51%
Decatur Plaza, LLC	-	-	-	5,350,000	5	0.48%
DCP Decatur Investors, LLC	-	-	-	5,471,000	6	0.49%
DCP Renaissance Investments	-	-	-	4,930,000	7	0.44%
DeVry, Inc.				4,600,000	8	0.41%
Georgia Power	-	-	-	4,357,000	9	0.39%
DTC Partners	-	-	-	4,341,000	10	0.39%
	$ 175,337,100		8.48% %	$ 60,703,000		0.05 %

Source: City of Decatur Revenue Division

CITY OF DECATUR, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(amounts expressed in thousands)

Tax Year*	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	$ 35,153	$ 15,442	43.9%	$ 19,701	$ 35,143	99.97%
2010	34,872	16,682	47.8%	18,190	34,872	100.00%
2011	35,855	16,759	46.7%	19,092	35,851	99.99%
2012	35,781	17,185	48.0%	18,593	35,778	99.99%
2013	36,499	17,139	47.0%	19,356	36,495	99.99%
2014	40,749	17,539	43.0%	23,076	40,615	99.67%
2015	44,385	19,783	44.6%	24,405	44,188	99.56%
2016	50,512	22,412	44.4%	27,869	50,281	99.54%
2017	51,969	22,572	43.4%	29,363	51,935	99.93%
2018	56,914	24,585	43.2%	31,925	56,510	99.29%

NOTES: (1) Includes all taxes levied for the General Fund, Board of Education Fund, Debt Service Fund, Capital Projects Fund and the Decatur Downtown Development Authority Fund.

*Taxes are billed twice a year in April and October for the calendar year. The billing in April is an estimated billing based on the prior years assessed values. The ten year presentation above is for completed tax years only.

CITY OF DECATUR, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Note Payable	Financed Purchases	Notes Payable	Financed Purchases			
2010	$ 32,970	$ -	$ 3,695	$ 4,900	$ 364	$ -	$ 66	$ 41,995	7.55%	$ 2,217
2011	32,615	13,760	3,585	3,300	231	-	34	53,525	7.46%	2,768
2012	32,175	13,743	3,470	1,700	93	-	-	51,181	6.72%	2,617
2013	31,898	46,418	3,350	5,660	618	-	-	87,944	10.32%	4,430
2014	31,370	51,039	3,225	5,590	1,299	-	-	92,523	11.06%	4,606
2015	33,502	49,854	3,095	5,520	963	-	-	92,934	10.49%	4,560
2016	108,752 (2)	48,654	2,965	3,692	793	-	-	164,856	17.45%	7,508
2017	107,553	42,311	2,830	1,852	425	-	-	154,971	15.24%	6,793
2018	106,168	71,106	2,685	11,240	510	-	-	191,709	18.14%	8,044
2019	108,000	69,226	2,535	13,275 (3)	510	-	301	193,847	15.68%	7,533

(1) See the Demographic and Economic Statistics for personal income and population data.

(2) The City issued $69,755,000 of general obligation bonds for school construction projects.

(3) The City issued a 2,333,960 note payable for a fiber optic construction project.

CITY OF DECATUR, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2010	32,970	598	32,372	1.44%	1,709
2011	32,615	649	31,966	1.44%	1,653
2012	32,175	1,081	31,094	1.38%	1,590
2013	31,898	1,040	30,858	1.34%	1,554
2014	31,370	969	30,401	1.19%	1,514
2015	33,502	1,160	32,342	1.07%	1,587
2016	108,752 (3)	2,255	106,497	3.35%	4,850
2017	107,553	2,700 (4)	104,853	2.94%	4,596
2018	106,168	1,658	104,510	2.68%	4,385
2019	108,000	2,067	105,933	2.56%	4,117

(1) See the Schedule of Assessed Value and Estimated Actual Value - All Taxable Property for property value data.

(2) See the Demographic and Economic Statistics for population data.

(3) The City issued $69,755,000 of general obligation bonds for school construction projects.

(4) Amount is calculated as the total fund balance of the Debt Service Fund minus the receivable from the City Schools of Decatur (balance of $1,800,000 as of June 30, 2017).

CITY OF DECATUR, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019
(amounts expressed in thousands)

	Net General Obligation Debt Outstanding	Percentage Applicable to City of Decatur (1)	Amount Applicable to City of Decatur
Overlapping General Obligation Debt:			
DeKalb County			
General obligation debt	$ 162,245	6.579%	$ 10,674
Certificates of participation	19,325	6.579%	1,271
Capital leases	10,309	6.579%	678
Fulton DeKalb Hospital Authority	14,680	6.579%	966
Total overlapping debt	206,559		13,590
City direct debt:			
General obligation debt	108,000	100.000%	108,000
Revenue bonds	69,226	100.000%	69,226
Financed purchases	510	100.000%	510
Notes payable	13,275	100.000%	13,275
Certificates of participation	2,535	100.000%	2,535
	193,546		193,546
Total direct and overlapping debt	$ 400,105		$ 207,136

Source: Assessed value data used to estimate applicable percentages provided by the DeKalb County Finance Department. Debt outstanding data provided by DeKalb County Finance Department.

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 Decatur, 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 DECATUR, GEORGIA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year			
	2019	2018	2017	2016
Debt limit	$ 217,882	$ 205,623	$ 188,514	$ 172,054
Total net debt applicable to limit	105,933	102,110	104,853	106,497
Legal debt margin	$ 111,949	$ 103,513	$ 83,661	$ 65,557

Assessed Value	$ 2,067,540
Add back: exempt real property	111,280
Total assessed value	2,178,820
Debt limit (10% of total assessed value)	217,882
Debt applicable to limit:	
General obligation bonds	108,000
Less: Amount set aside for repayment of general obligation debt	(2,067)
Total net debt applicable to limit	105,933
Legal debt margin	$ 111,949
Total net debt applicable to the limit as a percentage of debt limit	48.62%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2015	2014	2013	2012	2011	2010
$ 164,819	$ 137,901	$ 125,872	$ 125,390	$ 123,385	$ 124,437
32,342	30,401	30,858	31,093	31,966	32,372
$ 132,477	$ 107,500	$ 95,014	$ 94,297	$ 91,419	$ 92,065

CITY OF DECATUR, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income (in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Percentage of Population Age 25 and Older with Greater then 12 Years of Formal Schooling (3)	School Enrollment (2)	Unemployment Rate (4)
2010	18,942	556,194	29,363	36.0	88%	2,888	8.7%
2011	19,335	717,909	37,130	37.0	91%	3,246	10.7%
2012	19,555	762,097	38,972	37.0	92%	3,644	9.4%
2013	19,853	852,210	42,926	37.5	95%	3,991	8.6%
2014	20,086	836,220	41,632	38.0	95%	4,157	7.8%
2015	20,380	886,061	43,477	37.6	96%	4,521	6.0%
2016	21,957	944,854	43,032	35.9	95%	4,661	5.4%
2017	22,813	1,016,821	44,572	35.5	95%	5,229	5.6%
2018	23,832	1,056,878	44,347	35.2	95%	5,518	5.6%
2019	25,732	1,236,242	48,043	35.5	95%	5,700	4.9%

(1) Source: U.S. Census (available every tenth year)
(2) Source: Provided by City of Decatur School Board
(3) Source: U.S. Census and Department of Community Affairs
(4) Source: U.S. Census and Department of Labor

CITY OF DECATUR, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2019			2010		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
DeKalb County Government	1,695	1	N/A %	1,516	1	N/A %
Emory University Health Systems	983	2	N/A	365	4	N/A
The City Schools of Decatur (education)	860	3	N/A	477	2	N/A
Agnes Scott College (education)	420	4	N/A	397	3	N/A
City of Decatur	227	5	N/A	330	5	N/A
US Postal Service	190	6	N/A	-	-	
Devry University	148	7	N/A	269	6	N/A
Task Force for Global Health	140	8	N/A	-	-	
Pathways Transition Programs	95	9	N/A	-	-	
Kroger	84	10	N/A	-	-	
Waveguide LLC	84	10	N/A	-	-	
McCurdy & Cander	-	-		253	7	N/A
DeKalb Medical - Decatur Hospital	-	-		175	8	N/A
Columbia Theological Seminary	-	-		98	9	N/A
Wells Fargo Bank	-	-		45	10	N/A
	4,926		N/A %	3,925		N/A %

Source: Various City departments
N/A - Information not available

CITY OF DECATUR, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Function					
General government	**31**	31	39	32	31
Public safety					
Police					
Officers	**47**	48	37	39	42
Civilians	**13**	13	11	12	11
Fire					
Firefighters and officers	**38**	37	36	37	39
Highways and streets					
Engineering	**20**	14	29	17	18
Maintenance	**35**	29	28	31	27
Sanitation	**15**	16	14	14	14
Culture and recreation	**26**	20	21	23	21
Total	**225**	208	215	205	203

Source: City of Decatur department records

2014	2013	2012	2011	2010
31	27	27	28	27
42	44	39	44	42
13	13	13	14	13
39	39	39	40	39
17	15	13	14	14
29	27	27	25	20
14	17	17	18	15
20	17	16	17	16
205	199	191	200	186

CITY OF DECATUR, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Function					
Physical arrests	**768**	775	652	622	1,132
Parking violations	**4,328**	3,567	4,975	5,469	4,915
Traffic violations (1)	**11,045**	7,256	8,417	6,572	9,070
Fire					
Number of calls answered	**4,099**	3,629	3,654	3,313	3,483
Inspections	**811**	255	336	858	896
Highways and streets					
Street resurfacing (miles)	**2.23**	1.65	0.96	1.00	2.55
Potholes repaired	**45**	33	37	66	30
Sanitation					
Refuse collected (tons/day)	**15.50**	18.10	16.50	18.20	20.13
Recyclables collected (tons/day)	**9.20**	12.56	13.30	14.50	19.70
Culture and recreation					
Athletic field permits issued	**19**	26	44 **	304	280
Community center admissions	**59,750**	58,580	52,904	49,213	47,549

Source: City of Decatur Departments

N/A - Information not available

(1) Fluctuations experienced in traffic violations from year to year result from changing numbers of officers on patrol.

** The number of permits issued decreased due to construction at athletic field facilities.

2014	2013		2012	2011	2010
1,252	968		1,170	1,321	1,363
6,364	9,897		10,497	10,971	14,186
13,591	6,884		10,583	9,567	13,112
3,331	3,409		3,106	2,958	2,755
941	1,408		506	546	764
1.43	1.15		1.16	1.14	0.80
33	26		30	35	92
20.01	20.12		23.20	27.20	27.80
20.07	20.00		21.90	22.30	22.53
248	26	**	195	180	185
37,236	16,252		27,628	23,104	20,190

CITY OF DECATUR, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2019	2018	2017	2016		2015
Public safety						
Police						
Stations	**1**	1	1	1		1
Patrol units	**38**	37	41	41		41
Fire stations	**2**	2	2	2		2
Sanitation						
Collection trucks	**11**	11	10	10		10
Highways and streets						
Streets (miles)	**127**	121	75	75		62
Culture and recreation						
Parks acreage	**193.0**	193.0	116.0	116.0	**	56.5
Parks	**22**	22	21	21		14
Swimming pools	**5**	4	3	3		3
Tennis courts	**9**	9	9	9		9
Community centers	**3**	3	2	2		2

Source: Various City departments

Note: Capital asset indicators are not available for the general government function.

**The increase from 2015 is due to research performed by the City that identified additional land that was already owned by the City that needed to be reclassified to park lands.

2015	2013	2012	2011	2010
1	1	1	1	1
43	40	37	37	37
2	2	2	2	2
10	10	10	10	9
62	62	62	62	62
56.5	56.5	66.7	66.7	66.7
14	14	14	14	14
3	3	3	3	3
9	9	9	9	9
2	3	3	3	3