CITY OF DECATUR, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

Prepared By:
Administrative Services Department

Russ Madison
Finance Director

CITY OF DECATUR, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION (Unaudited)
- Letter of Transmittal ..... i-xvii
- GFOA Certificate of Achievement xviii
- Principal Officials xix
- Organizational Chart xx

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 and 19
    - Statement of Activities 20
  - Fund Financial Statements:
    - Balance Sheet – Governmental Funds 21
    - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 22
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 23
    - General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 24
    - Statement of Net Position – Proprietary Funds 25
    - Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 26
    - Statement of Cash Flows – Proprietary Funds 27
    - Statement of Net Position – Fiduciary Funds 28
    - Statement of Changes in Net Position – Pension Trust Fund 29
  - Notes to Financial Statements 30-77
- Required Supplementary Information:
  - Schedule of Changes in the City's Net Pension Liability and Related Ratios 78
  - Schedule of City Contributions – Retirement Plan 79
  - Schedule of Pension Investment Returns – Retirement Plan 80
  - Schedule of Changes in the City's Total OPEB Liability and Related Ratios 81
- Combining and Individual Fund Statements and Schedules:
  - Combining Balance Sheet – Nonmajor Governmental Funds 82
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 83

CITY OF DECATUR, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

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 84

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Emergency Telephone System Fund 85

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grant Fund 86

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Children and Youth Services Fund 87

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tree Bank Fund 88

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hotel/Motel Tax Fund 89

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

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Improvement 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, 2020

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**

City Manager's Office
509 North McDonough Street
P.O. Box 220
Decatur, Georgia 30031
404-370-4102 ▪ Fax 678-553-6518
info@decaturga.com ▪ www.decaturga.com

December 9, 2020

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, 2020.

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, 2020 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, 2020, 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 25,700. 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 24 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 2020 real estate property digest shows a growth rate of approximately 6.5% compared to the 2019 digest. Approximately 56% of this increase is due to growth from new construction, with 44% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2020 total millage rate remained unchanged at 13.92 mills.

After a slight drop and stabilization of average real estate sales prices in 2019, data for 2020 indicate that average sales prices have increased over the past year. The average sales price of a single-family home increased from $661,000 in November 2019 to $670,000 in November 2020, a 1.3% increase. The number of days a home was on the market decreased from 38 days in 2019 to 31 days in 2020. The number of dwellings sold increased from 204 in 2019 to 253 in 2020. The local real estate market remains strong and healthy even in the midst of the COVID-19 global pandemic.

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 2019, the City issued permits for 26 new detached single-family dwellings, 31 new attached townhouses and demolition permits for 30 existing dwellings. It is anticipated that by the end of calendar year 2020, the City will issue permits for at least 20 new single-family dwellings, 22 new attached townhouses and demolition permits for 20 existing dwellings. Overall, permit and inspection fees increased from $759,390 in fiscal year 2019 to $899,039 in fiscal year 2020. The overall valuation of permitted projects increased from $36,494,025 in 2019 to $468,649,270, representing a number of large commercial projects. The numbers indicate a healthy and robust development environment.

A 32-unit attached townhouse development is in the final stages of construction on the corner of Church Street and Forkner Drive. The first three phases have been completed and residences are being occupied. Completion of all phases is anticipated in early 2021. Another 10-unit attached townhouse development, which includes live-work units, is nearing completion at the corner of East College Avenue and Mead Road on a site previously occupied by surface parking. 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 first two phases have been completed and residences are being occupied. Completion of all phases is expected in late 2021.

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. The DDDA is presently evaluating potential development partners and builders familiar with affordable housing. The construction of this prototype project should begin in 2021.

A new residential development approved in 2018 is under construction on a 7.3 acre site formerly owned by AT&T near the Avondale MARTA Station. The development includes 4.2 acres that will be occupied by 96 condominiums and 40 townhomes and 2.78 acres will be deeded to the Development Authority of the City of Decatur as a potential location for a regional storm water detention pond and green space, and .28 acre will be used to recreate a portion of New Street that once connected to Talley Street for better transportation connectivity in the vicinity of South Columbia Drive, College Avenue, Talley Street, and New Street. The development is subject to the mixed-use district regulating plan. Pre-sales of units began 4th

quarter of 2020 with first phase occupancy planned for 4th quarter 2021 and all development phases planned to be completed by end of 2022.

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 recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur is 13.4%, less than the 14.2% vacancy rate of other urban office markets and less than the 16.7% vacancy rate for the metropolitan Atlanta office market area. The Callaway Redevelopment project at the corner of West Trinity Place and North McDonough Street includes a new 34,000 square foot office building with ground floor retail, developed by AMLI and Cousins Properties. The co-working firm WeWork has leased all of the office space and opened in the 4th quarter with workspace for more than 450 WeWork members. In addition to the office space, the 4.7 acre, mixed-use development is home to 330 apartments and 19,000 square feet of retail and restaurant space, both of which are at the beginning stages of leasing.

Average commercial rental rates in the City of Decatur are $27 per square foot, up from $25 in 2019. This increase can be attributed to an increase in rental rates at Commerce Square and West Court Square. These two downtown Decatur office buildings have undergone extensive interior and exterior renovations to reposition the buildings at higher rental rates.

In the fall of 2019, the Decatur Downtown Development Authority launched an office recruitment strategy. The marketing and recruitment activities related to this strategy have had a positive impact on office building occupancy. Emory Healthcare recently announced that it will locate the Emory Nursing Learning Center in downtown Decatur. The 70,000 square foot Center will occupy four floors at 250 E. Ponce de Leon Avenue. The $20.6 million expansion will include a state-of-the-art simulation and skills lab. The nursing school plans to open its offices in May of 2021 and the learning center is expected to open by February 2022.

Decatur First United Methodist Church has entered into an agreement to sell its historic 1889 stone chapel in downtown Decatur as well as the adjacent classroom building. The prospective purchasers plan to renovate the classroom building to serve as office space and the chapel as a space for use by community organizations.

Since the COVID-19 pandemic, restaurant and retail activity has slowed in all commercial districts. Nonetheless, new businesses, including restaurant, retail and service industries, continue to open. Based on recent reports from CoStar, the vacancy rate for available retail space in the City of Decatur is 6.3%, slightly less than the 6.5% vacancy rate for the metropolitan Atlanta retail market area. 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. Most retailers and restaurants have remained in business but all express concerns about their long-term viability. By the end of the year, the City will have provided upwards of $1,000,000 to local, small businesses mostly through the federal CARES funding in addition to $300,000 for local non-profit organizations.

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 145-room Hampton Inn is complete in downtown Decatur adjacent to the Marriott Courtyard 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 contributed to the City's hotel/motel tax revenue.

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 Bank of America site in downtown Decatur received plan approval for a new mixed-use project, known as Modera Decatur, 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. The original 2.14 acre site contained 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 new bank building has been completed and is open for business. The mixed-use project is slated for delivery in the fall of 2022. 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 290 market rate rental apartments and 22,000 square feet of retail and commercial space, of which more

than half has been leased to such uses as a credit union, fitness studio and restaurant. Columbia Ventures was successful in obtaining tax credits for a 90-unit affordable, senior, independent-living component of the project. Construction of the senior dwellings has been completed and units are 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. In November 2020, this development received a Development of Excellence award from the Atlanta Regional Commission.

The Gateway Decatur development is a new mixed-use development underway near the corner of N. Arcadia Avenue and East Ponce de Leon Avenue. This 11-acre site will include a Publix grocery store expected to open in June 2021 and a 290-unit apartment complex being developed by Toll Brothers that is expected to be completed in February 2022. The development is investing a quarter-million dollars in public art that highlights the eastern gateway of the City.

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. Recently the college added SUMMIT, a 21st century college experience where every student, regardless of major, benefits from a curriculum focused on global learning and leadership development. 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) to complete construction of Phase I. 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 included construction of a $22.5 million 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 2016. Phase I and II included construction of 121 apartment units that have been completed and occupied. Phase III was the successful development of 34 dwellings of affordable and workforce housing located at 1111 Oakview Road and is fully occupied. DHA has also secured tax credits for major renovations and upgrades of the existing buildings of the Swanton Heights apartment complex. Construction started in 4th quarter of 2019 and is expected to be completed by 4th quarter of 2021. Most importantly, the existing residents will not be displaced and are able to reside in housing at Decatur Legacy Park during the construction.

The Task Force for Global Health, a non-profit that focuses on neglected tropical diseases, vaccine-preventable disease, and health systems strengthening, is expanding its Decatur headquarters in the downtown business district. The Task Force is renovating its six-story, 90,000 square foot building that is home to approximately 140 employees and may accommodate up to 375 employees. 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. The official community-wide kickoff event occurred in January 2020 with over 600 attendees. Roundtable discussions were interrupted by the COVID-19 pandemic and ultimately were resumed in a virtual environment. Additional opportunities for plan input were moved online and the educational “202” sessions kicked off in November 2020. Community participation has remained strong in spite of the pandemic and it is anticipated that the strategic planning process will extend into the first quarter of 2021.

In late July 2020, the Boys & Girls Clubs of Metro Atlanta announced the closure of the Samuel L. Jones Boys and Girls Club facility in the City of Decatur. In September 2020, the City entered into an agreement to purchase the 5.4 acre property for $4,940,000. In November 2020, the Urban Redevelopment Agency of the City of Decatur issued Series 2020C bonds in the amount of $5,500,000 for the purchase of the property. The average annual debt service for 20 years will be about $20,000 more than the savings derived from the refunding of the URA’s Series 2010A and Series 2013A and 2013B bonds. The closing on the purchase of the property is anticipated in late December 2020 or early January 2021.

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. The UMCH occupied this property since 1873 and provided housing on the property to as many as 150 children at one time. 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 hosted a regional cross-country meet; and, a plan for affordable housing on the property has been adopted by the City Commission. In November 2019 the United Methodist Children's Home (UMCH) provided the City and the PFA with a notice of its intent to transfer, lease, convey and/or assign its interest in the historic Moore chapel property. In January 2020 the City closed on the acquisition of the chapel property.

In response to the master plan's recommendation for a 'dedicated management entity' to focus on implementation of the master plan, financial management and ongoing operations of the park, in August 2020 the City Commission entered into a 3 year agreement with 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 seven 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.

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 identified 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 was presented in February 2020. The report includes 23 recommendations from the Affordable Housing Task Force and was formally accepted by the City Commission. In July 2020 the City Commission adopted a mandatory inclusionary housing ordinance that requires 10% affordable units be set aside in developments of five or more new residential units. In November 2020, an Affordable Housing Fellow was hired to focus on the recommendations of the Affordable Housing Task Force, Legacy Park Master Plan Housing Addendum and other initiatives to support and promote affordable housing.

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 18-20 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 is complete and construction is anticipated in early to mid-2021.

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 opened 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 the past 2 years, Decatur residents have been working with the City and its consultant team on a new Storm Water Master Plan addressing the infrastructure needs of Decatur's next two decades. The plan was adopted by the City Commission in December 2020 along with ordinances to address storm water management and financing.

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 (DDDA) for operation and management of the conference center and parking deck. The DDDA 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. 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 average occupancy rate of the two downtown hotels is 70.6%, compared to the US industry average of 48.3% which is a 30% decline compared to last year. The City's occupancy rates were tempered due to the Georgia National Guard deployments and other long term stay groups.

The City's volume-based sanitation collection system continues to be highly successful. The pay-as-you-throw program provides an economic incentive to reduce waste and increase recycling. The City currently has reduced landfill deposits by approximately 45% from the benchmark fiscal year 1991-1992. This is well in excess of the State of Georgia's goal of a 25% reduction. In addition, the City recycled 466 tons of glass during fiscal year 2019-2020. This is an increase of 5% from last year.

As of July 2018, the City of Decatur is the service provider for single-family residential commingled and glass recycling collection. 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 commingled recycling that contains plastic #3-7. The markets for plastic materials are volatile and demand driven. In order to address the volatility in the recycling market for plastic #3-7, the City's Environmental Sustainability Board is working on a project to keep the recycling program sustainable, fiscally responsible and transparent. The program will include but not be limited to increased education for our residents on what items are acceptable in our program, reducing contamination, and providing options for hard to recycle materials. In fiscal year 2020-2021, the City will complete a detailed assessment of the single family waste streams and establish a baseline to be used to determine future progress of our program. Despite the increased operating costs and growing uncertainties in the recycling industry, staff continue to work diligently to control costs and provide quality service.

The City's environmental stewardship extends well beyond recycling. In coordination with the Environmental Sustainability Board, the City Commission authorized funding in December 2020 for a clean energy plan as a first step towards a more comprehensive climate action and resilience plan in the future.

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

In October 2020, the Urban Redevelopment Agency of the City of Decatur closed on the Series 2020A and 2020B bonds which were used to refund outstanding Series 2010A and Series 2013A/2013B bonds, respectively. Favorable interest rates resulted in a savings to the City, which is responsible for the debt service payments, in the amount of $7,119,000 over the next 24 years. At the same time, the City's bond ratings were affirmed by Standard & Poor's at AA+ and Moody's at Aa1.

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 $3,150,000 in fiscal year 2020, only $67,000 less than the previous year in spite of the economic impacts of the pandemic in early 2020. 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 2022.

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.

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, 8.58% in 2019, and 8.89% in 2020.

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.

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 2020 survey was conducted in April 2020 near the beginning of the COVID-19 pandemic. The following table summarizes the responses:

	2020	2018	2016	2014	2012	2010	2008	2006
Very Positive	4%	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	12%	27%	28%	32%	19%	11%	11%	19%
Neutral	38%	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	33%	13%	12%	11%	19%	28%	32%	21%
Very Negative	13%	1%	0%	0%	5%	9%	7%	4%

The percentage of respondents who anticipate the potential effect of the economy on family income will be negative rose from 14% in 2018 to 46% in 2020.

A new question in the 2020 survey asked: Please rate how important, if at all, you think it is for the Decatur community to focus on the overall economic health of the City in the coming two years:

Essential	49%
Very important	44%
Somewhat important	7%
Not important at all	0%

100% of the respondents to this question agree that focus on economic health of the City is of some importance in the next two years, with the overwhelming majority noting it is very important or essential.

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.

At the request of the City Schools of Decatur, in July 2020, the City Commission approved a 12-month moratorium on annexation with exceptions for split parcels and/or service boundary adjustments. Currently, when the City annexes property into the City, school-age children residing on the annexed property are eligible to attend the City Schools of Decatur. Simply, the service boundaries of the City of Decatur are coterminous with the service boundaries of the City Schools. Over the past couple of years, there have been efforts by the DeKalb delegation to pass local legislation to separate these boundaries so that annexations by the City would not extend the service boundaries of the City Schools. This would result in some residents living in the City but not having access to the City Schools of Decatur. Members of the Decatur Board of Education have been discussing financial impacts of any future annexations on the DeKalb County school system with the DeKalb school board. In order to allow time for the two Boards to work through this complex negotiation, the Board of Education asked the City to suspend annexations for 12 months. The moratorium is not expected to have an impact on the City's current operations.

Conclusion

The latter part of fiscal year 2019-2020 and into the current fiscal year, all activities of the City have been impacted by the ongoing COVID-19 pandemic. The fiscal year 2019-2020 budget was revised to reflect the immediate impacts of the pandemic and the fiscal year 2020-2021 was developed in anticipation of continued impacts from the pandemic. In spite of the virus and its impact on the economy, the City of Decatur continues to be financially secure. The City's historically conservative approach to budgeting and finance, with an emphasis on estimating expenses on the high-end and estimating revenues on the low-end, has resulted in the accumulation of a healthy fund balance. This fund balance has afforded the City opportunities to maintain current service levels and to avoid draconian cuts in staffing and salaries. So far, the City is able to continue many capital improvement projects and maintain a stable millage rate. There will be volatility with revenues but there also will be expenditure savings. The execution of the forthcoming vaccination distribution will certainly have an impact on the economic stability of the City in 2021. The City's conservative and attentive budgeting and finance practices will serve to promote such stability.

The year has been characterized by the pandemic and protests for racial justice. In both areas, which are intertwined, the City's response has been swift and decisive. In early March 2020, the City's emergency management team convened and has met weekly since. The City's pandemic preparedness and response plan which was developed in 2010 has served as a guide for the City's response. The City Commission declared a state of emergency and granted emergency powers to the Mayor who placed restrictions on certain businesses and issued a stay at home order. The City Commission adopted a face covering ordinance to protect the community. The City and DeKalb County entered into an agreement whereby the County shared a portion of federal CARES funding which has been used to provide monetary grants to small businesses and non-profits, purchase cleaning supplies and protective equipment and recognize the risks being borne by our employees who are essential workers. At the same time, the City has taken steps to address racism and raise awareness in our community through an anti-racist speaker series, the removal of a Confederate monument on the Square, a Black Lives Matter street mural, and support of peaceful protests. The City's viability and health should be measured by more than its financial and economic condition, but also its racial condition. The City will grapple with the ongoing public health crisis and racial inequalities indefinitely. However, the City's leadership, engaged community, stable institutions and overall commitment to diversity, equity and inclusion position it for progress in addressing these challenges.

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 and of its 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, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2020

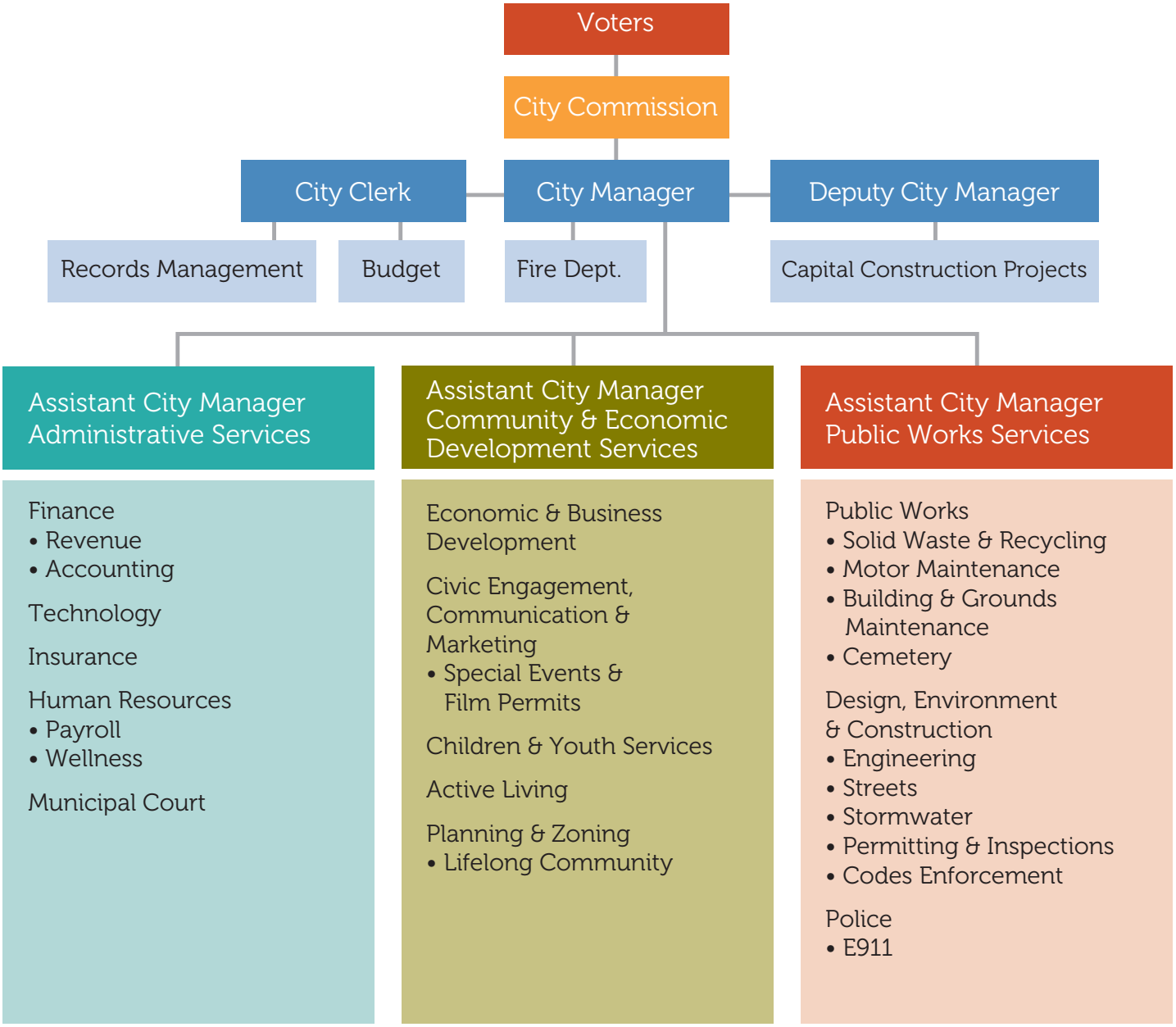
CITY COMMISSION

Patti Garrett	Mayor
Tony Powers	Mayor Pro-Tem
Kelly Walsh	Commissioner
Lesa Mayer	Commissioner
George Dusenbury	Commissioner

APPOINTED ADMINISTRATIVE OFFICIALS

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

City Organization



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2020, 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, 2020, 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 78 through 81) 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 9, 2020 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 9, 2020

As management of the City of Decatur (the "City"), we offer readers of the City's financial statements this narrative analysis of the financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information together with the letter of transmittal, financial statements and footnotes.

Overview of the Comprehensive Annual Financial Report (CAFR)

The CAFR is presented in three 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 (a deficit) at the close of the most recent fiscal year by $69,793,149 (total net position). The deficits have been driven in recent years by the issuance of general obligation bonds for which the proceeds were transferred to the City Schools of Decatur (CSD); as well as the implementation of Governmental Accounting Standards Board (GASB) rules related to pensions and other post-employment benefits (OPEB).

- The City had $39,030,671 in expenses related to governmental activities and $10,537,704 or 27% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were $35,513,637 and $29,836,476 or 84% of these revenues were from property taxes.

- The fund balance of the General Fund at June 30, 2020, was $12,559,843 and represents 51.3% of General Fund expenditures.

- 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 Homestead Option Sales Tax (HOST) with an Equalized Homestead Option Sales Tax (EHOST). 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.

- In 2019 the City partnered with CSD to develop a high-speed fiber-optic communication network that is currently under construction. Once complete, this $2,333,961 fiber ring will link all City facilities. It will create a redundant system that allows the network to provide continuous service when one section of the network is temporarily interrupted. This self-healing system ensures that staff and facilities will be able to operate continually and provide services even in an emergency.

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 required supplementary information.

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

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.

Government-wide financial statements can be found on pages 18 through 20 in 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 local governments and the state, 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 21 through 24 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 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 25 through 27 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 28 and 29 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 30 through 77 of this report.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

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 a deficit ($69,793,149), or $7,768,539 better than the prior year.

City of Decatur Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Assets						
Current assets	$ 37,737	$ 37,043	$ 4,565	$ 6,833	$ 42,302	$ 43,876
Capital assets	108,021	109,683	15,571	15,675	123,592	125,358
Other non-current assets	6,156	6,416	-	-	6,156	6,416
Total assets	151,914	153,142	20,136	22,508	172,050	175,650
Deferred outflows of resources	5,072	8,332	108	259	5,180	8,591
Liabilities						
Long-term liabilities	230,809	224,284	860	1,665	231,669	225,949
Other liabilities	11,314	12,713	2,198	2,347	13,512	15,060
Total liabilities	242,123	236,997	3,058	4,012	245,181	241,009
Deferred inflows of resources	9,565	12,994	46	30	9,611	13,024
Net Position						
Net investment in capital assets	17,811	21,600	15,269	15,018	33,080	36,617
Restricted	11,064	6,483	-	-	11,064	6,483
Unrestricted	(123,577)	(116,601)	1,871	3,707	(121,706)	(112,893)
Total net position	$ (94,702)	$ (88,518)	$ 17,140	$ 18,725	$ (77,562)	$ (69,793)

The largest portion of the City's net position, $36,617,414 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 a restricted amount of $6,482,759 and an unrestricted deficit ($112,893,322). The negative unrestricted net position results from two significant general obligation issuances on behalf of CSD. In 2007, the city incurred $33,245,000 in long-term debt of which $16,500,000 was transferred to CSD. In 2016, the city issued $75 million in general obligation bonds, which was transferred to CSD in its entirety. With the transfer of title to CSD, 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. In fiscal year 2017-2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which decreased total net position by $20,027,761.

Changes in Net Position

At the conclusion of fiscal year 2019-2020 the City's net position improved by $7,768,539, most of which can be attributed to increases in revenues, primarily property taxes, combined with general decreases in expenses.

City of Decatur Changes in Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Revenues						
Program revenues:						
Charges for services	$ 6,584	$ 5,675	$ 4,080	$ 4,296	$ 10,664	$ 9,970
Operating grants & contributions	306	284	-	-	306	284
Capital grants & contributions	3,760	4,579	-	-	3,760	4,579
General revenues:						
Property taxes	27,237	29,836	-	-	27,237	29,836
Franchise taxes	1,670	1,682	-	-	1,670	1,682
Sales taxes	1,336	1,361	-	-	1,336	1,361
Other taxes	1,949	2,057	-	-	1,949	2,057
Investment earnings	564	555	-	-	564	555
Gain on sale of capital assets	-	11	-	-	-	11
Miscellaneous	53	11	-	-	53	11
Total revenues	43,459	46,051	4,080	4,296	47,539	50,346
Expenses						
General government	11,663	10,672	-	-	11,663	10,672
Public safety	12,102	11,400	-	-	12,102	11,400
Public works	5,687	5,537	-	-	5,687	5,537
Recreation	6,050	5,313	-	-	6,050	5,313
Interest on long-term debt	6,323	6,109	-	-	6,323	6,109
Conference center	-	-	417	187	417	187
Stormwater	-	-	1,278	932	1,278	932
Sanitation	-	-	2,196	2,429	2,196	2,429
Total expenses	41,825	39,031	3,891	3,548	45,716	42,578
Income (Loss) before transfers and special item	1,634	7,020	189	748	1,823	7,768
Transfers	338	(837)	(338)	837	-	-
Special Item	-	-	-	-	-	-
Change in net position	1,972	6,183	(149)	1,585	1,823	7,768
Net position beginning of year	(96,674)	(94,702)	17,289	17,140	(79,385)	(77,562)
Net position end of year	$ (94,702)	$ (88,518)	$ 17,140	$ 18,725	$ (77,562)	$ (69,793)

Revenues

Governmental charges for services decreased $909,631 or 13.82%, primarily from decreases in recreation and youth services which were significantly curtailed as a result of the COVID-19 pandemic. *Capital grants and contributions* increased $819,097 or 21.78% primarily from CSD reimbursements for the fiber network and a private grant for bicycle path improvements. Property taxes, including real estate and personal property, increased $2,599,782 or 9.55% from the prior year. This increase occurred primarily as a result increases in assessed values of property. Franchise taxes and sales taxes 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 $990,486 or 8.49%. Prior year expenses included resurfacing expenses (approximately $436,000) and contributions toward MARTA improvements (approximately $390,000) which were not required in the current year. General government pension and other postemployment allocations decreased approximately $440,000. Offsetting these decreases, repair and maintenance for Legacy Park increased approximately $208,000. *Public safety* expenses decreased $702,483 or 5.80% and is primarily attributable to decreases in pension and postemployment benefit allocations. *Public Works* expenses decreased $149,989 or 2.64%. *Recreation* expenses decreased $737,133 or 12.18%, as a result of interruption of services caused by the COVID-19 pandemic. Interest on long-term debt decreased $213,932 or 3.38% related to reductions in debt.

Expenses for business-type activities decreased $343,552 or 8.83%. Conference Center expenses decreased $230,529. Stormwater expenses decreased $346,449. Solid waste expenses increased $233,425. Business type expenditures are discussed in further detail on pages 13 and 14.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

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 2019 and 2020 (in thousands).

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

	2019	2020	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 32,160	$ 34,800	$ 2,640	% 8
Licenses & permits	605	811	206	34
Intergovernmental	4,909	5,578	669	14
Fines & forfeitures	855	853	(2)	(0)
Charges for services	4,592	3,278	(1,314)	(29)
Investment income	128	120	(8)	(6)
Other revenues	267	553	286	107
Total revenues	43,516	45,993	2,477	6
Expenditures				
General government	10,914	10,294	(620)	(6)
Public safety	10,082	9,884	(198)	(2)
Public works	4,313	4,105	(208)	(5)
Recreation	4,811	4,177	(634)	(13)
Capital Outlay	4,676	6,104	1,428	31
Intergovernmental	-	111	111	-
Debt Service	11,939	12,384	445	4
Total expenditures	46,735	47,059	324	1
Excess of revenues over expenditures	(3,219)	(1,066)	2,153	(67)
			-	
Other financing sources (uses)			-	
Issuance of bonds	5,095	-	(5,095)	(100)
Issuance of note payable	2,334	-	(2,334)	(100)
Financed purchases	150	1,339	1,189	793
Proceeds from sale of capital assets	-	11	11	-
Transfers in	6,745	5,803	(942)	(14)
Transfers out	(6,407)	(6,641)	(234)	4
Total other financing sources (uses)	7,917	512	(7,405)	(94)
Net change in fund balances	4,697	(554)	(5,251)	(112)
Fund balances, beginning of year	29,871	34,568	4,697	16
Fund balances, end of year	$ 34,568	$ 34,014	$ (554)	% (2)

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $34,014,459—a decrease of $553,965 from the prior year. Of the total amount, $9,822,047, or 28.88%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $24,192,412, is within the following classifications: $1,936,758 is non-spendable which means it is not available for new spending because it is a non-cash asset such as inventory, prepaid items or advances; $14,859,290 is restricted which means it is legally restricted for specific purposes. The restricted fund balance is for 1) capital construction ($10,194,722); 2) debt service ($4,096,791); 3) law enforcement ($15,065); and 4) Public Safety-E911 ($552,712). A committed amount of $928,504 can be used only for specific purposes pursuant to a formal vote of the City Commission. Fund balance is committed for 1) tree preservation ($63,155) and 2) Children and Youth Services ($865,349). An assigned amount of $6,467,860 is intended to be used for specific purposes as determined by the City Manager. Fund balance is assigned for 1) fiscal year 2021 operations ($2,289,200); 2) greenspace acquisition ($12,764); 3) cemetery operations ($129,549); and 4) equipment purchases ($4,036,347).

Total governmental revenues increased $2,476,989 or 5.69%. Tax revenues increased $2,639,633 primarily from increased assessed values of property. Licenses and permit revenues increased $204,626 or 33.78% and include several large building projects approved in fiscal year 2019-2020 including the Decatur Housing Authority's rehabilitation/redevelopment project for Swanton Heights by the Decatur Housing Authority, additional permits for AMLI Decatur (aka the Callaway redevelopment), and construction at Agnes Scott College. Intergovernmental revenues increased $671,289 or 13.68 primarily from CSD reimbursement for the fiber optic network as well as a private grant for bicycle path improvements. Charges for services decreased $1,313,745 or 28.61% and is primarily related to reductions in recreation and youth services as a result of the COVID-19 pandemic.

Total governmental expenditures increased $323,414 or 0.69%. General government expenses decreased $619,936 or 5.68% as prior year expenses included expenditures for road resurfacing and MARTA improvements. Recreation expenses decreased $634,278 or 13.18% and can be attributed to reductions in service related to the COVID-19 pandemic. Capital outlay expenditures increased $1,428,621 or 30.55% and included increased expenditures for bicycle path improvements; fiber network construction; and vehicle purchases.

General Fund. This is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was $12,559,843, while the total fund balance for all governmental funds was $34,014,459. As a measure of the fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2020, unassigned General fund balance of $9,822,047 represents 40.11% of total General Fund expenditures.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

The following table compares General Fund revenues and expenditures for 2019 and 2020 (in thousands).

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

	2019	2020	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 22,141	$ 23,484	$ 1,343	% 6
Licenses & permits	606	810	204	34
Intergovernmental	351	382	31	9
Fines & forfeitures	855	853	(2)	(0)
Charges for services	1,855	1,156	(699)	(38)
Investment income	14	20	6	43
Other revenues	195	351	156	80
Total revenues	26,017	27,056	1,039	4
Expenditures				
General government	9,190	9,242	52	1
Public safety	9,129	8,949	(180)	(2)
Public works	4,303	4,105	(198)	(5)
Recreation	2,669	2,193	(476)	(18)
Intergovernmental	-	-	-	-
Total expenditures	25,291	24,489	(802)	(3)
Excess of revenues over expenditures	726	2,567	1,841	254
Other financing sources (uses)				
Proceeds from sale of capital assets	-	1	1	-
Transfers in	789	935	146	19
Transfers out	(1,350)	(1,640)	(290)	21
Total other financing sources (uses)	(561)	(704)	(143)	25
Net change in fund balances	165	1,863	1,698	1,029
Fund balances, beginning of year	10,531	10,696	165	2
Fund balances, end of year	$ 10,696	$ 12,559	$ 1,863	% 17

General Fund Revenues. Overall, General Fund revenues increased $1,039,305 or 3.99% over the prior year revenues. Revenue from taxes increased approximately $1,343,216 or 6.07%. The largest single source of revenue for the City's General Fund operations is real property tax which totaled $19,258,772. The total real property tax revenue for the current fiscal year increased $1,269,593 or 7.06% and can primarily be attributed to increases in assessed property values. The 2019 digest increased 8.12% from 2018. Licenses and permits increased $204,626 or 33.78% as several large developments were approved in fiscal year 2019-2020 including the Swanton Heights rehabilitation project, the AMLI Decatur project, and construction at Agnes Scott College. Charges for services decreased $698,446 or 37.66% and are primarily related to reductions in recreation services resulting from the COVID-19 pandemic.

General Fund Expenditures. Overall, General Fund expenditures decreased $801,717 or 3.17% from the prior year and remained well within the overall budget. Health insurance costs decreased $518,628 or 20%. It is important to note that health care costs for the City's partially self-insured plan depending on the number and severity of claims. Contributing to the decrease in the year is the effect of the pandemic on discretionary health care spending as many elective procedures have been deferred. Reductions in services and staffing as a result of the pandemic also contributed to the drop in General Fund expenditures, primarily recreation expenditures which decreased $475,513 or 17.82%.

General Fund salaries and compensation decreased from $12,276,447 to $12,092,715, a decrease of $183,732 or 1.5% with the largest decrease in recreation related salaries as result of the pandemic. Professional services increased from $2,218,033 to $2,319,525, an increase of $101,492 or 4.6% with the largest increase related to permits and inspection—a result of payments to our third-party inspection services provider whenever permit revenues increase. Contractual service expenses decreased from $1,981,758 to $1,787,354, a decrease of $194,404 or 9.81% across all categories and departments with the largest decrease related to recreation expenditures as related services were curtailed due to the pandemic.

General Government expenditures were consistent with prior years with a slight increase year-over-year of $52,432. Public Safety expenditures decreased $179,940 or 1.97% with most of the decrease from reductions in group insurance. Public Works expenditures decreased $198,696 or 4.62% with the largest decrease related to group insurance. Recreation expenditures decreased $475,513 or 17.82%, related to decreases in services as a result of the pandemic.

Transfers from other funds increased from $789,001 to $935,348 which is an increase of $146,347 or 18.55%. 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 offsets on behalf of low-income seniors. The distribution from the hotel/motel fund increased $20,096. Transfers to other funds increased $290,000. Transfers to the E911 fund were $350,000 for fiscal year 2019-2020. A transfer of $1,290,000 was made to the Storm-water Utility Fund in fiscal year 2019-2020 for upgrades to storm-water facilities associated with the Decatur Housing Authority. After accounting for transfers in and out, the addition to fund balance was $1,863,380, and the ending fund balance is $12,559,843.

Other Major Fund Activities

SPLOST Fund. The SPLOST Fund accounts for sales tax revenue collected and payments made for capital 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. Revenues for fiscal years 2018-2019 and 2019-2020 were $3,217,372 and $3,154,048, respectively. This fund issued bonds of $5,095,000 in fiscal year 2018-2019 for the approved transportation projects and repayment of these bonds will be paid out of the related sales tax collections. Debt service on these bonds was $956,182 for fiscal year 2019-2020. For fiscal years 2018-2019 and fiscal year 2019-2020, SPLOST funds of $2,229,420 and $2,228,090, respectively, were used to pay debt service for Series 2010 and 2013 Urban Redevelopment Bond debt.

Capital Improvement Fund. The purpose of this fund is to provide for construction of major capital improvements and to purchase capital equipment items for operating departments. The Capital Improvement Fund's fund balance decreased by $2,055,717 to $7,117,421. Overall revenues increased $1,928,904. Tax revenues increase $1,286,305 or 37.9% as assessed property values have increased along with increases in the millage rate allocated to this fund. Intergovernmental revenue increased $679,778 or 137% primarily from CSD's portion of the fiber network construction and a private grant for bicycle path improvements. HOST funds make up $2,565,627 of the fund balance and are dedicated to proposed capital projects. Some of the more significant capital expenditures for fiscal year 2019-2020 were $1,648,672 for bicycle path improvements; $1,389,871 for fiber network construction, and $1,668,885 for vehicle purchases.

Debt Service Fund. The Debt Service Fund's fund balance, all of which is restricted for the payment of debt service, increased by $32,544 to $4,287,373 at June 30, 2020. 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.

The activities of other non-major governmental funds can be found on pages 82 and 83.

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) in 2011 for the 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 transfers from the hotel/motel tax fund for 2019 and 2020 were $163,690 and $164,159, respectively, and will be placed in a reserve account with the DDA. 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 $253,677 to $22,679 as the parking facility and conference become fully depreciated. 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. This 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 increased by $1,367,052 to $17,155,160. The increase was primarily due to a one time transfer of $1,290,000 from the General Fund to the Stormwater Fund to cover infrastructure upgrades. The City's capital investment in infrastructure represents $14,246,996 of the fund's total net position. Operating revenues increased from $1,318,342 in fiscal year 2018-2019 to $1,394,510 in fiscal year 2019-2020. Cost of sales and services decreased from $871,107 in fiscal year 2018-2019 to $526,594 in fiscal year 2019-2020. The decrease was driven by decreases in professional and engineering services. For fiscal year 2018-2019 and 2019-2020, the fund transferred $330,400 and $375,590, respectively, to the general fund for indirect costs. In June 2016, the City Commission approved an increase in the ERU from $75 to $100.

This fund ended the year with over $3,757,000 in cash available for operating and capital expenses.

Solid Waste Fund. This fund accounts for the collection of fees for residential and commercial sanitation services. Revenues in this fund for fiscal years 2018-2019 and 2019-2020 were $2,761,766 and $2,901,122, respectively, an increase of $139,356 for 5.05%. In March 2020, the City Commission increased the single-family residential fee from $290 to $300. 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. Operating expenses for fiscal 2019 and 2020 were $2,002,210 and $2,221,718, respectively, an increase of $219,508 or 10.96%. The increase is primarily related to increases in personnel costs and increased allocation of pension liabilities to this fund.

Total net position increased $240,740 to $1,273,342. The Solid Waste Fund ended with a positive cash position with cash balances at June 30, 2020, of $2,852,002. 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 $1,480,587 to net position during fiscal year 2019-2020 reflecting continued strength in the financial markets. The net position restricted for benefits remains healthy at $45,575,377.

General Fund Budgetary Highlights

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 24. The original and final budgets anticipated a reduction to fund balance to decrease the total fund balance. Actual revenues were $809,950 more than the final budgeted amounts. Actual general fund expenditures were $3,417,721 less than the final budget. Personnel related services were $1,948,243 less than budgeted, primarily from reductions in recreation personnel and group insurance costs, as a result of the pandemic. 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 $2,369,730 in fund balance. Higher revenues and much lower than budgeted expenditures resulted in an addition to fund balance of $1,863,380. This is $4,233,110 more than anticipated and resulted in an ending fund balance of $12,559,843.

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, 2020, amounts to $125,357,582 (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, cemetery improvements, sidewalk construction, streetscape 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 2017-2018. Additional information on the City's capital assets can be found in Note 6 on pages 51 through 53 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 (in thousands).

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Land	$ 34,725	$ 34,725	$ 280	$ 280	$ 35,005	$ 35,005
Construction in progress	949	2,089	-	460	949	2,549
Land improvements	2,597	2,529	-	-	2,597	2,529
Infrastructure	17,984	19,738	14,386	14,015	32,370	33,753
Building & improvements	48,574	46,612	77	60	48,651	46,672
Machinery & equipment	2,032	1,730	-	-	2,032	1,730
Vehicles	1,160	2,260	-	-	1,160	2,260
Furniture, fixtures, & equipment	-	-	828	859	828	859
Total	$ 108,021	$ 109,683	$ 15,571	$ 15,674	$ 123,592	$ 125,357

Long-term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of $171,694,010 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 year 2019-2020 is $2,353,705,000 with a current debt limitation for the City of $235,371,000, not including current debt outstanding. Current debt that applies to the debt limit totals approximately $104,410,000, which leaves the City a legal debt margin of 43.40%.

At June 30, 2020, the City had long-term debt for governmental activities in the amount of $231,424,816 which was comprised of $171,694,010 in bonds payable, and the remaining $59,730,806 is comprised of financed purchases, notes payable, certificates of participation, claims and judgments, total OPEB liability, net pension liability and compensated absences. Long term debt for business-type activities is $1,764,807 and is comprised of financed purchases, net pension liability and compensated absences.

Additional information on the City's long-term debt can be found in Note 7 on pages 54 through 62 of this report.

Pension and OPEB. 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 $1,007,751 was $134,831 less than the actuarially determined contribution for the fiscal year ending June 30, 2020 due to payroll less than estimated.

The provisions of 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.
GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, became effective July 1, 2014. GASB 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 statement refers to plan accounting, not funding. As such, GASB 68 significantly changed the City's accounting for pension amounts, but the City continues to use the actuarially determined contribution (ARC) to determine appropriate funding of the pension plan.

At June 30, 2020, City's total pension liability was $57,397,411. The plan fiduciary net position was $45,575,377 resulting in the City's net pension liability of $11,822,034. The plan fiduciary net position as a percentage of the total pension liability was 79.40%. The plan's funded ratio, an indicator of funding status, decreased from 82.4% to 79.40%. 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 $5.8 million.

The City also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of June 30, 2020, the most recent actuarial date, there were 58 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 No. 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 $30,660,158. 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.

These figures and additional information on the City's pension arrangements and OPEB 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 2020 real property digest is 6.49% higher than the 2019 digest. New value accounts for 56% of the increase and 44% is from revaluation of existing properties. This increase is consistent with local real estate sales reports and recent permitting activity. Though it may slow, permitting activity increased in the first quarter of fiscal year 2021.

A number of projects are underway that will add to the City's tax digest in the near future. Multifamily investor and operator Mill Creek Residential recently finalized plans for Modera Decatur. The development will consist of 194 apartment homes and approximately 24,5000 square feet of retail across 2.14 acres totaling a roughly $70 million investment. Modera Decatur is slated for completion in the fall of 2022.

Gateway Decatur, a new mixed-use development to be anchored by a Publix supermarket, is underway. It encompasses 11 acres near North Arcadia Avenue and East Ponce de Leon Avenue. The opening date of the commercial portion of the development is scheduled for June 2021. The residential part, being developed by Toll Brothers, will consist of a 290-unit apartment complex at the edge of the property that wraps around six-level parking deck hidden from street view. The anticipated completion date is February 2022. The development is investing a quarter-million dollars in public art that highlights the eastern gateway into Decatur.

The redevelopment of the Bank of America site on Commerce Drive is ongoing and will include 194 residential units in addition to commercial office space.

Additional growth is anticipated for fiscal year 2020-2021 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. Adjustments have been made to the state's title ad valorem tax distribution formulas which may stabilize receipts. Revenue concerns include the uncertain future of franchise taxes, the unpredictability of property tax appeals, 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 U.S. Census Bureau and Department of Labor, the unemployment rate for DeKalb County as of June 30, 2020, was 10%, an increase of 5% year-over-year due the economic effects of the COVID-19 pandemic. Unemployment rates are not available for the City but because of the variety of employers the City's rate is likely slightly lower. Unemployment statistics state and nationwide have been somewhat higher than locally. Annual inflation in the Atlanta region was lower as of June 2020 than the three previous years according to Bureau of Labor Statistics data. 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 September 2020, S&P affirmed the City's bond credit rating of AA+, and Moody's Investors Services affirmed its rating of the City of Aa1. The ratings agencies cited the city's strong operating performance, growing tax base with a strong demographic profile, a very strong economy, strong management with good financial policies and practices in place, adequate budgetary performance, very strong budgetary flexibility, and very strong liquidity as factors contributing to the affirmation. The strong bond credit rating ensures lower interest costs on outstanding debt. The fiscal year 2019-2020 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, 2020, unassigned fund balance in the General Fund was $9,822,047. During the budget drafting process, the City had estimated to deduct $2,289,200 from fund balance in the 2021 fiscal year budget bringing the total fund balance to $6,087,433 or 22% of budgeted expenditures, a use consistent with the City's fund balance policy which strives to maintain an unassigned fund balance between twenty and thirty percent of the operating budget. Due to the uncertainties created by the COVID-19 global health pandemic, the 2020-2021 budget adopted by the City Commission on June 15, 2020 did not include any salary increases or pay adjustments for employees nor funding for several capital improvement items. It did include funding for small business relief and affordable housing assistance.

At the time of adoption, the City Commission and the City Manager made a commitment to revisit the 2020-2021 budget at mid-year and make revisions if the City's financial condition warranted such changes. As the audit report shows a positive financial condition at year end that includes adding $1,863,380 to the General Fund total fund balance, an amended budget was presented to the City Commission for approval. On December 7, 2020, the City Commission adopted an amended 2020-2021 budget. The amended budget includes funding for a one-time, merit-based pay adjustment for full-time employees in lieu of salary increases, money for a clean energy plan, funds for additional anti-racist training as well as for public safety supplies. These expenditures are funded through use of fund balance. The resulting fund balance, recognizing budgeted use of fund balance plus these additional uses, will be $9,247,893 or 32% of operating expenditures, and will still exceed the fund balance policy that recommends maintaining a fund balance of 20-30% of operating expenditures.

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 finance pages of the Administrative Services Department.

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
ASSETS					
Cash and cash equivalents	$ 31,710,867	$ 6,742,298	$ 38,453,165	$ 1,921,728	$ 351,000
Taxes receivable, net	1,691,476	-	1,691,476	45,636	-
Other receivables	328,456	-	328,456	-	-
Accounts receivable, net of allowances	-	419,830	419,830	19,495	-
Due from primary government	-	-	-	258,146	16,703
Due from component unit	42,193	-	42,193	-	-
Due from other governments	944,022	-	944,022	-	-
Internal balances	328,968	(328,968)	-	-	-
Prepaid items	1,277,101	-	1,277,101	12,203	-
Restricted:					
Investments	713,169	-	713,169	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	4,130,000	-	4,130,000	-	-
Lease receivable	1,464,955	-	1,464,955	868,773	-
Note receivable from component unit	400,000	-	400,000	-	-
Notes receivable	-	-	-	484,000	-
Fair value of hedging derivative	421,444	-	421,444	-	-
Capital assets:					
Non-depreciable	36,814,851	739,613	37,554,464	2,273,979	-
Depreciable, net of accumulated depreciation	72,868,257	14,934,861	87,803,118	851,514	7,727
Total assets	153,142,259	22,507,634	175,649,893	6,735,474	375,430
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	1,614,271	-	1,614,271	-	-
OPEB related items	3,657,365	-	3,657,365	-	-
Pension related items	3,060,010	258,982	3,318,992	-	-
Total deferred outflows of resources	8,331,646	258,982	8,590,628	-	-
LIABILITIES					
Accounts payable	1,045,737	189,199	1,234,936	11,905	105
Accrued liabilities	4,477,718	92,275	4,569,993	-	-
Unearned revenue	-	1,801,223	1,801,223	-	-
Due to component unit	49,396	164,159	213,555	-	-
Due to primary government	-	-	-	-	42,193
Certificates of participation due within one year	160,000	-	160,000	-	-
Certificates of participation due in more than one year	2,220,000	-	2,220,000	-	-
Claims and judgments payable due within one year	7,999	-	7,999	-	-
Claims and judgments payable due in more than one year	11,998	-	11,998	-	-
Compensated absences due within one year	1,078,582	84,867	1,163,449	-	-
Compensated absences due in more than one year	190,337	14,976	205,313	-	-
Financed purchases due within one year	306,955	60,991	367,946	-	-
Financed purchases due in more than one year	1,426,833	181,498	1,608,331	-	-
Notes payable from direct borrowing due within one year	518,237	24,000	542,237	72,635	-
Notes payable from direct borrowing due in more than one year	12,250,148	476,000	12,726,148	1,721,667	-
Bonds payable due within one year	5,068,560	-	5,068,560	-	-
Bonds payable due in more than one year	166,625,450	-	166,625,450	-	-
Note payable to primary government due in more than one year	-	-	-	400,000	-
Net pension liability due in more than one year	10,899,559	922,475	11,822,034	-	-
Total OPEB liability due in more than one year	30,660,158	-	30,660,158	-	-
Total liabilities	236,997,667	4,011,663	241,009,330	2,206,207	42,298

Continued

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivative	421,444	-	421,444	-	-
OPEB related items	12,219,351	-	12,219,351	-	-
Pension related items	353,617	29,928	383,545		
Deferred service concession arrangement receipts	-	-	-	1,280,556	-
Total deferred inflows of resources	12,994,412	29,928	13,024,340	1,280,556	-
NET POSITION					
Net investment in capital assets	21,599,792	15,017,622	36,617,414	1,488,617	7,727
Restricted for capital projects	3,665,270	-	3,665,270	-	-
Restricted for law enforcement	15,065	-	15,065	-	-
Restricted for E911 services	552,712	-	552,712	-	-
Restricted for debt service	2,249,712	-	2,249,712	-	-
Restricted for tourism	-	-	-	-	325,405
Unrestricted	(116,600,725)	3,707,403	(112,893,322)	1,760,094	-
Total net position	$ (88,518,174)	$ 18,725,025	$ (69,793,149)	$ 3,248,711	$ 333,132

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, 2020

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	$ 10,671,961	$ 1,483,581	$ -	$ -
Public safety	11,399,953	2,157,081	-	-
Public works	5,537,122	8,403	-	4,579,311
Recreation	5,313,103	2,025,425	-	-
Interest and fiscal charges on long-term debt	6,108,532	-	283,903	-
Total governmental activities	39,030,671	5,674,490	283,903	4,579,311
Business-type activities:				
Solid waste	2,428,942	2,901,122	-	-
Stormwater	931,983	1,394,510	-	-
Conference center & parking deck	186,838	-	-	-
Total business-type activities	3,547,763	4,295,632	-	-
Total primary government	$ 42,578,434	$ 9,970,122	$ 283,903	$ 4,579,311
Component units:				
Downtown Development Authority	$ 1,162,590	$ -	$ -	$ -
Decatur Tourism Board	247,270	11,443	-	-
Total component units	$ 1,409,860	$ 11,443	$ -	$ -
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				
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
$ (9,188,380)	$ -	$ (9,188,380)		$ -	$ -
(9,242,872)	-	(9,242,872)		-	-
(949,408)	-	(949,408)		-	-
(3,287,678)	-	(3,287,678)		-	-
(5,824,629)	-	(5,824,629)		-	-
(28,492,967)	-	(28,492,967)		-	-
-	472,180	472,180		-	-
-	462,527	462,527		-	-
-	(186,838)	(186,838)		-	-
-	747,869	747,869		-	-
$ (28,492,967)	$ 747,869	$ (27,745,098)		$ -	$ -
$ -	$ -	$ -		$ (1,162,590)	$ -
-	-	-		-	(235,827)
$ -	$ -	$ -		$ (1,162,590)	$ (235,827)
$ 29,836,476	$ -	$ 29,836,476		$ 1,024,613	$ -
1,682,114	-	1,682,114		-	-
1,361,461	-	1,361,461		-	-
2,057,019	-	2,057,019		-	383,065
555,084	-	555,084		-	514
10,602	-	10,602		717,672	-
10,881	-	10,881		-	-
(837,244)	837,244	-		-	-
34,676,393	837,244	35,513,637		1,742,285	383,579
6,183,426	1,585,113	7,768,539		579,695	147,752
(94,701,600)	17,139,912	(77,561,688)		2,669,016	185,380
$ (88,518,174)	$ 18,725,025	$ (69,793,149)		$ 3,248,711	$ 333,132

CITY OF DECATUR, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General Fund	SPLOST Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 13,031,057	$ 5,427,670	$ 5,715,607	$ 3,543,363	$ 3,993,170	$ 31,710,867
Taxes receivable, net	1,082,155	-	242,557	342,231	24,533	1,691,476
Other receivables	231,318	-	-	-	97,138	328,456
Due from other funds	104,953	142,405	230,660	-	191,662	669,680
Due from component unit	42,193	-	-	-	-	42,193
Due from other governments	-	280,659	319,302	-	-	599,961
Note receivable	400,000	-	-	-	-	400,000
Restricted investments	-	-	713,169	-	-	713,169
Advances to other funds	-	-	259,657	-	-	259,657
Prepaid expenditures	35,832	-	255,790	497,641	487,838	1,277,101
Other current assets	6,500	-	-	-	-	6,500
Total assets	$ 14,934,008	$ 5,850,734	$ 7,736,742	$ 4,383,235	$ 4,794,341	$ 37,699,060
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 911,327	$ -	$ -	$ -	$ 134,410	$ 1,045,737
Accrued liabilities	937,097	-	556,075	-	56,126	1,549,298
Due to component unit	32,693	-	-	-	16,703	49,396
Due to other funds	211,888	16,760	467	-	371,254	600,369
Total liabilities	2,093,005	16,760	556,542	-	578,493	3,244,800
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	281,160	-	62,779	95,862	-	439,801
Total deferred inflows of resources	281,160	-	62,779	95,862	-	439,801
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaids	35,832	-	255,790	497,641	487,838	1,277,101
Long-term note receivable	400,000	-	-	-	-	400,000
Advances	-	-	259,657	-	-	259,657
Restricted:						
Capital construction	-	5,833,974	2,565,627	-	1,795,121	10,194,722
Debt service	-	-	-	3,789,732	307,059	4,096,791
Law enforcement	-	-	-	-	15,065	15,065
E911 services	-	-	-	-	552,712	552,712
Committed:						
Tree preservation	-	-	-	-	63,155	63,155
Children and youth services	-	-	-	-	865,349	865,349
Assigned:						
Fiscal year 2021 operations	2,289,200	-	-	-	-	2,289,200
Greenspace acquisition	12,764	-	-	-	-	12,764
Cemetery operations	-	-	-	-	129,549	129,549
Equipment purchases	-	-	4,036,347	-	-	4,036,347
Unassigned	9,822,047	-	-	-	-	9,822,047
Total fund balances	12,559,843	5,833,974	7,117,421	4,287,373	4,215,848	34,014,459
Total liabilities, deferred inflows of resources, and fund balances	$ 14,934,008	$ 5,850,734	$ 7,736,742	$ 4,383,235	$ 4,794,341	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	109,683,108
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	439,801
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.	5,939,016
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.	421,444
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(191,179,248)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.	(421,444)
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 governmental funds.	(47,415,310)
Net position of governmental activities	$ (88,518,174)

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, 2020

	General Fund	SPLOST Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 23,483,853	$ -	$ 4,679,851	$ 5,760,869	$ 875,513	$ 34,800,086
Licenses and permits	810,336	-	-	-	-	810,336
Intergovernmental	382,480	3,154,048	1,177,246	-	864,374	5,578,148
Fines and forfeitures	853,222	-	-	-	-	853,222
Charges for services	1,156,302	-	-	-	2,121,803	3,278,105
Investment income	19,870	75,088	15,549	-	8,929	119,436
Other revenues	350,347	-	10,602	-	192,326	553,275
Total revenues	27,056,410	3,229,136	5,883,248	5,760,869	4,062,945	45,992,608
Expenditures						
Current:						
General government	9,242,098	-	431,477	-	620,235	10,293,810
Public safety	8,948,960	-	30,199	-	904,721	9,883,880
Public works	4,104,640	-	-	-	-	4,104,640
Culture and recreation	2,193,561	-	-	-	1,983,542	4,177,103
Capital outlay	-	123,891	5,911,328	-	69,063	6,104,282
Intergovernmental	-	-	110,842	-	-	110,842
Debt service:						
Principal retirements	-	838,000	472,952	2,205,000	2,050,882	5,566,834
Interest expenditures	-	118,182	120,572	3,523,325	3,055,260	6,817,339
Total expenditures	24,489,259	1,080,073	7,077,370	5,728,325	8,683,703	47,058,730
Excess (deficiency) of revenues over expenditures	2,567,151	2,149,063	(1,194,122)	32,544	(4,620,758)	(1,066,122)
Other financing sources (uses):						
Issuance of financed purchases	-	-	1,338,520	-	-	1,338,520
Proceeds from sale of capital assets	881	-	10,000	-	-	10,881
Transfers in	935,348	-	39,885	-	4,828,090	5,803,323
Transfers out	(1,640,000)	(2,228,090)	(2,250,000)	-	(522,477)	(6,640,567)
Total other financing sources (uses)	(703,771)	(2,228,090)	(861,595)	-	4,305,613	512,157
Net change in fund balances	1,863,380	(79,027)	(2,055,717)	32,544	(315,145)	(553,965)
Fund balances, beginning of year	10,696,463	5,913,001	9,173,138	4,254,829	4,530,993	34,568,424
Fund balances, end of year	$ 12,559,843	$ 5,833,974	$ 7,117,421	$ 4,287,373	$ 4,215,848	$ 34,014,459

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, 2020

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

Net change in fund balances - total governmental funds	$	(553,965)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		1,662,430
In the governmental funds, payments received on long-term receivables are reported as intergovernmental revenues and issuances are recorded as expenditures. 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.		(227,858)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		136,984
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		4,875,598
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.		290,237
Change in net position - governmental activities	$	6,183,426

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 22,598,800	$ 22,841,130	$ 23,483,853	$ 642,723
Licenses and permits	828,950	832,920	810,336	(22,584)
Fines and forfeitures	960,000	798,000	853,222	55,222
Charges for services	1,846,100	1,268,330	1,156,302	(112,028)
Intergovernmental	480,140	382,480	382,480	-
Interest income	20,000	20,000	19,870	(130)
Other revenues	137,600	103,600	350,347	246,747
Total revenues	26,871,590	26,246,460	27,056,410	809,950
Expenditures				
Current:				
General government:				
Commission	248,320	331,520	268,440	63,080
Manager	822,740	814,240	749,223	65,017
Administrative services	3,409,020	3,421,770	2,966,207	455,563
Attorney	450,000	480,000	478,157	1,843
Community & economic development	1,838,400	1,785,950	1,545,030	240,920
Development and inspection	2,408,320	1,986,480	1,856,395	130,085
Accounting, collection and records	1,643,400	1,595,860	1,378,646	217,214
Total general government	10,820,200	10,415,820	9,242,098	1,173,722
Public safety:				
General management	1,628,270	1,574,010	1,302,707	271,303
Fire	3,859,330	3,714,710	3,479,390	235,320
Police	4,630,880	4,635,160	4,166,863	468,297
Total public safety	10,118,480	9,923,880	8,948,960	974,920
Public works:				
Engineering	730,820	602,180	430,318	171,862
Motor maintenance	1,101,720	1,061,370	910,617	150,753
Buildings and grounds maintenance	2,527,510	2,357,260	2,346,520	10,740
Cemetery	482,940	487,040	417,185	69,855
Total public works	4,842,990	4,507,850	4,104,640	403,210
Recreation	2,938,390	2,659,430	2,193,561	465,869
Intergovernmental	-	400,000	-	400,000
Total expenditures	28,720,060	27,906,980	24,489,259	3,417,721
Excess (deficiency) of revenues over expenditures	(1,848,470)	(1,660,520)	2,567,151	4,227,671
Other financing sources (uses)				
Proceeds from sale of capital assets	5,000	5,000	881	(4,119)
Transfers in	977,060	925,790	935,348	9,558
Transfers out	(1,450,000)	(1,640,000)	(1,640,000)	-
Total other financing sources (uses)	(467,940)	(709,210)	(703,771)	5,439
Net change in fund balances	(2,316,410)	(2,369,730)	1,863,380	4,233,110
Fund balances, beginning of year	10,696,463	10,696,463	10,696,463	-
Fund balances, end of year	$ 8,380,053	$ 8,326,733	$ 12,559,843	$ 4,233,110

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

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
ASSETS	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund Conference & Parking Deck Fund	Totals
CURRENT ASSETS				
Cash	$ 2,852,002	$ 3,757,372	$ 132,924	$ 6,742,298
Accounts receivable, net of allowances	272,235	147,595	-	419,830
Due from other funds	36,986	-	62,749	99,735
Total current assets	3,161,223	3,904,967	195,673	7,261,863
NONCURRENT ASSETS				
Construction in progress	-	459,548	-	459,548
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	3,193,149	409,292	340,382	3,942,823
	3,193,149	19,504,433	9,141,057	31,838,639
Accumulated depreciation	(2,445,043)	(4,843,074)	(8,876,048)	(16,164,165)
Total capital assets	748,106	14,661,359	265,009	15,674,474
Total assets	3,909,329	18,566,326	460,682	22,936,337
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	218,370	40,612	-	258,982
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	103,225	85,974	-	189,199
Accrued liabilities	38,734	53,541	-	92,275
Compensated absences payable	74,596	10,271	-	84,867
Financed purchases	60,991	-	-	60,991
Note payable	-	24,000	-	24,000
Due to other funds	141,667	27,379	-	169,046
Due to component unit	-	-	164,159	164,159
Unearned revenue	1,177,771	623,452	-	1,801,223
Total current liabilities	1,596,984	824,617	164,159	2,585,760
NONCURRENT LIABILITIES				
Compensated absences	13,164	1,812	-	14,976
Financed purchases	181,498	-	-	181,498
Note payable	-	476,000	-	476,000
Net pension liability	777,819	144,656	-	922,475
Advances from other funds	259,657	-	-	259,657
Total noncurrent liabilities	1,232,138	622,468	-	1,854,606
Total liabilities	2,829,122	1,447,085	164,159	4,440,366
DEFERRED INFLOWS OF RESOURCES				
Pension related items	25,235	4,693	-	29,928
NET POSITION				
Net investment in capital assets	505,617	14,246,996	265,009	15,017,622
Unrestricted	767,725	2,908,164	31,514	3,707,403
Total net position	$ 1,273,342	$ 17,155,160	$ 296,523	$ 18,725,025

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, 2020

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference & Parking Deck Fund	Totals
OPERATING REVENUE				
Stormwater fees	$ -	$ 1,394,510	$ -	$ 1,394,510
Sanitation fees	2,796,387	-	-	2,796,387
Miscellaneous	104,735	-	-	104,735
Total operating revenues	2,901,122	1,394,510	-	4,295,632
OPERATING EXPENSES				
Cost of sales and services	2,221,718	526,594	164,159	2,912,471
Depreciation	195,699	405,389	22,679	623,767
Total operating expenses	2,417,417	931,983	186,838	3,536,238
Operating income (loss)	483,705	462,527	(186,838)	759,394
NON-OPERATING EXPENSES				
Interest	(11,525)	-	-	(11,525)
Total non-operating expenses	(11,525)	-	-	(11,525)
Income (loss) before transfers	472,180	462,527	(186,838)	747,869
Transfers in	-	1,302,000	164,159	1,466,159
Transfers out	(231,440)	(397,475)	-	(628,915)
Total transfers	(231,440)	904,525	164,159	837,244
Change in net position	240,740	1,367,052	(22,679)	1,585,113
Total net position, beginning	1,032,602	15,788,108	319,202	17,139,912
Total net position, ending	$ 1,273,342	$ 17,155,160	$ 296,523	$ 18,725,025

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, 2020

	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	$ 2,765,409	$ 1,362,070	$ -	$ 4,127,479
Payments to suppliers	(559,034)	(231,248)	(163,690)	(953,972)
Payments to employees	(1,239,614)	(182,366)	-	(1,421,980)
Net cash provided by (used in) operating activities	966,761	948,456	(163,690)	1,751,527
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	1,302,000	150,001	1,452,001
Transfers out to other funds	(231,440)	(397,475)	-	(628,915)
Proceeds from note payable	-	500,000	-	500,000
Repayment of advances from other funds	(141,668)	-	-	(141,668)
Net cash provided by (used in) non-capital financing activities	(373,108)	1,404,525	150,001	1,181,418
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(251,399)	(476,173)	-	(727,572)
Principal paid on financed purchases	(58,730)	-	-	(58,730)
Interest paid on financed purchases	(11,525)	-	-	(11,525)
Net cash used in capital and related financing activities	(321,654)	(476,173)	-	(797,827)
Net increase (decrease) in cash	271,999	1,876,808	(13,689)	2,135,118
Cash, beginning of year	2,580,003	1,880,564	146,613	4,607,180
Cash, end of year	$ 2,852,002	$ 3,757,372	$ 132,924	$ 6,742,298
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 483,705	$ 462,527	$ (186,838)	$ 759,394
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	195,699	405,389	22,679	623,767
Change in assets and liabilities:				
Increase in fees receivable	(172,021)	(103,090)	-	(275,111)
(Increase) Decrease in due from other funds	206,834	-	-	206,834
Increase in deferred outflows for pension items	(135,588)	(15,477)	-	(151,065)
Increase (decrease) in accounts payable	(17,595)	72,828	-	55,233
Increase in accrued liabilities	437	45,037	-	45,474
Decrease in compensated absences payable	(15,635)	(2,592)	-	(18,227)
Increase in unearned revenue	36,308	70,650	-	106,958
Increase in due to component unit	-	-	469	469
Increase in due to other funds	77,109	14,297	-	91,406
Increase in net pension liability	317,919	5,017	-	322,936
Decrease in deferred inflows for pension items	(10,411)	(6,130)	-	(16,541)
Net cash provided by (used in) operating activities	$ 966,761	$ 948,456	$ (163,690)	$ 1,751,527

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

CITY OF DECATUR, GEORGIA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

ASSETS	Pension Trust Fund	Agency Funds
Cash	$ 206,504	$ 3,398,764
Contributions receivable	166,066	
Uncollected taxes	-	2,169,961
Investments:		
Mutual funds invested in equity securities	25,218,693	-
Mutual funds invested in fixed income securities	20,069,763	-
Total assets	45,661,026	5,568,725
LIABILITIES		
Due to others	85,649	5,507,431
Due to component unit	-	61,294
Total liabilities	85,649	5,568,725
NET POSITION		
Net position restricted for pension benefits	$ 45,575,377	$ -

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, 2020

ADDITIONS	
Contributions	
Plan member contributions	$ 1,129,135
Employer contributions	1,007,751
Total contributions	2,136,886
Investment earnings	
Net increase in fair value of investments	1,733,630
Interest and dividends	877,828
Total investment earnings	2,611,458
Less investment expense	98,244
Net investment earnings	2,513,214
Total additions	4,650,100
DEDUCTIONS	
Benefit payments	3,119,589
Administrative fees	49,924
Total deductions	3,169,513
Change in net position	1,480,587
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	44,094,790
End of year	$ 45,575,377

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 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, 2020, 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, 2020 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 $5,939,016 difference are as follows:

Installment sale receivable	$	4,130,000
Leases receivable		1,464,955
Accrued interest receivable		344,061
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	5,939,016

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 $191,179,248 difference are as follows:

Financed purchases payable	$	(1,733,788)
Certificates of participation		(2,380,000)
Claims and judgments payable		(19,997)
Accrued interest payable		(2,928,420)
Notes payable		(12,768,385)
Bonds payable		(162,883,747)
Bond premium		(8,810,263)
Deferred charges from bond refunding		1,614,271
Compensated absences		(1,268,919)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(191,179,248)

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 $47,415,310 difference are as follows:

Deferred outflows of resources - pension related items	$	3,060,010
Deferred inflows of resources - pension related items		(353,617)
Deferred outflows of resources - OPEB related items		3,657,365
Deferred inflows of resources - OPEB related items		(12,219,351)
Total OPEB liability		(30,660,158)
Net pension liability		(10,899,559)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(47,415,310)

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 $1,662,430 difference are as follows:

Capital outlay	$	5,840,636
Depreciation expense		(4,178,206)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,662,430

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 $4,875,598 difference are as follows:

Principal retirements	$	5,566,834
Financed purchases		(1,338,520)
Amortization of premiums		742,241
Amortization of deferred charges from refunding		(94,957)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	4,875,598

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 $290,237 difference are as follows:

Compensated absences	$	(107,712)
Claims and judgments		(13,097)
Accrued interest		61,523
OPEB expense		651,635
Pension expense		(302,112)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	290,237

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 "In the governmental funds, payments received on long-term receivables are reported as intergovernmental revenues and issuances are recorded as expenditures. However, in the statement of activities, the long-term receivables are recorded in the year they are created and principal payments serve to reduce the long-term receivable. This is the net effect of these differences in the current year." The details of this $227,858 difference are as follows:

Principal payments received	$ (220,000)
Change in accrued interest	(7,858)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (227,858)

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.

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, 2020:

Investments	Maturities	Fair Value
Deposits with financial institutions	----	$ 36,096,696
Guaranteed Investment Contract	June 1, 2028	713,169
Georgia Fund 1 - cash equivalents	38 days	5,755,233
Total		$ 42,565,098
As report in the Statement of Net Position:		
Cash and cash equivalents		$ 38,453,165
Restricted:		
Investments		713,169
Cash and cash equivalents - Agency Funds		3,398,764
Total		$ 42,565,098

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, 2020, the City had deposits with four (4) 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, 2020 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, 2020, the Pension Trust Fund had $45,288,456 invested in the following types of investments:

Investment		Fair Value
Mutual funds invested in equities	$	25,218,693
Mutual funds invested in fixed income		20,069,763
Total	$	45,288,456

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, 2020, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2020, 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 Fund 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, 2020, the Pension Trust Fund had $45,288,456 invested in the following investments as categorized by interest rate risk:

Investment		Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	$	25,218,693	n/a
Mutual funds invested in fixed income		20,069,763	5.0
Total	$	45,288,456	

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 5.80%. 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, 2020, 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, 2020:

Investment	Level 1
Mutual funds invested in equities	$ 25,218,693
Mutual funds invested in fixed income	20,069,763
Total investments	$ 45,288,456

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, 2020, 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	$ 1,095,938	$ -	$ 247,039	$ 346,485	$ 24,533	$ 1,713,995
Intergovernmental	-	280,659	319,302	-	-	599,961
Other	231,318	-	-	-	97,138	328,456
Less allowance for uncollectible	(13,783)	-	(4,482)	(4,254)	-	(22,519)
Net total receivable	$ 1,313,473	$ 280,659	$ 561,859	$ 342,231	$ 121,671	$ 2,619,893

	Solid Waste	Stormwater	Proprietary Funds Total
Receivables:			
Accounts	$ 351,639	$ 196,773	$ 548,412
Less allowance for uncollectible	(79,404)	(49,178)	(128,582)
Net total receivable	$ 272,235	$ 147,595	$ 419,830

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,			
2021	$ 230,000	$ 176,575	$ 406,575
2022	235,000	167,375	402,375
2023	245,000	157,975	402,975
2024	250,000	153,075	403,075
2025	260,000	143,075	403,075
2026-2030	1,470,000	548,338	2,018,338
2031-2034	1,440,000	176,462	1,616,462
Total	$ 4,130,000	$ 1,522,875	$ 5,652,875

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,	
2021	$ 121,605
2022	121,605
2023	121,605
2024	121,605
2025	121,605
2026-2030	706,309
2031-2035	729,630
2036-2040	826,914
2041-2045	851,235
2046	170,247
Total minimum lease payments	3,892,360
Less amount representing interest	2,426,405
Present value of future minimum lease payments	$ 1,465,955

NOTE 5. RECEIVABLES (Continued)

Intergovernmental Note Receivable – Governmental Activities: In April 2020, the City, through an agreement executed between the City and the DDA, has loaned the DDA $400,000 to set up small business relief loans in response to the COVID-19 pandemic. Under the terms of the agreement, the loan will be repaid at 0% interest when the underlying borrowers of the DDA repay their loans, within four (4) years. After the first 13 months after expiration of the Public Health State of Emergency in Georgia, equal monthly installments are required for the remainder of the loan term. As of June 30, 2020, the State of Georgia was still under a State of Emergency therefore no repayment schedule has been authorized. The underlying loans are unsecured. As of June 30, 2020, the balance of the note receivable is $400,000.

Lease Receivable – Decatur Downtown Development Authority (DDA): In May of 2011 the DDA 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, 2020, 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.

Notes Receivable – Decatur Downtown Development Authority (DDA): In May 2020, the DDA entered into agreements with twenty-four (24) third parties for small business relief loans in response to the COVID-19 Pandemic. Under the terms of the agreements, the notes will be repaid in equal monthly installments at 0% interest beginning twelve months after the date on which the Governor of Georgia's Public Health State of Emergency expires or is terminated, but no longer than four (4) years after issuance. As of June 30, 2020 the State of Georgia was still under a State of Emergency, therefore no repayment schedules have been authorized. As of June 30, 2020, the outstanding balances of the notes receivable total $484,000.

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 34,725,426	$ -	$ -	$ -	$ 34,725,426
Construction in progress	948,606	3,999,950	-	(2,859,131)	2,089,425
Total	35,674,032	3,999,950	-	(2,859,131)	36,814,851
Capital assets, being depreciated:					
Land improvements	3,872,618	-	-	-	3,872,618
Infrastructure	37,753,749	140,781	-	2,591,747	40,486,277
Buildings and improvements	63,084,360	20,082	-	236,035	63,340,477
Machinery and equipment	7,635,316	33,258	-	31,349	7,699,923
Vehicles	6,352,097	1,646,565	(283,821)	-	7,714,841
Total	118,698,140	1,840,686	(283,821)	2,859,131	123,114,136
Less accumulated depreciation for:					
Land improvements	(1,275,340)	(68,818)	-	-	(1,344,158)
Infrastructure	(19,769,434)	(979,220)	-	-	(20,748,654)
Buildings and improvements	(14,511,004)	(2,217,336)	-	-	(16,728,340)
Machinery and equipment	(5,603,474)	(366,665)	-	-	(5,970,139)
Vehicles	(5,192,242)	(546,167)	283,821	-	(5,454,588)
Total	(46,351,494)	(4,178,206)	283,821	-	(50,245,879)
Total capital assets, being depreciated, net	72,346,646	(2,337,520)	-	2,859,131	72,868,257
Governmental activities capital assets, net	$ 108,020,678	$ 1,662,430	$ -	$ -	$ 109,683,108

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

Governmental activities:	
General government	$ 269,991
Public safety	1,511,973
Public works	1,275,232
Recreation	1,121,010
Total depreciation expense - governmental activities	$ 4,178,206

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
Construction in progress	-	459,548	-	-	459,548
Total	280,065	459,548	-	-	739,613
Capital assets, being depreciated:					
Infrastructure	18,550,388	-	-	-	18,550,388
Buildings	8,605,815	-	-	-	8,605,815
Furniture, fixtures, and equipment	3,674,799	268,024	-	-	3,942,823
Total	30,831,002	268,024	-	-	31,099,026
Less accumulated depreciation for:					
Infrastructure	(4,163,996)	(371,281)	-	-	(4,535,277)
Buildings	(8,529,170)	(16,193)	-	-	(8,545,363)
Furniture, fixtures, and equipment	(2,847,232)	(236,293)	-	-	(3,083,525)
Total	(15,540,398)	(623,767)	-	-	(16,164,165)
Total capital assets, being depreciated, net	15,290,604	(355,743)	-	-	14,934,861
Business-type activities capital assets, net	$ 15,570,669	$ 103,805	$ -	$ -	$ 15,674,474

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

Business-type activities:	
Solid Waste	$ 195,699
Stormwater	405,389
Conference Center and Parking Deck	22,679
Total depreciation expense - business-type activities	$ 623,767

NOTE 6. CAPITAL ASSETS (Continued)

Component Units

Capital asset activity for the Decatur Downtown Development Authority for the fiscal year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 2,272,979	$ 1,000	$ -	$ 2,273,979
Total	2,272,979	1,000	-	2,273,979
Capital assets, being depreciated:				
Buildings	138,128	-	-	138,128
Leasehold Improvements	1,139,834	-	-	1,139,834
Total	1,277,962	-	-	1,277,962
Less accumulated depreciation for:				
Buildings	(31,079)	(2,763)	-	(33,842)
Leasehold Improvements	(345,114)	(47,492)	-	(392,606)
Total	(376,193)	(50,255)	-	(426,448)
Total capital assets, being depreciated, net	901,769	(50,255)	-	851,514
Decatur Downtown Development Authority capital assets, net	$ 3,174,748	$ (49,255)	$ -	$ 3,125,493

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 166,841,000	$ -	$ (4,763,000)	$ 162,078,000	$ 5,040,000
Direct placement bonds	832,690	-	(26,943)	805,747	28,560
Plus issuance premium	9,552,504	-	(742,241)	8,810,263	-
Total bonds payable	177,226,194	-	(5,532,184)	171,694,010	5,068,560
Financed purchases from direct borrowings	510,377	1,338,520	(115,109)	1,733,788	306,955
Notes payable from direct borrowings	13,275,167	-	(506,782)	12,768,385	518,237
Certificates of participation	2,535,000	-	(155,000)	2,380,000	160,000
Claims and judgments	6,900	30,402	(17,305)	19,997	7,999
Total OPEB liability	33,245,113	5,719,937	(8,304,892)	30,660,158	-
Net pension liability	8,792,193	7,186,949	(5,079,583)	10,899,559	-
Compensated absences	1,161,207	1,024,779	(917,067)	1,268,919	1,078,582
Governmental activities Long-term liabilities	$ 236,752,151	$ 15,300,587	$ (20,627,922)	$ 231,424,816	$ 7,140,333

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Financed purchases	$ 301,219	$ -	$ (58,730)	$ 242,489	$ 60,991
Note payable	-	500,000	-	500,000	24,000
Net pension liability	599,539	608,262	(285,326)	922,475	-
Compensated absences	118,070	56,383	(74,610)	99,843	84,867
Business-type activities Long-term liabilities	$ 1,018,828	$ 1,164,645	$ (418,666)	$ 1,764,807	$ 169,858

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, 2020, the outstanding principal amount is $27,305,000.

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, 2020, the outstanding principal amount is $67,290,000.

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, 2020, the outstanding principal amount is $3,583,000.

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, 2020, the outstanding principal amount is $10,115,000.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds (continued). 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, 2020, the outstanding principal amounts are $21,215,000 and $4,130,000, 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, 2047. As of June 30, 2020, the outstanding principal amount is $28,440,000.

The City's total debt service requirements to maturity on all of its outstanding bond issues are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
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	5,648,499	11,625,499
2025	5,410,000	5,363,686	10,773,686
2026-2030	31,810,000	22,708,936	54,518,936
2031-2035	39,215,000	15,218,155	54,433,155
2036-2040	36,260,000	7,933,249	44,193,249
2041-2045	24,360,000	2,339,109	26,699,109
2046-2047	3,020,000	148,038	3,168,038
Total	$ 162,078,000	$ 77,607,093	$ 239,685,093

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds from Direct Placement. 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 $805,747.

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
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	36,056	40,849	76,905
2026-2030	215,445	169,077	384,522
2031-2035	288,313	96,208	384,521
2036-2038	140,995	12,813	153,808
Total	$ 805,747	$ 501,627	$ 1,307,374

Note payable from direct borrowings. In March 2020, the Decatur Housing Authority (DHA) loaned the City $500,000 to assist in stormwater infrastructure repairs on DHA owned property. The City will not repay DHA directly but recognize a reduction in the liability rather than bill DHA for its annual stormwater fees. The note does not carry interest.

Debt service requirements to maturity on the notes are as follows:

	Principal
2021	$ 24,000
2022	24,000
2023	24,000
2024	24,000
2025	24,000
2026-2030	120,000
2031-2035	120,000
2036-2040	120,000
2041	20,000
Total	$ 500,000

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings. 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, 2020 is $450,000 and there has been $250,595 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%. At June 30, 2020, the total amount of principal outstanding was $273,256.

In November 2019, the City entered into a lease-purchase agreement in the amount of $1,143,520 to finance a fire truck. The original cost of the City's asset under lease-purchase arrangements at June 30, 2020 is $1,143,520 and there has been $122,676 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 November 26, 2026 at an interest rate of 2.47%. At June 30, 2020, the total amount of principal outstanding was $1,143,520.

In September 2019, the City entered into a lease-purchase agreement in the amount of $195,000 to finance the purchase of a fire rescue pumper truck. The original cost of the City's asset under lease-purchase arrangements at June 30, 2020 is $195,000 and there has been $30,525 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 September 26, 2024 at an interest rate of 3.26%. At June 30, 2020, the total amount of principal outstanding was $195,000.

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, 2020 is $57,400 and there has been $22,961 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%. At June 30, 2020, the total amount of principal outstanding was $43,947.

NOTE 7. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings. 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 and a refuse truck. The original cost of the City's asset under lease-purchase arrangements at June 30, 2020 is $393,656 and there has been $130,253 of accumulated depreciation as of year-end. The grapple truck is recorded under governmental activities, and the recycling truck is recorded under the Solid Waste Fund, at 38% and 62% of the total amount, respectively. 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%. At June 30, 2020, the total amount of principal outstanding for governmental activities and business-type activities was $122,012 and $198,542, respectively.

Debt service requirements as of June 30, 2020 for governmental activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 306,955	$ 48,032	$ 354,987
2022	315,840	39,149	354,989
2023	319,788	30,003	349,791
2024	235,585	20,586	256,171
2025	208,736	14,052	222,788
2026-2027	346,884	12,904	359,788
Total	$ 1,733,788	$ 164,726	$ 1,898,514

Debt service requirements as of June 30, 2020 for business-type activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 60,991	$ 9,265	$ 70,256
2022	63,340	5,916	69,256
2023	65,779	4,477	70,256
2024	52,379	1,943	54,322
Total	$ 242,489	$ 21,601	$ 264,090

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, 2020, the outstanding principal amount is $10,637,269.

In June 2019, the City 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, 2020, the outstanding principal amount is $2,131,116.

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:

	Principal	Interest	Total
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	566,949	195,359	762,308
2026-2030	2,760,667	776,143	3,536,810
2031-2035	1,895,800	542,092	2,437,892
2036-2040	2,063,866	374,026	2,437,892
2041-2045	2,246,831	191,061	2,437,892
2046-2048	1,089,739	22,015	1,111,754
Total	$ 12,768,385	$ 3,005,395	$ 15,773,780

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, 2020, the floating rate being paid by the City is .40% and the market value of this agreement is $421,444, an increase of $80,215 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, 2020 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
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	185,000	74,920	259,920
2026-2028	1,515,000	318,570	1,833,570
Total	$ 2,380,000	$ 728,920	$ 3,108,920

NOTE 7. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Decatur DDA:					
Note payable - primary government	$ -	$ 400,000	$ -	$ 400,000	$ -
Notes payable	1,868,943	-	(74,641)	1,794,302	72,635
Decatur DDA Long-term liabilities	$ 1,868,943	$ 400,000	$ (74,641)	$ 2,194,302	$ 72,635

Note Payable from direct borrowing - primary government. In April 2020, the Decatur DDA entered into a loan payable with the City of Decatur in the amount of $400,000 to fund a Small Business COVID-19 Relief Program. The loan to the City will be repaid within four (4) years when the underlying borrowers repay their loans to the Decatur DDA (see Note 5). The underlying loans are unsecured. After the first 12 months after expiration of the Public Health State of Emergency in Georgia, equal monthly installments are required for the remainder of the loan term. As of June 30, 2020, the State of Georgia was still under a State of Emergency, therefore, no amortization schedule has been authorized. As of June 30, 2020, the outstanding principal amount is $400,000.

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, 2020, the outstanding principal amount is $157,426.

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, 2020, the outstanding principal amount is $1,636,876.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 72,635	$ 80,826	$ 153,461
2022	79,874	78,033	157,907
2023	82,810	75,097	157,907
2024	85,896	72,011	157,907
2025	89,141	68,767	157,908
2026-2030	433,010	289,060	722,070
2031-2035	497,983	179,108	677,091
2036-2039	452,953	43,743	496,696
Total	$ 1,794,302	$ 886,645	$ 2,680,947

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	$ 61,294
Component unit - Downtown Development Authority	Primary government - General Fund	32,693
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	164,159
Primary government - General Fund	Component unit - Decatur Tourism Board	42,193
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	16,703
Total		$ 317,042

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 103,766
General Fund	Stormwater Utility Fund	720
General Fund	Capital Improvement Fund	467
Capital Improvement Fund	Stormwater Utility Fund	26,659
Capital Improvement Fund	Solid Waste Fund	141,667
Capital Improvement Fund	Nonmajor governmental funds	62,334
SPLOST Fund	Nonmajor governmental funds	142,405
Nonmajor governmental funds	General Fund	174,902
Nonmajor governmental funds	SPLOST Fund	16,760
Solid Waste Fund	General Fund	36,986
Nonmajor enterprise funds	Nonmajor governmental funds	62,749
Total		$ 769,415

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	$ 259,657

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	$ 328,318
General Fund	Stormwater Utility Fund	375,590
General Fund	Solid Waste Fund	231,440
		$ 935,348
Nonmajor governmental funds	Capital Improvement Fund	$ 2,250,000
Nonmajor governmental funds	SPLOST Fund	2,228,090
Nonmajor governmental funds	General Fund	350,000
		$ 4,828,090
Capital Improvement Fund	Nonmajor governmental funds	$ 18,000
Capital Improvement Fund	Stormwater Utility Fund	21,885
		$ 39,885
Stormwater Utility Fund	General Fund	$ 1,290,000
Stormwater Utility Fund	Nonmajor governmental funds	12,000
		$ 1,302,000
Nonmajor Enterprise Funds	Nonmajor governmental funds	$ 164,159

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, 2019, 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	10
Active participants	210
	324

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%

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).

NOTE 9. PENSION PLANS (Continued)

Benefits (Continued)

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.

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, 2020, the City's contributions were $1,007,751, which was 8.15% of covered payroll.

NOTE 9. PENSION PLANS (Continued)

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25% including inflation plus merit increases of 0.5 to 4.5%
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, 2020 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, 2020 are:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic fixed income securities	43.5%	2.85%
Domestic equities	55.7%	6.00%
International equities	—%	6.25%
Real estate	—%	5.00%
Cash	0.8%	1.85%
Total	100.0%	

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

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, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/19	$ 53,486,522	$ 44,094,790	$ 9,391,732
Changes for the year:			
Service cost	1,063,766	-	1,063,766
Interest	3,709,335	-	3,709,335
Differences between expected and actual experiences	1,580,193	-	1,580,193
Assumption changes	1,409,418	-	1,409,418
Contributions—employer	-	1,007,751	(1,007,751)
Contributions—employee	-	1,129,135	(1,129,135)
Net investment income	-	2,495,788	(2,495,788)
Benefit payments, including refunds of employee contributions	(3,119,588)	(3,119,588)	-
Current year changes	(732,235)	-	(732,235)
Administrative expense	-	(32,499)	32,499
Net changes	3,910,889	1,480,587	2,430,302
Balances at 6/30/20	$ 57,397,411	$ 45,575,377	$ 11,822,034

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%)
$ 18,924,003	$ 11,822,034	$ 5,937,011

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, 2020 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, 2020, the City recognized pension expense of $2,020,508. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,733,970	$ (354,652)
Differences resulting from changes in actuarial assumptions	1,585,022	-
Net difference between projected and actual earnings on pension plan investments	-	(28,893)
Total	$ 3,318,992	$ (383,545)

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:		
2021	$	1,025,679
2022		631,781
2023		569,005
2024		708,982
Total	$	2,935,447

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	58
Active participants	166
	224

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, 2020, the City contributed $914,922 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, 2020 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:	2.66%
Healthcare Cost Trend Rate:	8.00% - 4.50%, ultimate trend in 2028
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 Pub-2010 Weighted Mortality using the MP-2019 projection scale for healthy participants and SOA-Pub 2010 Disabled Retiree Mortality using the MP-2019 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 2.66%. 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 2.66% as determined by the Bond Buyer 20-Bond GO Index rate as of June 30, 2020.

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, 2020, were as follows:

	Total OPEB Liability
Balances at 6/30/19	$ 33,254,113
Changes for the year:	
Service cost	1,609,711
Interest	1,207,802
Differences between expected and actual experience	(7,398,970)
Assumption changes	2,902,424
Benefit payments	(914,922)
Net changes	(2,593,955)
Balances at 6/30/20	$ 30,660,158

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 (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	$ 36,603,430	$ 30,660,158	$ 26,054,339

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 (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 3.5%)	1% Decrease (8.0% decreasing to 4.5%)	1% Decrease (9.0% decreasing to 5.5%)
Total OPEB liability	$ 25,488,704	$ 30,660,158	$ 37,453,084

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, 2020 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, 2020, the City recognized OPEB expense of $263,287. At June 30, 2020, 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	$ -	$ 12,219,351
Changes in assumptions	3,657,365	-
Total	$ 3,657,365	$ 12,219,351

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:		
2021	$	(2,554,226)
2022		(2,554,226)
2023		(2,554,224)
2024		(899,310)
Total	$	(8,561,986)

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 Commission. At June 30, 2020, there were 76 active plan members, 52 of which were making contributions to the plan.

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. Total employee contributions for the year ended June 30, 2020, were $135,636. The City Commission has approved discretionary employer contributions for employees in five positions. Total employer contributions for the year ended June 30, 2020, were $58,761.

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. Plan provisions and contribution requirements are established and may be amended by the Downtown Development Authority's Board. At June 30, 2020, there were 2 plan members. Total employer contributions for the year ended June 30, 2020, were $10,844.

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
2020	$ 6,900	$ 30,402	$ 17,305	$ 19,997
2019	19,511	6,900	19,511	6,900

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 $85,000 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, 2020.

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
2020	$ 10,203	$ 1,870,703	$ 1,785,134	$ 95,772
2019	132,357	2,944,320	3,066,474	10,203

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, 2020, contractual commitments on uncompleted contracts were $3,279,275.

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 8%. Revenues were $875,513 for the year ended June 30, 2020. 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. SUBSEQUENT EVENTS

On October 7, 2020, the City of Decatur Urban Redevelopment Agency issued refunding revenue bonds, Series 2020A, in the amount of $9,370,000, for the purpose of refunding all of the outstanding City of Decatur Series 2010A Revenue Bonds, and paying costs of issuance of the Series 2020A bonds. The Series 2020A bonds have interest rates ranging from 2.0% to 5.0% and mature on January 1, 2038.

On October 7, 2020, the City of Decatur Urban Redevelopment Agency issued refunding revenue bonds, Series 2020B, in the amount $25,250,000, for the purpose of refunding the City of Decatur Series 2013A and 2013B Revenue Bonds, maturing on January 1, 2024, and paying costs of issuance of the Series 2020B bonds. The Series 2020B bonds have interest rates ranging from 1.45% to 3.00% and mature on January 1, 2044.

On November 24, 2020, the City of Decatur Urban Redevelopment Agency issued revenue bonds, Series 2020C, in the amount of $5,500,000, for the purpose of funding the acquisition of the former Boys and Girls Club of America Jones Building and the construction and installation of City improvements. The Series 2020C bonds have an interest rate of 1.96% through October 1, 2035, at which point the interest rate will be reset annually, not to exceed 6.96%, through its maturity on October 1, 2040.

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 1,063,766	$ 1,006,350	$ 1,022,483	$ 952,885	$ 938,166	$ 895,868	$ 889,392
Interest on total pension liability	3,709,335	3,651,487	3,427,102	3,317,074	3,164,496	3,036,569	2,861,732
Differences between expected and actual experience	1,580,193	(588,010)	820,485	-	849,742	(12,910)	611,982
Changes in actuarial assumptions	1,409,418	-	-	-	2,744,933	-	-
Changes in benefit terms	(732,235)	-	1,101,020	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,119,588)	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Net change in total pension liability	3,910,889	587,678	3,554,361	1,551,241	5,378,908	1,725,710	2,480,083
Total pension liability - beginning	53,486,522	52,898,844	49,344,483	47,793,242	42,414,334	40,688,624	38,208,541
Total pension liability - ending (a)	$ 57,397,411	$ 53,486,522	$ 52,898,844	$ 49,344,483	$ 47,793,242	$ 42,414,334	$ 40,688,624
Plan fiduciary net position							
Contributions - employer	$ 1,007,751	$ 945,300	$ 880,322	$ 859,173	$ 941,003	$ 904,872	$ 892,161
Contributions - employee	1,129,135	1,099,074	1,040,763	989,242	1,006,352	974,037	970,477
Net investment income	2,495,788	3,115,789	3,312,134	3,606,939	87,025	1,780,322	5,379,030
Benefit payments, including refunds of member contributions	(3,119,588)	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Administrative expenses	(32,499)	(109,897)	(39,816)	(46,743)	(54,408)	(46,989)	(47,909)
Net change in plan fiduciary net position	1,480,587	1,568,117	2,376,674	2,689,893	(338,457)	1,418,425	5,310,736
Plan fiduciary net position - beginning	44,094,790	42,526,673	40,149,999	37,460,106	37,798,563	36,380,138	31,069,402
Plan fiduciary net position - ending (b)	$ 45,575,377	$ 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)	$ 11,822,034	$ 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	79.40%	82.44%	80.39%	81.37%	78.38%	89.12%	89.41%
Covered payroll	$ 12,359,976	$ 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	95.65%	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

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,142,582	$ 959,243	$ 868,373	$ 680,251	$ 672,425
Contributions in relation to the actuarially determined contribution	1,007,751	945,300	880,322	859,173	941,003
Contribution deficiency (excess)	$ 134,831	$ 13,943	$ (11,949)	$ (178,922)	$ (268,578)
Covered payroll	$ 12,359,976	$ 11,185,643	$ 11,691,803	$ 11,696,251	$ 10,892,115
Contributions as a percentage of covered payroll	8.15%	8.45%	7.53%	7.35%	8.64%

	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 861,769	$ 839,456	$ 824,767	$ 794,420	$ 843,607
Contributions in relation to the actuarially determined contribution	904,872	892,161	846,745	799,121	798,184
Contribution deficiency (excess)	$ (43,103)	$ (52,705)	$ (21,978)	$ (4,701)	$ 45,423
Covered payroll	$ 10,315,075	$ 10,159,477	$ 10,012,057	$ 9,918,986	$ 10,237,604
Contributions as a percentage of covered payroll	8.77%	8.78%	8.46%	8.06%	7.80%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	June 30, 2019
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%-7.75% (including 2.50% for inflation) with merit increases ranging from 0.5% to 4.5%
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

	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	5.8%	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

	2020	2019	2018
Total OPEB liability			
Service cost	$ 1,609,711	$ 1,541,662	$ 1,704,797
Interest on total OPEB liability	1,207,802	1,297,300	1,426,178
Differences between expected and actual experience	(7,398,970)	(2,956,105)	-
Changes of assumptions and other inputs	2,902,424	1,782,465	(8,521,132)
Benefit payments	(914,922)	(775,665)	(749,348)
Net change in total OPEB liability	(2,593,955)	889,657	(6,139,505)
Total OPEB liability - beginning	33,254,113	32,364,456	38,503,961
Total OPEB liability - ending	$ 30,660,158	$ 33,254,113	$ 32,364,456
Covered payroll	$ 8,973,157	$ 13,326,662	$ 10,296,426
City's total OPEB liability as a percentage of covered payroll	341.69%	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.

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, 2020

	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	$ 15,053	$ 515,442	$ 65,496	$ 881,566	$ 106,343	$ 157,486
Taxes receivable	-	-	-	-	-	24,533
Other receivables	-	97,138	-	-	-	-
Due from other funds	12	28,007	-	63,831	14,941	-
Prepaid items	-	-	-	-	-	-
Total assets	$ 15,065	$ 640,587	$ 65,496	$ 945,397	$ 121,284	$ 182,019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 67	$ -	$ 49,396	$ 58,129	$ -
Accrued expenditures	-	25,474	-	30,652	-	-
Due to component unit	-	-	-	-	-	16,703
Due to other funds	-	62,334	-	-	-	165,316
Total liabilities	-	87,875	-	80,048	58,129	182,019
FUND BALANCES						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Restricted:						
Capital construction	-	-	65,496	-	-	-
Debt service	-	-	-	-	-	-
Law enforcement	15,065	-	-	-	-	-
E911 services	-	552,712	-	-	-	-
Committed:						
Tree preservation	-	-	-	-	63,155	-
Children and youth services	-	-	-	865,349	-	-
Assigned:						
Cemetery operations	-	-	-	-	-	-
Total fund balance	15,065	552,712	65,496	865,349	63,155	-
Total liabilities, deferred inflows of resources and fund balances	$ 15,065	$ 640,587	$ 65,496	$ 945,397	$ 121,284	$ 182,019

	Capital Projects Funds				
	2010 URA Bonds Fund	2013 URA Bonds Fund	Public Facilities Authority Fund	Cemetery Capital Improvement Fund	Total Nonmajor Governmental Funds
	$ 350,669	$ 15,123	$ 1,739,678	$ 146,314	$ 3,993,170
	-	-	-	-	24,533
	-	-	-	-	97,138
	68,111	16,760	-	-	191,662
	-	487,838	-	-	487,838
	$ 418,780	$ 519,721	$ 1,739,678	$ 146,314	$ 4,794,341
	$ -	$ -	$ 10,053	$ 16,765	$ 134,410
	-	-	-	-	56,126
	-	-	-	-	16,703
	142,405	1,199	-	-	371,254
	142,405	1,199	10,053	16,765	578,493
	-	487,838	-	-	487,838
	-	-	1,729,625	-	1,795,121
	276,375	30,684	-	-	307,059
	-	-	-	-	15,065
	-	-	-	-	552,712
	-	-	-	-	63,155
	-	-	-	-	865,349
	-	-	-	129,549	129,549
	276,375	518,522	1,729,625	129,549	4,215,848
	$ 418,780	$ 519,721	$ 1,739,678	$ 146,314	$ 4,794,341

CITY OF DECATUR, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	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	$ -	$ -	$ -	$ -	$ -	$ 875,513
Intergovernmental	-	-	-	-	-	-
Charges for services	-	581,361	-	1,539,962	480	-
Interest	3	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	3	581,361	-	1,539,962	480	875,513
EXPENDITURES						
Current:						
General government	-	-	-	-	-	383,036
Public safety	-	904,721	-	-	-	-
Culture and recreation	-	-	-	1,983,542	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	904,721	-	1,983,542	-	383,036
Excess (deficiency) of revenues over expenditures	3	(323,360)	-	(443,580)	480	492,477
Other financing sources (uses):						
Transfers in	-	350,000	-	-	-	-
Transfers out	-	-	-	-	-	(492,477)
Total other financing sources (uses)	-	350,000	-	-	-	(492,477)
Net change in fund balances	3	26,640	-	(443,580)	480	-
FUND BALANCES, beginning of year	15,062	526,072	65,496	1,308,929	62,675	-
FUND BALANCES, end of year	$ 15,065	$ 552,712	$ 65,496	$ 865,349	$ 63,155	$ -

Capital Projects Funds				
2010 URA Bonds Fund	2013 URA Bonds Fund	Public Facilities Authority Fund	Cemetery Capital Improvement Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 875,513
405,508	403,175	55,691	-	864,374
-	-	-	-	2,121,803
-	249	8,677	-	8,929
-	-	150,925	41,401	192,326
405,508	403,424	215,293	41,401	4,062,945
-	-	211,434	25,765	620,235
-	-	-	-	904,721
-	-	-	-	1,983,542
-	-	69,063	-	69,063
431,943	710,000	908,939	-	2,050,882
722,102	1,173,550	1,159,608	-	3,055,260
1,154,045	1,883,550	2,349,044	25,765	8,683,703
(748,537)	(1,480,126)	(2,133,751)	15,636	(4,620,758)
747,710	1,480,380	2,250,000	-	4,828,090
-	-	-	(30,000)	(522,477)
747,710	1,480,380	2,250,000	(30,000)	4,305,613
(827)	254	116,249	(14,364)	(315,145)
277,202	518,268	1,613,376	143,913	4,530,993
$ 276,375	$ 518,522	$ 1,729,625	$ 129,549	$ 4,215,848

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ 10	$ 10	$ 3	$ (7)
EXPENDITURES				
Public safety	600	600	-	600
Net change in fund balances	(590)	(590)	3	593
FUND BALANCES, beginning of year	15,062	15,062	15,062	-
FUND BALANCES, end of year	$ 14,472	$ 14,472	$ 15,065	$ 593

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 605,000	$ 595,000	$ 581,361	$ (13,639)
EXPENDITURES				
Public safety	1,128,370	1,091,310	904,721	186,589
Total expenditures	1,128,370	1,091,310	904,721	186,589
Deficiency of revenues over expenditures	(523,370)	(496,310)	(323,360)	172,950
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Net change in fund balances	(173,370)	(146,310)	26,640	172,950
FUND BALANCES, beginning of year	526,072	526,072	526,072	-
FUND BALANCES, end of year	$ 352,702	$ 379,762	$ 552,712	$ 172,950

CITY OF DECATUR, GEORGIA
GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 15,000	$ -	$ -	$ -
EXPENDITURES				
Public works	15,000	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	65,496	65,496	65,496	-
FUND BALANCES, end of year	$ 65,496	$ 65,496	$ 65,496	$ -

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 2,546,970	$ 1,600,945	$ 1,539,962	$ (60,983)
Total revenue	2,546,970	1,600,945	1,539,962	(60,983)
EXPENDITURES				
Recreation	2,977,830	2,203,530	1,983,542	219,988
Net change in fund balances	(430,860)	(602,585)	(443,580)	159,005
FUND BALANCES, beginning of year	1,308,929	1,308,929	1,308,929	-
FUND BALANCES, end of year	$ 878,069	$ 706,344	$ 865,349	$ 159,005

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 10,000	$ 300	$ 480	$ 180
EXPENDITURES				
General government	37,750	-	-	-
Net change in fund balances	(27,750)	300	480	180
FUND BALANCES, beginning of year	62,675	62,675	62,675	-
FUND BALANCES, end of year	$ 34,925	$ 62,975	$ 63,155	$ 180

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,100,000	$ 862,000	$ 875,513	$ 13,513
EXPENDITURES				
General government	481,250	383,870	383,036	834
Excess of revenues over expenditures	618,750	478,130	492,477	14,347
OTHER FINANCING USES				
Transfers out	(618,750)	(478,130)	(492,477)	(14,347)
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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 5,690,820	$ 5,595,000	$ 5,760,869	$ 165,869
Interest	500	-	-	-
Total revenues	5,691,320	5,595,000	5,760,869	165,869
EXPENDITURES				
Debt service:				
Principal retirements	2,205,000	2,205,000	2,205,000	-
Interest and fiscal charges	3,523,950	3,523,950	3,523,325	625
Total expenditures	5,728,950	5,728,950	5,728,325	625
Net change in fund balances	(37,630)	(133,950)	32,544	166,494
FUND BALANCES, beginning of year	4,254,829	4,254,829	4,254,829	-
FUND BALANCES, end of year	$ 4,217,199	$ 4,120,879	$ 4,287,373	$ 166,494

CITY OF DECATUR, GEORGIA
SPLOST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,200,000	$ 2,850,000	$ 3,154,048	$ 304,048
Interest	-	-	75,088	75,088
Total revenues	3,200,000	2,850,000	3,229,136	379,136
EXPENDITURES				
Capital outlay	1,700,000	300,000	123,891	176,109
Debt service:				
Principal retirements	838,000	838,000	838,000	-
Interest and fiscal charges	118,490	118,490	118,182	308
Total expenditures	2,656,490	1,256,490	1,080,073	176,417
Excess of revenues over expenditures	543,510	1,593,510	2,149,063	555,553
OTHER FINANCING USES				
Transfers out	(2,229,400)	(2,228,950)	(2,228,090)	860
Total other financing uses	(2,229,400)	(2,228,950)	(2,228,090)	860
Net change in fund balances	(1,685,890)	(635,440)	(79,027)	556,413
FUND BALANCES, beginning of year	5,913,001	5,913,001	5,913,001	-
FUND BALANCES, end of year	$ 4,227,111	$ 5,277,561	$ 5,833,974	$ 556,413

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 4,589,900	$ 4,555,000	$ 4,679,851	$ 124,851
Intergovernmental	2,666,200	1,449,640	1,177,246	(272,394)
Interest	-	-	15,549	15,549
Miscellaneous	-	6,440	10,602	4,162
Total revenues	7,256,100	6,011,080	5,883,248	(127,832)
EXPENDITURES				
General government	1,760,600	2,495,430	431,477	2,063,953
Public safety	31,000	30,500	30,199	301
Capital outlay	9,327,100	6,011,170	5,911,328	99,842
Intergovernmental	-	123,500	110,842	12,658
Debt service:				
Principal retirements	697,000	454,000	472,952	(18,952)
Interest and fiscal charges	77,590	130,090	120,572	9,518
Total expenditures	11,893,290	9,244,690	7,077,370	2,167,320
Deficiency of revenues over expenditures	(4,637,190)	(3,233,610)	(1,194,122)	2,039,488
OTHER FINANCING SOURCES (USES)				
Financed purchases	3,686,460	-	1,338,520	1,338,520
Proceeds from sale of capital assets	-	-	10,000	10,000
Transfers in	29,000	18,000	39,885	21,885
Transfers out	(2,500,000)	(2,250,000)	(2,250,000)	-
Total other financing sources (uses)	1,215,460	(2,232,000)	(861,595)	1,370,405
Net change in fund balances	(3,421,730)	(5,465,610)	(2,055,717)	3,409,893
FUND BALANCES, beginning of year	9,173,138	9,173,138	9,173,138	-
FUND BALANCES, end of year	$ 5,751,408	$ 3,707,528	$ 7,117,421	$ 3,409,893

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 405,500	$ 405,950	$ 405,508	$ (442)
EXPENDITURES				
Debt service:				
Principal retirements	431,950	431,950	431,943	7
Interest and fiscal charges	722,570	722,570	722,102	468
Total expenditures	1,154,520	1,154,520	1,154,045	475
Deficiency of revenues over expenditures	(749,020)	(748,570)	(748,537)	33
OTHER FINANCING SOURCES				
Transfers in	749,020	748,570	747,710	(860)
Net change in fund balances	-	-	(827)	(827)
FUND BALANCES, beginning of year	277,202	277,202	277,202	-
FUND BALANCES, end of year	$ 277,202	$ 277,202	$ 276,375	$ (827)

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 403,180	$ 403,180	$ 403,175	$ (5)
Interest	-	-	249	249
Total revenues	403,180	403,180	403,424	244
EXPENDITURES				
Debt service:				
Principal retirements	710,000	710,000	710,000	-
Interest and fiscal charges	1,173,560	1,173,560	1,173,550	10
Total expenditures	1,883,560	1,883,560	1,883,550	10
Deficiency of revenues over expenditures	(1,480,380)	(1,480,380)	(1,480,126)	254
OTHER FINANCING SOURCES				
Transfers in	1,480,380	1,480,380	1,480,380	-
Total other financing sources	1,480,380	1,480,380	1,480,380	-
Net change in fund balances	-	-	254	254
FUND BALANCES, beginning of year	518,268	518,268	518,268	-
FUND BALANCES, end of year	$ 518,268	$ 518,268	$ 518,522	$ 254

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 160,270	$ 48,000	$ 55,691	$ 7,691
Interest	-	1,600	8,677	7,077
Miscellaneous	-	150,900	150,925	25
Total revenues	160,270	200,500	215,293	14,793
EXPENDITURES				
General government	386,720	297,300	211,434	85,866
Capital outlay	205,000	30,000	69,063	(39,063)
Debt service:				
Principal retirements	908,940	908,940	908,939	1
Interest and fiscal charges	1,159,610	1,159,610	1,159,608	2
Total expenditures	2,660,270	2,395,850	2,349,044	46,806
Deficiency of revenues over expenditures	(2,500,000)	(2,195,350)	(2,133,751)	61,599
OTHER FINANCING SOURCES				
Transfers in	2,500,000	2,250,000	2,250,000	-
Total other financing sources	2,500,000	2,250,000	2,250,000	-
Net change in fund balances	-	54,650	116,249	61,599
FUND BALANCES, beginning of year	1,613,376	1,613,376	1,613,376	-
FUND BALANCES, end of year	$ 1,613,376	$ 1,668,026	$ 1,729,625	$ 61,599

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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	$ 125,000	$ 60,000	$ 41,401	$ (18,599)
EXPENDITURES				
General government	95,000	30,000	25,765	4,235
Excess of revenues over expenditures	30,000	30,000	15,636	(14,364)
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	-	-	(14,364)	(14,364)
FUND BALANCES, beginning of year	143,913	143,913	143,913	-
FUND BALANCES, end of year	$ 143,913	$ 143,913	$ 129,549	$ (14,364)

CITY OF DECATUR, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	$ 747,710	$ 1,497,950	32.56 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	8,900,000	1,479,180	1,480,380	2,959,560	33.25
Street intersection improvements	5,920,000	5,920,000	1,020,799	1,080,073	2,100,872	35.49
Pedestrian, Bicycle & Traffic Improvements	1,109,218	1,109,218	-	-	-	0.00
Total SPLOST	$ 20,529,218	$ 20,529,218	$ 3,250,219	$ 3,308,163	$ 6,558,382	

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, 2020

ASSETS	Municipal Court Fund	Board of Education Fund	Downtown Development Authority Fund	Totals
Cash	$ 73,683	$ 3,263,787	$ 61,294	$ 3,398,764
Uncollected taxes	-	2,169,961	-	2,169,961
Total assets	$ 73,683	$ 5,433,748	$ 61,294	$ 5,568,725
LIABILITIES				
Due to others	$ 73,683	$ 5,433,748	$ -	$ 5,507,431
Due to component unit	-	-	61,294	61,294
Total liabilities	$ 73,683	$ 5,433,748	$ 61,294	$ 5,568,725

CITY OF DECATUR, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
MUNICIPAL COURT				
Assets - cash	$ 113,419	$ 1,061,361	$ 1,101,097	$ 73,683
Liabilities - due to others	$ 113,419	$ 1,061,361	$ 1,101,097	$ 73,683
BOARD OF EDUCATION				
Assets:				
Cash	$ 2,606,942	$ 41,260,254	$ 40,603,409	$ 3,263,787
Uncollected taxes	982,251	37,193,412	36,005,702	2,169,961
Total assets	$ 3,589,193	$ 78,453,666	$ 76,609,111	$ 5,433,748
Liabilities - due to others	$ 3,589,193	$ 78,453,666	$ 76,609,111	$ 5,433,748
DOWNTOWN DEVELOPMENT AUTHORITY				
Assets:				
Cash	$ 56,997	$ 803,633	$ 799,336	$ 61,294
Liabilities - due to component unit	$ 56,997	$ 803,633	$ 799,336	$ 61,294
TOTAL AGENCY FUNDS				
Assets				
Cash	$ 2,777,358	$ 43,125,248	$ 42,503,842	$ 3,398,764
Uncollected taxes	982,251	37,193,412	36,005,702	2,169,961
Total assets	$ 3,759,609	$ 80,318,660	$ 78,509,544	$ 5,568,725
Liabilities:				
Due to others	$ 3,702,612	$ 79,515,027	$ 77,710,208	$ 5,507,431
Due to component unit	56,997	803,633	799,336	61,294
Total liabilities	$ 3,759,609	$ 80,318,660	$ 78,509,544	$ 5,568,725

COMPONENT UNITS

CITY OF DECATUR, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2020

ASSETS	
Cash	$ 1,921,728
Taxes receivables	45,636
Other receivables, net of allowance	19,495
Prepaid	23,488
Due from primary government	258,146
Notes receivable	484,000
Total assets	$ 2,752,493
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 11,905
Total liabilities	11,905
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	40,705
Total deferred inflows of resources	40,705
FUND BALANCE	
Nonspendable	
Long-term notes receivable	484,000
Unassigned	2,215,883
Total fund balance	2,699,883
Total liabilities, deferred inflows of resources, and fund balance	$ 2,752,493

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, 2020

REVENUES		
Taxes	$	998,947
Miscellaneous		631,633
Total revenues		1,630,580
EXPENDITURES		
Downtown development		1,030,068
Debt service:		
Principal retirement		70,195
Interest and fiscal charges		76,428
Total expenditures		1,176,691
Excess of revenues over expenditures		453,889
OTHER FINANCING SOURCES		
Proceeds from note payable		400,000
Total other financing sources		400,000
Net change in fund balance		853,889
FUND BALANCE, beginning of year		1,845,994
FUND BALANCE, end of year	$	2,699,883

CITY OF DECATUR, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2020

ASSETS		
Cash	$	351,000
Due from primary government		16,703
Total assets	$	367,703
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	105
Due to primary government		42,193
Total liabilities		42,298
FUND BALANCE		
Restricted for promotion of tourism		325,405
Total fund balance		325,405
Total liabilities and fund balance	$	367,703

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, 2020

REVENUES		
Taxes	$	383,065
Charges for services		11,443
Interest		514
Total revenues		395,022
EXPENDITURES		
Tourism		250,497
Total expenditures		250,497
Net change in fund balance		144,525
FUND BALANCE, beginning of year		180,880
FUND BALANCE, end of year	$	325,405

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)

	2020	2019	2018	2017
Governmental activities				
Net investment in capital assets	**$ 21,600**	$ 17,811	$ 13,343	$ 13,369
Restricted	**6,483**	11,064	12,058	6,664
Unrestricted	**(116,601)**	(123,577)	(122,076) (3)	(99,455)
Total governmental activities net position	**$ (88,518)**	$ (94,702)	$ (96,675)	$ (79,422)
Business-type activities				
Net investment in capital assets	**$ 15,018**	$ 15,269	$ 16,155	$ 16,221
Unrestricted	**3,707**	1,870	1,135	(339)
Total business-type activities net position	**$ 18,725**	$ 17,139	$ 17,290	$ 15,882
Primary government				
Net investment in capital assets	**$ 36,617**	$ 33,081	$ 29,498	$ 29,590
Restricted	**6,483**	11,064	12,058	6,664
Unrestricted	**(112,893)**	(121,706)	(120,941) (3)	(99,794)
Total primary government net position	**$ (69,793)**	$ (77,562)	$ (79,385)	$ (63,540)

NOTES:

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

(2) 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.

(3) 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.

2016	2015	2014	2013	2012	2011
$ 10,030	$ 8,347 (1)	$ 20,161	$ 14,725	$ 12,964	$ 12,718
5,969	5,233	310	1,946	2,024	1,073
(98,095) (2)	(22,540)	(17,724)	(13,403)	(12,067)	(11,007)
$ (82,096)	$ (8,961)	$ 2,747	$ 3,268	$ 2,921	$ 2,784
$ 15,116	$ 15,399 (1)	$ 6,093	$ 5,574	$ 5,269	$ 4,448
(396)	(404)	(395)	729	1,424	1,743
$ 14,720	$ 14,996	$ 5,698	$ 6,303	$ 6,693	$ 6,191
$ 25,146	$ 23,746	$ 26,254	$ 20,299	$ 18,233	$ 17,166
5,969	5,233	310	1,946	2,024	1,073
(98,491)	(22,944)	(18,119)	(12,674)	(10,643)	(9,264)
$ (67,376)	$ 6,035	$ 8,445	$ 9,571	$ 9,614	$ 8,975

CITY OF DECATUR, GEORGIA

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

	2020	2019	2018	2017
Expenses				
Governmental activities:				
General government	**$ 10,672**	$ 11,662	$ 12,288	$ 11,913
Education	**-**	-	-	-
Public safety	**11,400**	12,102	12,521	12,592
Public works	**5,537**	5,687	6,190	4,759
Recreation	**5,313**	6,050	5,640	4,966
Interest on long-term debt	**6,109**	6,322	6,084	5,099
Total governmental activities expenses	**39,031**	41,823	42,723	39,329
Business-type activities:				
Conference center	**187**	417	481	479
Stormwater	**932**	1,278	760	1,036
Solid waste	**2,429**	2,196	2,515	2,603
Total business-type activities expenses	**3,548**	3,891	3,756	4,118
Total primary government expenses	**$ 42,579**	$ 45,714	$ 46,479	$ 43,447
Program Revenues				
Governmental activities:				
Charges for services:				
General government	**$ 1,484**	$ 1,098	$ 1,787	$ 2,031
Education	**-**	-	-	-
Public safety	**2,157**	2,453	2,403	2,396
Public works	**8**	98	91	71
Recreation	**2,025**	2,936	2,873	2,643
Operating grants and contributions	**284**	306	297	306
Capital grants and contributions	**4,579**	3,760	3,324	3,341
Total governmental activities program revenues	**10,538**	10,651	10,775	10,789
Business-type activities:				
Charges for services:				
Conference center	**-**	**-**	-	-
Stormwater	**1,395**	**1,318**	1,290	2,108
Solid waste	**2,901**	**2,762**	2,745	2,716
Total business-type activities program revenues	**4,296**	**4,080**	4,035	4,824
Total primary government program revenues	**$ 14,834**	$ 14,731	$ 14,810	$ 15,613

2016	2015	2014	2013	2012	2011
$ 10,601	$ 10,642	$ 9,244	$ 8,572	$ 7,301	$ 6,951
-	-	-	-	-	-
12,311	10,959	10,804	9,960	9,828	9,648
4,678	4,007	3,993	3,941	3,935	3,731
4,556	4,248	3,934	3,513	3,335	2,887
3,989	3,038	3,522	2,546	2,422	1,869
36,133	32,894	31,497	28,532	26,821	25,084
497	491	485	463	392	314
803	838	909	537	547	592
2,424	2,153	2,170	2,066	1,936	1,979
3,724	3,482	3,564	3,066	2,875	2,885
$ 39,857	$ 36,376	$ 35,061	$ 31,598	$ 29,696	$ 27,969
$ 1,470	$ 2,258	$ 2,258	$ 1,295	$ 1,232	$ 1,142
-	-	-	-	-	36
2,333	2,724	2,371	1,803	2,404	2,252
112	92	102	109	95	79
2,446	2,267	1,930	1,694	1,510	1,399
423	440	456	573	501	324
1,713	991	393	305	605	624
8,498	8,772	7,510	5,779	6,347	5,856
-	5	-	-	-	81
1,123	1,076	975	968	976	988
2,337	2,287	2,327	2,279	2,283	2,226
3,460	3,368	3,302	3,247	3,259	3,295
$ 11,958	$ 12,140	$ 10,812	$ 9,026	$ 9,606	$ 9,151

CITY OF DECATUR, GEORGIA

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

	2020	2019	2018	2017
Net (expense)/revenue				
Governmental activities	**$ (28,493)**	$ (31,174)	$ (31,948)	$ (28,540)
Business-type activities	**748**	189	279	706
Total primary government net expense	**$ (27,745)**	$ (31,669)	$ (31,669)	$ (27,834)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	**$ 29,836**	$ 27,237	$ 24,717	$ 22,151
Franchise taxes	**1,682**	1,670	1,647	1,704
Sales taxes	**1,361**	1,336	7,100	5,504
Other taxes	**2,057**	1,949	1,869	1,777
Unrestricted investment earnings	**555**	564	496	479
Gain on sale of capital assets	**11**	1	4	-
Miscellaneous	**11**	53	18	55
Transfers	**(837)**	338	242	(456)
Special item	**-**	-	-	-
Total governmental activities	**34,676**	36,092	36,093	31,214
Business-type activities:				
Gain on sale of capital assets	-	-	-	-
Transfers	**837**	(338)	(242)	456
Total business-type activities	**837**	(338)	(242)	456
Total primary government	**$ 35,514**	$ 35,754	$ 35,851	$ 31,670
Change in Net Position				
Governmental activities	**$ 6,183**	$ 1,972	$ 4,145	$ 2,673
Business-type activities	**1,585**	(149)	37	1,162
Total primary government	**$ 7,769**	$ 1,823	$ 4,182	$ 3,835

NOTES: (1) During 2015, capital assets were transferred from governmental to business-type activities.

(2) 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.

2016	2015	2014	2013	2012	2011
$ (27,635)	$ (24,122)	$ (23,987)	$ (22,753)	$ (20,474)	$ (19,228)
(264)	(114)	(262)	181	384	410
$ (27,899)	$ (24,236)	$ (24,249)	$ (22,571)	$ (20,090)	$ (18,818)
$ 20,149	$ 17,720	$ 15,058	$ 14,680	$ 14,634	$ 14,571
1,623	1,564	1,451	1,486	1,509	1,466
5,001	5,675	4,944	4,580	3,706	694
1,676	1,560	1,500	1,464	1,332	1,397
1,921	21	42	33	37	55
-	21	3	-	23	-
98	178	116	278	67	-
12	(9,819) (1)	350	580	(118)	442
(75,979) (2)	-	-	-	-	(61,242)
(45,499)	16,920	23,464	23,101	21,190	(42,617)
-	-	9	9	-	-
(12)	9,819 (1)	(350)	(580)	118	(442)
(12)	9,819	(341)	(571)	118	(442)
$ (45,511)	$ 26,739	$ 23,123	$ 22,530	$ 21,308	$ (43,059)
$ (73,134)	$ (7,202)	$ (523)	$ 348	$ 716	$ (61,845)
(276)	9,705	(603)	(390)	502	(32)
$ (73,410)	$ 2,503	$ (1,126)	$ (42)	$ 1,218	$ (61,877)

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
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
2020	29,836	1,682	1,361	1,495	562	34,937

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)

	2020		2019		2018	2017
General fund						
Reserved	**$ -**		$ -		$ -	$ -
Unreserved	**-**		-		-	-
Nonspendable	**36**		29		3	25
Prepaids	**400**	(3)	-		-	-
Long-term receivable						
Assigned:						
Greenspace acquisition	**13**		13		13	13
Beacon School redevelopment	**-**		-		-	-
Next fiscal year operations	**2,289**		2,316		1,481	1,180
Unassigned	**9,822**		8,338		9,034	8,498
Total general fund	**$ 12,559**		$ 10,696		$ 10,531	$ 9,716
All other governmental funds						
Reserved	**$ -**		$ -		$ -	$ -
Unreserved, reported in:						
Special revenue funds	**-**		-		-	-
Capital projects funds	**-**		-		-	-
Nonspendable - prepaids						
Prepaids	**1,241**		1,297		1,364	1,690
Advances	**260**		-		-	585
Assets held for resale	**-**		-		-	-
Restricted:						
Capital construction	**10,195**		14,989	(2)	11,278	6,099
Equipment purchases	**-**		1,010		740	193
Debt service	**4,097**		4,048		3,543	4,023
Law enforcement	**15**		15		16	12
E911 services	**553**		526		425	333
Tourism	**-**		-		-	-
Committed:						
Tree preservation	**63**		63		62	194
Children and youth services	**865**		1,309		1,369	1,193
Assigned:						
Development activities	**-**		-		-	-
Cemetery operations	**130**		144		168	173
Equipment purchases	**4,036**		471		376	129
Unassigned	**-**		-		-	(117)
Total all other governmental funds	**$ 21,455**		$ 23,872		$ 19,341	$ 14,508

NOTES: (1) 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.

(2) 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.

(3) The City issued a note payable to the DDA in fiscal year 2020.

2016	2015	2014	2013	2012	2011
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
43	60	15	15	6	88
-	-	-	-	-	-
13	12	12	12	12	12
-	-	-	3,000	3,000	-
1,224	-	-	654	702	1,295
7,140	7,137	5,475	5,065	5,324	6,965
$ 8,420	$ 7,209	$ 5,502	$ 8,746	$ 9,044	$ 8,360
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,096	35	54	150	42	1,157
549	337	476	334	395	343
6,335	5,089	5,089	-	-	-
5,865	5,108	11,038	35,890 (1)	15,661	17,566
227	265	495	659	667	705
5,377	7,496	7,317	6,862	3,189	3,949
14	14	10	12	12	12
268	175	156	269	278	331
-	5	25	45	61	81
168	143	164	51	62	40
1,131	953	796	748	804	1,023
324	193	-	-	-	-
203	167	151	78	55	41
987	1,049	892	1,707	255	1,425
(25)	(1,163)	(420)	-	-	-
$ 22,517	$ 19,866	$ 26,243	$ 46,805	$ 21,481	$ 26,672

CITY OF DECATUR, GEORGIA

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

	2020	2019	2018	2017
Revenues				
Taxes	**$ 34,800**	$ 32,160	$ 35,261	$ 31,176
Licenses and permits	**810**	606	1,218	1,472
Intergovernmental	**5,578**	4,907	4,613	4,418
Fines and forfeitures	**853**	855	859	805
Charges for services	**3,278**	4,592	4,417	4,307
Interest income	**119**	128	36	10
Other revenues	**553**	267	212	346
Total revenues	**45,993**	43,515	46,616	42,534
Expenditures				
General government	**10,294**	10,914	11,257	11,086
Education	**-**	-	-	-
Public safety	**9,884**	10,082	9,749	9,498
Public works	**4,105**	4,313	3,850	3,445
Recreation	**4,177**	4,811	4,051	3,901
Capital outlay	**6,104**	4,676	42,672	6,050
Intergovernmental	**111**	-	-	-
Debt service				
Principal retirements	**5,567**	4,982	4,456	9,130
Interest and fiscal charges	**6,817**	6,868	6,376	5,682
Cost of issuance	**-**	89	766	-
Total expenditures	**47,059**	46,735	83,177	48,792
Excess (deficiency) of revenues over expenditures	**(1,066)**	(3,220)	(36,561)	(6,258)
Other financing sources (uses)				
Proceeds from financed purchases	**1,339**	150	450	-
Proceeds from notes payables	**-**	2,334	-	-
Issuance of long-term debt	**-**	5,095	41,077	-
Premium on bond issuance	**-**	-	434	-
Refunding deposit with escrow agent	**-**	-	-	-
Proceeds from sale of capital assets	**11**	-	5	2
Transfers in	**5,803**	6,745	4,375	4,184
Transfers out	**(6,641)**	(6,407)	(4,133)	(4,640)
Total other financing sources (uses)	**512**	7,917	42,208	(454)
Net change in fund balances	**$ (554)**	$ 4,697	$ 5,647	$ (6,712)
Debt service as a percentage of noncapital expenditures	**30.05%**	26.68%	26.68%	34.62% (2)

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).

2016	2015	2014	2013	2012	2011
$ 28,397	$ 26,500	$ 22,994	$ 22,354	$ 21,317	$ 18,323
653	1,429	1,482	882	852	730
3,123	1,621	1,014	1,010	1,177	891
707	1,341	1,171	581	1,153	1,039
4,175	3,661	3,328	3,019	2,875	2,732
1,260	21	43	33	37	55
851	838	632	565	358	465
39,165	35,411	30,664	28,444	27,769	24,235
9,232	9,313	8,432	7,253	6,759	6,523
-	-	-	-	-	-
9,790	9,379	9,347	8,990	8,675	8,406
3,557	3,013	3,171	3,232	3,223	3,171
3,599	3,413	3,093	3,016	2,946	2,679
2,468	9,375	32,103	14,887	6,939	4,639
75,000 (1)	-	-	-	-	-
3,870	2,032	1,367	2,532	2,310	2,198
3,107	3,734	3,297	2,394	2,397	1,644
979	608	168	826	-	271
111,603	40,867	60,978	43,130	33,250	29,530
(72,438)	(5,456)	(30,315)	(14,686)	(5,481)	(5,294)
173	-	1,030	744	-	-
-	-	-	-	-	-
69,755	29,895	5,120	34,705	-	13,760
6,224	2,337	-	3,673	-	-
-	(31,624)	-	-	-	-
30	25	8	10	27	3
3,714	3,621	10,981	3,101	2,554	9,936
(3,596)	(3,467)	(10,631)	(2,521)	(1,607)	(9,494)
76,300	787	6,508	39,712	975	14,205
$ 3,862	$ (4,669)	$ (23,807)	$ 25,026	$ (4,507)	$ 8,911
6.41%	18.38%	16.19%	17.53%	18.00%	15.42%

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
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
2020	29,700	1,682	1,361	1,495	561	34,800

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			
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
2020	1,837,812	469,170	24,686	16,053	5,984

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
$ 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%
118,288	2,235,417	1.354	4,473,826	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		
2011	1.130	0.132	1.262	1.25	2.090	0.038	0.03	4.664
2012	1.120	0.142	1.262	1.24	2.090	0.038	0.03	4.653
2013	1.120	0.142	1.262	1.20	2.090	0.038	0.02	4.608
2014	1.120	0.142	1.262	0.96	2.050	0.038	0.01	4.318
2015	1.070	0.092	1.162	1.19	1.866	0.038	0.01	4.263
2016	1.030	0.249	1.279	1.10	1.866	0.038	0.00	4.287
2017	1.030	0.281	1.311	1.00	1.866	0.038	0.00	4.211
2018	1.052	0.272	1.324	1.08	1.866	0.038	0.00	4.306
2019	1.096	0.258	1.354	1.03	2.025	0.038	0.00	4.451
2020	1.096	0.258	1.354	1.04	2.025	0.038	0.00	4.456

Source: City of Decatur Tax Department and DeKalb County

CITY OF DECATUR, GEORGIA

PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2020 Taxable Assessed Value	2020 Rank	2020 Percentage of Taxable Assessed Value	2011 Taxable Assessed Value	2011 Rank	2011 Percentage of Taxable Assessed Value
Amco 120 West Trinity LLC	$ 42,969,600	1	1.92 %			
MARTA	39,386,790	2	1.76			
Mcref Decatur LLC	24,585,550	3	1.10			
Decatur Properties I LLC	24,116,748	4	1.08			
Tycon One Inc	20,663,450	5	0.92			
DTC Partners LLC	16,595,000	6	0.74			
PLN OWCS LP	12,500,000	7	0.56			
TDC 250 E Ponce LLC	12,060,450	8	0.54			
G Govt Properties I LLC	11,145,650	9	0.50			
Clairemont Office Center LLC	10,837,500	10	0.48			
Bellsouth Telecom				$ 9,940,223	1	0.90 %
DTC Partners LLC				9,853,800	2	0.89
DCP Renaissance Investors				8,106,050	3	0.73
Decatur Plaza, LLC				6,752,890	4	0.61
06 QCC 0110 LLC				6,676,000	5	0.60
Lexington Decatur LLC				6,639,500	6	0.60
DCP Decatur Investors				5,490,800	7	0.50
Georgia Power Company				5,215,063	8	0.47
Pulte Home Corporation				5,108,900	9	0.46
Devry Inc				4,600,000	10	0.41
	$ 214,860,738		961.17% %	$ 68,383,225		6.17 %

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
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%
2019	65,047	27,005	41.5%	37,845	64,850	99.70%

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)

	Governmental Activities					Business-type Activities				
Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Note Payable	Financed Purchases	Notes Payable	Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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
2020	104,410	67,284	2,380	12,768	1,734	500	242	189,318	15.29%	7,368

(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)
2011	$ 32,615	$ 649	$ 31,966	1.42%	$ 1,653
2012	32,175	1,081	31,094	1.36%	1,590
2013	31,898	1,040	30,858	1.20%	1,554
2014	31,370	969	30,401	1.00%	1,514
2015	33,502	1,160	32,342	1.02%	1,587
2016	108,752 (3)	2,255	106,497	2.99%	4,850
2017	107,553	2,700 (4)	104,853	2.69%	4,596
2018	106,168	1,658	104,510	2.53%	4,385
2019	108,000	2,067	105,933	2.56%	4,117
2020	104,410	2,250	102,160	2.28%	3,976

(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, 2020
(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	$ 157,645	6.578%	$ 10,370
Certificates of participation	19,179	6.578%	1,262
Capital leases	5,583	6.578%	367
Fulton DeKalb Hospital Authority	7,390	6.578%	486
Total overlapping debt	189,797		12,485
City direct debt:			
General obligation debt	104,410	100.000%	104,410
Revenue bonds	67,284	100.000%	67,284
Financed purchases	1,734	100.000%	1,734
Notes payable	12,768	100.000%	12,768
Certificates of participation	2,380	100.000%	2,380
	188,576		188,576
Total direct and overlapping debt	$ 378,373		$ 201,061

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			
	2020	2019	2018	2017
Debt limit	$ 235,371	$ 217,882	$ 205,623	$ 188,514
Total net debt applicable to limit	102,160	105,933	102,110	104,853
Legal debt margin	$ 133,210	$ 111,949	$ 103,513	$ 83,661

Assessed Value	$ 2,235,417
Add back: exempt real property	118,288
Total assessed value	2,353,705
Debt limit (10% of total assessed value)	235,371
Debt applicable to limit:	
General obligation bonds	104,410
Less: Amount set aside for repayment of general obligation debt	(2,250)
Total net debt applicable to limit	102,160
Legal debt margin	$ 133,210
Total net debt applicable to the limit as a percentage of debt limit	43.40%

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						
2016	2015	2014	2013	2012	2011
$ 172,054	$ 164,819	$ 137,901	$ 125,872	$ 125,390	$ 123,385
106,497	32,342	30,401	30,858	31,093	31,966
$ 65,557	$ 132,477	$ 107,500	$ 95,014	$ 94,297	$ 91,419

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)
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%
2020	25,696	1,237,802	48,171	35.8	95%	5,821	10.0%

(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

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
DeKalb County Government	1,773	1	N/A %	1,659	1	N/A %
Emory University Health Systems	983	2	N/A	365	4	N/A
The City Schools of Decatur (education)	955	3	N/A	558	2	N/A
Agnes Scott College (education)	420	4	N/A	390	3	N/A
City of Decatur	240	5	N/A	205	5	N/A
US Postal Service	190	6	N/A			
DeVry University	148	7	N/A	169	6	N/A
Task Force for Global Health	170	8	N/A			
CPlace Decatur SNF, LLC	95	9	N/A			
Pathways Transition Programs	90	10	N/A			
McCurdy & Cander				253	7	
DeKalb Medical - Decatur Hospital				175	8	N/A
Columbia Theological Seminary				96	9	N/A
Wells Fargo Bank				45	10	N/A
	5,064		N/A %	3,915		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

	2020	2019	2018	2017	2016
Function					
General government	**32**	31	31	39	32
Public safety					
Police					
Officers	**47**	47	48	37	39
Civilians	**13**	13	13	11	12
Fire					
Firefighters and officers	**39**	38	37	36	37
Highways and streets					
Engineering	**20**	20	14	29	17
Maintenance	**37**	35	29	28	31
Sanitation	**16**	15	16	14	14
Culture and recreation	**26**	26	20	21	23
Total	**230**	225	208	215	205

Source: City of Decatur department records

2015	2014	2013	2012	2011
31	31	27	27	28
42	42	44	39	44
11	13	13	13	14
39	39	39	39	40
18	17	15	13	14
27	29	27	27	25
14	14	17	17	18
21	20	17	16	17
203	205	199	191	200

CITY OF DECATUR, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2020	2019	2018	2017	2016
Police					
Physical arrests	**635**	768	775	652	622
Parking violations	**3,631**	4,328	3,567	4,975	5,469
Traffic violations (1)	**8,984**	11,045	7,256	8,417	6,572
Fire					
Number of calls answered	**3,579**	4,099	3,629	3,654	3,313
Inspections	**293**	811	255	336	858
Highways and streets					
Street resurfacing (miles)	**1.08**	2.23	1.65	0.96	1.00
Potholes repaired	**120**	45	33	37	66
Sanitation					
Refuse collected (tons/day)	**15.00**	15.50	18.10	16.50	18.20
Recyclables collected (tons/day)	**10.00**	9.20	12.56	13.30	14.50
Culture and recreation					
Athletic field permits issued	**30**	19	26	44 **	304
Community center admissions	**39,750**	59,750	58,580	52,904	49,213

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.

2015	2014	2013		2012	2011
1,132	1,252	968		1,170	1,321
4,915	6,364	9,897		10,497	10,971
9,070	13,591	6,884		10,583	9,567
3,483	3,331	3,409		3,106	2,958
896	941	1,408		506	546
2.55	1.43	1.15		1.16	1.14
30	33	26		30	35
20.13	20.01	20.12		23.20	27.20
19.70	20.07	20.00		21.90	22.30
280	248	26	**	195	180
47,549	37,236	16,252		27,628	23,104

CITY OF DECATUR, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	**2020**	2019	2018	2017	2016	
Public safety						
Police						
Stations	**1**	1	1	1	1	
Patrol units	**38**	38	37	41	41	
Fire stations	**2**	2	2	2	2	
Sanitation						
Collection trucks	**11**	11	11	10	10	
Highways and streets						
Streets (miles)	**127**	127	121	75	75	
Culture and recreation						
Parks acreage	**193.0**	193.0	193.0	116.0	116.0	**
Parks	**22**	22	22	21	21	
Swimming pools	**5**	5	4	3	3	
Tennis courts	**9**	9	9	9	9	
Community centers	**3**	3	3	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	2014	2013	2012	2011
1	1	1	1	1
41	43	40	37	37
2	2	2	2	2
10	10	10	10	10
62	62	62	62	62
56.5	56.5	56.5	66.7	66.7
14	14	14	14	14
3	3	3	3	3
9	9	9	9	9
2	2	3	3	3