CITY OF DECATUR, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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CITY OF DECATUR, GEORGIA

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FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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December 16, 2022

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 annual comprehensive financial report of the City of Decatur, Georgia (the "City") for the fiscal year ended June 30, 2022.

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, 2022 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, 2022, 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 4.7 square miles and serves an estimated population of 25,000. 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 26 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 2022 real estate property digest shows a growth rate of approximately 10.9% compared to the 2021 digest. Approximately 33% of this increase is due to growth from new construction, with 67% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2022 total millage rate was reduced from 13.92 mills to 13.17 mills, a decrease of .75 mills.

Real estate sales data for 2022 indicate that average home sales prices have increased over the past year. The average sales price of a single-family home in Decatur increased from $729,900 in November 2021 to $822,400 in November 2022, a 13% increase. The number of days a home was on the market decreased from 23 days in 2021 to 18 days in 2022. The number of dwellings sold decreased from 287 in 2021 to 224 in 2022. The local real estate market continues to be strong and healthy. However, the current state of the market and its anticipated future trend present challenges to the City's affordable housing goals.

Residential Activity

The residential housing market continues to be robust. 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 fiscal year 2022, the City issued 722 building permits which included 31 new dwelling units (single-family detached and attached townhouses) with a valuation of $10,266,964, and 78 residential alteration/addition projects with a valuation of $7,642,428. The number of residential projects reviewed for permitting saw an increase from 2021 to 2022 in the number of permits issued. In fiscal year 2022, there were 5 residential tear-down projects which is a decrease from 23 in the prior year. Overall, permit and inspection fees decreased from $1,540,125 in fiscal year 2021 to $624,614 in fiscal year 2022. The numbers indicate a healthy 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. The fourth phase is complete and the seven units are currently marketed for sale. Completion of all phases, including the last five units and full occupancy is anticipated in the second quarter of 2023.

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 affordable housing options that is allowed by the Unified Development Ordinance.

The DDDA is facilitating the development of this pilot project, called Oak Cottage Court, to show 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 purchased and 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 selected a non-profit affordable housing developer, Atlanta Neighborhood Development Partnership, as its development partner to carry out the construction of this prototype project. Groundbreaking started in August 2022. The cottages will be made available to eligible employees of the City of Decatur, City Schools of Decatur, and the Decatur Housing Authority through fee simple ownership, while the land will be held by the Decatur Land Trust for purposes of long-term affordability of workforce housing.

A new residential development named New Talley Station was approved in 2018 and 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 that was deeded to the Development Authority of the City of Decatur. The Development Authority will transfer the property to the City as a potential location for a regional storm water detention pond and green space. The remaining .28 acre of the development site has been used to re-create 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 started in the 2nd quarter 2022 and all development phases planned to be completed by mid-2023.

Commercial Activity

Of the 722 permits issued in fiscal year 2022, 16 were for commercial renovation with a valuation of $2,323,125. Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur is 7.1%, less than the roughly 17% 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 provides 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. The residential space is over 90% leased and the retail and restaurant space is occupied by a houseplant and biophilic retail store, a yoga studio, a boxing studio, hair salon, and a taqueria, with only one retail space remaining available.

Average commercial rental rates in the City of Decatur are $27 per square foot, which exceeds the metropolitan Atlanta average of $24 per square foot. This average rate has remained consistent over the last year.

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. 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.

Nell Hodgson Woodruff School of Nursing at Emory University expanded their footprint and located the Emory Nursing Learning Center in downtown Decatur. The 70,000 square foot learning center occupies four floors at 250 E. Ponce de Leon Avenue. The $20.6 million expansion includes a state-of-the-art simulation and skills lab. The learning center opened in September 2022 and is expected to reach full enrollment of 1,400 students by 2025. Created to address the significant nursing shortage in the United States, the innovative new facility will serve nursing students of all levels, from undergraduates to continuing education students and advanced practice nursing professionals.

Decatur First United Methodist Church sold its historic 1889 stone chapel in downtown Decatur as well as the adjacent classroom building. With financial assistance from the Georgia Cities Foundation, as well as state and federal historic rehabilitation tax credits, the new owners have adaptively reused the classroom building which provides approximately 15,500 square feet in new office space and the chapel that provides over 7,200 square feet of space for community and special events. Rehabilitation work was completed by June 2022.

The DDDA has engaged the national retail advisory firm, Retail Strategies, to assist with targeted, retail recruitment. A team of staff, elected and appointed officials attended the Retail Academy in Birmingham, Alabama in October 2022. 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 3.2%, a dramatic improvement over the 14.7% vacancy from the previous year. The eastern edge of downtown Decatur has been established 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. A coffee roaster, retailer and training site will be opening soon in this community.

Most retailers and restaurants have remained in business but all express concerns about their long-term viability. Previously in 2020, the City 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 City continues to partner with the DDDA and the Decatur Tourism Bureau and Visitor's Center to invest in placemaking strategies, marketing and promotions to help sustain the Decatur business community. In November 2022, in an effort to support local businesses, the Development Authority established a commercial façade improvement grant program.

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 substantial, including East Decatur Station, a 70,000 square foot mixed-use property that currently includes 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. This new hotel provides additional, much-needed hotel room inventory allowing the conference center to host larger, regional meetings while also contributing 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 rental apartment dwellings were completed between 2016 and 2018. All three show occupancy rates exceeding 90%, exceeding marketing projections and continuing the strong demand for housing in downtown Decatur.

Northwood Ravin has received approval for the development, Halo East Decatur, to be located at the corner of East College Avenue and New Street. This $109 million mixed use development on 7.5 acres will include 372 residential units, approximately 16,000 square feet of retail space, a 1-acre public park, 545 parking spaces and 41 units of affordable, workforce housing, exceeding the 10% affordable housing required by the mandatory inclusionary housing ordinance. This property is currently valued at $6 million. The valuation at completion is estimated near $95 million. This project was approved for $5.3 million in funding from the Tax Allocation District (TAD) No. 1 – East Decatur based on its qualifications under the City's TAD Financing Procedures and Policies that were adopted in June 2021.

A new mixed-use project, known as Modera Decatur, broke ground in the third quarter of 2019 on the Bank of America site in downtown Decatur. This key gateway at Clairemont Avenue and Commerce Drive represents one of the last large redevelopment properties available in 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 dwelling units, a new 4,500 square foot banking facility to replace the existing bank 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 spring of 2023. 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 promote the 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 Residential, the affordable housing development arm of Columbia Ventures, was selected as the development partner for this project. 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 Residential was successful in obtaining tax credits for a 90-unit affordable, senior, independent-living component of the project. Construction has been completed and the dwelling units are occupied. Columbia Residential has secured low-income housing tax credits for a second senior, independent-living residential building, Decatur East Phase II, at the corner of E. Freeman Street and Sams Street, with 80 dwelling units of which 70 units will be set aside as affordable. The project also includes a parking deck with spaces for MARTA patrons, residents and retail and restaurant customers. The project incorporates a bicycle and pedestrian link 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. In November 2020, this development received a Development of Excellence award from the Atlanta Regional Commission. There is one outparcel remaining that fronts onto E. College Avenue for future development of the master plan.

The Gateway Decatur development is a new mixed-use development underway near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue. This 11-acre site includes a Publix grocery store that opened in November 2021 and a 290-unit apartment complex being developed by Toll Brothers that is expected to be completed in February 2023. The development is investing a quarter-million dollars in public art that highlights the eastern gateway to 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. 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. After a travel hiatus due to Covid-19, students returned to international travel in 2022. Columbia Theological Seminary, a Presbyterian graduate institution, remains financially strong with an enrollment of approximately 350 students. The seminary hired a new president in November 2022.

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 school superintendent, in partnership with the Georgia School Boards Association and the Georgia Leadership Institute for School Improvement (GLISI), has been leading a strategic planning process during 2022 with a goal of completion in March 2023.

The Decatur Housing Authority (DHA) completed the redevelopment of the Gateway Manor apartment complex located off W. Trinity Place. This development 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 was completed in the 2nd quarter of 2022. During construction, the existing residents were able to reside in housing at Decatur Legacy Park.

The DHA has purchased a site on W. Trinity Place and will be relocating their offices from downtown Decatur to occupy a new office building they presently have under construction for completion by the 3rd quarter 2023. Their close proximity to the Beacon Municipal Complex and to three of their residential communities will help them to better serve their residents.

The Task Force for Global Health, a non-profit that focuses on neglected tropical diseases, vaccine-preventable disease, and health systems strengthening, has expanded its Decatur headquarters in the downtown business district. The Task Force renovated 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. In September 2022, the Task Force for Global Health announced the selection of a new president and chief executive officer.

With the relocation of DeKalb County Family and Child Services Department, the building it previously occupied on Sams Street has become the new location for DeKalb County Planning and Sustainability Department, Geographical Information Services, county permitting services and related ancillary offices. The consolidation of these DeKalb County services into one building, its employees and visitors will bring even more vitality and will support future economic growth in the Avondale MARTA Station Area.

MAJOR ACTIVITIES

In October 2021, the City Commission adopted the third ten-year strategic plan for the City of Decatur, Destination 2030. At the end of the 18-month public participation process, the City completed three citywide plans, the 2020 Strategic Plan, the 2021 Comprehensive Development Plan, and the Livable Centers Initiative (LCI) update. The strategic plan supports the community-based vision that the City of Decatur will foster an equitable, thriving, and welcoming community for all today and in the future. There are six primary topic areas that reflect the themes that emerged from the planning process: Equity and Racial Justice, Climate Action, Civic Trust, Affordable Housing, Mobility, and Economic Growth. The plan identifies 60 specific action items to be accomplished by 2030 and provides the blueprint for how the City will prioritize its work program and allocate its assets over the ten year period through the Community Work Program Action Plan. The City will be implementing an online, visualization dashboard system to track progress on the strategic plan goals. The Georgia Planning Association, the state chapter of the American Planning Association, awarded the City of Decatur and its planning consultants with the award for Outstanding Planning Process for the *Destination 2030: 2020 Strategic Plan*.

Prior to the strategic plan's identification of equity and racial justice as a community priority, the City initiated a series of conversations about race and equity. In 2020 and 2021, the City's Better Together Advisory Board in partnership with the City Commission hosted an Anti-Racism Speaker Series that featured local and national experts to generate awareness of equity concerns in the City and to hold the City and community accountable for meeting established goals and implementing policies to achieve the aspiration of being an inclusive, equitable and just city. In 2019, the City formed an Employee Equity Team with specific goals that include educating employees about the Better Together Community Action Plan, addressing plan goals that are focused on the City organization, reviewing internal structures, processes, policies and outcomes through an equity lens, and recommending activities and professional development that will support and promote equity, inclusion and engagement within all departments and throughout the organization. This team is currently engaging with all departments on the development of a Racial Equity Action Plan that spells out specific actions for how the City can become more equitable.

The City has initiated a Parks and Recreation Master Plan with the goal to create a long-range, community-supported vision for how the City will move the parks and recreation system forward. The plan is data-driven and rooted in understanding the current conditions of the park system and city, coupled with planning for projected changes and expected future improvements. It will provide recommendations for the facilities, programs, services, improvements, and more, all with the mission of making Decatur more resilient, healthy, and thriving. Completion of the plan is anticipated in the 1st quarter of 2023.

The Town Center Master Plan 2.0 is the first holistic and comprehensive look at the City's downtown since the original 1982 Town Center Plan. The primary objective of the plan is to build upon the goals of the 2020 Strategic Plan, with input from all stakeholders, and develop those goals into a "living" concept and a strategic implementation plan where downtown is the focal point. The plan seeks to support the city vision to focus on stimulating economic growth in the downtown area while addressing safety, noise, and the

unhoused population; create visually aesthetic placemaking to enhance historic character and unique identity; balance land use patterns with human-centered design; and promote transportation enhancements and safety. The plan will guide and support downtown revitalization and redevelopment efforts, providing the foundation, detailed strategic implementation plan, and direction for years to come. Completion of the plan is anticipated in the 2nd quarter of 2023.

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 City closed on the purchase of the property in late December 2020. The facility re-opened in August 2022 as the Oakhurst Recreation Center including a renovated gym, dance studio, kitchen and rooms for recreation and other community activities.

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. 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.

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; Trees Atlanta and the City are partners in a 5-year effort to remove invasive plants and restore the woodland areas of the park; the renovation of the historic dairy barn has been completed; and, a plan for affordable housing on the property was adopted by the City Commission.

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. Under the management of DLP, some of the vacant buildings are being leased to local non-profits including the Refugee Women's Network, Wild Nest Bird Rehab and the Frank Hamilton School. DLP partnered with the City in the selection of Trees Atlanta for a multi-year project to remove invasive plants on the property.

The adopted Decatur Legacy Park Master Plan includes a recommendation for a track and athletic field. In August 2022, an intergovernmental agreement was executed between the City, Decatur Board of Education, and the Decatur Public Facilities Authority (PFA) to develop a track and field facility at Decatur Legacy Park. The City committed up to $3,000,000 in American Rescue Plan Act (ARPA) funds and the Board of Education committed up to $3 million in ESPLOST funds. An RFP for design services was released in November 2022.

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. This policy is consistent with a recommendation of the Affordable Housing Task Force report. 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. Another recommendation from the Affordable Housing Task Force is to sustain the work of the Decatur Land Trust which receives staff support from the new Planner position, formerly the Affordable Housing Fellow position. The Land Trust exists to acquire, develop, manage, transfer, and steward land for permanent and sustainable housing affordability for qualified homebuyers. The Land Trust received its 501c3 status in 2022.

The City initiated a review of its current zoning codes in the 1st quarter of 2021 related to smaller multi-family developments of duplexes, triplexes and quadplexes, known as missing middle housing, in single-family zoning districts. Simultaneously, findings of policy review were shared with the community through online means and community conversation sessions in 2021. In the 1st quarter of 2022, the City began public engagement to receive input to develop new housing policies for missing middle housing types. Draft policies that reintroduce these housing types as a permitted use in single-family zoning districts were presented in a public housing forum, followed by public hearings before the Planning Commission and City Commission for additional feedback. The draft policies are scheduled to be considered for adoption by the City Commission in the 1st quarter of 2023.

In May 2021, the City Commission committed $438,100 in grant funds to Columbia Residential from the Tax Allocation District No. 1 – East Decatur to cover infrastructure costs in support of an affordable housing development, Decatur East Phase II. This development will provide 70 units of housing to low-income seniors.

In November 2021, the City and the Decatur Housing Authority entered into an intergovernmental agreement for the development of the South Housing Village at Decatur Legacy Park which will include 132 affordable housing units. Under this agreement, the Decatur Housing Authority will serve as the developer of this project. In April 2022, the City purchased approximately 7 acres of the southeast corner of Decatur Legacy Park from the Public Facilities Authority in the amount of $3,827,737 for this affordable housing development. The land acquisition was financed through the issuance of a Series 2022 Housing Authority Bond by the Decatur Housing Authority on behalf of the City in the total amount of $4,060,000, an amount that included the "purchase price" and the costs of issuance. The $3,827,737 was used to redeem the portion of the Series 2017 PFA bonds attributed to the 7 acres. At the same time as the property transaction, the PFA refinanced the remainder of the Series 2017 PFA bonds with the issuance of Series 2022 PFA Bonds in the amount of $23,919,626. The City has committed $3.7 million in American Rescue Plan Act funds for infrastructure costs related to this affordable housing development. In November 2022, the Decatur Housing Authority was awarded low-income housing tax credits from the Georgia Department of Community Affairs to finance Phase I of the development. The Decatur Housing Authority will submit an application for low-income tax credits for Phase II of the development.

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 condemned the property and awarded the property owner $2,180,000. Pursuant to condemnation procedure and the Court's direction, the City paid the award into the Registry of the Court and took title to the property. The condemnation petition was tried to a jury verdict in May 2022. A verdict of $1,400,000 was awarded to the condemnee, resulting in $780,000 due to the City. However, no payment has been made as the condemnee has appealed the verdict to the Georgia Court of Appeals. The property will be used as unimproved greenspace.

In May 2021, the City Commission awarded the construction contract for the Clairemont/Commerce/Church Street Pedestrian Safety and Cycle Track Improvements. This project will permanently reduce Church Street to two vehicle travel lanes with new sidewalks and one-way cycle tracks. This will provide a connection to the Commerce Drive Cycle Track that was completed in 2020. It also includes intersection improvements at Clairemont/Commerce and Church/Commerce that will improve pedestrian safety. Over 70% of this project is funded through the Georgia Department of Transportation. Matching funds will be provided from the City's capital improvement fund and HOST proceeds. Acquisition of right-of-way for the Clairemont/Commerce/Church Street project is complete. Construction started in December 2021 and is anticipated to take 18 months.

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 2004 storm water master plan. For 2 years, Decatur residents worked 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. Design services are underway for the first four priority storm drainage projects identified in the 2020 Storm Water Master Plan.

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. As a result of a new State law, HB317, the City started collecting hotel-motel tax revenue in July 2021 from short-term vacation rentals such as Airbnb and VRBO. Over $200,000 was collected from short-term vacation rental tax revenue in the past fiscal year.

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 during fiscal year 2022 was 83.5%, compared to the US industry average that was closer to 70%.

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 496 tons of glass during fiscal year 2021-2022. This is an increase of 6% 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 and 2, glass, and metal. The material recovery facilities are accepting commingled recyclables that include plastics #1 and 2 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 plastics #3-7. The markets for plastic materials are volatile and demand driven. In order to address the volatility in the recycling market for plastics #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 November 2022, the Center for Hard to Recycle Materials (CHaRM) announced they will be opening their new Zero Waste Center just outside the City of Decatur near Columbia Drive and Memorial Drive. Live Thrive, the new Zero Waste Center, will offer the same vital recycling services as the first CHaRM facility, located in the City of Atlanta. 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 adopted a clean energy plan in September 2022. This plan establishes clean energy targets for both municipal operations and the community, identifies potential pathways towards reaching those targets, and prioritizes the actions, programs, and policies needed to achieve community goals. The plan is intended to guide Decatur's energy transition and address the City's contributions to the climate crisis while also improving living conditions. Under this plan, Decatur will shift energy consumption away from fossil fuels in an economically sustainable and equitable way, ensuring that residents, business owners, worshippers, visitors, commuters, and all Decatur residents enjoy the benefits of this transition. The plan provides targeted, intermediate timelines to tackle the ambitious goal of shifting toward 100 percent clean and renewable energy: 1) All municipally owned buildings will be supplied by 100% clean and renewable Energy (fully electrified) by 2030. 2) By 2035, community buildings, which include commercial and residential buildings, will be supplied by 100% clean and renewable electricity. All municipal vehicles will be fully electrified by 2035. 3) By 2050, all other community uses, including transportation, will be supplied by 100% clean and renewable energy.

In 2022, the installation of a solar and battery system at the City's Public Works building was completed. This system includes an approximately 105 kW roof-mounted solar photovoltaic array and 323 kWh lithium-ion battery, which will reduce the facility's electricity costs during normal operations and increase resilience during grid disruptions. The Georgia Environmental Finance Authority's (GEFA) Solar Resiliency Program provided a grant in the amount of $200,000 towards this project. Through Federal Community Project Funding, the City has been awarded $750,000 from Congresswoman Nikema Williams to purchase and install solar panels on the Decatur Recreation Center.

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 Annual Comprehensive Financial Report since 2005. Starting with the fourth quarter of fiscal year 2018-2019, the Finance division has implemented quarterly financial reporting to the City Commission.

LONG-TERM FINANCIAL PLANNING

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+.

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, six redevelopment projects have purchased storm water capacity in the facility.

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 and is expected to generate around $20,000,000 over the six year term of the tax. The City collected approximately $4,050,000 in fiscal year 2022, which is about $500,000 more than the previous year in spite of the economic impacts of the pandemic. Proceeds are being used to cover debt service payments for the URA 2010 and URA 2013 bond issues (now URA 2020A and 2020B series), to plan, design and build improvements to the Atlanta Avenue railroad crossing at its intersection with W. College Avenue and W. 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 is nearing completion and construction is expected to start in 2023. The project scope has expanded to include the installation of permanent traffic calming measures and bike and pedestrian safety improvements along West Howard Avenue.

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. In 2021, the City Commission approved two TAD funding requests- Columbia Residential’s Decatur East Phase II and Northwood Ravin’s Halo East Decatur.

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 and to be implemented in a five-year phase-in period. Since that time, the recommended required annual contribution rate has fluctuated from 6.25% in 2017, 7.43% in 2018, 8.58% in 2019, 8.89% in 2020, 8.73% in 2021 and 8.6% in 2022. The GASB Nos. 67 and 68 report for June 30, 2022 reported a plan funded ratio of 78.2% of the total pension liability. This is a significant decrease from the funded ratio of 95.3% from June 30, 2021 and reflects the volatility in the market over the past fiscal year.

The Board of Trustees 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 asks what impact the responder thinks the economy would have on family income in the next six months. The 2022 survey was conducted between March and May 2022. The following table summarizes the responses:

	2022	2020	2018	2016	2014	2012	2010	2008	2006
Very Positive	4%	4%	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	25%	12%	27%	28%	32%	19%	11%	11%	19%
Neutral	45%	38%	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	24%	33%	13%	12%	11%	19%	28%	32%	21%
Very Negative	2%	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. In 2022, the response improved to 36% but remains above pre-pandemic levels.

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. It was repeated in 2022.

	2022	2020
Essential	39%	49%
Very important	47%	44%
Somewhat important	13%	7%
Not important at all	0%	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. 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 2020, the Decatur Board of Education negotiated future annexation terms with the DeKalb County school board. Such negotiations resulted in SB 293 that was passed by the Georgia General Assembly and signed into law in 2021. This bill provides conditions upon the expansion of the boundaries of the City of Decatur independent school system that are extended by annexation by the City. Subject the terms of the new law, the city limit boundaries may remain coextensive with the Decatur school system boundaries.

Conclusion

At the end of fiscal year 2022 the City is in a strong financial, economic and organizational position, with a sustained positive outlook. The City proved to be prepared, resolved and resilient throughout the Covid-19 pandemic. The City entered the pandemic with healthy financials, maintained its financial position during the height of the pandemic, and has emerged in an even stronger financial position at the end of the fiscal year. The community, in turn, remains economically and socially sound. Tourism, restaurants and retail businesses have rebounded and key performance indicators are reaching or exceeding pre-pandemic levels. Special events, concerts and festivals have returned with the addition of a number of new activities representing diverse populations and cultures.

Over the past fiscal year, the City Commission has been unified in its support of the City's strategic plan vision and goals. All departments have benefitted from the clarity of purpose and have worked equitably, efficiently and effectively towards achieving many strategic plan goals. Significant capital projects have been completed and many more are in progress or in the planning phases including projects related to transportation/pedestrian safety, recreation and greenspace, climate change, and affordable housing. The City has been able to continue making investments in capital improvement projects and maintaining a high

level of public services while reducing the millage rate. Furthermore, the City will be considering additional tax relief measures through the addition and expansion of homestead exemptions over the next year. 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, to avoid cuts in staffing and salaries and to seize unanticipated opportunities to further strategic goals.

The City continues to support its most important asset, our employees, with competitive salaries and benefits, two rounds of pandemic premium pay, Covid-19 sick leave, and a vacation buy-back program, just to name a few strategies to protect and value our employees. A pay and compression study will take place in 2023 to ensure salaries are competitive for recruitment as well as for retention.

The City has elevated its commitment to equity and racial justice and recognizes that all of the other policy priorities influence and are influenced by issues of race and equity. The City's viability and health should be measured by more than its financial and economic condition, but also its racial condition. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2022

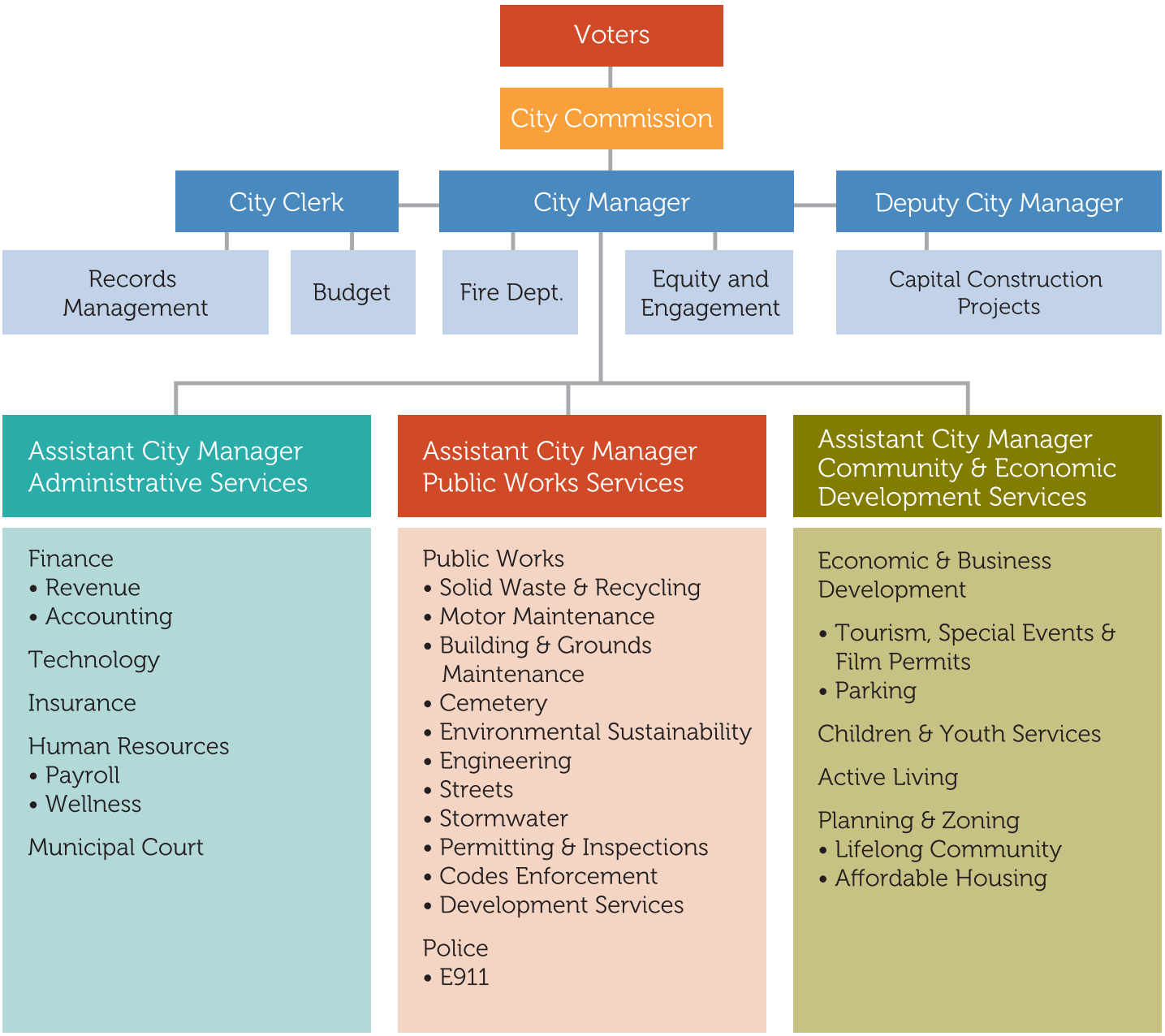
CITY COMMISSION

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 de Castro	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 Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Decatur, Georgia, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter - Change in Accounting Principle

As described in Note 19 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases,* as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Decatur's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Decatur's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 19), Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions – Retirement Plan, Schedule of Pension Investment Returns – Retirement Plan, and Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 86 through 89) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 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 16, 2022

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, 2022. We encourage readers to consider the information together with the letter of transmittal, financial statements and footnotes.

Overview of the Annual Comprehensive Financial Report

The audit report 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 $48,523,836 (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's total net position improved by $14,072,530 over the prior years' deficit of $62,596,366.

- The City had $40,174,950 in expenses related to governmental activities and $11,202,324 or 28% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were $40,475,114 and $32,685,186 or 80.8% of these revenues were from property taxes.

- The fund balance of the General Fund at June 30, 2022, was $16,591,233 and represents 62.1% 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 fiscal year 2021, the City refinanced debt series 2010 and 2013 resulting in an economic benefit of $6,340,524.

- In February 2022, S&P affirmed the City's bond credit rating of AA+, and Moody's Investors Services affirmed its rating of the City of Aa1.

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 20 through 22 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 sixteen 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, SPLOST Fund, Capital Improvement Fund, 2013 URA Bonds Fund, 2010 URA Bonds Fund, Public Facilities Authority Fund, American Recovery Act Fund (ARPA), and Debt Service Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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 23 through 25 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 28 through 30 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 31 and 32 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 33 through 85 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year the City's net position was a deficit ($48,523,836), or $14,072,530 better than the prior year.

City of Decatur Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021, Restated	2022	2021	2022	2021, Restated	2022
Assets						
Current assets	$ 40,902	$ 48,227	$ 7,672	$ 10,073	$ 48,574	$ 58,300
Capital assets	112,126	107,712	16,238	16,083	128,364	123,795
Other non-current assets	4,139	6,201	-	-	4,139	6,201
Total assets	157,167	162,140	23,910	26,156	181,077	188,296
Deferred outflows of resources	10,413	12,032	159	462	10,572	12,494
Liabilities						
Long-term liabilities	221,318	211,301	758	1,501	222,076	212,802
Other liabilities	12,873	16,014	3,045	3,358	15,918	19,372
Total liabilities	234,191	227,315	3,803	4,859	237,994	232,174
Deferred inflows of resources	15,689	17,091	562	49	16,251	17,140
Net Position						
Net investment in capital assets	20,056	25,375	15,590	15,965	35,646	41,340
Restricted	9,335	12,486	-	-	9,335	12,486
Unrestricted	(111,691)	(108,095)	4,114	5,745	(107,577)	(102,350)
Total net position	$ (82,300)	$ (70,234)	$ 19,704	$ 21,710	$ (62,596)	$ (48,524)

The largest portion of the City's net position, $41,339,339 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 $12,486,452 and an unrestricted deficit ($102,349,627). The negative unrestricted net position results from two significant general obligation issuances on behalf of City Schools of Decatur (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 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 2022 the City's net position improved by $14,072,530 which can be attributed to increases in program revenues, pandemic relief grants, and stable expense levels.

City of Decatur Changes in Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021, Restated	2022	2021	2022	2021, Restated	2022
Revenues						
Program revenues:						
Charges for services	$ 3,874	$ 5,405	$ 4,818	$ 6,129	$ 8,692	$ 11,534
Operating grants & contributions	338	136	-	-	338	136
Capital grants & contributions	7,051	5,661	-	-	7,051	5,661
General revenues:						
Property taxes	31,409	32,685	-	-	31,409	32,685
Franchise taxes	1,569	1,644	-	-	1,569	1,644
Sales taxes	1,125	1,940	-	-	1,125	1,940
Other taxes	2,081	2,159	-	-	2,081	2,159
Investment earnings	330	95	-	-	330	95
Gain on sale of capital assets	-	1,952	-	-	-	1,952
Miscellaneous	40	-	-	-	40	-
Total revenues	47,817	51,677	4,818	6,129	52,635	57,806
Expenses						
General government	13,684	11,293	-	-	13,684	11,293
Public safety	10,305	11,075	-	-	10,305	11,075
Public works	9,649	7,525	-	-	9,649	7,525
Recreation	3,839	5,066	-	-	3,839	5,066
Interest on long-term debt	4,652	5,216	-	-	4,652	5,216
Conference center	-	-	141	259	141	259
Stormwater	-	-	832	865	832	865
Sanitation	-	-	2,336	2,435	2,336	2,435
Total expenses	42,129	40,175	3,309	3,559	45,438	43,734
Income (Loss) before transfers and special item	5,688	11,502	1,509	2,570	7,197	14,072
Transfers	530	564	(530)	(564)	-	-
Special Item	-	-	-	-	-	-
Change in net position	6,218	12,066	979	2,006	7,197	14,072
Net position beginning of year	(88,518)	(82,300)	18,725	19,704	(69,793)	(62,596)
Net position end of year	$ (82,300)	$ (70,234)	$ 19,704	$ 21,710	$ (62,596)	$ (48,524)

Revenues

Governmental *charges for services* increased $1,530,474 or 39.5%, primarily from increases in recreation and youth services as pandemic restrictions were lifted. *Capital grants and contributions* decreased $1,389,813 or 19.71% as the prior year benefitted from pandemic relief grants. Property taxes, including real estate and personal property, increased $1,276,035 or 4.06% from the prior year. This increase occurred primarily as a result increases in assessed values of property. Sales taxes which are primarily hotel occupancy taxes increased $815,271 as the travel industry rebounds from covid restrictions. A gain on sale of assets of $1,952,272 relate to a sale of approximately seven acres of Legacy Park to be used for affordable housing.

Revenues from business type activities increased $1,310,794 or 27.21% primarily from increases in stormwater fees charged to businesses and residents. Business type revenues are discussed in further detail on page 15.

Expenses

General Government expenses decreased $2,391,479 or 17.48 %. Prior year expenses included an additional $2.7 million of expenses related to pandemic relief; and an additional $500 thousand for planning and inspection services. *Public safety* expenses increased $770,529 or 7.48% and is primarily attributable to public safety expenses being covered by coronavirus funding in fiscal 2021. *Public Works* expenses decreased $2,124,234 or 22.02% as the prior year reflects the costs of conversion of certain rental arrangements under GASB 87. (See NOTE 19). *Recreation* expenses increased $1,225,965 or 31.93%, as services were resumed after pandemic restrictions were lifted. Interest on long-term debt increased $564.026 or 12.12% as the prior year benefitted from the refinancing of debt.

Expenses for business-type activities increased $249,882 or 7.55%. Conference Center expenses increased $117,178 or 82.8%. Stormwater expenses increased $33,849 or 4.07%. Solid waste expenses increased $98,855 or 4.23%. Business type expenses are discussed in further detail on page 15.

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 2021 and 2022 (in thousands).

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

	2021, Restated	2022	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 36,262	$ 38,537	$ 2,275	% 6.27
Licenses & permits	1,459	673	(786)	(53.87)
Intergovernmental	8,002	6,300	(1,702)	(21.27)
Fines & forfeitures	252	531	279	110.71
Charges for services	1,591	3,713	2,122	133.38
Investment income	24	132	108	450.00
Other revenues	259	246	(13)	(5.02)
Total revenues	47,849	50,132	2,283	4.77
Expenditures				
General government	13,609	11,419	(2,190)	(16.09)
Public safety	9,169	10,329	1,160	12.65
Public works	6,121	5,930	(191)	(3.12)
Recreation	2,698	3,930	1,232	45.66
Capital Outlay	6,847	2,430	(4,417)	(64.51)
Intergovernmental	332	306	(26)	(7.83)
Debt Service	13,069	17,021	3,952	30.24
Total expenditures	51,845	51,365	(480)	(0.93)
Excess (Deficiency) of revenues over expenditures	(3,996)	(1,233)	2,763	(69.14)
Other financing sources (uses)				
Issuance of bonds	40,120	21,855	(18,265)	-
Bond premium	2,207	2,065	(142)	-
Payment to escrow agent	(36,127)	(23,461)	12,666	-
Proceeds from sale of capital assets	-	4,117	4,117	-
Transfers in	6,903	7,051	148	2.14
Transfers out	(6,373)	(6,487)	(114)	1.79
Total other financing sources (uses)	6,730	5,140	(1,590)	(23.63)
Net change in fund balances	2,734	3,907	1,173	42.90
Fund balances, beginning of year	34,014	36,748	2,734	8.04
Fund balances, end of year	$ 36,748	$ 40,655	$ 3,907	% 10.63

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $40,655,492, an increase of $3,907,343 or 10.63% from the prior year. Of the total amount, $12,550,655, or 30.9%,

constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $28,104,837 is comprised of the following classifications: $1,129,188 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; $18,850,105 is restricted which means it is legally restricted for specific purposes. The restricted fund balance is for 1) capital construction ($11,722,095); 2) debt service ($4,809,639); 3) law enforcement ($22,288); 4) Public Safety-E911 ($567,093); 5) Culture and recreation ($250,000); and 6) Economic development ($1,478,990). A committed amount of $511,031 can be used only for specific purposes pursuant to a formal vote of the City Commission. Fund balance is committed for 1) tree preservation ($48,509) and 2) Children and Youth Services ($462,522). An assigned amount of $7,614,513 is intended to be used for specific purposes as determined by the City Manager. Fund balance is assigned for 1) fiscal year 2023 operations ($3,883,500); 2) greenspace acquisition ($12,764); 3) cemetery operations ($107,923); and 4) equipment purchases ($3,610,326).

Total governmental revenues increased $2,282,600 or 4.77%. Tax revenues increased $2,274,810 or 6.27% primarily from increased assessed values of property. Licenses and permit revenues decreased $786,424 or 53.87% as the prior year benefitted from several large building projects approved in fiscal year 2021 including Modera apartments at the former Bank of America site on Clairemont Avenue and the Sam's Crossing mixed-use development at North Arcadia and East Ponce de Leon Avenue including Publix supermarket. Intergovernmental revenues decreased $1,702,764 or 21.27% as prior year revenues were from additional federal grants to cover pandemic related expenses. Fines and forfeitures increased $279,349 or 111.71% as pandemic restrictions were lifted. Charges for services increased $2,122,064 or 133.38% as recreation and youth services resumed after pandemic restrictions were lifted. Investment income increased $108,747 or 450% as the federal reserve and banks have raised interest rates.

Total governmental expenditures decreased $480,658 or .93%. General government expenditures decreased $2,189,571 or 16.09% as a result of decreases in pandemic related costs and decreases in planning and permitting expenditures. Public safety expenditures increased $1,160,261 or 12.65% as less pandemic related expenditures were allocated to general government expenditures. Public works expenditures decreased $191,790 or 3.12% as less was spent on road resurfacing. Recreation expenditures increased $1,232,170 or 45.67% and can be attributed reinstatement of services as pandemic restrictions were lifted. Capital outlay expenditures decreased $4,417,570 or 64.51% as the prior year included purchase of Boys and Girls Club facilities.

Other financing sources and uses for fiscal 2021 included the refinancing of series 2010 and 2013 debt along with additional debt proceeds of approximately $6.2 million. In fiscal 2022, the Public Facilities Authority refinanced series 2017 bonds. The City recognized proceeds from the sale of capital assets of $4,117,415 as a portion of Legacy Park was sold to make way for affordable housing.

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 $16,591,233 while the total fund balance for all governmental funds was $40,655,492. As a measure of the fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2022, unassigned General fund balance of $12,550,655 represents 47% of total General Fund expenditures.

The following table compares General Fund revenues and expenditures for 2021 and 2022 (in thousands).

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

	2021	2022	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 24,223	$ 25,578	$ 1,355	% 5.6
Licenses & permits	1,459	673	(786)	(53.9)
Intergovernmental	408	305	(103)	(25.2)
Fines & forfeitures	252	531	279	110.7
Charges for services	763	1,417	654	85.7
Investment income	5	16	11	220.0
Other revenues	165	184	19	11.5
Total revenues	27,275	28,704	1,429	5.2
Expenditures				
General government	9,751	10,237	486	5.0
Public safety	8,167	9,373	1,206	14.8
Public works	4,559	4,579	20	0.4
Recreation	1,573	2,317	744	47.3
Intergovernmental	225	200	(25)	(11.1)
Total expenditures	24,275	26,706	2,431	10.0
Excess (Deficiency) of revenues over expenditures	3,000	1,998	(1,002)	(33.4)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	57	57	-
Transfers in	905	1,302	397	43.9
Transfers out	(1,773)	(1,458)	315	(17.8)
Total other financing sources (uses)	(868)	(99)	769	(88.6)
Net change in fund balances	2,132	1,899	(233)	(10.9)
Fund balances, beginning of year	12,560	14,692	2,132	17.0
Fund balances, end of year	$ 14,692	$ 16,591	$ 1,899	% 12.9

General Fund Revenues. Overall, General Fund revenues increased $1,429,520 or 5.24%. Revenue from taxes increased approximately $1,355,568 or 5.6%. The largest single source of revenue for the City's General Fund operations is real property tax which totaled $19,729,796. The total real property tax revenue for the current fiscal year increased $1,086,165 or 5.83% and can primarily be attributed to increases in assessed property values. Licenses and permits decreased $786,424 or 53.89% as the prior year benefitted from several large developments including Modera apartments at the former Bank of America site on Clairemont Avenue and the Sam's Crossing mixed-use development at North Arcadia and East Ponce de Leon Avenue including Publix supermarket. Fines and forfeitures increased $279,349 or 111% as pandemic restrictions were lifted. Charges for services increased $653,971 or 85.67% as pandemic restrictions were lifted.

General Fund Expenditures. Overall, General Fund expenditure increased $2,431,798 or 10%. Increases in services and staffing as the pandemic recedes contributed in increases in expenditures, particularly recreation expenditures which increased $744,919 or 47.37%. Public safety expenses increased $1,205,659 or 14.76% as certain pandemic related expenditures were covered by federal grants and included in a separate fund in the prior year. Public works expenditures were consistent with the prior year and increased $19,453 or less than 1%.

General Fund salaries and compensation remained stable at $12,062,373 for fiscal year 2022 and $12,190,283 for fiscal year 2021. Health insurance costs decreased slightly from $2,775,673 to $2,692,858. It is important to note that health care costs for the City's partially self-insured plan fluctuate depending on the number and severity of claims. Professional services decreased from $2,822,804 to $2,323,951, a decrease of $498,853 or 17.67% with the largest decrease related to permits and inspection, a result of payments to our third-party inspection services provider whenever permit revenues increase or decrease. Contractual service expenditures increased $256,917 or 14.38% with $2,043,747 incurred in fiscal year 2022 and $1,786,829 incurred in fiscal year 2021. Increases in contractual services were primarily related to recreation services as pandemic restrictions were lifted.

Transfers from other funds increased from $905,546 to $1,301,669. The transfer includes the overhead costs charged to the solid waste and storm water 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 $241,393 or 93.96% as pandemic restrictions were lifted. Transfers to other funds decreased $315,000. Transfers were made to the Children and Youth Fund ($200,000); E911 Fund ($350,000); Capital Improvement Fund ($500,000) and the East Decatur TAD Fund ($408,000). After accounting for transfers in and out, the addition to fund balance was $1,898,825 and the ending fund balance is $16,591,233.

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 approved referendum as well as debt service related to financing of transportation projects in prior years. Collection of these sales taxes began in April 2018. SPLOST revenues for fiscal years 2022 and 2021 were $4,050,173 and $3,546,903, 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 $956,656 for fiscal year 2022.

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 increased by $205,368 to $6,196,708. Overall revenues increased $1,067,240 or 19.18%. Tax revenues increased $441,524 or 8.76% as assessed property values have increased. Intergovernmental revenue increased $662,037 or 142.71% as current year revenues benefitted from a private and federal grant for bicycle path improvements. Expenditures for this fund decreased $230,149 or 4.76% from $4,838,903 to $4,608,754.

2010 URA Bonds Fund. The purpose of this fund is to account for the proceeds from the issuance of the Series 2010 revenue bonds and the expenditures of those funds for major capital projects. The original 2010 bonds were refinanced in fiscal 2021. This fund received $630,420 of SPLOST funds to cover related debt service costs. This fund had an ending fund balance of $428,739, an increase of $60,659 from the prior year.

2013 URA Bonds Fund. The purpose of this fund is to account for the proceeds from the issuance of the Series 2013 revenue bonds and the expenditures of those funds for major capital projects. The original 2013 bonds were refinanced in fiscal 2021 along with additional debt funds which were used to purchase the East Lake Boys and Girls Club for approximately $5 million. This fund received $1,265,480 of SPLOST fuds to cover related debt service costs. This fund had an ending fund balance of $357,320, a decrease of $406,100 from the prior year.

Public Facilities Authority Fund. The purpose of this fund is to account for the proceeds from the issuance of the Series 2017 revenue bonds and proceeds from the issuance of a note payable, along with the expenditures of those funds. During fiscal year 2021, this fund reported the issuance of Refunding Revenue Bonds Series 2022, which refunded Series 2017 bonds. Fund balance at June 30, 2022 was $1,392,460.

Debt Service Fund. The Debt Service Fund's fund balance, all of which is restricted for the payment of debt service, increased by $204,890 to $4,973,176 at June 30, 2022. 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 90 and 91.

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 2021 and 2022 were $128,453 and $249,150 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 $13,072 to $9,552 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 $1,922,100 to $19,790,294. The City's capital investment in infrastructure represents $15,380,021 of the fund's total net position. Operating revenues increased from $1,927,323 in fiscal 2021 to $3,233,668 in fiscal year 2022 primarily from an increase in the overall rate structure. Cost of sales and services were $428,773 and $439,041 for fiscal 2021 and 2022, respectively. For fiscal 2021 and 2022, the fund transferred $394,645 and $458,075 respectively, to the General Fund for indirect costs.

This fund ended the year with $6,179,857 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 2021 and 2022 were $2,890,664 and $2,895,113, respectively. 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 years 2021 and 2022 were $2,117,991 and $2,228,411, respectively, a modest increase of $110,420 or 5.21% as a result of inflationary pressures.

Total net position increased $93,390 to $1,645,828. The Solid Waste Fund ended with a positive cash position with cash balances at June 30, 2022, of $3,213,514. 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 decrease of $8,038,436 to net position during fiscal year 2022 reflecting declines in the financial markets. The net position restricted for benefits remains healthy at $47,739,088.

General Fund Budgetary Highlights

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 26. The original and final budgets anticipated a reductions to total fund balance. Actual revenues were $419,239 more than the final budgeted amounts and total expenditures were $3,537,821 less than the final budget. Much of the improvement can be attributed to certain public safety costs being covered by pandemic relief funds. The budget anticipated using $1,677,710 in fund balance. Higher revenues and much lower than budgeted expenditures resulted in an addition to fund balance of $1,898,825. This is $3,576,535 more than anticipated and resulted in an ending fund balance of $16,591,233.

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, 2022, amounts to $123,794,579 (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 2018. In fiscal year 2021, the City purchased the East Lake Boys and Girls Club for approximately $5 million. Additional information on the City's capital assets can be found in Note 7 on page 56 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 Governmente	
	2021	2022	2021	2022	2021	2022
Land	$ 35,826	$ 34,085	$ 280	$ 280	$ 36,106	$ 34,365
Construction in progress	889	2,195	1,528	480	2,417	2,675
Land improvements	2,460	2,523	-	-	2,460	2,523
Infrastructure	21,139	19,877	13,645	14,775	34,784	34,652
Building & improvements	48,188	45,973	48	39	48,236	46,012
Machinery & equipment	1,869	1,705	-	-	1,869	1,705
Vehicles	1,785	1,354	-	-	1,785	1,354
Furniture, fixtures, & equipment	-	-	737	509	737	509
Total	$ 112,156	$ 107,712	$ 16,238	$ 16,083	$ 128,394	$ 123,795

Long-term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of $162,775,567 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 2022 is $2,743,113,000 with a current debt limitation for the City of $274,311,000, not including current debt outstanding. Current debt that applies to the debt limit totals $95,731,000, which leaves the City a legal debt margin of $178,580,000. The ratio of the City's outstanding general obligation bond debt to assessed valuation is 34.9%.

At June 30, 2022, the City had long-term debt for governmental activities in the amount of $218,767,662 which was comprised of $162,775,567 in bonds payable, and the remaining $55,992,095 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 $1,701,674 and is comprised of financed purchases, a note payable, net pension liability and compensated absences.

During fiscal 2021, The City refinanced certain 2010 series and 2013 series debt at substantial savings to the City.

Additional information on the City's long-term debt can be found in Note 9 on pages 59 through 69 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 $1,056,175 was $4,046 less than the actuarially determined contribution for the fiscal year ending June 30, 2022 due to payroll being 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, 2022, City's total pension liability was $61,087,818. The plan fiduciary net position was $47,739,088 resulting in the City's net pension liability of $13,348,730, a significant increase over the net pension liability of $2,746,912 at June 30, 2021. The plan fiduciary net position as a percentage of the total pension liability was 78.15% a significant decrease from the prior year of 95.31% as a result of market fluctuations. 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 $6.1 million.

The City also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of June 30, 2021, 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 $27,613,870 which is a significant decrease over the prior year liability of $36,419,597 primarily from changes in assumptions. 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 11 and 12 in the notes to the financial statements.

Economic Factors

The economic outlook for the City is positive. The 2022 real property digest is 10.92% higher than the 2021 digest. New value accounts for 33.1% of the increase and 66.9% is from revaluation of existing properties. This increase is consistent with local real estate sales reports and recent permitting activity. Permitting activity for major projects has slowed but residential renovations have remained steady.

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 broke ground on Modera Decatur, a mixed-use project in downtown Decatur that

will consist of 194 apartment homes and approximately 24,500 square feet of retail across 2.14 acres, previously occupied by a bank and surface parking. The bank relocated to a prominent corner of the site to make way for the remainder of the project. The value of Modera Decatur is expected to exceed $70 million at the time of its completion in the spring of 2023, a significant increase from the current site value of $2.4 million.

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. Nell Hodgson Woodruff School of Nursing at Emory University expanded their footprint and located the Emory Nursing Learning Center in downtown Decatur. The 70,000 square foot Center occupies four floors at 250 E. Ponce de Leon Avenue, owned by The University Financing Foundation (TUFF). The $20.6 million expansion includes a state-of-the-art simulation and skills lab. The nursing school opened its offices in May of 2021 and the learning center opened its doors in September 2022 with full enrollment of 1,400 students by 2025.

Decatur First United Methodist Church sold its historic 1889 stone chapel in downtown Decatur as well as the adjacent classroom building. With financial assistance from the Georgia Cities Foundation, as well as state and federal historic rehabilitation tax credits, the purchasers adaptively reused the classroom building to serve as office space and the chapel as a special event space. Rehabilitation work was completed by 2nd quarter 2022 with immediate occupancy of two thirds of the office space and a previously tax-exempt property was added to the tax rolls.

Gateway Decatur, a new mixed-use development by Alliance Realty and multifamily investor and operator Toll Brothers on 11 acres near North Arcadia Avenue and East Ponce de Leon Avenue is near completion. A Publix supermarket, the main commercial anchor of the development opened in November 2021. An additional 9,000 square feet of commercial retail space is complete and leased by well-known food and beverage brands and services. The anticipated completion date of a 290-unit apartment complex is February 2023. The development is investing a quarter-million dollars in public art that will highlight the eastern gateway into Decatur and installation will occur by June 2023.

Close by in the East Decatur commercial district, Columbia Ventures and Columbia Residential continue to build on the success of their catalyst project, Cortland Decatur East, completed in the first quarter of 2019. Formerly an underutilized 7.6 acre surface parking lot for the Metropolitan Atlanta Rapid Transit Authority (MARTA) Avondale Station, the site now 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 Residential, the affordable housing development arm of 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. Columbia Residential has secured low-income housing tax credits for a second senior, independent-living residential building, Decatur East Phase II, at the corner of E. Freeman Street and Sams Street, of which 70 units will be set aside as affordable, with groundbreaking to occur Q1 2023. There is one out parcel remaining that fronts onto E. College Avenue for future commercial, non-residential development.

The East Decatur commercial district continues to see growth beyond the MARTA property, one of which is Northwood Ravin, which has received approval for the development, Halo East Decatur. Located at the corner of East College Avenue and New Street, this $109 million mixed use development on 7.5 acres will include 372 residential units, approximately 16,000 square feet of retail space, a 1-acre publicly-accessible park, 545 parking spaces. 41 residential units will be permanently set aside as workforce housing, which exceeds the 10% required by the City's mandatory inclusionary housing ordinance. The property is currently valued at $6 million and the valuation at completion is estimated near $95 million. This project was approved for $5.3 million in funding from the Tax Allocation District (TAD) No. 1 – East Decatur based on its qualifications under the TAD Financing Procedures and Policies that were adopted in June 2021. Groundbreaking is expected to occur Q1 2023.

The residential housing market in the City continues to be strong. One sizable development of note is 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, named New Talley Station, will take a previously tax-exempt parcel and will add 4.2 acres back to the tax rolls to be occupied by 96 condominiums and 40 townhomes. A parcel measuring 2.78 acres was deeded to the Development Authority of the City of Decatur. The Development Authority will transfer the property to the City as a potential location for a regional storm water detention pond and green space. The remaining 0.28 acre of the development site 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 started in the 2nd quarter 2022 and all development phases planned to be completed by mid-2023.

According to the U.S. Census Bureau and Department of Labor, the unemployment rate for DeKalb County as of June 30, 2022, was 3.4%, a decrease of 1.9% year-over-year mirroring a state and nationwide trend of job creation and demand for workers exceeding the workforce looking for employment. Unemployment rates are not available for the City but based on the variety of employers the City's rate is likely similar. Unemployment statistics for the state have been somewhat lower, and nationwide unemployment has been somewhat higher than locally. Annual inflation in the Atlanta region of 11.5% as of June 2021 was higher than the five previous years according to Bureau of Labor Statistics data. Interest in downtown Decatur commercial space remains high with newer tenants representing smaller professional and service-oriented businesses. Residential living units in the central business district continue to add to the economic vitality of the district.

In February 2022, 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 financial policies, tax base growth, and proximity to Atlanta among other factors contributing to the affirmation. The strong bond credit rating ensures lower interest costs on outstanding debt. The fiscal year 2021-2022 audit report and the City's current and future practices continue to promote the financial policies and practices highlighted by the ratings agencies.

Next Year's Budget

At June 30, 2022, unassigned fund balance in the General Fund was $12,550,655. During the budget drafting process, the City had estimated to deduct $3,883,500 from fund balance in the 2023 fiscal year budget bringing the total fund balance to $9,131,208 or 28% of budgeted expenditures, a use consistent with the City's fund balance policy which strives to maintain an unreserved, unassigned fund balance between twenty and thirty percent of the operating budget. The budget includes a 2.5% cost of living adjustment (COLA) for all full-time positions that was effective July 1, 2022. This was the first COLA granted in at least 25 years. Additionally, the budget includes funding for a 2.5% merit-based increase for employees who are still below the maximum in their salary range on their anniversary date. The 2022 budget maintains the partially self-insured model for group health benefits. The 2022 fiscal year budget includes an increase for health insurance costs. To offset the increased costs, employee contributions increased 10% and limited plan changes were made. The City's required contribution to the Employees' Retirement System remained at 9% of payroll based on actuarial funding requirements.

The budgeted projects and activities directly support the following 2020 strategic plan themes: Equity & Racial Justice, Climate Action, Civic Trust, Affordable Housing, Mobility and Economic Growth. 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, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
ASSETS					
Cash and cash equivalents	$ 43,278,525	$ 9,608,683	$ 52,887,208	$ 2,721,221	$ 539,208
Taxes receivable, net	1,218,045	-	1,218,045	25,260	-
Other receivables	681,312	-	681,312	-	-
Accounts receivable, net of allowances	-	507,583	507,583	10,956	254
Due from primary government	-	-	-	328,339	61,633
Due from component unit	30,740	-	30,740	-	-
Due from other governments	735,648	-	735,648	-	-
Internal balances	46,748	(46,748)	-	-	-
Prepaid items	1,129,188	3,219	1,132,407	23,287	3,500
Restricted:					
Investments	1,100,071	-	1,100,071	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	3,805,000	-	3,805,000	-	-
Lease receivable	2,250,561	-	2,250,561	-	-
Lease receivable - service concession arrangement	-	-	-	868,773	-
Fair value of hedging derivative	145,907	-	145,907	-	-
Capital assets:					
Non-depreciable	36,279,704	759,581	37,039,285	2,273,979	-
Depreciable, net of accumulated depreciation and amortization	71,432,213	15,323,081	86,755,294	866,966	3,487
Total assets	162,140,162	26,155,399	188,295,561	7,118,781	608,082
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	2,638,328	-	2,638,328	-	-
OPEB related items	4,120,684	-	4,120,684	-	-
Pension related items	5,272,858	462,003	5,734,861	-	-
Total deferred outflows of resources	12,031,870	462,003	12,493,873	-	-
LIABILITIES					
Accounts payable	1,575,550	346,605	1,922,155	10,975	53,529
Accrued liabilities	2,077,403	85,505	2,162,908	-	-
Unearned revenue	4,753,557	2,475,749	7,229,306	-	-
Due to component unit	140,822	249,150	389,972	-	-
Due to primary government	-	-	-	30,740	-
Certificates of participation due within one year	175,000	-	175,000	-	-
Certificates of participation due in more than one year	1,880,000	-	1,880,000	-	-
Compensated absences due within one year	1,036,193	81,074	1,117,267	-	-
Compensated absences due in more than one year	182,858	14,308	197,166	-	-
Financed purchases due within one year	319,788	65,779	385,567	-	-
Financed purchases due in more than one year	790,863	52,380	843,243	-	-
Notes payable from direct borrowing due within one year	542,000	54,093	596,093	82,810	-
Notes payable from direct borrowing due in more than one year	11,178,174	358,659	11,536,833	1,558,982	-
Bonds payable due within one year	5,394,090	-	5,394,090	-	-
Bonds payable due in more than one year	157,381,477	-	157,381,477	-	-
Lease liability due within one year	-	-	-	47,092	-
Lease liability due in more than one year	-	-	-	72,518	-
Net pension liability due in more than one year	12,273,349	1,075,381	13,348,730	-	-
Total OPEB liability due in more than one year	27,613,870	-	27,613,870	-	-
Total liabilities	227,314,994	4,858,683	232,173,677	1,803,117	53,529

Continued

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	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	145,907	-	145,907	-	-
OPEB related items	14,199,265	-	14,199,265	-	-
Pension related items	555,799	48,699	604,498	-	-
Lease arrangements	2,189,923	-	2,189,923	-	-
Deferred service concession arrangement receipts	-	-	-	1,108,479	-
Total deferred inflows of resources	17,090,894	48,699	17,139,593	1,108,479	-
NET POSITION					
Net investment in capital assets	25,374,836	15,964,503	41,339,339	1,491,990	3,487
Restricted for capital projects	5,660,511	-	5,660,511	-	-
Restricted for culture and recreation	250,000	-	250,000	-	-
Restricted for economic development	1,478,990	-	1,478,990	-	-
Restricted for law enforcement	22,288	-	22,288	-	-
Restricted for E911 services	573,116	-	573,116	-	-
Restricted for debt service	4,501,547	-	4,501,547	-	-
Restricted for tourism	-	-	-	-	551,066
Unrestricted	(108,095,144)	5,745,517	(102,349,627)	2,715,195	-
Total net position	$ (70,233,856)	$ 21,710,020	$ (48,523,836)	$ 4,207,185	$ 554,553

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, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 11,293,087	$ 1,118,736	$ 44,353	$ -
Public safety	11,075,496	1,753,961	-	250,002
Public works	7,524,562	-	500	5,411,413
Recreation	5,065,634	2,532,112	-	-
Interest and fiscal charges on long-term debt	5,216,171	-	91,247	-
Total governmental activities	40,174,950	5,404,809	136,100	5,661,415
Business-type activities:				
Solid waste	2,434,543	2,895,113	-	-
Stormwater	865,493	3,233,668	-	-
Conference center & parking deck	258,703	-	-	-
Total business-type activities	3,558,739	6,128,781	-	-
Total primary government	$ 43,733,689	$ 11,533,590	$ 136,100	$ 5,661,415
Component units:				
Downtown Development Authority	$ 1,137,674	$ -	$ -	$ -
Decatur Tourism Board	518,284	10,282	-	-
Total component units	$ 1,655,958	$ 10,282	$ -	$ -

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, as restated

Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Downtown Development Authority	Decatur Tourism Board
$ (10,129,998)	$ -	$ (10,129,998)		$ -	$ -
(9,071,533)	-	(9,071,533)		-	-
(2,112,649)	-	(2,112,649)		-	-
(2,533,522)	-	(2,533,522)		-	-
(5,124,924)	-	(5,124,924)		-	-
(28,972,626)	-	(28,972,626)		-	-
-	460,570	460,570		-	-
-	2,368,175	2,368,175		-	-
-	(258,703)	(258,703)		-	-
-	2,570,042	2,570,042		-	-
$ (28,972,626)	$ 2,570,042	$ (26,402,584)		$ -	$ -
$ -	$ -	$ -		$ (1,137,674)	$ -
-	-	-		-	(508,002)
$ -	$ -	$ -		$ (1,137,674)	$ (508,002)
$ 32,685,186	$ -	$ 32,685,186		$ 902,936	$ -
1,643,824	-	1,643,824		-	-
1,940,435	-	1,940,435		-	-
2,158,542	-	2,158,542		249,150	581,349
94,855	-	94,855		-	129
-	-	-		662,465	-
1,952,272	-	1,952,272		-	-
564,105	(564,105)	-		-	-
41,039,219	(564,105)	40,475,114		1,814,551	581,478
12,066,593	2,005,937	14,072,530		676,877	73,476
(82,300,449)	19,704,083	(62,596,366)		3,530,308	481,077
$ (70,233,856)	$ 21,710,020	$ (48,523,836)		$ 4,207,185	$ 554,553

CITY OF DECATUR, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General Fund	SPLOST Fund	Capital Improvement Fund	2013 URA Bond Fund	2010 URA Bond Fund	Public Facilities Authority Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 17,347,542	$ 7,151,197	$ 4,878,194	$ 375,488	$ -	$ 1,445,839	$ 4,351,783	$ 4,776,571	$ 2,951,911	$ 43,278,525
Taxes receivable, net	723,873	-	179,977	-	-	-	189,866	-	124,329	1,218,045
Other receivables	480,088	-	-	113,515	-	-	-	-	87,709	681,312
Lease receivable	-	-	-	-	2,250,561	-	-	-	-	2,250,561
Due from other funds	353,871	211,291	421,328	-	199,768	-	-	-	275,932	1,462,190
Due from component unit	-	-	-	-	-	-	-	-	30,740	30,740
Due from other governments	-	357,024	332,291	-	-	-	-	-	-	689,315
Restricted investments	-	-	1,100,071	-	-	-	-	-	-	1,100,071
Advances to other funds	-	-	43,964	-	-	-	-	-	-	43,964
Prepaid expenditures	144,314	-	20,755	303,222	168,333	-	478,041	-	14,523	1,129,188
Other current assets	6,500	-	-	-	-	-	-	-	-	6,500
Total assets	$ 19,056,188	$ 7,719,512	$ 6,976,580	$ 792,225	$ 2,618,662	$ 1,445,839	$ 5,019,690	$ 4,776,571	$ 3,485,144	$ 51,890,411
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 1,179,389	$ -	$ 194,147	$ -	$ -	$ 53,379	$ -	$ 525	$ 148,110	$ 1,575,550
Accrued liabilities	523,381	-	225,146	-	-	-	-	-	24,673	773,200
Due to component unit	79,189	-	-	-	-	-	-	-	61,633	140,822
Due to other funds	449,118	-	298,510	434,905	-	-	-	22,489	254,384	1,459,406
Unearned revenue- intergovernmental	-	-	-	-	-	-	-	4,753,557	-	4,753,557
Total liabilities	2,231,077	-	717,803	434,905	-	53,379	-	4,776,571	488,800	8,702,535
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - property taxes	233,878	-	62,069	-	-	-	46,514	-	-	342,461
Leasing arrangements	-	-	-		2,189,923	-	-	-	-	2,189,923
Total deferred inflows of resources	233,878	-	62,069	-	2,189,923	-	46,514	-	-	2,532,384
FUND BALANCES										
Fund balances:										
Nonspendable:										
Prepaids	144,314	-	20,755	303,222	168,333	-	478,041	-	14,523	1,129,188
Restricted:										
Capital construction	-	7,719,512	2,565,627	-	-	1,392,460	-	-	44,496	11,722,095
Culture and recreation	-	-	-	-	-	-	-	-	250,000	250,000
Economic Development	-	-	-	-	-	-	-	-	1,478,990	1,478,990
Debt service	-	-	-	54,098	260,406	-	4,495,135	-	-	4,809,639
Law enforcement	-	-	-	-	-	-	-	-	22,288	22,288
E911 services	-	-	-	-	-	-	-	-	567,093	567,093
Committed:										
Tree preservation	-	-	-	-	-	-	-	-	48,509	48,509
Children and youth services	-	-	-	-	-	-	-	-	462,522	462,522
Assigned:										
Fiscal year 2023 operations	3,883,500	-	-	-	-	-	-	-	-	3,883,500
Greenspace acquisition	12,764	-	-	-	-	-	-	-	-	12,764
Cemetery operations	-	-	-	-	-	-	-	-	107,923	107,923
Equipment purchases	-	-	3,610,326	-	-	-	-	-	-	3,610,326
Unassigned	12,550,655	-	-	-	-	-	-	-	-	12,550,655
Total fund balances	16,591,233	7,719,512	6,196,708	357,320	428,739	1,392,460	4,973,176	-	2,996,344	40,655,492
Total liabilities, deferred inflows of resources, and fund balances	$ 19,056,188	$ 7,719,512	$ 6,976,580	$ 792,225	$ 2,618,662	$ 1,445,839	$ 5,019,690	$ 4,776,571	$ 3,485,144	

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.	107,711,917
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	342,461
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.	3,851,333
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.	145,907
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(177,546,318)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.	(145,907)
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.	(45,248,741)
Net position of governmental activities	$ (70,233,856)

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, 2022

	General Fund	SPLOST Fund	Capital Improvement Fund	2013 URA Bonds Fund	2010 URA Bonds Fund	Public Facilities Authority Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues										
Taxes	$ 25,577,989	$ -	$ 5,484,214	$ -	$ -	$ -	$ 6,146,640	$ -	$ 1,328,798	$ 38,537,641
Licenses and permits	672,798	-	-	-	-	-	-	-	-	672,798
Intergovernmental	304,790	4,050,173	1,125,935	362,815	91,247	22,050	-	44,353	298,740	6,300,103
Fines and forfeitures	530,923	-	-	-	-	-	-	-	-	530,923
Charges for services	1,417,367	-	-	-	-	-	-	-	2,295,170	3,712,537
Investment income	16,131	3,555	20,088	-	90,996	1,439	-	-	-	132,209
Contributions	500	-	-				-	-	-	500
Other revenues	183,761	-	-	-	-	-	-	-	61,702	245,463
Total revenues	28,704,259	4,053,728	6,630,237	362,815	182,243	23,489	6,146,640	44,353	3,984,410	50,132,174
Expenditures										
Current:										
General government	10,237,636	-	242,438	13,202	-	265,230	-	23,014	637,605	11,419,125
Public safety	9,372,531	-	11,072	-	-	-	-	-	945,938	10,329,541
Public works	4,578,863	-	1,350,921	-	-	-	-	-	-	5,929,784
Culture and recreation	2,317,488	-	-	-	-	-	-	-	1,612,425	3,929,913
Capital outlay	-	55,841	2,080,391	58,931	-	213,335	-	21,339	-	2,429,837
Intergovernmental	200,000	-	105,808	-	-	-	-	-	-	305,808
Debt service:										
Principal retirements	-	884,000	696,546	1,170,000	395,273	5,044,443	2,600,000	-	-	10,790,262
Interest expenditures	-	72,656	121,578	792,262	356,731	1,087,104	3,341,750	-	-	5,772,081
Issuance costs	-	-	-	-	-	458,281	-	-	-	458,281
Total expenditures	26,706,518	1,012,497	4,608,754	2,034,395	752,004	7,068,393	5,941,750	44,353	3,195,968	51,364,632
Excess (deficiency) of revenues over expenditures	1,997,741	3,041,231	2,021,483	(1,671,580)	(569,761)	(7,044,904)	204,890	-	788,442	(1,232,458)
Other financing sources (uses):										
Transfers in	1,301,669	-	539,885	1,265,480	630,420	2,250,000	-	-	1,064,000	7,051,454
Transfers out	(1,458,000)	(1,895,900)	(2,356,000)	-	-	-	-	-	(777,449)	(6,487,349)
Sale of capital assets	57,415	-	-	-	-	4,060,000	-	-	-	4,117,415
Issuance of refunding bonds	-	-	-	-	-	21,855,000	-	-	-	21,855,000
Premium from issuance of bonds	-	-	-	-	-	2,064,627	-	-	-	2,064,627
Payment to escrow agent	-	-	-	-	-	(23,461,346)	-	-	-	(23,461,346)
Total other financing sources (uses)	(98,916)	(1,895,900)	(1,816,115)	1,265,480	630,420	6,768,281	-	-	286,551	5,139,801
Net change in fund balances	1,898,825	1,145,331	205,368	(406,100)	60,659	(276,623)	204,890	-	1,074,993	3,907,343
Fund balances, beginning of year, as restated	14,692,408	6,574,181	5,991,340	763,420	368,080	1,669,083	4,768,286	-	1,921,351	36,748,149
Fund balances, end of year	$ 16,591,233	$ 7,719,512	$ 6,196,708	$ 357,320	$ 428,739	$ 1,392,460	$ 4,973,176	$ -	$ 2,996,344	$ 40,655,492

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, 2022

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

Net change in fund balances - total governmental funds	$	3,907,343
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 depreciation expense exceeded capital outlays in the current period.		(2,085,540)
The net effect of the disposal of capital assets is to decrease net position.		(2,165,143)
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.		(297,354)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(109,654)
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.		11,141,724
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		1,675,217
Change in net position - governmental activities	$	12,066,593

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 24,356,800	$ 25,185,350	$ 25,577,989	$ 392,639
Licenses and permits	1,065,500	867,380	672,798	(194,582)
Fines and forfeitures	592,000	546,000	530,923	(15,077)
Charges for services	1,011,550	1,199,850	1,417,367	217,517
Intergovernmental	430,990	304,790	304,790	-
Interest income	10,000	15,000	16,131	1,131
Contributions	-	500	500	-
Other revenues	197,100	166,150	183,761	17,611
Total revenues	27,663,940	28,285,020	28,704,259	419,239
Expenditures				
Current:				
General government:				
Commission	361,780	304,180	264,838	39,342
Manager	888,120	963,090	944,018	19,072
Administrative services	3,822,340	4,410,010	4,125,551	284,459
Attorney	450,000	550,000	547,842	2,158
Community & economic development	1,853,320	1,771,500	1,407,763	363,737
Development and inspection	2,549,500	1,879,680	1,622,785	256,895
Accounting, collection and records	1,697,410	1,609,700	1,324,839	284,861
Total general government	11,622,470	11,488,160	10,237,636	1,250,524
Public safety:				
General management	1,654,280	1,547,450	1,337,665	209,785
Fire	3,885,310	4,193,280	3,979,504	213,776
Police	4,876,100	4,728,540	4,018,104	710,436
Pandemic management	10,000	37,500	37,258	242
Total public safety	10,425,690	10,506,770	9,372,531	1,134,239
Public works:				
Engineering	678,450	687,970	557,963	130,007
Motor maintenance	1,483,340	1,376,400	969,488	406,912
Buildings and grounds maintenance	2,643,280	2,663,590	2,615,405	48,185
Cemetery	497,950	486,850	436,007	50,843
Total public works	5,303,020	5,214,810	4,578,863	635,947
Recreation	2,642,790	2,415,360	2,317,488	97,872
Intergovernmental	100,000	200,000	200,000	-
Total expenditures	30,093,970	29,825,100	26,706,518	3,118,582
Excess (deficiency) of revenues over expenditures	(2,430,030)	(1,540,080)	1,997,741	3,537,821
Other financing sources (uses)				
Proceeds from sale of capital assets	-	67,000	57,415	(9,585)
Transfers in	1,065,870	1,253,370	1,301,669	48,299
Transfers out	(1,430,000)	(1,458,000)	(1,458,000)	-
Total other financing sources (uses)	(364,130)	(137,630)	(98,916)	38,714
Net change in fund balances	(2,794,160)	(1,677,710)	1,898,825	3,576,535
Fund balances, beginning of year	14,692,408	14,692,408	14,692,408	-
Fund balances, end of year	$ 11,898,248	$ 13,014,698	$ 16,591,233	$ 3,576,535

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

CITY OF DECATUR, GEORGIA
ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 44,353	$ 4,797,910	$ 44,353	$ (4,753,557)
EXPENDITURES				
General government	23,014	35,000	23,014	11,986
Capital outlay	21,339	25,000	21,339	3,661
Total expenditures	44,353	60,000	44,353	15,647
Net change in fund balances	-	4,737,910	-	(4,769,204)
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ 4,737,910	$ -	$ (4,769,204)

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

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities - Enterprise Funds			
ASSETS	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center & Parking Deck Fund	Totals
CURRENT ASSETS				
Cash	$ 3,213,514	$ 6,179,857	$ 215,312	$ 9,608,683
Accounts receivable, net of allowances	184,736	322,847	-	507,583
Due from other funds	-	30,637	65,351	95,988
Prepaid expenses	-	3,219	-	3,219
Total current assets	3,398,250	6,536,560	280,663	10,215,473
NONCURRENT ASSETS				
Construction in progress	-	479,516	-	479,516
Land	-	85,205	194,860	280,065
Infrastructure	-	20,078,404	-	20,078,404
Buildings	-	-	8,605,815	8,605,815
Furniture, fixtures and equipment	3,312,949	379,321	340,382	4,032,652
	3,312,949	21,022,446	9,141,057	33,476,452
Accumulated depreciation	(2,852,693)	(5,642,425)	(8,898,672)	(17,393,790)
Total capital assets	460,256	15,380,021	242,385	16,082,662
Total assets	3,858,506	21,916,581	523,048	26,298,135
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	402,704	59,299	-	462,003
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	71,431	275,174	-	346,605
Accrued liabilities	13,921	71,584	-	85,505
Compensated absences payable	74,963	6,111	-	81,074
Financed purchases	65,779	-	-	65,779
Note payable	-	54,093	-	54,093
Due to other funds	98,772	-	-	98,772
Due to component unit	-	-	249,150	249,150
Unearned revenue	1,201,142	1,274,607	-	2,475,749
Total current liabilities	1,526,008	1,681,569	249,150	3,456,727
NONCURRENT LIABILITIES				
Compensated absences	13,229	1,079	-	14,308
Financed purchases	52,380	-	-	52,380
Note payable	-	358,659	-	358,659
Net pension liability	937,353	138,028	-	1,075,381
Advances from other funds	43,964	-	-	43,964
Total noncurrent liabilities	1,046,926	497,766	-	1,544,692
Total liabilities	2,572,934	2,179,335	249,150	5,001,419
DEFERRED INFLOWS OF RESOURCES				
Pension related items	42,448	6,251	-	48,699
NET POSITION				
Net investment in capital assets	342,097	15,380,021	242,385	15,964,503
Unrestricted	1,303,731	4,410,273	31,513	5,745,517
Total net position	$ 1,645,828	$ 19,790,294	$ 273,898	$ 21,710,020

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, 2022

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center & Parking Deck Fund	Totals
OPERATING REVENUE				
Stormwater fees	$ -	$ 3,233,668	$ -	$ 3,233,668
Sanitation fees	2,880,943	-	-	2,880,943
Miscellaneous	14,170	-	-	14,170
Total operating revenues	2,895,113	3,233,668	-	6,128,781
OPERATING EXPENSES				
Cost of sales and services	2,228,411	439,041	249,151	2,916,603
Depreciation	199,216	426,452	9,552	635,220
Total operating expenses	2,427,627	865,493	258,703	3,551,823
Operating income (loss)	467,486	2,368,175	(258,703)	2,576,958
NON-OPERATING EXPENSES				
Interest	(6,916)	-	-	(6,916)
Total non-operating expenses	(6,916)	-	-	(6,916)
Income (loss) before transfers	460,570	2,368,175	(258,703)	2,570,042
Transfers in	-	12,000	249,150	261,150
Transfers out	(367,180)	(458,075)	-	(825,255)
Total transfers	(367,180)	(446,075)	249,150	(564,105)
Change in net position	93,390	1,922,100	(9,553)	2,005,937
Total net position, beginning	1,552,438	17,868,194	283,451	19,704,083
Total net position, ending	$ 1,645,828	$ 19,790,294	$ 273,898	$ 21,710,020

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, 2022

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center & Parking Deck Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,901,096	$ 3,524,151	$ -	$ 6,425,247
Payments to suppliers	(1,133,287)	(160,733)	(292,613)	(1,586,633)
Payments to employees	(1,335,213)	(215,128)	-	(1,550,341)
Net cash provided by (used in) operating activities	432,596	3,148,290	(292,613)	3,288,273
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	12,000	225,001	237,001
Transfers out to other funds	(367,180)	(458,075)	-	(825,255)
Repayment of advances from other funds	(82,740)	-	-	(82,740)
Net cash provided by (used in) non-capital financing activities	(449,920)	(446,075)	225,001	(670,994)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(479,516)	-	(479,516)
Principal paid on financed purchases	(63,340)	-	-	(63,340)
Principal paid on note payable	-	(54,093)	-	(54,093)
Interest paid on financed purchases	(6,916)	-	-	(6,916)
Net cash used in capital and related financing activities	(70,256)	(533,609)	-	(603,865)
Net increase (decrease) in cash	(87,580)	2,168,606	(67,612)	2,013,414
Cash, beginning of year	3,301,094	4,011,251	282,924	7,595,269
Cash, end of year	$ 3,213,514	$ 6,179,857	$ 215,312	$ 9,608,683
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 467,486	$ 2,368,175	$ (258,703)	$ 2,576,958
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	199,216	426,452	9,552	635,220
Change in assets and liabilities:				
(Increase) Decrease in fees receivable	1,596	(52,445)	-	(50,849)
Decrease in prepaids		953		953
Increase in due from other funds	-	(30,637)	-	(30,637)
Increase in deferred outflows for pension items	(265,013)	(37,505)	-	(302,518)
Increase (Decrease) in accounts payable	(62,156)	114,932	-	52,776
Decrease in accrued liabilities	(35,095)	(5,567)	-	(40,662)
Decrease in compensated absences payable	(2,584)	(4,093)	-	(6,677)
Increase in unearned revenue	4,387	342,928	-	347,315
Decrease in due to component unit	-	-	(43,462)	(43,462)
Decrease in due to other funds	(186,360)	(13,341)	-	(199,701)
Increase in net pension liability	754,283	109,051	-	863,334
Decrease in deferred inflows for pension items	(443,164)	(70,613)	-	(513,777)
Net cash provided by (used in) operating activities	$ 432,596	$ 3,148,290	$ (292,613)	$ 3,288,273

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

CITY OF DECATUR, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

ASSETS	Pension Trust Fund	Custodial Fund
Cash	$ 646,733	$ 3,741,351
Taxes receivable	-	1,534,250
Investments:		
Mutual funds invested in equity securities	23,417,769	-
Mutual funds invested in fixed income securities	23,674,586	-
Total assets	47,739,088	5,275,601
LIABILITIES		
Due to others	-	3,741,351
Uncollected taxes	-	1,534,250
Total liabilities	-	5,275,601
NET POSITION		
Net position restricted for pension benefits	$ 47,739,088	$ -

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

CITY OF DECATUR, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions		
Plan member contributions	$ 1,102,101	$ -
Employer contributions	1,056,175	-
Taxes	-	47,920,581
Total additions	2,158,276	47,920,581
Investment earnings (losses)		
Net decrease in fair value of investments	(7,194,920)	-
Interest and dividends	746,320	-
Total investment earnings (losses)	(6,448,600)	-
Less investment expense	163,081	-
Net investment earnings (losses)	(6,611,681)	-
Total additions, net of investment losses	(4,453,405)	47,920,581
DEDUCTIONS		
Benefit payments	3,548,670	-
Administrative fees	36,361	-
Taxes and fees paid to other governments	-	47,920,581
Total deductions	3,585,031	47,920,581
Change in net position	(8,038,436)	-
NET POSITION		
Beginning of year	55,777,524	-
End of year	$ 47,739,088	$ -

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. 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, lease payments, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 **2013 URA Bond Fund** accounts for the proceeds from the issuance of the Series 2013 revenue bonds and the expenditures of those funds for major capital projects.

The **2010 URA Bond Fund** accounts for the proceeds from the issuance of Recovery Zone Economic Development Bonds and the expenditures of those funds for major capital projects.

The **Public Facilities Authority Fund** accounts 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.

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

The **American Rescue Plan Act (ARPA) Fund** accounts for the revenue and expenditures related to the American Rescue Plan Act grant provided to the City from the United States Department of the Treasury.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The **Custodial fund** is accounted for on the accrual basis of accounting, and is used to account for property taxes that the City holds and remits to the City Schools of Decatur in a fiduciary capacity.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use leased assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has reported infrastructure assets consistent with the retroactive reporting requirements of GASB Statement 34. 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 and amortized 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
Right-to-use leased buildings	3-4

J. Leases

Lessee

The City of Decatur Downtown Development Authority (the “DDA”) is a lessee for a noncancelable building lease. The DDA recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Leases (Continued)

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

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

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

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

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

Lessor

The City is a lessor for a noncancellable building lease. The City recognizes a lease receivable and deferred inflows of resources at both the fund level and government-wide level of reporting.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Leases (Continued)

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

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

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

K. Deferred Outflows/Inflows of Resources

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

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.

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, 2022 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.

The City also reports as deferred inflows of resources items that arise from leases, where the City is a lessor. Lease-related amounts are recognized at the inception of leases in which the City is a lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

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.

L. 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.

M. 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 well as the initiation of leasing arrangements as lessee, as other financing sources. Bond issuance costs are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

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, and (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

O. 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.

P. 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 long-term receivables and interest are not current financial resources and, therefore, are not reported in the governmental funds." The details of this $3,851,333 difference are as follows:

Installment sale receivable	$	3,805,000
Accrued interest receivable		46,333
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	3,851,333

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 $177,546,318 difference are as follows:

Financed purchases payable	$	(1,110,651)
Certificates of participation		(2,055,000)
Accrued interest payable		(1,304,203)
Notes payable		(11,720,174)
Bonds payable		(153,510,914)
Bond premium		(9,264,653)
Deferred charges from bond refunding		2,638,328
Compensated absences		(1,219,051)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(177,546,318)

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 ($45,248,741) difference are as follows:

Deferred outflows of resources - pension related items	$	5,272,858
Deferred inflows of resources - pension related items		(555,799)
Deferred outflows of resources - OPEB related items		4,120,684
Deferred inflows of resources - OPEB related items		(14,199,265)
Total OPEB liability		(27,613,870)
Net pension liability		(12,273,349)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities*	$	(45,248,741)

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 ($2,085,540) difference are as follows:

Capital outlay	$	2,403,136
Depreciation expense		(4,488,676)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(2,085,540)

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 $11,141,724 difference are as follows:

Issuance of refunding bonds	$	(21,855,000)
Issuance of bond premium		(2,064,627)
Payment of refunded debt to escrow agent		23,461,346
Principal retirements		10,790,262
Amortization of premiums		967,442
Amortization of deferred charges from refunding		(157,699)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	11,141,724

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $1,675,217 difference are as follows:

Compensated absences	$	70,958
Claims and judgments		12,097
Accrued interest		204,448
Pension expense		(203,975)
OPEB expense		1,591,689
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,675,217

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 $297,354 difference are as follows:

Principal payments received	$ (260,000)
Change in accrued interest	(37,354)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (297,354)

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.

The City's Public Facilities Authority Fund is reporting an excess of actual expenditures over appropriations in the amount of $4,059,993 for debt service expenditures for the fiscal year ended June 30, 2022. This over-expended amount resulted from the City's use of proceeds from the sale of capital assets for debt service payments.

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, 2022:

Investments	Maturities	Fair Value
Deposits with financial institutions	----	$ 51,694,448
Guaranteed Investment Contract	June 1, 2028	1,100,071
Georgia Fund 1 - cash equivalents	43 days	5,580,844
Total		$ 58,375,363
As report in the Statement of Net Position:		
Cash and cash equivalents		$ 52,887,208
Restricted:		
Investments		1,100,071
Cash - Fiduciary Funds		4,388,084
Total		$ 58,375,363

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 9 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, 2022, 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, 2022 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, 2022, the Pension Trust Fund had $47,092,355 invested in the following types of investments:

Investment		Fair Value
Mutual funds invested in equities	$	23,417,769
Mutual funds invested in fixed income		23,674,586
Total	$	47,092,355

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, 2022, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2022, 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, 2022, the Pension Trust Fund had $47,092,355 invested in the following investments as categorized by interest rate risk:

Investment		Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	$	23,417,769	n/a
Mutual funds invested in fixed income		23,674,586	5.2
Total	$	47,092,355	

Rate of Return: For the year ended June 30, 2022, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was (11.94%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Fund (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. As of June 30, 2022, the Pension Trust Fund did not have any deposits with financial institutions which were uninsured or under collateralized, as defined by State statutes.

Fair Value Measurements: The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2022:

Investment	Level 1
Mutual funds invested in equities	$ 23,417,769
Mutual funds invested in fixed income	23,674,586
Total investments	$ 47,092,355

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.

NOTE 5. RECEIVABLES (Continued)

Receivables at June 30, 2022, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental Funds	General	SPLOST	Capital Improvement	2013 URA Bond
Receivables:				
Taxes	$ 753,227	$ -	$ 187,821	$ -
Due from other governments	-	357,024	332,291	-
Other	480,088	-	-	113,515
Less allowance for uncollectible	(29,354)	-	(7,844)	-
Net total receivable	$ 1,203,961	$ 357,024	$ 512,268	$ 113,515

	2010 URA Bond	Debt Service	Nonmajor Funds	Total
Receivables:				
Taxes	$ -	$ 198,308	$ 124,329	$ 1,263,685
Lease receivable	2,250,561	-	-	2,250,561
Due from other governments	-	-	-	689,315
Other	-	-	87,709	681,312
Less allowance for uncollectible	-	(8,442)	-	(45,640)
Net total receivable	$ 2,250,561	$ 189,866	$ 212,038	$ 4,839,233

Proprietary Funds	Solid Waste	Stormwater	Total
Receivables:			
Accounts	$ 327,449	$ 386,258	$ 713,707
Less allowance for uncollectible	(142,713)	(63,411)	(206,124)
Net total receivable	$ 184,736	$ 322,847	$ 507,583

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. During the year ended June 30, 2021, the Series 2013B bonds were partially refunded with the URA Revenue Bonds, Series 2020B, resulting in a decrease of future interest payments to be received by the City.

NOTE 5. RECEIVABLES (Continued)

Installment Sale Receivable – Governmental Activities (Continued):

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 270,000	$ 92,665	$ 362,665
2024	280,000	87,015	367,015
2025	285,000	78,615	363,615
2026	295,000	70,065	365,065
2027	300,000	61,215	361,215
2028-2032	1,660,000	168,995	1,828,995
2033-2034	715,000	18,995	733,995
Total	$ 3,805,000	$ 577,565	$ 4,382,565

NOTE 6. LEASES RECEIVABLE

Lease Receivable – Governmental Activities: The City has entered into a lease agreement with the City's School District, whereby the School District leases a portion of the City's Public Works building to provide the School District with space for its Facilities and Maintenance Department. The City receives annual payments in the amount of $121,605 through June 30, 2026; $145,926 through June 30, 2036; and $170,247 through June 30, 2046. Payments to be received by the City subsequent to this initial term will consist of utility costs, a proportionate share of operating expenses for the respective fiscal years, and a "capital maintenance assessment" comprised of a proportional share (based on occupancy) of the cost of any capital improvements made to the Public Works building during the respective fiscal year. The total amount of lease revenue, including the amortization of deferred inflows and interest revenue, recognized during the fiscal year ended June 30, 2022 was $182,243. At June 30, 2022, the City's receivable for lease payments was $2,250,561. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the initial lease term that ends on June 30, 2046.

Lease Receivable – Service Concession Arrangement - 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, 2022, the balance of the lease receivable is $868,773 and consists of the total rent to be received under the terms of the agreement, reduced for the dollar amount of leasehold improvements made. The deferred inflows of resources related to this service concession arrangement are being recognized as revenue on a straight-line basis. Upon the termination of the lease (May 1, 2035), the Conference Center will be returned to the City.

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 35,825,826	$ 424,215	$ (2,165,143)	$ -	$ 34,084,898
Construction in progress	888,973	1,360,351	-	(54,518)	2,194,806
Total	36,714,799	1,784,566	(2,165,143)	(54,518)	36,279,704
Capital assets, being depreciated:					
Land improvements	3,872,618	131,498	-	-	4,004,116
Infrastructure	42,740,572	131,323	-	-	42,871,895
Buildings and improvements	67,194,387	70,757	-	54,518	67,319,662
Machinery and equipment	8,132,071	145,172	(37,704)	-	8,239,539
Vehicles	7,864,867	139,820	(356,240)	-	7,648,447
Total	129,804,515	618,570	(393,944)	54,518	130,083,659
Less accumulated depreciation for:					
Land improvements	(1,412,788)	(68,666)	-	-	(1,481,454)
Infrastructure	(21,794,758)	(1,200,591)	-	-	(22,995,349)
Buildings and improvements	(19,006,605)	(2,339,704)	-	-	(21,346,309)
Machinery and equipment	(6,262,725)	(309,452)	37,704	-	(6,534,473)
Vehicles	(6,079,838)	(570,263)	356,240	-	(6,293,861)
Total	(54,556,714)	(4,488,676)	393,944	-	(58,651,446)
Total capital assets, being depreciated, net	75,247,801	(3,870,106)	-	54,518	71,432,213
Governmental activities capital assets, net	$ 111,962,600	$ (2,085,540)	$ (2,165,143)	$ -	$ 107,711,917

Beginning infrastructure balances were restated by $193,581 due to an erroneous accrual of construction in progress in the prior year. See Note 19 for more information.

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

Governmental activities:	
General government	$ 402,801
Public safety	1,513,642
Public works	1,332,761
Recreation	1,239,472
Total depreciation expense - governmental activities	$ 4,488,676

NOTE 7. 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	1,528,016	479,516	-	(1,528,016)	479,516
Total	1,808,081	479,516	-	(1,528,016)	759,581
Capital assets, being depreciated:					
Infrastructure	18,550,388	-	-	1,528,016	20,078,404
Buildings	8,605,815	-	-	-	8,605,815
Furniture, fixtures, and equipment	4,062,623	-	(29,971)	-	4,032,652
Total	31,218,826	-	(29,971)	1,528,016	32,716,871
Less accumulated depreciation for:					
Infrastructure	(4,905,539)	(397,867)	-	-	(5,303,406)
Buildings	(8,557,974)	(9,090)	-	-	(8,567,064)
Furniture, fixtures, and equipment	(3,325,028)	(228,263)	29,971	-	(3,523,320)
Total	(16,788,541)	(635,220)	29,971	-	(17,393,790)
Total capital assets, being depreciated, net	14,430,285	(635,220)	-	1,528,016	15,323,081
Business-type activities capital assets, net	$ 16,238,366	$ (155,704)	$ -	$ -	$ 16,082,662

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

Business-type activities:	
Solid Waste	$ 199,216
Stormwater	426,452
Conference Center and Parking Deck	9,552
Total depreciation expense - business-type activities	$ 635,220

NOTE 7. CAPITAL ASSETS (Continued)

Component Units

Capital asset activity for the Decatur Downtown Development Authority for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 2,273,979	$ -	$ -	$ 2,273,979
Total	2,273,979	-	-	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	(36,605)	(2,763)	-	(39,368)
Leasehold Improvements	(440,099)	(47,493)	-	(487,592)
Total	(476,704)	(50,256)	-	(526,960)
Total capital assets, being depreciated, net	801,258	(50,256)	-	751,002
Decatur Downtown Development Authority capital assets, net excluding lease assets	$ 3,075,237	$ (50,256)	$ -	3,024,981
Lease assets, net (Note 8)				115,964
Total capital assets, net as reported in the statement of net position				$ 3,140,945

NOTE 8. LEASE ASSETS

A summary of leased asset activity for the year ended June 30, 2022, is as follows:

Decatur Downtown Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets:				
Building	$ 163,949	$ -	$ -	$ 163,949
Total	163,949	-	-	163,949
Less accumulated amortization for:				
Buildings	-	(47,985)	-	(47,985)
Total	-	(47,985)	-	(47,985)
Total lease assets, net	$ 163,949	$ (47,985)	$ -	$ 115,964

NOTE 9. LONG-TERM DEBT

Primary Government

Long-term liability activity for the City's governmental activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 163,733,000	$ 21,855,000	$ (32,824,000)	$ 152,764,000	$ 5,362,000
Direct placement bonds	777,187	-	(30,273)	746,914	32,090
Plus issuance premium	8,489,329	2,064,627	(1,289,303)	9,264,653	-
Total bonds payable	172,999,516	23,919,627	(34,143,576)	162,775,567	5,394,090
Financed purchases from direct borrowings	1,426,666	-	(316,015)	1,110,651	319,788
Notes payable from direct borrowings	12,250,148	-	(529,974)	11,720,174	542,000
Certificates of participation	2,220,000	-	(165,000)	2,055,000	175,000
Claims and judgments	12,097	25,620	(37,717)	-	-
Total OPEB liability	36,419,597	2,880,656	(11,686,383)	27,613,870	-
Net pension liability	2,534,865	11,739,286	(2,000,802)	12,273,349	-
Compensated absences	1,290,009	924,857	(995,815)	1,219,051	1,036,193
Governmental activities Long-term liabilities	$ 229,152,898	$ 39,490,046	$ (49,875,282)	$ 218,767,662	$ 7,467,071

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Long-term liability activity for the City's business-type activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Financed purchases	$ 181,499	$ -	$ (63,340)	$ 118,159	$ 65,779
Note payable	466,845	-	(54,093)	412,752	54,093
Net pension liability	212,047	1,020,808	(157,474)	1,075,381	-
Compensated absences	102,059	55,115	(61,792)	95,382	81,074
Business-type activities Long-term liabilities	$ 962,450	$ 1,075,923	$ (336,699)	$ 1,701,674	$ 200,946

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.

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, 2022, the outstanding principal amount is $25,345,000.

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, 2022, the outstanding principal amount is $64,255,000.

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, 2022, the outstanding principal amount is $1,839,000.

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds. 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 were used to pay for the costs related to the Beacon Center redevelopment project as well as the issuance costs of the bonds. 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. During the fiscal year ended June 30, 2021, the URA issued Series 2020B Bonds, the proceeds of which were used to partially refund the Series 2013A and Series 2013B Bonds. The non-refunded portion of the bonds matures January 1, 2023. As of June 30, 2022, the outstanding principal amounts are $540,000 and $245,000, 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 Series 2017 revenue bonds were refunded in their entirety during the fiscal year ended June 30, 2022.

In September 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued $9,370,000 of Refunding Revenue Bonds Series 2020A. The proceeds of the refunding bonds are for the purpose of refunding all of the outstanding Series 2010A bonds, and covering related issuance costs. The refunding 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 City defeased $10,115,000 of the Series 2010A bonds by placing the proceeds of the refunding issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refunding resulted in a decrease of total debt service payments of approximately $2,024,656, for an economic gain of $1,800,565. Interest rates range from 2.0% to 5.0% with semi-annual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2038. As of June 30, 2022, the outstanding principal amount is $8,565,000.

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

In September 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued Refunding Revenue Bonds Series 2020B, in the amount of $25,250,000. The proceeds of the refunding bonds are for the purpose of refunding a portion of the outstanding Series 2013A and Series 2013B bonds, and covering related issuance costs. The refunding 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 City defeased $19,650,000 of the Series 2013A bonds and $3,420,000 of the Series 2013B bonds by placing the proceeds of the refunding issuances in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refundings resulted in a decrease of total debt service payments of approximately $5,621,799 for an economic gain of $4,539,959. Interest rates range from 3.0% to 5.0% with semi-annual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2044. As of June 30, 2022, the outstanding principal amount is $24,810,000.

In November 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued revenue bonds Series 2020C in the amount of $5,500,000. The proceeds of these bonds will be used to finance the acquisition of certain property for redevelopment, recreational improvements to property owned by the City of Decatur, and to pay issuance costs associated with the bonds. The interest rate at issuance through October 2035 is 1.96%, after which the interest rate will be reset using the 1-year FHLB Des Moines Fixed-Rate Advance rate plus 40 basis points, not to exceed 6.96%. Annual principal payments commence October 1, 2021 through the maturity date of October 1, 2040, with interest due semi-annually on April 1 and October 1. As of June 30, 2022, the outstanding principal balance on these bonds is $5,310,000.

In August 2022, the Public Facilities Authority of the City of Decatur (PFA) issued $21,855,000 of Refunding Revenue Bonds Series 2022. The proceeds of the refunding bonds are for the purpose of refunding all of the outstanding Series 2017 bond and paying the costs of issuing the bonds. The refunding bonds are special limited obligations of the PFA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the PFA in amounts sufficient to pay the principal and interest of the bonds. Interest rates range from 3.0% to 5.0% with semi-annual payments of principal and interest commencing February 1, 2028 through the maturity date of February 1, 2042. The City defeased $27,135,000 of the Series 2017 bonds by placing the proceeds of the refunding issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refunding resulted in a decrease of total debt service payments of $1,625,193, for an economic gain of $1,172,668. As of June 30, 2022, the outstanding principal amount is $21,855,000.

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 5,362,000	$ 4,928,936	$ 10,290,936
2024	5,677,000	4,858,716	10,535,716
2025	5,070,000	4,620,310	9,690,310
2026	5,390,000	4,402,833	9,792,833
2027	5,635,000	4,184,232	9,819,232
2028-2032	36,255,000	16,757,094	53,012,094
2033-2037	42,880,000	10,087,808	52,967,808
2038-2042	32,895,000	4,561,636	37,456,636
2043-2047	13,600,000	790,857	14,390,857
Total	$ 152,764,000	$ 55,192,422	$ 207,956,422

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, 2022, the outstanding principal amount is $746,914.

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
2023	$ 32,090	$ 44,815	$ 76,905
2024	34,015	42,889	76,904
2025	36,056	40,849	76,905
2026	38,219	38,685	76,904
2027	40,512	36,392	76,904
2028-2032	242,074	142,448	384,522
2033-2037	323,948	60,573	384,521
Total	$ 746,914	$ 406,651	$ 1,153,565

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings. In May 2018, the City entered into a financed purchase agreement in the amount of $450,000 to finance the purchase of vehicles, a tornado warning system, and police training simulator. Annual principal and interest payments are required until maturity on May 25, 2023 at an interest rate of 3.2%. At June 30, 2022, the total amount of principal outstanding was $90,219.

In November 2019, the City entered into a financed purchase agreement in the amount of $1,143,520 to finance a fire truck. Annual principal and interest payments are required until maturity on November 26, 2026 at an interest rate of 2.47%. At June 30, 2022, the total amount of principal outstanding was $836,474.

In September 2019, the City entered into a financed purchase agreement in the amount of $195,000 to finance the purchase of a fire rescue pumper truck. Annual principal and interest payments are required until maturity on September 26, 2024 at an interest rate of 3.26%. At June 30, 2022, the total amount of principal outstanding was $120,731.

In August 2018, the City entered into a financed purchase agreement in the amount of $57,400 to finance the purchase of a recycling truck. Annual principal and interest payments are required until maturity on August 10, 2022 at an interest rate of 4.32%. At June 30, 2022, the total amount of principal outstanding was $15,273.

In January 2019, the City entered into a financed purchase agreement in the amount of $393,656 to finance the purchase of a grapple truck and a refuse truck. The grapple truck is recorded under governmental activities, and the refuse truck is recorded under the Solid Waste Fund, at 38% and 62% of the total amount, respectively. Annual principal and interest payments are required until maturity on January 4, 2024 at an interest rate of 3.71%. At June 30, 2022, the total amount of principal outstanding for governmental activities and business-type activities was $63,227 and $102,886, respectively.

Debt service requirements as of June 30, 2022 for governmental activities' financed purchases from direct borrowings are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 319,788	$ 30,003	$ 349,791
2024	235,585	20,586	256,171
2025	208,737	14,052	222,789
2026	171,326	8,568	179,894
2027	175,215	4,336	179,551
Total	$ 1,110,651	$ 77,545	$ 1,188,196

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Debt service requirements as of June 30, 2022 for business-type activities' financed purchases from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2023	$ 65,779	$ 4,477	$ 70,256
2024	52,380	1,943	54,323
Total	$ 118,159	$ 6,420	$ 124,579

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, 2022, the outstanding principal amount is $10,013,679.

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, 2022, the outstanding principal amount is $1,706,494.

In March 2020, the Decatur Housing Authority (DHA) loaned the City $500,000 to assist in storm water 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 storm water fees. The note does not carry interest. As of June 30, 2022, the outstanding principal amount is $412,752.

Debt service requirements as of June 30, 2022 for notes payable from direct borrowings associated with governmental activities are as follows:

	Principal	Interest	Total
2023	$ 542,000	$ 220,308	$ 762,308
2024	554,322	207,986	762,308
2025	566,949	195,359	762,308
2026	579,889	182,419	762,308
2027	593,150	169,158	762,308
2028-2032	2,326,682	660,669	2,987,351
2033-2037	1,961,318	476,573	2,437,891
2038-2042	2,135,193	302,699	2,437,892
2043-2047	2,460,671	113,818	2,574,489
Total	$ 11,720,174	$ 2,528,989	$ 14,249,163

NOTE 9. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Notes Payable from direct borrowings (Continued). Debt service requirements as of June 30, 2022 for notes payable from direct borrowings associated with business-type activities are as follows:

Fiscal year ending June 30,	Principal
2023	$ 54,093
2024	54,093
2025	54,093
2026	54,093
2027	54,093
2028-2030	142,287
Total	$ 412,752

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 9. 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, 2022, the floating rate being paid by the City is .40% and the market value of this agreement is $145,907, a decrease of $179,023 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, 2022 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
2023	$ 175,000	$ 81,810	$ 256,810
2024	180,000	77,260	257,260
2025	185,000	72,580	257,580
2026	195,000	67,770	262,770
2027	1,320,000	125,400	1,445,400
Total	$ 2,055,000	$ 424,820	$ 2,479,820

NOTE 9. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 1,721,666	$ -	$ (79,874)	$ 1,641,792	$ 82,810
Lease liability	163,949	-	(44,339)	119,610	47,092
Decatur DDA Long-term liabilities	$ 1,885,615	$ -	$ (124,213)	$ 1,761,402	$ 129,902

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, 2022, the outstanding principal amount is $112,447.

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, 2022, the outstanding principal amount is $1,529,345.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 82,810	$ 75,097	$ 157,907
2024	85,896	72,011	157,907
2025	89,141	68,767	157,908
2026	92,551	65,357	157,908
2027	96,135	61,773	157,908
2028-2032	428,751	248,340	677,091
2033-2037	550,242	126,849	677,091
2038-2039	216,266	9,593	225,859
Total	$ 1,641,792	$ 727,787	$ 2,369,579

NOTE 9. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority (Continued)

During the fiscal year ended June 30, 2021, the Decatur DDA entered into a five-year lease agreement as lessee for the acquisition and use of a certain building to be used for the City of Decatur's Visitor Center. An initial lease liability was recorded in the amount of $163,949. As of June 30, 2022, the value of the lease liability was $119,610. The DDA is required to make monthly principal and interest payments of $4,179 through November 30, 2022; $4,304 from December 2022 through November 30, 2023; and $4,434 from December 2023 through November 30, 2024. The lease has an interest rate of 4%. The building has a useful life of five years and the value of the right-to-use asset as of June 30, 2022 was $163,949 and had accumulated amortization of $47,985.

Future principal and interest payments to be made on this lease, to maturity, are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2023	$ 47,092	$ 3,935	$ 51,027
2024	50,570	1,988	52,558
2025	21,948	220	22,168
Total	$ 119,610	$ 6,143	$ 125,753

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from primary government and component units:

Receivable Fund	Payable Fund	Amount
Primary government - Nonmajor governmental funds	Component Unit - Downtown Development Authority	$ 30,740
Component unit - Downtown Development Authority	Primary government - General Fund	79,189
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	249,150
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	61,633
Total		$ 420,712

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2013 URA Bond Fund	$ 100,938
General Fund	ARPA Fund	22,489
General Fund	Capital Improvement Fund	30,000
General Fund	Nonmajor governmental funds	189,033
General Fund	Solid Waste Fund	11,411
Stormwater Utility Fund	General Fund	30,637
Capital Improvement Fund	2013 URA Bond Fund	333,967
Capital Improvement Fund	Solid Waste Fund	87,361
SPLOST Fund	General Fund	211,291
2010 URA Bond Fund	General Fund	199,768
Nonmajor governmental funds	General Fund	7,422
Nonmajor governmental funds	Capital Improvement Fund	268,510
Nonmajor enterprise funds	Nonmajor governmental funds	65,351
Total		$ 1,558,178

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.

Amounts due between the SPLOST Fund and the General Fund represent supplemental funding for SPLOST projects that had not been transferred as of June 30, 2022.

NOTE 10. 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	$ 43,964

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	$ 498,299
General Fund	Stormwater Utility Fund	436,190
General Fund	Solid Waste Fund	367,180
		$ 1,301,669
Capital Improvement Fund	General Fund	$ 500,000
Capital Improvement Fund	Nonmajor governmental funds	18,000
Capital Improvement Fund	Stormwater Utility Fund	21,885
		$ 539,885
2013 URA Bond Fund	SPLOST Fund	$ 1,265,480
2010 URA Bond Fund	SPLOST Fund	$ 630,420
Nonmajor governmental funds	Capital Improvement Fund	$ 2,356,000
Nonmajor governmental funds	General Fund	958,000
		$ 3,314,000
Stormwater Utility Fund	Nonmajor governmental funds	$ 12,000
Nonmajor Enterprise Funds	Nonmajor governmental funds	$ 249,150

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 nonmajor governmental funds to cover operations, (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 11. 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, 2021, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	115
Terminated vested participants not yet receiving benefits	11
Active participants	199
	325

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 11. 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, 2022, the City's contributions were $1,056,175, which was 8.91% of covered payroll.

NOTE 11. PENSION PLANS (Continued)

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2022, 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, 2022 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 for public safety employees were based upon the Pub-2010 Safety Amount-Weighted mortality table, with future generational mortality improvement projected according to Scale MP-2020. Mortality rates for general employees were based on the Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-2020.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the most recent experience study from 2015-2018.

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, 2022 are:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic fixed income securities	50.0%	2.20%
Domestic equities	50.0%	6.92%
Total	100.0%	

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

NOTE 11. 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, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	$ 58,524,436	$ 55,777,524	$ 2,746,912
Changes for the year:			
Service cost	1,033,341	-	1,033,341
Interest	4,044,841	-	4,044,841
Differences between expected and actual experience	187,407	-	187,407
Assumption changes	846,463	-	846,463
Contributions - employer	-	1,056,175	(1,056,175)
Contributions - employee	-	1,102,101	(1,102,101)
Net investment income	-	(6,611,681)	6,611,681
Benefit payments, including refunds of employee contributions	(3,548,670)	(3,548,670)	-
Administrative expense	-	(36,361)	36,361
Net changes	2,563,382	(8,038,436)	10,601,818
Balances at June 30, 2022	$ 61,087,818	$ 47,739,088	$ 13,348,730

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 11. 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%)	Discount Rate (7.00%)	1% Increase (8.00%)
$ 20,685,944	$ 13,348,730	$ 7,236,835

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, 2022 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, 2022, the City recognized pension expense of $1,307,189. At June 30, 2022, 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	$ 782,002	$ (604,498)
Differences resulting from changes in actuarial assumptions	1,322,049	-
Net difference between projected and actual earnings on pension plan investments	3,630,810	-
Total	$ 5,734,861	$ (604,498)

NOTE 11. 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:		
2023	$	1,086,461
2024		1,226,438
2025		517,455
2026		2,300,009
Total	$	5,130,363

NOTE 12. 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 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

As of July 1, 2021, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	82
Active participants	168
	250

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, 2022, the City contributed $718,838 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, 2022 and was determined by an actuarial valuation as of July 1, 2020 with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	4.09%
Healthcare Cost Trend Rate:	7.50% - 4.50%, ultimate trend in 2028
Inflation rate:	2.75%
Salary increase:	0.5% plus merit increases ranging from 0.50% to 4.50%, plus inflation

Mortality rates were based on the SOA Pub-2010 Weighted Mortality using the MP-2021 projection scale for healthy participants and SOA-Pub 2010 Disabled Retiree Mortality using the MP-2021 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 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 4.09%. 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 4.09% as determined by the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2022.

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, 2022, were as follows:

	Total OPEB Liability
Balances at June 30, 2021	$ 36,419,597
Changes for the year:	
Service cost	2,046,086
Interest	834,570
Differences between expected and actual experience	(2,072,877)
Assumption changes	(8,894,668)
Benefit payments	(718,838)
Net changes	(8,805,727)
Balances at June 30, 2022	$ 27,613,870

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 (3.09%) or 1-percentage-point higher (4.09%) than the current discount rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	$ 31,902,385	$ 27,613,870	$ 24,169,290

NOTE 12. 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 (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.5%)	1% Decrease (7.5% decreasing to 4.5%)	1% Decrease (8.5% decreasing to 5.5%)
Total OPEB liability	$ 23,703,676	$ 27,613,870	$ 32,563,487

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, 2022 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, 2022, the City recognized OPEB expense of $3,773,059. At June 30, 2022, 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	$ 727,058	$ (6,787,042)
Changes in assumptions	3,393,626	(7,412,223)
Total	$ 4,120,684	$ (14,199,265)

NOTE 12. 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:		
2023	$	(3,753,505)
2024		(2,098,591)
2025		(1,199,281)
2026		(1,199,284)
2027		(1,827,920)
Total	$	(10,078,581)

NOTE 13. 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 VantageTrust for all full time employees. Plan provisions and contribution requirements are established and may be amended by the City Commission. At June 30, 2022, there were 75 active plan members, 50 of whom 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, 2021, were $242,998. The City Commission has approved discretionary employer contributions for employees in five positions. Total employer contributions for the year ended June 30, 2022, were $57,549.

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 MissionSquare and VantageTrust for all full-time employees. Plan provisions and contribution requirements are established and may be amended by the Downtown Development Authority's Board. At June 30, 2022, there was one plan member. Total employer contributions for the year ended June 30, 2022, were $10,182.

NOTE 14. 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: Atlanta Regional Commission, 229 Peachtree St. NE, Suite 100, Atlanta, Georgia 30303 or online at https://atlantaregional.org/about-arc/comprehensive-annual-financial-report.

NOTE 15. 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 16. 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
2022	$ 12,097	$ 25,620	$ 37,717	$ -
2021	$ 19,997	$ 34,160	$ 42,060	$ 12,097

NOTE 16. 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, 2022.

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
2022	$ 194,942	$ 3,678,888	$ 3,677,044	$ 196,786
2021	95,772	3,776,214	3,677,044	194,942

NOTE 17. 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, 2022, contractual commitments on uncompleted contracts were $2,423,042.

NOTE 17. 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 18. 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 $1,328,798 for the year ended June 30, 2022. 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 19. RESTATEMENTS

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, the City is required to reevaluate the accounting treatment of its leasing activities. Therefore, in conjunction with the implementation of GASB Statement No. 87, the following restatement was required to beginning net position of governmental activities due to the revised guidance for reporting leases receivable. The City had previously reported a lease receivable under the provisions of standards superseded by GASB Statement No. 87.

Additionally, during the fiscal year ended June 30, 2022, the City determined that a restatement of beginning fund balance for the Capital Improvement Fund and beginning net position of governmental activities was required to correct an error reported in the prior year's financial statements. The City erroneously accrued capital expenditures and accounts payable of $193,581 related to an infrastructure project when the City had already met its total financial responsibility for the project. Additionally, receivables and revenue of $30,387 associated with amounts due from the City Schools of Decatur for its portion of the project had also been recorded in error. The City also determined that revenue of $90,744 related to this project had been improperly recognized during the previous fiscal year, as the receivables were not collected within the City's availability period.

NOTE 19. RESTATEMENTS (CONTINUED)

A summary of the restatements associated with the change in accounting principle and correction of an error are as follows:

Capital Improvement Fund

Beginning fund balance, as previously reported	$	5,918,890
Correction of error		72,450
Beginning fund balance, as restated	$	5,991,340

Governmental Activities

Beginning net position, as previously reported	$	(80,554,212)
Correction of error		(30,387)
Change in accounting principle - GASB Statement No. 87		(1,715,850)
Beginning net position, as restated	$	(82,300,449)

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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	$ 1,033,341	$ 1,110,184	$ 1,063,766	$ 1,006,350	$ 1,022,483
Interest on total pension liability	4,044,841	3,980,475	3,709,335	3,651,487	3,427,102
Differences between expected and actual experience	187,407	(811,492)	1,580,193	(588,010)	820,485
Changes in actuarial assumptions	846,463	135,189	1,409,418	-	-
Changes in benefit terms	-	-	(732,235)	-	1,101,020
Benefit payments, including refunds of employee contributions	(3,548,670)	(3,287,331)	(3,119,588)	(3,482,149)	(2,816,729)
Net change in total pension liability	2,563,382	1,127,025	3,910,889	587,678	3,554,361
Total pension liability - beginning	58,524,436	57,397,411	53,486,522	52,898,844	49,344,483
Total pension liability - ending (a)	$ 61,087,818	$ 58,524,436	$ 57,397,411	$ 53,486,522	$ 52,898,844
Plan fiduciary net position					
Contributions - employer	$ 1,056,175	$ 1,034,423	$ 1,007,751	$ 945,300	$ 880,322
Contributions - employee	1,102,101	1,118,406	1,129,135	1,099,074	1,040,763
Net investment income (loss)	(6,611,681)	11,385,323	2,495,788	3,115,789	3,312,134
Benefit payments, including refunds of member contributions	(3,548,670)	(3,287,331)	(3,119,588)	(3,482,149)	(2,816,729)
Administrative expenses	(36,361)	(48,674)	(32,499)	(109,897)	(39,816)
Net change in plan fiduciary net position	(8,038,436)	10,202,147	1,480,587	1,568,117	2,376,674
Plan fiduciary net position - beginning	55,777,524	45,575,377	44,094,790	42,526,673	40,149,999
Plan fiduciary net position - ending (b)	$ 47,739,088	$ 55,777,524	$ 45,575,377	$ 44,094,790	$ 42,526,673
City's net pension liability - ending (a) - (b)	$ 13,348,730	$ 2,746,912	$ 11,822,034	$ 9,391,732	$ 10,372,171
Plan fiduciary net position as a percentage of the total pension liability	78.15%	95.31%	79.40%	82.44%	80.39%
Covered payroll	$ 11,858,381	$ 11,947,032	$ 12,359,976	$ 11,185,643	$ 11,691,803
City's net pension liability as a percentage of covered payroll	112.57%	22.99%	95.65%	83.96%	88.71%

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 952,885	$ 938,166	$ 895,868	$ 889,392
Interest on total pension liability	3,317,074	3,164,496	3,036,569	2,861,732
Differences between expected and actual experience	-	849,742	(12,910)	611,982
Changes in actuarial assumptions	-	2,744,933	-	-
Benefit payments, including refunds of employee contributions	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Net change in total pension liability	1,551,241	5,378,908	1,725,710	2,480,083
Total pension liability - beginning	47,793,242	42,414,334	40,688,624	38,208,541
Total pension liability - ending (a)	$ 49,344,483	$ 47,793,242	$ 42,414,334	$ 40,688,624
Plan fiduciary net position				
Contributions - employer	$ 859,173	$ 941,003	$ 904,872	$ 892,161
Contributions - employee	989,242	1,006,352	974,037	970,477
Net investment income	3,606,939	87,025	1,780,322	5,379,030
Benefit payments, including refunds of member contributions	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Administrative expenses	(46,743)	(54,408)	(46,989)	(47,909)
Net change in plan fiduciary net position	2,689,893	(338,457)	1,418,425	5,310,736
Plan fiduciary net position - beginning	37,460,106	37,798,563	36,380,138	31,069,402
Plan fiduciary net position - ending (b)	$ 40,149,999	$ 37,460,106	$ 37,798,563	$ 36,380,138
City's net pension liability - ending (a) - (b)	$ 9,194,484	$ 10,333,136	$ 4,615,771	$ 4,308,486
Plan fiduciary net position as a percentage of the total pension liability	81.37%	78.38%	89.12%	89.41%
Covered payroll	$ 11,696,251	$ 10,892,115	$ 10,315,075	$ 10,159,477
City's net pension liability as a percentage of covered payroll	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

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 1,060,221	$ 1,135,892	$ 1,142,582	$ 959,243	$ 868,373
Contributions in relation to the actuarially determined contribution	1,056,175	1,034,423	1,007,751	945,300	880,322
Contribution deficiency (excess)	$ 4,046	$ 101,469	$ 134,831	$ 13,943	$ (11,949)
Covered payroll	$ 11,858,381	$ 11,947,032	$ 12,359,976	$ 11,185,643	$ 11,691,803
Contributions as a percentage of covered payroll	8.91%	8.66%	8.15%	8.45%	7.53%

	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 680,251	$ 672,425	$ 861,769	$ 839,456	$ 824,767
Contributions in relation to the actuarially determined contribution	859,173	941,003	904,872	892,161	846,745
Contribution deficiency (excess)	$ (178,922)	$ (268,578)	$ (43,103)	$ (52,705)	$ (21,978)
Covered payroll	$ 11,696,251	$ 10,892,115	$ 10,315,075	$ 10,159,477	$ 10,012,057
Contributions as a percentage of covered payroll	7.35%	8.64%	8.77%	8.78%	8.46%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	June 30, 2021
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 (closed)

CITY OF DECATUR, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	(11.94%)	5.7%	5.8%	7.7%	8.5%

	2017	2016	2015	2014
	14.9%	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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 2,046,086	$ 1,696,284	$ 1,609,711	$ 1,541,662	$ 1,704,797
Interest on total OPEB liability	834,570	853,256	1,207,802	1,297,300	1,426,178
Differences between expected and actual experience	(2,072,877)	1,090,588	(7,398,970)	(2,956,105)	-
Changes of assumptions and other inputs	(8,894,668)	2,681,273	2,902,424	1,782,465	(8,521,132)
Benefit payments	(718,838)	(561,962)	(914,922)	(775,665)	(749,348)
Net change in total OPEB liability	(8,805,727)	5,759,439	(2,593,955)	889,657	(6,139,505)
Total OPEB liability - beginning	36,419,597	30,660,158	33,254,113	32,364,456	38,503,961
Total OPEB liability - ending	$ 27,613,870	$ 36,419,597	$ 30,660,158	$ 33,254,113	$ 32,364,456
Covered-employee payroll	$ 9,841,019	$ 11,765,194	$ 8,973,157	$ 13,326,662	$ 10,296,426
City's total OPEB liability as a percentage of covered-employee payroll	280.60%	309.55%	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.

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.

Tax Allocation District Fund – To account for collections of funds for improvements within special tax districts.

CITY OF DECATUR, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	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	$ 22,276	$ 485,973	$ 294,496	$ 556,264	$ 122,777	$ 159,956
Taxes receivable	-	-	-	-	-	124,329
Other receivables	-	87,709	-	-	-	-
Due from other funds	12	7,410	-	-	-	-
Due from component units	-	-	-	-	-	-
Prepaid items	-	6,023	-	8,500	-	-
Total assets	$ 22,288	$ 587,115	$ 294,496	$ 564,764	$ 122,777	$ 284,285
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 7,523	$ -	$ 47,173	$ 73,908	$ -
Accrued expenditures	-	6,476	-	18,197	-	-
Due to component unit	-	-	-	-	-	61,633
Due to other funds	-	-	-	28,372	360	222,652
Total liabilities	-	13,999	-	93,742	74,268	284,285
FUND BALANCES						
Nonspendable:						
Prepaid items	-	6,023	-	8,500	-	-
Restricted:						
Capital construction	-	-	44,496	-	-	-
Culture and recreation	-	-	250,000	-	-	-
Economic Development	-	-	-	-	-	-
Law enforcement	22,288	-	-	-	-	-
E911 services	-	567,093	-	-	-	-
Committed:						
Tree preservation	-	-	-	-	48,509	-
Children and youth services	-	-	-	462,522	-	-
Assigned:						
Cemetery operations	-	-	-	-	-	-
Total fund balance	22,288	573,116	294,496	471,022	48,509	-
Total liabilities and fund balance	$ 22,288	$ 587,115	$ 294,496	$ 564,764	$ 122,777	$ 284,285

Cemetery Capital Improvement Fund	TAD Fund	Total Nonmajor Governmental Funds
$ 130,429	$ 1,179,740	$ 2,951,911
-	-	124,329
-	-	87,709
-	268,510	275,932
-	30,740	30,740
-	-	14,523
$ 130,429	$ 1,478,990	$ 3,485,144
$ 19,506	$ -	$ 148,110
-	-	24,673
-	-	61,633
3,000	-	254,384
22,506	-	488,800
-	-	14,523
-	-	44,496
-	-	250,000
-	1,478,990	1,478,990
-	-	22,288
-	-	567,093
-	-	48,509
-	-	462,522
107,923	-	107,923
107,923	1,478,990	2,996,344
$ 130,429	$ 1,478,990	$ 3,485,144

CITY OF DECATUR, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	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	$ -	$ -	$ -	$ -	$ -	$ 1,328,798
Intergovernmental	-	-	250,000	-	-	-
Charges for services	-	622,827	-	1,672,343	-	-
Interest	-	-	-	-	-	-
Other revenues	2	-	-	-	-	-
Total revenues	2	622,827	250,000	1,672,343	-	1,328,798
EXPENDITURES						
Current:						
General government	-	-	-	-	8,750	581,349
Public safety	40	945,898	-	-	-	-
Culture and recreation	-	-	21,000	1,591,425	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-
Total expenditures	40	945,898	21,000	1,591,425	8,750	581,349
Excess (deficiency) of revenues over expenditures	(38)	(323,071)	229,000	80,918	(8,750)	747,449
Other financing sources (uses):						
Transfers in	-	350,000	-	200,000	-	-
Transfers out	-	-	-	-	-	(747,449)
Issuance of bonds	-	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-
Total other financing sources (uses)	-	350,000	-	200,000	-	(747,449)
Net change in fund balances	(38)	26,929	229,000	280,918	(8,750)	-
FUND BALANCES, beginning of year, as restated	22,326	546,187	65,496	190,104	57,259	-
FUND BALANCES, end of year	$ 22,288	$ 573,116	$ 294,496	$ 471,022	$ 48,509	$ -

Cemetery Capital Improvement Fund	Tax Allocation District Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 1,328,798
-	48,740	298,740
-	-	2,295,170
-	-	-
61,700	-	61,702
61,700	48,740	3,984,410
47,506	-	637,605
-	-	945,938
-	-	1,612,425
-	-	-
-	-	-
-	-	-
-	-	-
47,506	-	3,195,968
14,194	48,740	788,442
-	514,000	1,064,000
(30,000)	-	(777,449)
-	-	-
-	-	-
-	-	-
-	-	-
(30,000)	514,000	286,551
(15,806)	562,740	1,074,993
123,729	916,250	1,921,351
$ 107,923	$ 1,478,990	$ 2,996,344

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, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Other revenues	$ -	$ -	$ 2	$ 2
EXPENDITURES				
Public safety	-	40	40	-
Net change in fund balances	-	(40)	(38)	2
FUND BALANCES, beginning of year	22,326	22,326	22,326	-
FUND BALANCES, end of year	$ 22,326	$ 22,286	$ 22,288	$ 2

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 625,000	$ 625,000	$ 622,827	$ (2,173)
EXPENDITURES				
Public safety	1,236,050	1,028,890	945,898	82,992
Deficiency of revenues over expenditures	(611,050)	(403,890)	(323,071)	80,819
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Net change in fund balances	(261,050)	(53,890)	26,929	80,819
FUND BALANCES, beginning of year	546,187	546,187	546,187	-
FUND BALANCES, end of year	$ 285,137	$ 492,297	$ 573,116	$ 80,819

CITY OF DECATUR, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ 250,000	$ 250,000	$ -
EXPENDITURES				
Culture and recreation	-	21,000	21,000	-
Net change in fund balances	-	229,000	229,000	-
FUND BALANCES, beginning of year	65,496	65,496	65,496	-
FUND BALANCES, end of year	$ 65,496	$ 294,496	$ 294,496	$ -

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 2,478,500	$ 1,705,000	$ 1,672,343	$ (32,657)
Total revenues	2,478,500	1,705,000	1,672,343	(32,657)
EXPENDITURES				
Recreation	2,750,890	1,927,210	1,591,425	335,785
Excess (deficiency) of revenues over expenditures	(272,390)	(222,210)	80,918	303,128
OTHER FINANCING SOURCES				
Transfer in	200,000	200,000	200,000	-
Net change in fund balances	(72,390)	(22,210)	280,918	303,128
FUND BALANCES, beginning of year	190,104	190,104	190,104	-
FUND BALANCES, end of year	$ 117,714	$ 167,894	$ 471,022	$ 303,128

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ -	$ -	$ -	$ -
EXPENDITURES				
General government	-	8,750	8,750	-
Net change in fund balances	-	(8,750)	(8,750)	-
FUND BALANCES, beginning of year	57,259	57,259	57,259	-
FUND BALANCES, end of year	$ 57,259	$ 48,509	$ 48,509	$ -

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 700,000	$ 1,257,000	$ 1,328,798	$ 71,798
EXPENDITURES				
General government	306,250	582,000	581,349	651
Excess of revenues over expenditures	393,750	675,000	747,449	72,449
OTHER FINANCING USES				
Transfers out	(393,750)	(675,000)	(747,449)	(72,449)
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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 5,699,000	$ 5,950,000	$ 6,146,640	$ 196,640
Total revenues	5,699,000	5,950,000	6,146,640	196,640
EXPENDITURES				
Debt service:				
Principal retirements	2,600,000	2,600,000	2,600,000	-
Interest and fiscal charges	3,341,760	3,341,760	3,341,750	10
Total expenditures	5,941,760	5,941,760	5,941,750	10
Net change in fund balances	(242,760)	8,240	204,890	196,650
FUND BALANCES, beginning of year	4,768,286	4,768,286	4,768,286	-
FUND BALANCES, end of year	$ 4,525,526	$ 4,776,526	$ 4,973,176	$ 196,650

CITY OF DECATUR, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,400,000	$ 4,000,000	$ 4,050,173	$ 50,173
Interest	-	-	3,555	3,555
Total revenues	3,400,000	4,000,000	4,053,728	53,728
EXPENDITURES				
Capital outlay	2,150,000	90,000	55,841	34,159
Debt service:				
Principal retirements	884,000	884,000	884,000	-
Interest and fiscal charges	72,980	72,980	72,656	324
Total expenditures	3,106,980	1,046,980	1,012,497	34,483
Excess of revenues over expenditures	293,020	2,953,020	3,041,231	88,211
OTHER FINANCING USES				
Transfers out	(1,895,900)	(1,895,900)	(1,895,900)	-
Total other financing uses	(1,895,900)	(1,895,900)	(1,895,900)	-
Net change in fund balances	(1,602,880)	1,057,120	1,145,331	88,211
FUND BALANCES, beginning of year	6,574,181	6,574,181	6,574,181	-
FUND BALANCES, end of year	$ 4,971,301	$ 7,631,301	$ 7,719,512	$ 88,211

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 5,260,000	$ 5,480,000	$ 5,484,214	$ 4,214
Intergovernmental	2,191,770	1,198,990	1,125,935	(73,055)
Interest	-	-	20,088	20,088
Total revenues	7,451,770	6,678,990	6,630,237	(48,753)
EXPENDITURES				
General government	748,800	405,700	242,438	163,262
Public safety	11,000	11,100	11,072	28
Public works	2,180,000	1,380,000	1,350,921	29,079
Capital outlay	6,530,200	2,845,750	2,080,391	765,359
Intergovernmental	130,000	105,900	105,808	92
Debt service:				
Principal retirements	1,081,000	866,000	696,546	169,454
Interest and fiscal charges	300,900	279,400	121,578	157,822
Total expenditures	10,981,900	5,893,850	4,608,754	1,285,096
Excess (deficiency) of revenues over expenditures	(3,530,130)	785,140	2,021,483	1,236,343
OTHER FINANCING SOURCES (USES)				
Transfers in	518,000	518,000	539,885	21,885
Transfers out	(2,340,000)	(2,356,000)	(2,356,000)	-
Total other financing sources (uses)	(1,822,000)	(1,838,000)	(1,816,115)	21,885
Net change in fund balances	(5,352,130)	(1,052,860)	205,368	1,258,228
FUND BALANCES, beginning of year, as restated	5,991,340	5,991,340	5,991,340	-
FUND BALANCES, end of year	$ 639,210	$ 4,938,480	$ 6,196,708	$ 1,258,228

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 121,600	$ 121,600	$ 91,247	$ (30,353)
Interest	-	-	90,996	90,996
Total revenues	121,600	121,600	182,243	60,643
EXPENDITURES				
Debt service:				
Principal retirements	395,280	395,280	395,273	7
Interest and fiscal charges	356,740	356,740	356,731	9
Total expenditures	752,020	752,020	752,004	16
Deficiency of revenues over expenditures	(630,420)	(630,420)	(569,761)	60,659
OTHER FINANCING SOURCES				
Transfers in	630,420	630,420	630,420	-
Total other financing sources	630,420	630,420	630,420	-
Net change in fund balances	-	-	60,659	60,659
FUND BALANCES, beginning of year	368,080	368,080	368,080	-
FUND BALANCES, end of year	$ 368,080	$ 368,080	$ 428,739	$ 60,659

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 362,820	$ 362,815	$ 362,815	$ -
Total revenues	362,820	362,815	362,815	-
EXPENDITURES				
General services	-	13,202	13,202	-
Capital outlay	-	58,931	58,931	-
Debt service:				
Principal retirements	980,000	1,170,000	1,170,000	-
Interest and fiscal charges	648,300	792,262	792,262	-
Total expenditures	1,628,300	2,034,395	2,034,395	-
Deficiency of revenues over expenditures	(1,265,480)	(1,671,580)	(1,671,580)	-
OTHER FINANCING SOURCES				
Transfers in	1,265,480	1,265,480	1,265,480	-
Total other financing sources	1,265,480	1,265,480	1,265,480	-
Net change in fund balances	-	(406,100)	(406,100)	-
FUND BALANCES, beginning of year	763,420	763,420	763,420	-
FUND BALANCES, end of year	$ 763,420	$ 357,320	$ 357,320	$ -

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 17,000	$ 24,500	$ 22,050	$ (2,450)
Interest	-	-	1,439	1,439
Total revenues	17,000	24,500	23,489	(1,011)
EXPENDITURES				
General government	369,000	265,310	265,230	80
Capital outlay	565,000	214,000	213,335	665
Debt service:				
Principal retirements	984,450	984,450	5,044,443	(4,059,993)
Interest and fiscal charges	1,087,110	1,087,110	1,087,104	6
Issuance of costs	-	458,281	458,281	-
Total expenditures	3,005,560	3,009,151	7,068,393	(4,059,242)
Deficiency of revenues over expenditures	(2,988,560)	(2,984,651)	(7,044,904)	(4,060,253)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,250,000	2,250,000	2,250,000	-
Issuance of bonds	-	-	21,855,000	21,855,000
Premium from issuance of bonds	-	-	2,064,627	2,064,627
Payment to escrow agent	-	-	(23,461,346)	(23,461,346)
Proceeds from sale of capital assets	-	-	4,060,000	4,060,000
Total other financing sources (uses)	2,250,000	2,250,000	6,768,281	4,518,281
Net change in fund balances	(738,560)	(734,651)	(276,623)	458,028
FUND BALANCES, beginning of year	1,669,083	1,669,083	1,669,083	-
FUND BALANCES, end of year	$ 930,523	$ 934,432	$ 1,392,460	$ 458,028

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 18,000	$ 54,500	$ 61,700	$ 7,200
EXPENDITURES				
General government	30,000	47,600	47,506	94
Excess (deficiency) of revenues over expenditures	(12,000)	6,900	14,194	7,294
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	(42,000)	(23,100)	(15,806)	7,294
FUND BALANCES, beginning of year	123,729	123,729	123,729	-
FUND BALANCES, end of year	$ 81,729	$ 100,629	$ 107,923	$ 7,294

CITY OF DECATUR, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ 48,740	$ 48,740
Excess of revenues over expenditures	-	-	48,740	48,740
OTHER FINANCING SOURCES				
Transfers in	514,000	514,000	514,000	-
Net change in fund balances	514,000	514,000	562,740	48,740
FUND BALANCES, beginning of year	916,250	916,250	916,250	-
FUND BALANCES, end of year	$ 1,430,250	$ 1,430,250	$ 1,478,990	$ 48,740

CITY OF DECATUR, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	$ 2,166,377	$ 630,420	$ 2,796,797	60.80 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	8,900,000	4,063,114	1,265,480	5,328,594	59.87
Street intersection improvements	5,920,000	5,920,000	3,136,662	1,012,497	4,149,159	70.09
Pedestrian, Bicycle & Traffic Improvements	1,109,218	1,109,218	-	-	-	0.00
Total SPLOST	$ 20,529,218	$ 20,529,218	$ 9,366,153	$ 2,908,397	$ 12,274,550	

COMPONENT UNITS

CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2022

ASSETS		
Cash	$	2,721,221
Taxes receivables		25,260
Other receivables, net of allowance		10,956
Prepaid		23,287
Due from primary government		328,339
Total assets	$	3,109,063
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	10,975
Due to primary government		30,740
Total liabilities		41,715
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes		20,534
Total deferred inflows of resources		20,534
FUND BALANCE		
Nonspendable - prepaid		23,287
Unassigned		3,023,527
Total fund balance		3,046,814
Total liabilities, deferred inflows of resources, and fund balance	$	3,109,063

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, 2022

REVENUES		
Taxes	$	1,156,642
Miscellaneous		576,426
Total revenues		1,733,068
EXPENDITURES		
Downtown development		961,639
Debt service:		
Principal retirement		124,213
Interest and fiscal charges		77,794
Total expenditures		1,163,646
Net change in fund balance		569,422
FUND BALANCE, beginning of year		2,477,392
FUND BALANCE, end of year	$	3,046,814

CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2022

ASSETS		
Cash	$	539,208
Accounts receivable		254
Due from primary government		61,633
Prepaid		3,500
Total assets	$	604,595
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	53,529
Total liabilities		53,529
FUND BALANCE		
Restricted for promotion of tourism		551,066
Total fund balance		551,066
Total liabilities and fund balance	$	604,595

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, 2022

REVENUES		
Taxes	$	581,349
Charges for services		10,282
Interest		129
Total revenues		591,760
EXPENDITURES		
Tourism		516,313
Total expenditures		516,313
Net change in fund balance		75,447
FUND BALANCE, beginning of year		475,619
FUND BALANCE, end of year	$	551,066

STATISTICAL SECTION

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

Page

Financial Trends **111**

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 **117**

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

Debt Capacity **122**

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 **126**

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 **128**

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

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

CITY OF DECATUR, GEORGIA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	**$ 25,375**	$ 21,802	$ 21,600	$ 17,811
Restricted	**12,486**	10,252	6,483	11,064
Unrestricted	**(108,095)**	(112,608)	(116,601)	(123,577)
Total governmental activities net position	**$ (70,234)**	(80,554)	$ (88,518)	$ (94,702)
Business-type activities				
Net investment in capital assets	**$ 15,965**	$ 16,057	$ 15,018	$ 15,269
Unrestricted	**5,746**	3,647	3,707	1,870
Total business-type activities net position	**$ 21,710**	$ 19,704	$ 18,725	$ 17,139
Primary government				
Net investment in capital assets	**$ 41,339**	$ 37,859	$ 36,617	$ 33,081
Restricted	**12,486**	10,252	6,483	11,064
Unrestricted	**(102,350)**	(108,961)	(112,893)	(121,706)
Total primary government net position	**$ (48,524)**	$ (60,850)	$ (69,793)	$ (77,562)

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.

2018	2017	2016	2015	2014	2013
$ 13,343	$ 13,369	$ 10,030	$ 8,347 (1)	$ 20,161	$ 14,725
12,058	6,664	5,969	5,233	310	1,946
(122,076) (3)	(99,455)	(98,095) (2)	(22,540)	(17,724)	(13,403)
$ (96,675)	$ (79,422)	$ (82,096)	$ (8,961)	$ 2,747	$ 3,268
$ 16,155	$ 16,221	$ 15,116	$ 15,399 (1)	$ 6,093	$ 5,574
1,135	(339)	(396)	(404)	(395)	729
$ 17,290	$ 15,882	$ 14,720	$ 14,996	$ 5,698	$ 6,303
$ 29,498	$ 29,590	$ 25,146	$ 23,746	$ 26,254	$ 20,299
12,058	6,664	5,969	5,233	310	1,946
(120,941) (3)	(99,794)	(98,491)	(22,944)	(18,119)	(12,674)
$ (79,385)	$ (63,540)	$ (67,376)	$ 6,035	$ 8,445	$ 9,571

CITY OF DECATUR, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	**$ 11,293**	$ 13,685	$ 10,672	$ 11,662
Public safety	**11,075**	10,305	11,400	12,102
Public works	**7,525**	7,903	5,537	5,687
Recreation	**5,066**	3,840	5,313	6,050
Interest on long-term debt	**5,216**	4,652	6,109	6,322
Total governmental activities expenses	**40,175**	40,384	39,031	41,823
Business-type activities:				
Conference center	**259**	142	187	417
Stormwater	**865**	832	932	1,278
Solid waste	**2,435**	2,336	2,429	2,196
Total business-type activities expenses	**3,558**	3,309	3,548	3,891
Total primary government expenses	**$ 43,733**	$ 43,693	$ 42,579	$ 45,714
Program Revenues				
Governmental activities:				
Charges for services:				
General government	**$ 1,119**	$ 2,010	$ 1,484	$ 1,098
Public safety	**1,754**	1,216	2,157	2,453
Public works	**-**	-	8	98
Recreation	**2,532**	648	2,025	2,936
Operating grants and contributions	**136**	338	284	306
Capital grants and contributions	**5,661**	7,051	4,579	3,760
Total governmental activities program revenues	**11,202**	11,263	10,538	10,651
Business-type activities:				
Charges for services:				
Conference center	**-**	-	-	-
Stormwater	**3,233**	1,927	1,395	1,318
Solid waste	**2,895**	2,891	2,901	2,762
Total business-type activities program revenues	**6,128**	4,818	4,296	4,080
Total primary government program revenues	**$ 17,330**	$ 16,081	$ 14,834	$ 14,731

2018	2017	2016	2015	2014	2013
$ 12,288	$ 11,913	$ 10,601	$ 10,642	$ 9,244	$ 8,572
12,521	12,592	12,311	10,959	10,804	9,960
6,190	4,759	4,678	4,007	3,993	3,941
5,640	4,966	4,556	4,248	3,934	3,513
6,084	5,099	3,989	3,038	3,522	2,546
42,723	39,329	36,133	32,894	31,497	28,532
481	479	497	491	485	463
760	1,036	803	838	909	537
2,515	2,603	2,424	2,153	2,170	2,066
3,756	4,118	3,724	3,482	3,564	3,066
$ 46,479	$ 43,447	$ 39,857	$ 36,376	$ 35,061	$ 31,598
$ 1,787	$ 2,031	$ 1,470	$ 2,258	$ 2,258	$ 1,295
2,403	2,396	2,333	2,724	2,371	1,803
91	71	112	92	102	109
2,873	2,643	2,446	2,267	1,930	1,694
297	306	423	440	456	573
3,324	3,341	1,713	991	393	305
10,775	10,789	8,498	8,772	7,510	5,779
-	-	-	5	-	-
1,290	2,108	1,123	1,076	975	968
2,745	2,716	2,337	2,287	2,327	2,279
4,035	4,824	3,460	3,368	3,302	3,247
$ 14,810	$ 15,613	$ 11,958	$ 12,140	$ 10,812	$ 9,026

CITY OF DECATUR, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	2022	2021	2020	2019
Net (expense)/revenue				
Governmental activities	**$ (28,973)**	$ (29,121)	$ (28,493)	$ (31,174)
Business-type activities	**2,570**	1,509	748	189
Total primary government net expense	**$ (26,403)**	$ (27,612)	$ (27,745)	$ (31,669)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	**$ 32,685**	$ 31,409	$ 29,836	$ 27,237
Franchise taxes	**1,644**	1,569	1,682	1,670
Sales taxes	**1,940**	1,125	1,361	1,336
Other taxes	**2,159**	2,081	2,057	1,949
Unrestricted investment earnings	**95**	330	555	564
Gain on sale of capital assets	**1,952**	-	11	1
Miscellaneous	**-**	40	11	53
Transfers	**564**	530	(837)	338
Special item	**-**	-	-	-
Total governmental activities	**41,039**	37,085	34,676	36,092
Business-type activities:				
Gain on sale of capital assets	-	-	-	-
Transfers	**(564)**	(530)	837	(338)
Total business-type activities	**(564)**	(530)	837	(338)
Total primary government	**$ 40,475**	$ 36,555	$ 35,514	$ 35,754
Change in Net Position				
Governmental activities	**$ 12,066**	$ 7,964	$ 6,183	$ 1,972
Business-type activities	**2,006**	979	1,585	(149)
Total primary government	**$ 14,072**	$ 8,943	$ 7,769	$ 1,823

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.

2018	2017	2016	2015	2014	2013
$ (31,948)	$ (28,540)	$ (27,635)	$ (24,122)	$ (23,987)	$ (22,753)
279	706	(264)	(114)	(262)	181
$ (31,669)	$ (27,834)	$ (27,899)	$ (24,236)	$ (24,249)	$ (22,571)
$ 24,717	$ 22,151	$ 20,149	$ 17,720	$ 15,058	$ 14,680
1,647	1,704	1,623	1,564	1,451	1,486
7,100	5,504	5,001	5,675	4,944	4,580
1,869	1,777	1,676	1,560	1,500	1,464
496	479	1,921	21	42	33
4	-	-	21	3	-
18	55	98	178	116	278
242	(456)	12	(9,819) (1)	350	580
-	-	(75,979) (2)	-	-	-
36,093	31,214	(45,499)	16,920	23,464	23,101
-	-	-	-	9	9
(242)	456	(12)	9,819 (1)	(350)	(580)
(242)	456	(12)	9,819	(341)	(571)
$ 35,851	$ 31,670	$ (45,511)	$ 26,739	$ 23,123	$ 22,530
$ 4,145	$ 2,673	$ (73,134)	$ (7,202)	$ (523)	$ 348
37	1,162	(276)	9,705	(603)	(390)
$ 4,182	$ 3,835	$ (73,410)	$ 2,503	$ (1,126)	$ (42)

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
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 (1)	1,407	541	32,191
2020	29,836	1,682	1,361	1,495	562	34,937
2021	31,409	1,569	1,125	1,577	504	36,185
2022	32,685	1,644	1,940	1,628	531	38,428

NOTE: (1) 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)

	2022	2021	2020	2019
General fund				
Reserved	**$ -**	$ -	$ -	$ -
Unreserved	**-**	-	-	-
Nonspendable				
Prepaids	**144**	86	36	29
Long-term receivable	**-**	-	400 (2)	-
Assigned:				
Greenspace acquisition	**13**	13	13	13
Beacon School redevelopment	**-**	-	-	-
Next fiscal year operations	**3,884**	2,289	2,289	2,316
Unassigned	**12,551**	12,304	9,822	8,338
Total general fund	**$ 16,592**	$ 14,692	$ 12,559	$ 10,696
All other governmental funds				
Reserved	**$ -**	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	**-**	-	-	-
Capital projects funds	**-**	-	-	-
Nonspendable - prepaids				
Prepaids	**985**	961	1,241	1,297
Advances	**-**	-	260	-
Assets held for resale	**-**	-	-	-
Restricted:				
Capital construction	**11,722**	10,874	10,195	14,989 (1)
Culture and recreation	**250**	-	-	-
Economic development	**1,479**	916	-	-
Equipment purchases	**-**	-	-	1,010
Debt service	**4,810**	4,961	4,097	4,048
Law enforcement	**22**	22	15	15
E911 services	**567**	541	553	526
Tourism	**-**	-	-	-
Committed:				
Tree preservation	**49**	57	63	63
Children and youth services	**463**	190	865	1,309
Assigned:				
Development activities	**-**	-	-	-
Cemetery operations	**108**	124	130	144
Equipment purchases	**3,610**	3,337	4,036	471
Unassigned	**-**	-	-	-
Total all other governmental funds	**$ 24,064**	$ 21,983	$ 21,455	$ 23,872

NOTES: (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.

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
3	25	43	60	15	15
-	-	-	-	-	-
13	13	13	12	12	12
-	-	-	-	-	3,000
1,481	1,180	1,224	-	-	654
9,034	8,498	7,140	7,137	5,475	5,065
$ 10,531	$ 9,716	$ 8,420	$ 7,209	$ 5,502	$ 8,746
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,364	1,690	1,096	35	54	150
-	585	549	337	476	334
-	-	6,335	5,089	5,089	-
11,278	6,099	5,865	5,108	11,038	35,890
-	-	-	-	-	-
-	-	-	-	-	-
740	193	227	265	495	659
3,543	4,023	5,377	7,496	7,317	6,862
16	12	14	14	10	12
425	333	268	175	156	269
-	-	-	5	25	45
62	194	168	143	164	51
1,369	1,193	1,131	953	796	748
-	-	324	193	-	-
168	173	203	167	151	78
376	129	987	1,049	892	1,707
-	(117)	(25)	(1,163)	(420)	-
$ 19,341	$ 14,508	$ 22,517	$ 19,866	$ 26,243	$ 46,805

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

	2022	2021	2020	2019
Revenues				
Taxes	**$ 38,538**	$ 36,263	$ 34,800	$ 32,160
Licenses and permits	**673**	1,459	810	606
Intergovernmental	**6,300**	8,124	5,578	4,907
Fines and forfeitures	**531**	252	853	855
Charges for services	**3,713**	1,590	3,278	4,592
Interest income	**132**	23	119	128
Other revenues	**246**	259	553	267
Total revenues	**50,132**	47,971	45,993	43,515
Expenditures				
General government	**11,419**	13,609	10,294	10,914
Public safety	**10,330**	9,169	9,884	10,082
Public works	**5,930**	6,315	4,105	4,313
Recreation	**3,930**	2,698	4,177	4,811
Capital outlay	**2,430**	6,847	6,104	4,676
Intergovernmental	**306**	332	111	-
Debt service				
Principal retirements	**10,790**	6,294	5,567	4,982
Interest and fiscal charges	**5,772**	6,006	6,817	6,868
Cost of issuance	**458**	769	-	89
Total expenditures	**51,365**	52,040	47,059	46,735
Excess (deficiency) of revenues over expenditures	**(1,233)**	(4,069)	(1,066)	(3,220)
Other financing sources (uses)				
Proceeds from financed purchases	**-**	-	1,339	150
Proceeds from notes payables	**-**	-	-	2,334
Issuance of long-term debt	**21,855**	40,120	-	5,095
Premium on bond issuance	**2,065**	2,208	-	-
Refunding deposit with escrow agent	**(23,461)**	(36,127)	-	-
Proceeds from sale of capital assets	**4,117.42**	-	11	-
Transfers in	**7,051**	6,903	5,803	6,745
Transfers out	**(6,487)**	(6,373)	(6,641)	(6,407)
Total other financing sources (uses)	**5,140**	6,730	512	7,917
Net change in fund balances	**$ 3,907**	$ 2,661	$ (554)	$ 4,697
Debt service as a percentage of noncapital expenditures	**34.76%**	27.18%	30.05%	26.68%

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).

2018	2017	2016	2015	2014	2013
$ 35,261	$ 31,176	$ 28,397	$ 26,500	$ 22,994	$ 22,354
1,218	1,472	653	1,429	1,482	882
4,613	4,418	3,123	1,621	1,014	1,010
859	805	707	1,341	1,171	581
4,417	4,307	4,175	3,661	3,328	3,019
36	10	1,260	21	43	33
212	346	851	838	632	565
46,616	42,534	39,165	35,411	30,664	28,444
11,257	11,086	9,232	9,313	8,432	7,253
9,749	9,498	9,790	9,379	9,347	8,990
3,850	3,445	3,557	3,013	3,171	3,232
4,051	3,901	3,599	3,413	3,093	3,016
42,672	6,050	2,468	9,375	32,103	14,887
-	-	75,000 (1)	-	-	-
4,456	9,130	3,870	2,032	1,367	2,532
6,376	5,682	3,107	3,734	3,297	2,394
766	-	979	608	168	826
83,177	48,792	111,603	40,867	60,978	43,130
(36,561)	(6,258)	(72,438)	(5,456)	(30,315)	(14,686)
450	-	173	-	1,030	744
-	-	-	-	-	-
41,077	-	69,755	29,895	5,120	34,705
434	-	6,224	2,337	-	3,673
-	-	-	(31,624)	-	-
5	2	30	25	8	10
4,375	4,184	3,714	3,621	10,981	3,101
(4,133)	(4,640)	(3,596)	(3,467)	(10,631)	(2,521)
42,208	(454)	76,300	787	6,508	39,712
$ 5,647	$ (6,712)	$ 3,862	$ (4,669)	$ (23,807)	$ 25,026
26.68%	34.62% (2)	6.41%	18.38%	16.19%	17.53%

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
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 (1)	1,407	541	32,160
2020	29,700	1,682	1,361	1,495	561	34,800
2021	31,488	1,569	1,125	1,577	504	36,263
2022	32,795	1,644	1,940	1,628	531	38,538

NOTE: (1) 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			
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
2021	1,932,865	502,192	23,116	18,840	4,597
2022	2,070,624	624,479	24,362	19,369	4,279

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
$ 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%
129,588	2,352,022	1.354	4,704,044	50.00%
126,525	2,616,588	1.279	5,233,176	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		
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
2021	1.108	0.246	1.354	0.95	2.100	0.038	0.00	4.442
2022	1.059	0.200	1.279	0.91	2.100	0.038	0.00	4.322

Source: City of Decatur Tax Department and DeKalb County

CITY OF DECATUR, GEORGIA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

	2022			2013		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
AMCO 120 WEST TRINITY LLC	$ 32,580,000	1	1.39 %			
MARTA	31,202,698	2	1.33			
MCREF DECATUR LLC	23,072,400	3	0.98			
DECATUR PROPERTIES I LLC	22,722,880	4	0.97			
AP WEST COURT LLC	18,040,000	5	0.77			
TYCON ONE INC	15,800,000	6	0.67			
DTC PARTNERS LLC	13,276,000	7	0.56	$ 3,506,000	9	0.31 %
RS DECATUR OFFICE LLC	13,082,247	8	0.56			
250 EAST PONCE OWNER LLC	9,740,176	9	0.41			
SPRINGDALE FINANCIAL GROUP LLC	9,192,080	10	0.39			
Decatur Plaza LLC/SNH Medical				7,310,000	1	0.64 %
Noble I Decatur LLC				9,235,433	2	0.81 %
N G One West Court LLC				5,675,000	3	0.49 %
Parmenter Clairemont LLC				5,173,000	4	0.45 %
Ashton Park Trace Apartments				4,530,000	5	0.39 %
DCP Renaissance Investors LLC				4,505,000	6	0.39 %
Devry				4,165,000	7	0.36 %
CB Decatur Court LLC				4,038,000	8	0.35 %
Avery Properties Inc				3,432,000	9	0.30 %
	$ 188,708,481		8.02 %	$ 51,569,433		4.50 %

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
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%
2020	68,483	28,907	42.2%	39,324	68,231	99.63%
2021	73,251	32,045	43.7%	40,830	72,875	99.49%

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)
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
2021	103,413	69,587	2,220	12,250	1,427	467	182	189,546	13.86%	7,604
2022	100,704	62,072	2,055	11,720	1,111	413	118	178,193	12.85%	7,253

(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)
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
2021	103,413	4,285	99,128	2.11%	3,976
2022	100,704	4,502	96,202	2.05%	3,916

(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, 2022
(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	$ 111,630	6.715%	$ 7,495
Certificates of participation	10,310	6.715%	692
Notes payable	6,854	6.715%	460
Financed purchases	5,205	6.715%	349
Fulton DeKalb Hospital Authority	31,870	6.715%	2,140
Total overlapping debt	165,869		11,137
City direct debt:			
General obligation debt	100,704	100.000%	100,704
Revenue bonds	62,072	100.000%	62,072
Financed purchases	1,111	100.000%	1,111
Notes payable	11,720	100.000%	11,720
Certificates of participation	2,055	100.000%	2,055
	177,662		177,662
Total direct and overlapping debt	$ 343,531		$ 188,799

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			
	2022	2021	2020	2019
Debt limit	$ 274,311	$ 248,161	$ 235,371	$ 217,882
Total net debt applicable to limit	96,202	99,128	102,160	105,933
Legal debt margin	$ 178,109	$ 149,033	$ 133,210	$ 111,949

Assessed Value	$ 2,616,588
Add back: exempt real property	126,525
Total assessed value	2,743,113
Debt limit (10% of total assessed value)	274,311
Debt applicable to limit:	
General obligation bonds	100,704
Less: Amount set aside for repayment of general obligation debt	(4,502)
Total net debt applicable to limit	96,202
Legal debt margin	$ 178,109
Total net debt applicable to the limit as a percentage of debt limit	35.07%

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					
2018	2017	2016	2015	2014	2013
$ 205,623	$ 188,514	$ 172,054	$ 164,819	$ 137,901	$ 125,872
102,110	104,853	106,497	32,342	30,401	30,858
$ 103,513	$ 83,661	$ 65,557	$ 132,477	$ 107,500	$ 95,014

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)
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%
2021	24,928	1,367,750	54,868	36.8	96%	5,700	2.2%
2022	24,569	1,386,281	56,424	37.9	95%	5,700	3.4%

(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

	2022			2013		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
DeKalb County Government	1,345	1	N/A %	1,614	1	N/A %
The City Schools of Decatur (education)	896	2	N/A	586	2	N/A
Emory University Health Systems	864	3	N/A	137	4	N/A
Agnes Scott College (education)	400	4	N/A	271	3	N/A
KW Commercial Decatur	250	5	N/A			
City of Decatur	230	6	N/A	199	5	
USPS	176	7	N/A			N/A
Task Force for Global Health	136	8	N/A			
Utility Associates, Inc.	108	9	N/A			
Pathways Transition Programs	95	10	N/A			
Columbia Theological Seminary				75	9	N/A
DeVry University				123	6	N/A
Decatur Hospital				105	8	N/A
CCP Games				109	7	N/A
Art Institute of Atlanta - Decatur				52	10	N/A
	4,500		N/A %	3,271		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

	2022	2021	2020	2019	2018
Function					
General government	33	32	32	31	31
Public safety					
Police					
Officers	47	47	47	47	48
Civilians	13	13	13	13	13
Fire					
Firefighters and officers	39	39	39	38	37
Highways and streets					
Engineering	22	20	20	20	14
Maintenance	37	35	37	35	29
Sanitation	18	18	16	15	16
Culture and recreation	25	26	26	26	20
Total	234	230	230	225	208

Source: City of Decatur department records

2017	2016	2015	2014	2013
39	32	31	31	27
37	39	42	42	44
11	12	11	13	13
36	37	39	39	39
29	17	18	17	15
28	31	27	29	27
14	14	14	14	17
21	23	21	20	17
215	205	203	205	199

CITY OF DECATUR, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Function					
Police					
Physical arrests	513	392	635	768	775
Parking violations	6,495	81	3,631	4,328	3,567
Traffic violations (1)	3,075	2,755	8,984	11,045	7,256
Fire					
Number of calls answered	3,736	3,260	3,579	4,099	3,629
Inspections	897	950	293	811	255
Highways and streets					
Street resurfacing (miles)	1.02	0.98	1.08	2.23	1.65
Potholes repaired	70	135	120	45	33
Sanitation					
Refuse collected (tons/day)	14.8	14.80	15.00	15.50	18.10
Recyclables collected (tons/day)	8.4	9.87	10.00	9.20	12.56
Culture and recreation					
Athletic field permits issued	8	8 (3)	30	19	26
Community center admissions (4)	3,390	2,508	39,750	59,750	58,580

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.

(2) The number of permits issued decreased due to construction at athletic field facilities.

(3) Limited due to COVID-19 pandemic.

(4) Operations increased post-recession and pre-COVID due to new programs resulting in increased admissions.

2017	2016	2015	2014	2013
652	622	1,132	1,252	968
4,975	5,469	4,915	6,364	9,897
8,417	6,572	9,070	13,591	6,884
3,654	3,313	3,483	3,331	3,409
336	858	896	941	1,408
0.96	1.00	2.55	1.43	1.15
37	66	30	33	26
16.50	18.20	20.13	20.01	20.12
13.30	14.50	19.70	20.07	20.00
44 (2)	304	280	248	26
52,904	49,213	47,549	37,236	16,252

CITY OF DECATUR, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Function					
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	41	38	38	38	37
Fire stations	2	2	2	2	2
Sanitation					
Collection trucks	13	12	11	11	11
Highways and streets					
Streets (miles)	70.7	127	127	127	121
Culture and recreation					
Parks acreage	207	193.0	193.0	193.0	193.0
Parks	22	22	22	22	22
Swimming pools	5	5	5	5	4
Tennis courts	9	9	9	9	9
Community centers	5	5	3	3	3

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.

2017	2016		2015	2014	2013
1	1		1	1	1
41	41		41	43	40
2	2		2	2	2
10	10		10	10	10
75	75		62	62	62
116.0	116.0	**	56.5	56.5	56.5
21	21		14	14	14
3	3		3	3	3
9	9		9	9	9
2	2		2	2	3