CITY OF DECATUR, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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Administrative Services Department

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CITY OF DECATUR, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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December 10, 2025

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

State law requires that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with these standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Decatur, Georgia (the "City") for the fiscal year ended June 30, 2025.

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 have 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, 2025, 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, 2025, 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

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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. 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 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 update the Charter. The Charter was updated again in 2001. A Charter review process was initiated in the fall of 2025. The work of a Charter Review Commission was facilitated by staff from the National Civic League (NCL) and guided NCL’s Model City Charter. It is anticipated that charter amendments will be taken to the State legislature for consideration in early 2026.

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 the City Manager's 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 and actual comparisons are provided in this report for the general fund. This comparison is presented on page 28 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 2025 real estate property digest shows a growth rate of approximately 7.89% compared to the 2024 digest. Approximately 24% of this increase is due to growth from new construction, with 76% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2025 total millage rate remained at 12.97 mills.

Real estate sales data for 2025 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 $932,473 in November 2024 to $964,294 in November 2025, a 3% increase. The number of days a home was on the market increased from 20 days in 2024 to 30 days in 2025, a 50% increase. The number of dwellings sold decreased slightly from 164 in 2024 to 160 in 2025. The local real estate market is showing signs of moderating and stabilizing, not changing dramatically. The market may be tipping to the buyer as indicated by more days on the market but affordability of homeownership remains elusive as average home sales approach $1,000,000. The intown metro-Atlanta market retains strong fundamentals including a healthy job market, continued population growth, and relative affordability compared to other

large cities. Decatur's overall appeal as a walkable and safe community with a vibrant cultural, retail and dining scene ensures that demand for housing remains strong even in a cooling market.

Residential Activity

The residential housing market continues to be active. 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 2025, the City issued 2,038 building permits with $365,183,791 in total valuation, which included 18 new dwelling units (single-family detached and attached townhouses) with a valuation of $11,702,250, and 168 residential alteration/addition projects with a valuation of $18,406,919. For reference, in fiscal year 2024, the City issued 2,054 building permits, which included 36 new dwelling units (single-family detached and attached townhouses) with a valuation of $13,305,114, and 200 residential alteration/addition projects with a valuation of $21,477,302. In fiscal year 2025, there were 18 residential tear-down projects which is a small increase from 15 in the prior fiscal year. Overall, total permit and inspection fees decreased from $1,964,246 in fiscal year 2024 to $1,542,165 in fiscal year 2025, however this is still an increase from $888,572 in fiscal year 2023. The numbers indicate a stable and robust development environment.

A 32-unit attached townhouse development is in the final stages of construction on the corner of Church Street and Forkner Drive. The first three phases have been completed and residences are 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 2026.

In December 2015, the City Commission approved an intergovernmental contract between the City and the Decatur Downtown Development Authority (DDDA) to develop 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 missing middle housing types that is allowed by the Unified Development Ordinance.

The DDDA facilitated the development of the 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 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 and the project was completed in the first quarter of 2024. The six dwellings with floor areas ranging from 528 square feet to 1,582 square feet were first made available to eligible employees of the City of Decatur, City Schools of Decatur, and the Housing Authority of the City of Decatur (DH) through fee simple ownership, prior to extending the opportunity to the general public who met income qualifications. All six cottages sold, with the last cottage sold in the first quarter of 2025. The land is now held by the Decatur Land Trust for purposes of long-term affordability of workforce housing.

A new residential development, 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 is subject to the mixed-use district regulating plan. 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 planned location for a regional storm water detention pond and green space. The remaining 0.28 acres of the development site has been used to re-create a portion of New Street to connect to Talley Street for better transportation connectivity in the vicinity of South Columbia Drive, College Avenue, Talley Street, and New Street. All 40 townhomes and two-thirds of the condominiums are complete with occupancy having started in the second quarter 2022. The remainder of the condominium development phases are scheduled to be completed by second quarter of 2026.

Commercial Activity

Of the 2,038 permits issued in fiscal year 2025, 65 were for commercial renovations with a valuation of $59,186,890, showing an increase from 46 in fiscal year 2024 with a valuation of $19,076,650. There were five permits issued for commercial new construction with a valuation of $19,565,975, a decrease from 13 commercial new construction permits in fiscal year 2024 with a valuation of $133,503,022. Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur submarket is 6.4%, a decrease from 6.8% in fiscal year 2024, and less than the 16.5% vacancy rate for the metropolitan Atlanta office market area. Office rents are around $29 per square foot, which matches that of Atlanta as a whole, where average rents are also $29 per square foot.

The Callaway Redevelopment project at the corner of West Trinity Place and North McDonough Street includes a 34,000 square foot office building with ground floor retail, developed by AMLI and Cousins Properties. The co-working firm WeWork has leased all the office space and provides workspace for more than 450 WeWork members. WeWork's Chapter 11 bankruptcy filing in November 2023 created uncertainty about the future occupancy of this office space, however WeWork retained their Decatur location for its high performance. 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 near full 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 building renovation includes a state-of-the-art simulation and skills lab. The learning center opened in September 2022 and reached full enrollment of 1,400 students by 2025. The school plans to occupy the full building by the first quarter of 2026 to expand enrollment. Created to address the significant nursing shortage in the United States, the innovative new facility serves nursing students of all levels, from undergraduates to continuing education students and advanced practice nursing professionals, which has added an influx of student visitors to support transit, local retail and restaurants, as well as longer stays in local hotels.

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. 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 4.1%, compared to 3.9% last year and generally on par with the current overall Atlanta retail market vacancy rate of 4.2%.

In November 2022, in an effort to support local retail districts, the Development Authority established a commercial façade improvement grant program in the annual amount of $100,000. Since its inception, the

commercial façade improvement grant program has assisted 42 commercial property owners and retail business owners totaling $278,058 in investment for masonry repairs, storefront reconstruction, exterior painting, awnings and canopies, window and door replacements, permanent exterior lighting, repair/replacement of gutters and down spouts, and sign design and installation. In 2023, the Development Authority also established a commercial buildout improvement grant program in the amount of $75,000 annually and a marketing and digital connectivity grant program in the amount of $25,000 annually. The two grant programs have assisted an additional 37 business owners totaling $187,195 of investments in retail interior buildout projects and business marketing plans.

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 coffee roaster, a neighborhood grocery market, an art gallery, several professional offices and co-working spaces, and a dog daycare have solidified the Old Depot District as an attractive destination for the Decatur community.

The Oakhurst Business District continues to provide a strong local commercial center for the surrounding neighborhood. 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. Tenant occupancy has remained stable at the historic Scottish Rite Hospital property.

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 distillery. A new 3,900 square foot restaurant is expected to break ground on a vacant site in the second quarter of 2026, which will add further vitality to the district.

The 145-room Hampton Inn opened in downtown Decatur in 2019 adjacent to the Marriott Courtyard and the City-owned conference center. This 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. In September 2023, the City approved a new 7-story Hilton dual-brand hotel with 241 guestrooms, ground floor cafe and rooftop restaurant in downtown Decatur at the corner of Swanton Way and Commerce Drive. Rather than constructing its own parking facility, the hotel will encourage use of MARTA transit and utilize valet parking services to access three nearby office parking decks that offer nearly 1,000 parking spaces at off-peak times. Construction is anticipated to begin in the second quarter of 2026 with completion expected in the fourth quarter of 2027.

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.

A mixed-use project, known as Modera Decatur, was completed in the summer of 2023 on the Bank of America site in downtown Decatur. This key gateway at Clairemont Avenue and Commerce Drive represents one of the last few large redevelopment properties available in downtown Decatur. The original 3.9 acre site contained a small two-story bank building and a large surface parking lot. The completed development includes 194 dwelling units, a new 4,500 square foot bank building, and 25,000 square feet of street level retail surrounding a 386-space parking deck. The predevelopment site was appraised for $3.9 million. The appraised value in 2025 for the completed project is approximately $90 million.

Another greatly anticipated 640,000 square foot mixed-use project by AMLI is planned at 720-750 Commerce Drive, which replaces a vacant office building once occupied by the Decatur and DeKalb County housing authorities and a grocery store vacated by Kroger in December 2022. The approved project will be comprised of +/-27,300 square feet of ground floor retail space along Commerce Drive, which commercial space will include the shell for a +/- 15,000 square foot grocery, up to 361 multi-family units, of which 36 will be inclusionary housing units, and an approximately 640-space structured parking deck. This project was approved for $13,994,739 million in property tax incentives through issuance of bonds by the DDDA.

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. 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. Columbia Residential was successful in obtaining low-income housing 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 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 are set aside as affordable. Construction was completed the second quarter of 2025. There is one outparcel remaining that fronts onto E. College Avenue for future development of the master plan. The land immediately surrounding the Avondale MARTA Station has been transformed from surface parking lots into a transit-oriented development with an appraised value of approximately $51 million.

Adjacent to the transit-oriented development, Northwood Ravin received its land disturbance permit 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 new public street and streetscapes, 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 $6.8 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. Halo East Decatur should be completed in third quarter of 2026.

The Gateway Decatur development is a mixed-use development near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue, also near the Avondale MARTA Station. This 11-acre site includes a 65,000 square-foot Publix grocery store that opened in November 2021 and a 290-unit apartment complex developed by Toll Brothers completed in February 2023. The value of the development is $79,613,000 and the developer has invested an additional 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 1,100 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. A recent accomplishment includes a $1 million federal grant award to train physician assistants and clinical mental health counselors in maternal and pediatric care. In recognition of the college's strong relationship with the Decatur community, in 2022 The Princeton Review named Agnes Scott College as No. 1 in the country for Town-Gown Relations. One example of the partnership between Agnes Scott College and the City is the development of a joint Climate Resilience Plan. In 2025, Agnes Scott College was ranked the #1 most innovative national liberal arts college in the country for the 8th consecutive year. Columbia Theological Seminary, a Presbyterian graduate institution, remains financially strong with an enrollment of approximately 250 students. The seminary hired a new president in November 2022.

The City Schools of Decatur completed many major capital projects over the past decade. Enrollment has decreased by 479 students from the 2019-2020 school year to a total of 5,219 students in the current school year. Under the superintendent's leadership, the school system is pursuing a comprehensive capital improvement plan to include an additional early childhood learning center plus improvements at the high school for ADA accessibility, fine and performing arts facilities, athletics facilities and career, technical, and agricultural education facility improvements. Simultaneously, the school system has initiated a process to consider a potential consolidation of a K-2 school. City Schools issued $18 million in certificates of participation (COPs) to complete construction of Phase I of its capital plan. 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 upper elementary school that was completed for the start of school in August 2019. A strategic planning process was undertaken during 2022 and completed in early 2023. In June 2023, a new superintendent was hired to lead the system. The City Schools of Decatur (CSD) in Georgia have recently achieved notable accomplishments, highlighting their commitment to academic excellence. CSD ranked second statewide for average ACT scores (24.6) and first for SAT scores (1181) among Georgia public school districts in 2025. These averages significantly exceeded both state and national levels, reflecting a substantial year-over-year improvement. The district achieved a 96.04% graduation rate for the Class of 2025, ranking second in the metro Atlanta region. This rate outpaces the state average of 87.2%. These accomplishments underscore CSD's dedication to fostering academic growth, personal development, and college readiness. The district's efforts have consistently positioned it as a leader in education within Georgia and beyond.

Decatur Housing (DH) continues annual operations with 1,043 housing choice vouchers, 590 operating housing units, and 66 additional units presently under construction in Decatur. Additionally, DH is an equity

and development partner with Columbia Residential at its newest 62+ active adult apartment community, consisting of 80 one- and two-bedroom apartment homes.

DH has also revamped its resident services component, rebranding it as its Resident Experience department and operating within its non-profit subsidiary, Decatur Housing Initiatives (DHI). As such it is concentrating on three distinctive areas, Youth Enrichment, Adult Empowerment, and Active Adult Aging in Place initiatives, expanding, and strengthening its partnerships with the City of Decatur, county, and regional and national private and nonprofit partners. In doing so, DHI actively strives to reduce barriers by connecting residents to meaningful resources, opportunities, and hands-on support.

The Task Force for Global Health, founded 40 years ago to advance health equity, works with partners in nearly 140 countries to eliminate diseases, ensure access to vaccines and essential medicines, and strengthen health systems to protect populations so that people can achieve their full potential. Expertise includes neglected tropical diseases and other infectious diseases; vaccine safety, distribution and access; and health systems strengthening. In the 40 years since The Task Force was founded, child mortality has dropped by 60 percent and polio has been reduced by 99%. In fiscal year 2024, The Task Force reported revenue of $96.9 million. The Task Force has expanded its Decatur headquarters in the downtown business district. The Task Force renovated its six-story, 90,000 square foot building in downtown Decatur that is home to nearly 200 employees and may accommodate up to 375 employees. In September 2022, the Task Force for Global Health announced the selection of a new president and chief executive officer.

The Wylde Center, a local non-profit created in 1997, operates five green spaces in Decatur and Atlanta, including city-owned properties, and offers environmental education and community engagement programs. The Wylde Center recently invested over $1 million in the Oakhurst Garden including a larger indoor classroom, additional restrooms, a teaching/catering kitchen, and outdoor improvements including green stormwater infrastructure. In addition to offering environmental and science education programs to students at all Decatur schools, the Wylde Center works closely with DH to supplement learning at after-school activities and programs to support food security.

With the relocation of DeKalb County Family and Child Services Department, the building it previously occupied on Sams Street has become the 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, employees and visitors will bring even more vitality and will support future economic growth in the Avondale MARTA Station Area.

MAJOR ACTIVITIES-STRATEGIC PLANNING

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 has implemented 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*. The comprehensive plan will be updated in calendar year 2026.

Prior to the strategic plan's identification of equity and racial justice as a community priority, the City has taken significant steps in promoting equity and inclusion, striving to create a welcoming environment for all. Through various initiatives, such as professional development opportunities through workshops with the Racial Equity Institute and community conversations, the City has implemented programs and practices that align with the City's commitment to building a more just, equitable, and inclusive community. 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. The Anti-Racism Speaker Series continued in 2023 and 2024. Additionally, 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. The team engaged with all departments on the development of a Racial Equity Action Plan (REAP) Assessment in June 2023 that identifies specific actions for how the City can become more equitable. A couple of outcomes of the assessment include a REAP professional development training series offered to all city employees and the development and implementation of an equitable decision-making framework.

In March 2023, the Parks and Recreation Master Plan (Recreatur) was adopted, establishing a long-range, community-supported framework for strengthening Decatur's parks and recreation system. The master plan is grounded in comprehensive data analysis, demographic forecasting, and an evaluation of current and future service needs. Its recommendations span facilities, programs, operations, and service delivery, reflecting the City's commitment to fostering a resilient, healthy, and thriving community. Consistent with this strategic direction, the Parks & Recreation Department continues refining its organizational structure following the merger of the former Active Living and Children & Youth Services divisions. This integration enhances operational alignment, improves administrative and programmatic coordination, and strengthens the department's ability to deliver high-quality services for residents of all ages.

In 2023, the department secured just over $2 million in State grant funding to support improvements to the teen recreation area at Ebster Park. Work throughout 2024 focused on planning and design, with construction expected to be completed in 2026. In 2024, the department also developed its first comprehensive financial sustainability strategy using the Beneficiary of Service model, establishing cost recovery goals for each service category based on performance benchmarks, utilization trends, and long-term budget projections. This initiative advanced the City's broader objectives of equitable access and sound financial management.

Also in 2024, the Governor's Office of Highway Safety awarded the City $47,944 to support the "Advancing Bicycle and Pedestrian Safety through Education and Enforcement Training" initiative. Active from October 1, 2024, through September 30, 2025, this grant supported community education, law enforcement

training, public outreach, and safety campaigns designed to improve walking and bicycling conditions throughout the City.

Later in 2025, the department concluded a citywide planning effort that resulted in the adoption of the Sugar Creek/Hawk Hollow Master Plan and the Oakhurst Recreation Area Master Plan. These plans outline future investments in trail connectivity, natural resource conservation, athletic field improvements, recreational amenities, and open space preservation, providing a clear roadmap for supporting Decatur's long-term growth, sustainability, and community well-being.

The Town Center Master Plan 2.0, adopted June 2023, 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 supports the City's 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.

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 August 2017, the City purchased 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. 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 Finance 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. 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.

Several of the recommendations from the Decatur Legacy Park Master Plan have been addressed over the past few years. 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 five-year effort to remove invasive plants and restore the woodland areas of the park; the renovation of the historic dairy barn has been completed; an inclusive playground partially funded by a Community Development Block Grant was built; 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 three-year agreement with a local not for profit organization, the Decatur Legacy Project, Inc. (DLP), to manage these responsibilities. The agreement was renewed for an additional 3 years in May 2023. The DLP board membership includes the Mayor, Mayor pro tem, City Manager, an appointee of the City and twelve 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, many of the vacant buildings are being leased to local non-profits, including the Refugee Women's Network, Wild Nest Bird Rehab, Frank Hamilton School, Paint Love, Global Spokes, Decatur Arts Alliance, Amphibian Foundation, Grief House, and Trellis Horticulture Therapy Alliance. DLP also leases office space within the Administration Building to local non-profits, including Decatur Education Foundation, Decatur Land Trust, Georgia Arborist Association, Global Growers Network, Decatur Book Festival, Friends of L'Arche Atlanta, Compassionate Atlanta, Tai Chi for LIFE Cooperative, and DeKalb Symphony Orchestra. In addition to non-profit office leasing, DLP also manages events, filming, scheduling, and programming for Legacy Park.

The adopted Decatur Legacy Park Master Plan included 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 $3.5 million in American Rescue Plan Act (ARPA) funds and the Board of Education committed up to $3.5 million in ESPLOST funds. In March 2025, a ribbon cutting ceremony was held to celebrate the opening of the eight-lane track and multi-sport turf field with new restrooms, lighting, ADA-accessible pathways and field house. During the year, the Atlanta Track Club successfully hosted two All Comers track and field meets.

In response to the concerns identified by the City Commissioners, a downtown ambassador program that started in the summer of 2024 provides specialized safety, public information, cleaning and other services in partnership with the Downtown Development Authority (DDA) and Decatur Tourism Bureau. Ambassadors are responsible for cleaning services such as litter removal, graffiti abatement, pressure washing, security and visitor wayfinding.

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. Following an appeal of the verdict by the condemnee, the verdict was upheld by the Georgia Court of Appeals and a petition for writ of certiorari was denied by the Supreme Court of Georgia. No payment has been made by the condemnee, and the City has filed a legal complaint against the condemnee. The property will be used as unimproved green space.

MAJOR ACTIVITIES-AFFORDABLE HOUSING

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. Another recommendation from the Affordable Housing Task Force was to sustain the work of the Decatur Land Trust. 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 501(c)(3) status in 2022 and its first executive director was hired in 2024.

In early 2022, the City began public engagement to receive input to develop new housing policies for missing middle housing types which include duplexes, triplexes and quadplexes in single-family zoning districts. Draft policies that reintroduce these housing types as a permitted use in single-family zoning districts were presented in a public forum, followed by public hearings before the Planning Commission and City Commission for additional feedback. The policies were adopted by the City Commission in February 2023 with an effective date of June 30, 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 provides 70 units of housing to low-income seniors. Construction was completed the second quarter of 2025 with a current appraised value of $11,711,000, a substantial increase over the prior-year valuation of $951,600.

In November 2021, the City and DH entered into an intergovernmental agreement for the development of the South Housing Village at Decatur Legacy Park which includes 132 affordable housing units. Under this agreement, DH serves 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 DH 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 committed $3.7 million in American Rescue Plan Act funds for infrastructure costs related to this affordable housing development. The development will be completed in two phases, both for which DH has been awarded low-income housing tax credits from the Georgia Department of Community Affairs. In June 2025, the ribbon cutting for Phase

I and groundbreaking for Phase II took place. Phase II construction is expected to be completed in the spring of 2026.

Preservation of existing affordable housing is just as important as the creation of new housing to make an impact on the sheer numbers of attainable housing units within the City. The City was selected to participate in the Atlanta Regional Commission's Community Development Assistance Program (CDAP) to research and identify strategies to preserve naturally occurring affordable housing (NOAH). Through a partnership with the Georgia Conservancy, the study focused on identifying policies and strategies that incentivize the preservation of this limited existing housing stock. Using this information, the City worked with local organizations and NOAH property owners and residents to find collaborative ways to maintain affordable dwellings amid challenging market pressures and limited space for new development.

Even as the City works to preserve and expand affordable housing, the number of unhoused individuals continues to grow, especially noticeable in or near the downtown Square. A new full-time position dedicated to addressing the complex challenges associated with a growing homeless population was filled in August 2025. The County's leadership will be critical to the success of these efforts because the issue must be addressed at a scope broader than the City.

MAJOR ACTIVITIES-PEDESTRIAN AND ROAD SAFETY

In May 2021, the City Commission awarded the construction contract for the Clairemont/Commerce/Church Street Pedestrian Safety and Cycle Track Improvements. This project permanently reduced Church Street to two vehicle travel lanes with new sidewalks and one-way cycle tracks. It provides a connection to the Commerce Drive Cycle Track that was completed in 2020. It also included intersection improvements at Clairemont/Commerce and Church/Commerce to improve pedestrian safety. Over 70% of this project was funded through the Georgia Department of Transportation. Matching funds were provided from the City's capital improvement fund and HOST proceeds. Construction started in December 2021 and was completed in late 2023.

Efforts to enhance safety on city roads and sidewalks are advanced with focus and funding through the $200,000 "Safe Streets for All" grant from the Federal Highway Administration. This grant supported the development of a comprehensive Local Road Safety Plan aimed at identifying and addressing high-risk areas and improving infrastructure for all users, including pedestrians, cyclists, and drivers. The planning process for the initiative began in 2024, with a series of community kick-off meetings and stakeholder consultations. These efforts culminated in the adoption of the Decatur Safe Streets Action Plan by the City Commission in June 2025. The plan outlines specific safety priorities and action steps to create safer, more accessible streets across the City.

Local Maintenance and Improvement Grant (LMIG) funded traffic calming measures on Church Street and East Lake Drive are designed to reduce vehicle speeds and enhance pedestrian safety. These improvements will include additional crosswalks, curb extensions, and updated signage to increase visibility and reduce the risk of accidents in these high-traffic areas.

Upgraded bike lanes along W Ponce de Leon Avenue are aimed at providing safer, more comfortable routes for cyclists. The upgrades will involve wider, more clearly marked lanes, as well as improved intersections and connections to key destinations, encouraging greater use of alternative transportation and reducing congestion.

The South McDonough Oakview PATH Plan is a new project to extend the City's pedestrian and cycling infrastructure. This plan identified in the 2017 PATH Plan will focus on creating safer connections between neighborhoods, schools, and parks, promoting walking and biking as viable, eco-friendly alternatives to driving.

These projects, along with the overarching Safe Streets for All initiative, reflect the City's commitment to building a safer, more sustainable transportation network that serves the needs of all residents. The ongoing collaboration between officials, community members, and transportation experts is key to ensuring these plans are implemented successfully, with an emphasis on inclusivity, accessibility, and long-term safety.

MAJOR ACTIVITIES-ENVIRONMENTAL SUSTAINABILITY

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 40% from the benchmark fiscal year 1992. This is well in excess of the State of Georgia’s goal of a 25% reduction.

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 has done outreach and education to promote residents’ knowledge of what can be commonly recycled and prevent comingling. For items that cannot be recycled with the City’s recycling processor, the Center for Hard to Recycle Materials (CHaRM) provides a great resource for residents looking to reduce their household waste. This center is located just outside the City of Decatur near Columbia Drive and Memorial Drive.

In 2023, the City was awarded a grant in the amount of $137,575 from the Recycling Waste Division of the Environmental Protection Agency (EPA) to fund a composting pilot. In 2025, the City launched the pilot program to collect compostable materials from a select group of residents and transport the waste to the Southern Soil Works composting facility. The City will use both qualitative and quantitative data from this project to assess how much waste is being diverted from the landfill and to identify best practices for customer experience. Following the pilot, the City will be able to make informed recommendations for what a citywide composting program could be, evaluate the potential cost benefits of offering compost collection services, and explore how this initiative can help meet our climate reduction goals while mitigating the expected rise in tipping fees at the DeKalb landfill.

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 a solar array and battery energy storage system at the Decatur Recreation Center. Preliminary system design and engineering for the project has been completed, with construction expected in Spring 2026. Additionally, the City has been awarded $500,000 from Senator Jon Ossoff to complete a clean energy project at the Decatur Police Department. With an equal match from the City, this $1,000,000 project will include a solar array, battery energy storage system, and direct current, fast electric vehicle charger to lower energy costs for the facility, ensure resilient operations, and support the electrification of Decatur's police fleet. To support electric vehicle charging at the facility, the City has been accepted into Georgia Power Company's Make Ready program, which will fund and oversee the enhancement of the site's electrical infrastructure.

In 2023, the City of Decatur was selected for $400,000 of funding through the United States Department of Energy's Energy Efficiency and Conservation Block Grant Program for a municipal and residential energy efficiency, electrification, and weatherization campaign. With this funding, the City launched the Electrify Decatur program in October 2025, which provides homeowners with customized electrification recommendations, connects them to local contractors, and enhances access to rebates and other financial incentives, including Decatur's Community Energy Rebates program. These rebates are administered through the City's Community Energy Fund.

MAJOR ACTIVITIES-HOTEL-MOTEL ACTIVITY

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 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 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 $250,000 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 2025 was 71%, compared to the US industry average that was closer to 64%.

MAJOR ACTIVITIES-YOUTH ENGAGEMENT

In June 2023, the City of Decatur was named one of 10 All-America Cities by the National Civic League. Decatur showed the power of involving youth in identifying and addressing community challenges and creating thriving communities. Decatur's presentation focused on the Decatur Youth Council, participation in UNICEF's Child Friendly Cities Initiative, the inclusive playground at Decatur Legacy Park, and other youth-inspired initiatives. Decatur first received recognition as an All-America City in 2018 for its equity and inclusion efforts through the creation of the Better Together Community Action Plan; the Police department's intentional focus on community engagement and training; and the "I Am Decatur" project coordinated by resident Beate Sass.

The All-America City award recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses and nonprofit and government leaders. By celebrating the best in local innovation, civic engagement and cross-sector collaboration, the All-America City award highlights the potential within every community to address challenging issues and create real change.

On March 21, 2025, the City of Decatur officially achieved recognition as a UNICEF USA Child Friendly City, joining Houston and Minneapolis as one of only three cities in the nation to receive this distinction. This milestone was celebrated with the community at Fair on the Square, where young leaders and residents gathered to mark this significant achievement. A Child Friendly City is a community that prioritizes the well-being and development of its children and youth by ensuring their rights are protected and promoted. Decatur set out to achieve this designation through the Child Friendly Cities Initiative (CFCI) and was among the first six cities in the U.S. to sign a memorandum of understanding with UNICEF to embark on this transformative journey. The CFCI project involves a multi-year commitment to actively involve community members—especially children and youth—in identifying priorities and taking action in five key areas: 1) Safety and Inclusion 2) Children's Participation 3) Equitable Social Services 4) Safe Living Environments 5) Play and Leisure.

OTHER MAJOR ACTIVITIES

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. The Police Department has overseen the installation of speed detection cameras in 5 school zones to deter speeding in school zones. The cameras went into operation in November 2024. The future of school zone safety cameras is uncertain as some State legislators have expressed skepticism about the goals of the safety program in spite of their effectiveness at reducing speeds in school zones.

Finance and budgeting staff have been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for every Annual Comprehensive Financial Report since 2005 as well as GFOA's Distinguished Budgeting Presentation Award since 2008. Starting with the fourth quarter of fiscal year 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 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. 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 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 I), 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 I 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 I began in April 2018 and has generated over $22,000,000 over the six year term of the tax. The City collected $3,145,000 in fiscal year 2024, which included just nine months due to the start of SPLOST II in April 2024. Proceeds are used for 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; the S. Columbia Drive multi-use path; 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 2025. The project scope has expanded to include the installation of permanent traffic calming measures and bike and pedestrian safety improvements along W. Howard Avenue.

On November 7, 2023, DeKalb County voters approved a new Special Purpose Local Option Sales Tax (SPLOST II), effective April 1, 2024, upon the expiration of SPLOST I. SPLOST II provides funding for broader categories of capital projects compared to the more limited SPLOST I. Voters also approved the continuance of the levy of the equalized homestead option sales tax (EHOST) and continuance of the suspension of the homestead option sales tax (HOST). Collection of the EHOST and SPLOST II commenced April 2024 and SPLOST II is expected to generate over $30,500,000 to Decatur over the six year term of the tax. Proceeds will continue to be used to cover debt service payments for the URA 2010 and URA 2013 bond issues (now URA 2020A and 2020B series) in addition to a number of projects categorized as transportation, cultural or recreational facilities. The City Commission has approved a plan to transform the downtown Decatur square including the removal of the bandstand, the addition of a performance venue and installation of public restrooms. Other improvements will proceed east across the MARTA plaza with the addition of a welcome center pavilion, shade structures, outdoor seating, and a child-centric hillside play structure. Construction is underway with the goal of completion prior to the 2026 FIFA World Cup soccer tournament in June 2026 so that residents and visitors may attend concerts, view matches and participate in other activities throughout the entire World Cup experience. The Decatur Square Transformation is being funded by the issuance of the General Obligation Sales Tax Bonds, Series 2025, in the amount of $8,500,000 which will be repaid by the proceeds from SPLOST II.

On November 7, 2023, City of Decatur voters approved new and additional City homestead exemptions to provide tax relief to residential property owners. Voter approval included an increase in the City's general

homestead exemption (GH-1) from $25,000 to $40,000 of assessed value, an increase in the City's Age 65 exemption (GH-2) from $10,000 to $15,000 of assessed value, an increase in the Age 62 exemption (GH-3) from $15,000 to $25,000 of assessed value and an increase in qualifying income from $50,000 to $60,000, and a new exemption to provide an exemption (LT-1) in the amount of $40,000 of assessed value for owner-occupied homes on land managed through a 501(c)(3) whose primary mission is affordable housing such as the Decatur Land Trust. The City's new and expanded homestead exemptions went into effect in 2024 and provide over $2.5 million in property tax relief to residential homeowners. Voters also approved homestead exemptions for City Schools of Decatur taxes. The approved school exemptions are for a period of 5 years and provide an exemption in the amount of $200,000 of assessed value for resident homeowners between the ages of 65 and 69 whose income does not exceed $62,000 and an exemption in the amount of $200,000 for residential homeowners age 70 or older regardless of income.

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.

The bond issuances, tax allocation districts, annexations, homestead exemptions, special tax assessments and more are made possible with the support of the City's elected representatives at the State level. Much State legislation is beyond the City's influence, but local delegation members work closely with city elected officials to advance common priorities.

From time to time, State legislation poses challenges to the City's ability to control its financial future and meet its service commitments. In 2024, HB 581 was approved by the State legislature and passed by referendum in November 2024. This legislation limits the increase in the taxable value of residential homestead properties to the increase in inflation, otherwise known as a floating homestead exemption where the amount of the exemption is the difference between the increase in the assessed value and the increase in the rate of inflation. The legislation allows for an additional sales tax solely for the purpose of tax relief, but the sales tax may only be implemented if no cities in the county, nor the county, opt-out of the floating homestead exemption. Some concerns with this policy include the shift of the tax burden to non-homestead properties, likely commercial properties, the tax inequities among similar properties, upward pressure on the 18-mill cap on the city millage rate, and the administrative challenges with the tax billing if the school system and city do not make the same election. In 2025, both the City and City Schools of Decatur voted to opt-out of the floating homestead exemption. In November 2025, the Moody's credit rating report for the City stated, "The city has opted out of HB 581, which we view as a credit positive because

the new bill would have significantly limited residential tax base growth and the city (unlike many other Georgia cities) has an 18-mill cap on its operating millage."

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.

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.

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 plan actuary made several 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, 8.6% in 2022, 9.26% in 2023, 9.27% in 2024, and 8.24% in 2025. The GASB Nos. 67 and 68 report for June 30, 2025 reported a plan funded ratio of 88.67% of the total pension liability. This is an increase from the funded ratio of 87.07% from June 30, 2024. The improvement was due to strong asset performance and liability experience during 2024.

Since 2006, the City has used the National Research Center at Polco 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 2024 survey was conducted between February and March 2024. The following table summarizes the responses:

	2024	2022	2020	2018	2016	2014	2012	2010	2008	2006
Very Positive	9%	4%	4%	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	27%	25%	12%	27%	28%	32%	19%	11%	11%	19%
Neutral	47%	45%	38%	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	15%	24%	33%	13%	12%	11%	19%	28%	32%	21%
Very Negative	2%	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 decreased from 46% in 2020 to 26% in 2022. In 2024, the response improved again to 17% which tracks with responses received before the pandemic.

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 and 2024.

	2024	2022	2020
Essential	47%	39%	49%
Very important	42%	47%	44%
Somewhat important	11%	13%	7%
Not important at all	1%	0%	0%

Ninety-nine percent 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. Annexation of properties is 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 2025, the City is in a strong financial, economic and organizational position, with a sustained positive outlook. Historically, the City has employed conservative budgeting and financial policies and practices. This conservative approach has allowed the City to weather economic downturns, be prepared for unanticipated expenditures and have funds available for unique opportunities consistent with strategic plan goals. The City's long-term strategy of 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 service levels and to avoid cuts in staffing and salaries during economic downturns. The state of the community, in turn, is economically and socially sound with highly engaged community members. Tourism, restaurants and retail businesses are thriving; and special events, concerts and festivals have returned with the addition 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 green space, 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.

The City continues to support its most important asset, our employees, with competitive salaries and benefits in addition to an emphasis on employee engagement, recognition and meaningful work. A pay and compression study in early 2023 resulted in pay adjustments to reduce compression, guarantee of a living wage as determined by the MIT Living Wage calculator, an increase in all full-time salaries by at least 8.35%, and upward shifts of all pay ranges to ensure salaries are competitive for recruitment as well as for retention. Due to budget constraints, including the impact of the pay increases on the fund balance, a two-week pay adjustment was included in the fiscal year 2024-2025 budget in lieu of pay increase. Staffing in most departments has rebounded; the Police Department vacancy rate remains around 20% but staffing has improved with additional police officers. New and creative recruitment and retention strategies are making a positive impact on staffing levels citywide.

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. The City's commitment to these values was on display when the statue of Congressman John Lewis was unveiled on the Decatur square in August 2024 at the location of a former Confederate monument. The City is committed to honoring its history and being deliberate in creating its future.

Credit must be given to the City Commissioners for their unfailing support for maintaining the highest standards of professionalism and ethics 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, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2025

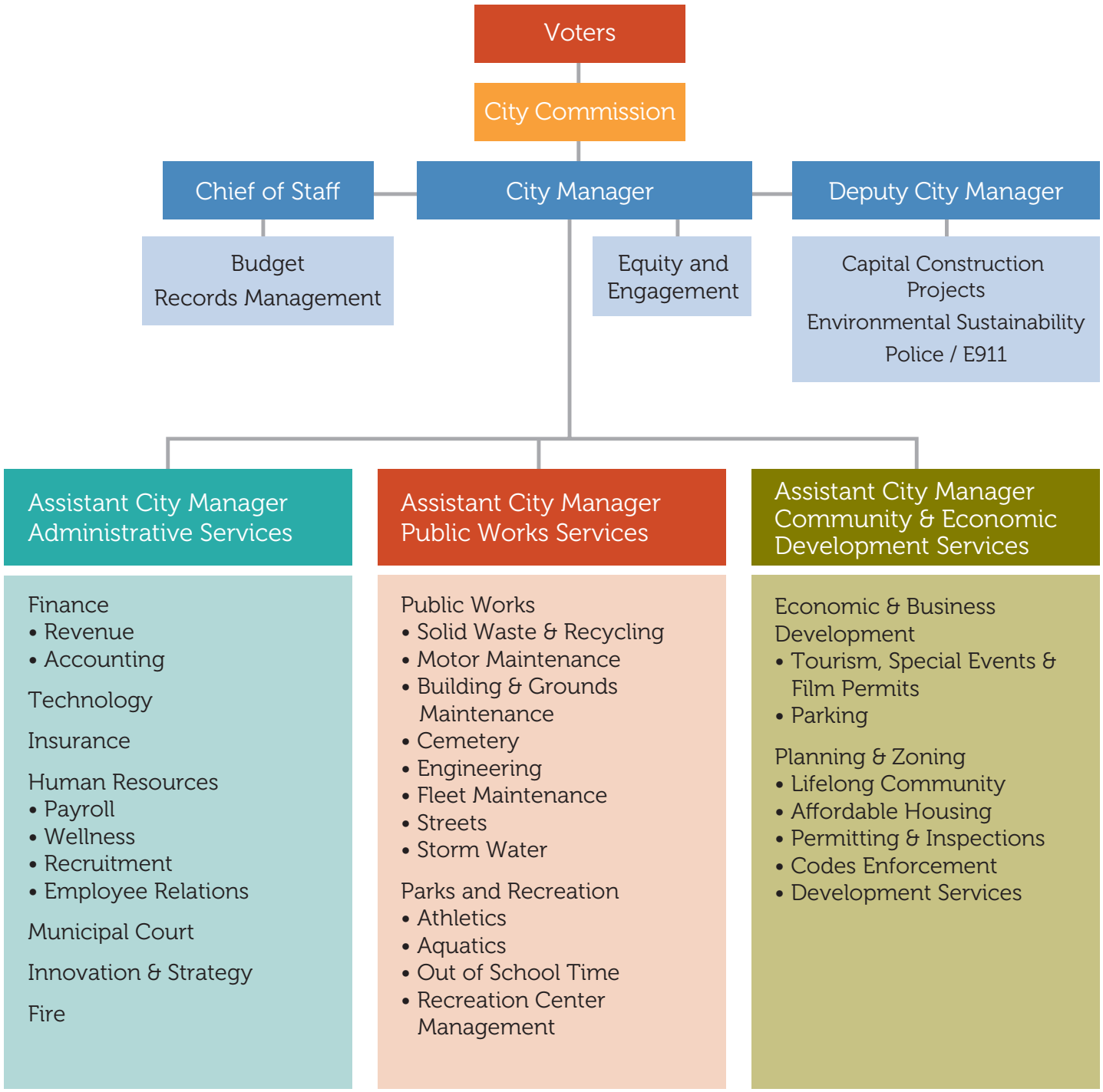
CITY COMMISSION

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

APPOINTED ADMINISTRATIVE OFFICIALS

Andrea Arnold	City Manager
David Junger	Deputy City Manager
Irene Vander Els	City Attorney
Teresa de Castro	Assistant City Manager – Administrative Services
Angela Threadgill	Assistant City Manager – Community & Economic Development
Cara Scharer	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, 2025, 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, 2025, 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 Matter

As described in Note 18 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences,* as of July 1, 2024. Our opinions are 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 Responsibilities 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 89 through 92) 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 fund 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 fund 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 10, 2025 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 10, 2025

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, 2025. We encourage consideration of 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 $4,902,748 (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 $22,642,725 over the prior years' deficit of $25,422,536.

- The City had $53,393,821 in expenses related to governmental activities and $24,327,463 or 45.6% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were $48,722,633 and $41,392,214 or 85% of these revenues were from property taxes.

- The fund balance of the General Fund at June 30, 2025, was $17,268,066. The unassigned portion was $15,500,364, representing 40.2% of General Fund expenditures.

- The City received a total of $9,595,820 under the American Rescue Plan Act (ARPA). At June 30, 2025, The City had $1,292,557 remaining under this program which can be used for governmental services.

- In March 2025, 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 an introduction to the City's basic financial statements. The City's basic financial statements have three parts: 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 City 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 should 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 causing 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 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 of the primary government.

Government-wide financial statements can be found on pages 20 through 23 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. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds 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 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 nineteen 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, SPLOST II Fund, Capital Improvement Fund, 2010 URA Bonds Fund, Debt Service Fund, and the American Recovery Act Fund (ARPA) which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts 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 24 through 29 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 and Parking Deck activities, the Stormwater Utility and for Solid Waste functions.

The basic proprietary fund financial statements can be found on pages 30 through 32 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 33 and 34 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 through 88 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 fiscal year the City's net position was a deficit ($4,902,748), or $20,519,788 better than the prior year.

City of Decatur Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Restated 2024	2025	Restated 2024	2025	2024	2025
Assets						
Current assets	$ 50,654	$ 59,972	$ 13,667	$ 15,103	$ 64,321	$ 75,075
Capital assets	116,056	121,286	16,287	16,823	132,343	138,109
Other non-current assets	5,508	5,193	-	-	5,508	5,193
Total assets	172,218	186,451	29,954	31,926	202,172	218,377
Deferred outflows of resources	5,206	5,966	48	137	5,254	6,103
Liabilities						
Long-term liabilities	196,323	193,784	1,377	932	197,700	194,716
Other liabilities	22,926	20,284	3,518	3,700	26,444	23,984
Total liabilities	219,249	214,068	4,895	4,632	224,144	218,700
Deferred inflows of resources	10,726	10,530	101	152	10,827	10,682
Net Position						
Net investment in capital assets	36,472	45,482	16,073	16,643	52,545	62,125
Restricted	15,185	21,013	-	-	15,185	21,013
Unrestricted	(104,208)	(98,676)	8,933	10,636	(95,275)	(88,040)
Total net position	$ (52,551)	$ (32,181)	$ 25,006	$ 27,279	$ (27,545)	$ (4,902)

The largest portion of the City's net position, $62,124,809 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 $21,012,805 and an unrestricted deficit ($88,040,362). 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 2025 the City's net position improved by $22,642,725. Governmental activities contributed $20,370,259 to net position; Business-type activities contributed $2,272,466. Changes in accounting principles related to compensated absences reduced governmental net position and business-type net position by $1,903,101 and $219,836, respectively. See Note 18 for further discussion on change in principle.

City of Decatur Changes in Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
Revenues						
Program revenues:						
Charges for services	$ 8,163	$ 9,400	$ 6,784	$ 6,958	$ 14,947	$ 16,358
Operating grants and contributions	4,694	9,473	-	-	4,694	9,473
Capital grants and contributions	5,212	5,415	-	-	5,212	5,415
General revenues:						
Property taxes	35,593	41,392	-	-	35,593	41,392
Franchise taxes	1,731	1,870	-	-	1,731	1,870
Sales taxes	2,209	2,114	-	-	2,209	2,114
Other taxes	2,729	2,896	-	-	2,729	2,896
Investment earnings	550	489	-	-	550	489
Gain on sale of capital assets	22	-	-	-	22	-
Miscellaneous	-	-	4	81	4	81
Total revenues	60,903	73,049	6,788	7,039	67,691	80,088
Expenses						
General government	15,356	17,124	-	-	15,356	17,124
Public safety	12,998	14,989	-	-	12,998	14,989
Public works	9,755	9,889	-	-	9,755	9,889
Recreation	7,180	7,166	-	-	7,180	7,166
Interest on long-term debt	4,837	4,225	-	-	4,837	4,225
Conference center	-	-	309	294	309	294
Stormwater	-	-	929	914	929	914
Sanitation	-	-	3,054	2,844	3,054	2,844
Total expenses	50,126	53,393	4,292	4,052	54,418	57,445
Income before transfers	10,777	19,656	2,496	2,987	13,273	22,643
Transfers	628	714	(628)	(714)	-	-
Change in net position	11,405	20,370	1,868	2,273	13,273	22,643
Net position beginning of year	(62,054)	(50,649)	23,358	25,226	(38,696)	(25,423)
Change in accounting principle	(1,903)	-	(220)	-	(2,123)	-
Net position end of year	$ (52,552)	$ (30,279)	$ 25,006	$ 27,499	$ (27,546)	$ (2,780)

Revenues

Overall revenues for governmental activities increased $12,146,671 or 19.94%. Governmental *charges for services* increased $1,237,228 or 15.16%, primarily from increases in fines from the school safety zone camera system. Operating grants increased $4,779,266 or 102% primarily from increases in revenues recognized under American Rescue Plan Act (ARPA). Property taxes, including real estate and personal property, increased $5,799,041 or 16.29% as assessed values of property and the millage rate increased. Sales taxes which are primarily hotel occupancy taxes were consistent with the prior year. Other taxes increased $167,101 or 6.12% primarily from an increased state allotment of insurance premium taxes. Investment earnings decreased $100,151 or 18.22% as interest rates on surplus cash balances have declined.

Revenues from business-type activities increased $251,020 or 3.7% primarily from increases in solid waste revenues. Business-type revenues are discussed in further detail on page 13.

Expenses

Overall expenses for governmental activities increased $3,267,262 or 6.52%. *General Government* expenses increased $1,767,492 or 11.51%, as a result of increases in benefits, salaries overall (though no across-the-board pay raises), as well as pension and post-employment benefit costs. *Public safety* expenses increased $1,991,194 or 15.3% primarily from increases in salaries and benefits, as well as pension and post-employment benefit costs. *Public Works* expenses increased $134,015 or 1.37%. *Recreation* expenses were consistent with the prior year with a slight decrease of $13,474 or less than 1%. Interest on long-term debt decreased $611,965 or 12.65% as the debt is paid down.

Expenses for business-type activities decreased $239,420 or 5.58%. Conference Center expenses decreased $15,414 or 4.99%. Stormwater expenses decreased $14,378 or 1.55%. Solid waste expenses decreased $209,628 or 6.86%. Business-type expenditures are discussed in further detail on page 13.

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 2024 and 2025 (in thousands).

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

	2024	2025	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 42,266	$ 48,235	$ 5,969	% 14.12
Licenses and permits	1,789	1,584	(205)	(11.46)
Intergovernmental	10,596	15,452	4,856	45.83
Fines and forfeitures	586	664	78	13.31
Charges for services	4,997	6,595	1,598	31.98
Investment income	791	695	(96)	(12.14)
Other revenues	144	77	(67)	(46.53)
Total revenues	61,169	73,302	12,133	19.84
Expenditures				
General government	15,511	16,505	994	6.41
Public safety	11,854	12,947	1,093	9.22
Public works	8,190	7,398	(792)	(9.67)
Recreation	5,929	5,751	(178)	(3.00)
Capital outlay	8,952	11,638	2,686	30.00
Intergovernmental	204	204	-	-
Debt service	13,099	12,522	(577)	(4.40)
Total expenditures	63,739	66,965	3,226	5.06
Excess (deficiency) of revenues over expenditures	(2,570)	6,337	8,907	(346.58)
Other financing sources (uses)				
Issuance of bonds	-	8,250	8,250	-
Bond premium	-	567	567	-
Proceeds from sale of capital assets	22	2	(20)	-
Transfers in	10,345	10,349	4	0.04
Transfers out	(9,717)	(9,635)	82	(0.84)
Total other financing sources (uses)	650	9,533	8,883	1,366.62
Net change in fund balances	(1,920)	15,870	17,790	-
Fund balances, beginning of year	40,653	38,733	(1,920)	(4.72)
Fund balances, end of year	$ 38,733	$ 54,603	$ 15,870	% 40.97

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $54,602,645, an increase of $15,869,279 or 40.97% from the prior year. Of the total amount, $15,481,891, or 28.4%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $39,120,754 is comprised of the following: nonspendable, restricted, committed, or assigned. The nonspendable balance of $1,109,275 is not available for new spending because it is a non-cash asset such as inventory, prepaid items or advances. The restricted balance of $34,891,119 is legally restricted for specific purposes, which at year end were: 1) capital construction ($24,155,353); 2) debt service ($5,561,206); 3) law enforcement ($22,295); 4) Public Safety-E911 ($651,035); 5) Culture and recreation ($1,231,518); 6) Economic development ($3,226,840) and 7) Opioid mitigation ($42,872). An assigned amount of $3,120,360 is intended to be used for specific purposes as determined by the City Manager: 1) fiscal year 2026 operations ($1,530,610); 2) greenspace acquisition ($13,715); 3) cemetery operations ($43,577); 4) equipment purchases ($1,236,382); and 5) energy efficiency, electrification and renewable energy projects ($296,076).

Total governmental revenues increased $12,132,829 or 19.84%. Tax revenues increased $5,969,245 or 14.12% from increased assessed values of property and an increased millage rate. Licenses and permit revenues for 2025 and 2024 were at very strong levels of $1,788,765 and $1,584,146, respectively. Current year permitting revenues included developments at New Talley Station at 201 New Street, a major renovation at St. Thomas More Catholic Church at 636 West Ponce de Leon Avenue, and new housing construction at Legacy Park.

Intergovernmental revenues increased $4,856,021 or 45.83% primarily from increases in joint ventures with Decatur Schools of $1,070,474 and increases in recognition of ARPA allotments of $4,004,414. Fines and forfeitures increased $78,266 or 13.36% as police staffing has increased. Charges for services increased $1,598,254 or 31.99% primarily from additional revenues from school safety zone fines as well as increases in recreational service fees. Investment income decreased $96,396 or 12.19% as the federal reserve and banks have lowered interest rates. Other revenues decreased $67,942 or 46.99% compared to the prior year revenues which had benefitted from reimbursement for insurance claims.

Total governmental expenditures increased $3,225,902 or 5.06%. General government expenditures increased $994,079 or 6.41% as a result of increases in wages and benefits. Public safety expenditures increased $1,092,854 or 9.22% primarily from increases in wages and benefits. Public works expenditures decreased $791,891 or 9.67% primarily from decreases in road resurfacing projects from the prior year. Recreation expenditures decreased $178,251 or 3.01%. Capital outlay expenditures increased $2,686,808 or 30.02% primarily from increased capital expenditures in the SPLOST, ARPA, Grant and Public Facilities funds.

General Fund. The General Fund is the chief operating fund of the City. At the end of the fiscal year, the fund balance of the General Fund was $17,268,066 while the total fund balance for all governmental funds was $54,602,645. As a measure of the fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2025, unassigned General Fund fund balance of $15,500,364 represents 40.2% of total General Fund expenditures.

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The following table compares General Fund revenues and expenditures for 2024 and 2025 (in thousands).

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

	2024	2025	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 28,175	$ 33,084	$ 4,909	% 17.4
Licenses and permits	1,789	1,584	(205)	(11.5)
Intergovernmental	698	528	(170)	(24.4)
Fines and forfeitures	550	644	94	17.1
Charges for services	4,274	4,736	462	10.8
Investment income	400	341	(59)	(14.8)
Other revenues	109	30	(79)	(72.5)
Total revenues	35,995	40,947	4,952	13.8
Expenditures				
General government	13,717	14,805	1,088	7.9
Public safety	10,668	11,643	975	9.1
Public works	5,366	5,826	460	8.6
Recreation	5,774	5,693	(81)	(1.4)
Intergovernmental	100	100	-	-
Debt service	470	470	-	-
Total expenditures	36,095	38,537	2,442	6.8
Excess (deficiency) of revenues over expenditures	(100)	2,410	2,510	(2,510.0)
Other financing sources (uses)				
Proceeds from sale of capital assets	22	1	(21)	-
Transfers in	2,154	1,578	(576)	(26.7)
Transfers out	(2,309)	(1,732)	577	(25.0)
Total other financing sources (uses)	(133)	(153)	(20)	15.0
Net change in fund balances	(233)	2,257	2,490	(1,068.7)
Fund balances, beginning of year	15,244	15,011	(233)	(1.5)
Fund balances, end of year	$ 15,011	$ 17,268	$ 2,257	% 15.0

General Fund Revenues. Overall, General Fund revenues increased $4,952,019 or 13.76%. Revenue from taxes increased $4,908,764 or 17.42%. The largest single source of revenue for the City's General Fund operations is real property tax which totaled $26,355,401. The total real property tax revenue for the current fiscal year increased $4,274,662 or 19.36% and can be attributed to increases in assessed property values and the millage rate. Licenses and permit revenues for 2024 and 2025 were at very strong levels of $1,788,765 and $1,584,146, respectively. Current year projects included renovation of St. Thomas More and housing construction at New Talley Station and Legacy Park. Fines and forfeitures increased $94,238 or 17.12% as police staffing has increased. Charges for services increased $461,548 or 10.8% as demand for recreational programs remains strong. Investment income decreased $58,728 as the federal reserve and banks have lowered interest rates. Other revenues decreased $79,145 or 72.38% as these revenues included certain offsetting refunds of prior year revenues.

General Fund Expenditures. Overall, General Fund expenditures increased $2,442,269 or 6.77%. General government expenditures increased $1,087,764 or 7.93%, primarily from increases in wages and benefits. Public safety expenditures increased $975,354 or 9.14% primarily from increases in wages and benefits. Public works expenditures increased $459,645 or 8.57% as a result of increases in wages and benefits. Recreation expenditures decreased $80,494 or 1.39%.

General Fund salaries and compensation increased 7.11%, from $16,008,310 for fiscal 2024 to $17,146,453 for fiscal 2025. The increase is the result of reduced vacancies, a one pay period adjustment, a vacation buy-back program, and increased overtime hours worked. Health insurance costs increased from $2,927,321 to $3,339,109 or 14.07%. 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 increased from $3,324,220 in fiscal 2024 to $3,451,957 in fiscal 2025, and increase of $127,736 or 3.8%. Contractual service expenditures decreased slightly from $3,559,784 in fiscal 2024 to $3,465,031 in fiscal 2025.

Transfers from other funds decreased $575,905 or 26.74% from $2,153,637 to $1,577,732. The transfer includes the overhead costs charged to the Solid Waste and Stormwater funds for support services provided by the General Fund such as accounting, billing, and personnel services. The overhead costs are re-calculated each year. Also, the General Fund credits the solid waste fund and stormwater fund for the fee offsets on behalf of low-income seniors. The General Fund also received distributions from the Hotel Motel Tax fund. Transfers were made to the E911 Fund ($350,000); Capital Improvement Fund ($500,000); the East Decatur TAD Fund ($715,000); and the Community Energy Fund ($167,020). After accounting for transfers in and out, the increase in fund balance was $2,257,110 and the ending fund balance is $17,268,066.

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 and ended in March 2024. This fund issued bonds of $5,095,000 in fiscal year 2019 for the approved transportation projects. Revenues for fiscal years 2024 and 2025 were $3,145,645 and $-, respectively, as collections on this referendum have ceased and a new SPLOST referendum was approved, the activities of which are reported now in the SPLOST II Fund.

SPLOST II Fund. The SPLOST II 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 2024. Revenues for fiscal years 2024 and 2025 were $1,190,243 and $4,753,625, respectively. This fund issued bonds of $8,250,000 in fiscal year 2025 for the approved transportation, cultural, and recreation projects; repayment of these bonds will be paid out of the related sales tax collections.

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 $410,200 to $3,884,426. Overall revenues decreased $789,870 or 9.41%. Tax revenues increased $624,199 or 9.96% as delinquent real property tax collections and assessed real property values increased. Intergovernmental revenue decreased $1,375,697 or 66.31% as prior year revenues benefitted from private and federal grants for bicycle path improvements, a solar battery project and state road maintenance grants. Expenditures for this fund decreased $4,438,354, or 47.55% from $9,333,390 to $4,895,036 as prior year expenditures included pedestrian and bicycle transportation improvements as well as significant vehicle purchases.

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 SPLOST funds of $663,180 and $663,020 for fiscal 2024 and 2025, respectively, to cover related debt service costs. This fund had an ending fund balance of $664,555, an increase of $87,458 from the prior year.

American Rescue Plan Act (ARPA) Fund. The purpose of this fund is to account for the revenue and expenditures related to the American Rescue Plan Act grant provided to the City from the United States Department of Treasury. The City received a total $9,595,820 under this act and expended $1,826,629 and $5,868,888 in fiscal 2024 and 2025, respectively, for general operating; capital outlay activities and transfer to other funds for eligible expenditures. At June 30, 2025, the City had $1,292,557 in available funds remaining under this program.

Debt Service Fund. The Debt Service Fund's fund balance, all of which is restricted for the payment of debt service, increased by $462,134 to $5,262,794 at June 30, 2025. 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 nonmajor governmental funds can be found on pages 93 through 96.

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 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 2024 and 2025 were $299,309 and $283,916, 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 were modest as the parking facility and conference are near full depreciation. 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 of 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 at June 30, 2025 was $26,454,639 which included increases in net position for fiscal 2025 of $2,333,875 and offset by a change in accounting principle of $45,159 related to compensated absences. The City's capital investment in infrastructure represents $15,828,496 of the fund's total net position. Operating revenues decreased from $3,856,571 in fiscal 2024 to $3,730,579 in fiscal year 2025. Cost of sales and services were $517,936 and $522,834 for fiscal 2024 and 2025, respectively. For fiscal 2024 and 2025, the fund transferred $460,900 and $494,300, respectively, to the General Fund for indirect costs.

This fund ended the year with over $12,578,816 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 2024 and 2025 were $2,927,575 and $3,227,514, respectively. In March 2024, the City Commission increased the single-family residential fee from $305 to $310. The increase in the single-family residential fee was recommended to cover actual cost increases and due to volatility in the recycling industry. Costs of sales for fiscal 2024 and 2025 were $2,839,979 and $2,633,494, respectively, a decrease of $206,485 or 7.27% primarily from decreases in pension allocations.

Total net position at June 30, 2025, was $578,879 which included decreases in net position for fiscal 2025 of $51,858 and an additional amount for a change in accounting principle of $174,677 related to compensated absences. The Solid Waste Fund ended with a positive cash position with cash balances at June 30, 2025, of $2,356,577. The Public Works staff continue to analyze costs and service charges to confirm that fees charged cover the cost of services delivered as well as developing alternative service delivery options to reduce costs.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The primary fiduciary fund is the Pension Trust Fund that holds assets to be used for paying pension obligations of City employees. The Pension Trust Fund had a net increase of $3,531,797 to net position during fiscal year 2025 reflecting positive movement in the financial markets. The net position restricted for benefits remains healthy at $58,638,269.

General Fund Budgetary Highlights

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 28. The original and final budgets anticipated a reduction to total fund balance of $3,372,070 and $2,364,350, respectively. Actual revenues were $152,047 less than the final budgeted amounts and were more than offset as total expenditures were $4,628,433 better than the final budget. Less than half of the expenditure results can be attributed to salary savings from vacancies compared to budgeted amounts. A similar amount can be attributed to less than budgeted professional and contractual services, including lower than expected parks and recreation facilities maintenance costs.

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, 2025, amounts to $138,108,384 (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 an increase in capital assets in fiscal year 2018. In fiscal year 2021, the City purchased the former 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 pages 59 through 61 of this report. The following table summarizes the capital assets (net of depreciation) for governmental activities, business-type activities and the total for the primary government (in thousands).

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
Land	$ 37,260	$ 37,260	$ 848	$ 909	$ 38,108	$ 38,169
Construction in progress	6,259	3,392	966	1,538	7,225	4,930
Land improvements	3,215	4,639	-	-	3,215	4,639
Infrastructure	22,530	25,249	13,992	13,618	36,522	38,867
Building and improvements	41,717	46,225	21	11	41,738	46,236
Machinery and equipment	2,370	1,906	-	-	2,370	1,906
Vehicles	1,576	1,938	-	-	1,576	1,938
Furniture, fixtures, and equipment	-	-	433	730	433	730
Subscription assets	1,128	677	27	16	1,155	693
Total	$ 116,055	$ 121,286	$ 16,287	$ 16,822	$ 132,342	$ 138,108

Long-Term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of $154,621,169 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 2025 is $3,384,463,000 with a current debt limitation for the City of $351,806,800, not including current debt outstanding. Current debt that applies to the debt limit totals $90,713,000, which leaves the City a legal debt margin of $260,213,000. The total net general obligation debt as a percentage of legal debt margin in 26.04%.

At June 30, 2025, the City had long-term debt for governmental activities in the amount of $206,829,917 which was comprised of $154,621,169 in bonds payable, and the remaining $52,208,748 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 $1,312,952 and is comprised of financed purchases, net pension liability and compensated absences.

Additional information on the City's long-term debt can be found in Note 8 on pages 62 through 72 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 $1,348,665 and was in line with the actuarially determined contribution for the fiscal year ended June 30, 2025.

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, 2025, City's total pension liability was $66,130,665. The plan fiduciary net position was $58,638,269 resulting in the City's net pension liability of $7,492,396, a modest decrease over the net pension liability of $8,184,476 at June 30, 2024. The plan fiduciary net position as a percentage of the total pension liability was 88.67%. According to the State Auditor, in 2023 approximately 76% of plans were over 80% funded. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 to $920,450.

The City also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of June 30, 2025, there were 92 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 $29,059,375 which is a modest increase over the prior year liability of $28,412,983 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 10 and 11 in the notes to the financial statements.

Economic Factors

The City's overall 2025 real estate property digest shows a growth rate of approximately 7.89% compared to the 2024 digest. Approximately 24% of this increase is due to growth from new construction, with 76% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity.

In fiscal year 2025, the City issued 2,038 building permits with $365,183,791 in total valuation, which included 18 new dwelling units (single-family detached and attached townhouses) with a valuation of $11,702,250, and 168 residential alteration/addition projects with a valuation of $18,406,919. Of the 2,038 permits issued in fiscal year 2025, 65 were for commercial renovations with a valuation of $59,186,890, showing an increase from 46 in fiscal year 2024 with a valuation of $19,076,650. There were five permits issued for commercial new construction with a valuation of $19,565,975, a decrease from 13 commercial new construction permits in fiscal year 2024 with a valuation of $133,503,022. Overall, total permit and inspection fees decreased from $1,964,246 in fiscal year 2024 to $1,542,165 in fiscal year 2025, however this is still an increase from $888,572 in fiscal year 2023. The numbers indicate a stable and robust development environment.

Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur submarket is 6.4%, a decrease from 6.8% in fiscal year 2024, and less than the 16.5% vacancy rate for the metropolitan Atlanta office market area. Office rents are around $29 per square foot, which matches that of Atlanta as a whole, where average rents are also $29 per square foot. 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 reached full enrollment of 1,400 students by 2025. The school plans to occupy the full building by the first quarter of 2026 to expand enrollment. Created to address the significant nursing shortage in the United States, the innovative new facility serves nursing students of all levels, from undergraduates to continuing education students and advanced practice nursing professionals.

The Callaway Redevelopment project at the corner of West Trinity Place and North McDonough Street includes a 34,000 square foot office building with ground floor retail, developed by AMLI and Cousins Properties. The co-working firm WeWork has leased all the office space and provides workspace for more than 450 WeWork members. WeWork's Chapter 11 bankruptcy filing in November 2023 created uncertainty about the future occupancy of this office space, however, WeWork retained their Decatur location for its high performance. 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 ground floor retail is near full occupancy.

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. 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 4.1%, compared to 3.9% last year and generally on par with the current overall Atlanta retail market vacancy rate of 4.2%. Average retail rents in City of Decatur submarket are $28.00 per square foot, compared $21.00 per square foot in fiscal year 2024 and $22 average retail rents across Atlanta as a whole.

A number of projects are recently completed or are underway that will add to the City's tax digest in the near future. A mixed-use project, known as Modera Decatur, broke ground in the third quarter of 2019 on the Bank of America site in downtown Decatur. The original 3.9-acre site contained a small two-story bank building and a large surface parking lot. The completed development includes 194 dwelling units, a new 4,500 square foot bank building, and 25,000 square feet of street-level retail surrounding a 386-space parking deck. The mixed-use project was delivered in the summer of 2023. The predevelopment site was appraised for $3.9 million. The appraised value in 2024 for the completed project is approximately $90 million.

Another greatly anticipated 640,000 square foot mixed-use project by AMLI is planned at 720-750 Commerce Drive, which replaces a vacant office building once occupied by the Decatur and DeKalb County Housing Authorities and a grocery building vacated by Kroger in December 2022. The approved project will be comprised of +/-27,300 square feet of ground floor retail space along Commerce Drive, which commercial space will include the shell for a

+/- 15,000 square foot grocery, up to 361 multi-family units, of which 36 will be inclusionary housing units, and an approximately 640-space structured parking deck. This project was approved for $13,994,739 million in property tax incentives through issuance of bonds by the Development Authority of the City of Decatur. The predevelopment site is currently appraised at nearly $11 million, whereas the expected appraised value of the completed project in fiscal year 2027 is $144.5 million.

The 145-room Hampton Inn opened in downtown Decatur in 2019 adjacent to the Marriott Courtyard and the City-owned conference center. This 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. In September 2023, the City approved a new 7-story Hilton dual-brand hotel with 241 guestrooms, ground floor cafe and rooftop restaurant in downtown Decatur at the corner of Swanton Way and Commerce Drive. Rather than constructing its own parking facility, the hotel will encourage use of MARTA transit and utilize valet parking services to access three nearby office parking decks that offer nearly 1,000 parking spaces at off-peak times. Construction is anticipated to begin in the second quarter of 2025 with completion expected the fourth quarter of 2027.

Gateway Decatur is a mixed-use development near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue. This 11-acre site includes a 65,000 square-foot Publix grocery store that opened in November 2021 and a 290-unit apartment complex developed by Toll Brothers completed in February 2023. The total value of the development is $79,613,000 million and the developer has invested an additional quarter-million dollars in public art that highlights the eastern gateway to the City.

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. 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. Columbia Residential was successful in obtaining low-income housing 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 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 are set aside as affordable. Construction was completed the second quarter of 2025. There is one outparcel remaining that fronts onto E. College Avenue for future development of the master plan. The land immediately surrounding the Avondale MARTA Station has been transformed from surface parking lots into a transit-oriented development with an appraised value of approximately $51 million.

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. Forty-one of the residential units will be permanently set aside as workforce housing, which exceeds the 10% required by the City's mandatory inclusionary housing ordinance. The predevelopment site was appraised for $6.8 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. Halo East Decatur is anticipated to be completed in third quarter of 2026.

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 be occupied by 96 condominiums and 40 townhomes and 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 stormwater detention pond and green space. The remaining 0.28 acres of the development site has been 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. All 40 townhomes and two-thirds of the condominiums are complete with occupancy having started in the second quarter 2022. The remainder of the condominium development phases are scheduled to be completed by second quarter of 2026.

According to the U.S. Census Bureau and Georgia Department of Labor, the unemployment rate for DeKalb County as of June 30, 2025, was 3.7% compared to 3.8% the prior year and overall aligned with steady state and nationwide employment rates. Unemployment rates are not available for the City but based on the variety of employers the City's rate is likely similar. Annual inflation in the Atlanta region decreased 1% compared to the prior year according to the Bureau of Labor Statistics. 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 March 2025, 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 proximity to Atlanta, its density, and the City's finances among other factors contributing to the affirmation. The strong bond credit rating ensures lower interest costs on outstanding debt. The fiscal year 2024-2025 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, 2025, unassigned fund balance in the General Fund was $15,500,364. During the budget drafting process, the City had estimated to deduct $1,530,610 from fund balance in the 2026 fiscal year budget bringing the total fund balance to $11,104,496 or 25% 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. On July 1, eligible full-time employees received a 2.5% in-step merit-based salary increase. The 2026 budget maintains the partially self-insured model for group health benefits, and includes an increase for health insurance costs. Enhancements were made to the plan based on employee feedback including coverage of sleep studies and offering an increased payout for accident insurance. The increased costs were offset by $500,000 of the health insurance fund balance. The City's required contribution to the Employees' Retirement System remained at 9.5% 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/audit.

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Decatur Tourism Board
ASSETS					
Cash and cash equivalents	$ 54,760,027	$ 14,966,907	$ 69,726,934	$ 4,309,096	$ 250,429
Taxes receivable, net	1,308,808	-	1,308,808	33,304	-
Other receivables	1,207,982	-	1,207,982	-	-
Accounts receivable, net of allowances	-	862,307	862,307	48,377	-
Due from primary government	-	-	-	455,499	123,468
Due from other governments	185,987	-	185,987	-	-
Internal balances	726,171	(726,171)	-	-	-
Prepaid items	1,109,275	-	1,109,275	-	-
Restricted:					
Investments	667,457	-	667,457	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	2,970,000	-	2,970,000	-	-
Lease receivable	2,151,973	-	2,151,973	-	-
Lease receivable - service concession arrangement	-	-	-	868,773	-
Fair value of hedging derivative	71,398	-	71,398	-	-
Capital assets:					
Non-depreciable	40,652,048	2,447,041	43,099,089	1,975,061	-
Depreciable, net of accumulated depreciation and amortization	80,633,752	14,375,543	95,009,295	918,035	41,842
Total assets	186,451,378	31,925,627	218,377,005	8,608,145	415,739
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	2,161,363	-	2,161,363	-	-
OPEB related items	2,269,305	-	2,269,305	-	-
Pension related items	1,535,466	136,590	1,672,056	-	-
Total deferred outflows of resources	5,966,134	136,590	6,102,724	-	-
LIABILITIES					
Accounts payable	2,576,653	335,026	2,911,679	27,464	134,903
Accrued liabilities	3,074,162	52,365	3,126,527	-	-
Unearned revenue	1,292,557	2,647,177	3,939,734	-	-
Due to component unit	295,051	283,916	578,967	-	-
Certificates of participation due within one year	195,000	-	195,000	-	-
Certificates of participation due in more than one year	1,320,000	-	1,320,000	-	-
Compensated absences due within one year	3,089,720	289,697	3,379,417	-	-
Compensated absences due in more than one year	545,245	51,122	596,367	-	-
Financed purchases due within one year	171,326	27,361	198,687	-	-
Financed purchases due in more than one year	175,553	62,112	237,665	-	-
Notes payable from direct borrowing due within one year	579,889	54,093	633,982	92,551	-
Notes payable from direct borrowing due in more than one year	9,477,014	196,380	9,673,394	1,285,688	-
Bonds payable due within one year	7,633,219	-	7,633,219	-	-
Bonds payable due in more than one year	146,987,950	-	146,987,950	-	-
Lease liability due within one year	-	-	-	42,285	-
Lease liability due in more than one year	-	-	-	169,898	-
Subscription liability due within one year	475,561	9,804	485,365	-	-
Subscription liability due in more than one year	239,720	10,332	250,052	-	-
Net pension liability due in more than one year	6,880,345	612,051	7,492,396	-	-
Total OPEB liability due within one year	901,000	-	901,000	-	-
Total OPEB liability due in more than one year	28,158,375	-	28,158,375	-	-
Total liabilities	214,068,340	4,631,436	218,699,776	1,617,886	134,903

Continued

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	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	71,398	-	71,398	-	-
OPEB related items	6,833,855	-	6,833,855	-	-
Pension related items	1,709,220	152,046	1,861,266	-	-
Lease arrangements	1,916,182	-	1,916,182	-	-
Deferred service concession arrangement receipts	-	-	-	850,362	-
Total deferred inflows of resources	10,530,655	152,046	10,682,701	850,362	-
NET POSITION					
Net investment in capital assets	45,481,628	16,643,181	62,124,809	1,347,653	41,842
Restricted for capital projects	11,497,202	-	11,497,202	-	-
Restricted for culture and recreation	1,231,518	-	1,231,518	-	-
Restricted for economic development	3,226,840	-	3,226,840	-	-
Restricted for law enforcement	22,295	-	22,295	-	-
Restricted for E911 services	653,134	-	653,134	-	-
Restricted for debt service	4,381,816	-	4,381,816	-	-
Restricted for tourism	-	-	-	-	238,994
Unrestricted	(98,675,916)	10,635,554	(88,040,362)	4,792,244	-
Total net position	$ (32,181,483)	$ 27,278,735	$ (4,902,748)	$ 6,139,897	$ 280,836

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, 2025

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	$ 17,124,178	$ 2,406,937	$ 5,868,888	$ -
Public safety	14,548,405	2,986,475	-	5
Public works	10,329,781	-	1,554	5,454,635
Recreation	7,166,409	4,006,624	3,511,098	-
Interest on long-term debt	4,225,048	-	91,247	-
Total governmental activities	53,393,821	9,400,036	9,472,787	5,454,640
Business-type activities:				
Solid waste	2,844,229	3,227,514	-	-
Stormwater	914,404	3,730,579	-	-
Conference center and parking deck	293,467	-	-	-
Total business-type activities	4,052,100	6,958,093	-	-
Total primary government	$ 57,445,921	$ 16,358,129	$ 9,472,787	$ 5,454,640
Component units:				
Downtown Development Authority	$ 1,831,393	$ -	$ -	$ -
Decatur Tourism Board	770,997	16,869	-	-
Total component units	$ 2,602,390	$ 16,869	$ -	$ -
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 previously reported				
Adjustment - change in accounting principle				
Net position, beginning of year, adjusted				
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
$ (8,848,353)	$ -	$ (8,848,353)		$ -	$ -
(11,561,925)	-	(11,561,925)		-	-
(4,873,592)	-	(4,873,592)		-	-
351,313	-	351,313		-	-
(4,133,801)	-	(4,133,801)		-	-
(29,066,358)	-	(29,066,358)		-	-
-	383,285	383,285		-	-
-	2,816,175	2,816,175		-	-
-	(293,467)	(293,467)		-	-
-	2,905,993	2,905,993		-	-
$ (29,066,358)	$ 2,905,993	$ (26,160,365)		$ -	$ -
$ -	$ -	$ -		$ (1,831,393)	$ -
-	-	-		-	(754,128)
$ -	$ -	$ -		$ (1,831,393)	$ (754,128)
$ 41,392,214	$ -	$ 41,392,214		$ 1,113,228	$ -
1,870,437	-	1,870,437		-	-
2,114,055	-	2,114,055		-	-
2,896,389	-	2,896,389		283,916	662,471
449,538	-	449,538		-	6,431
-	-	-		839,778	-
-	80,457	80,457		-	-
713,984	(713,984)	-		-	-
49,436,617	(633,527)	48,803,090		2,236,922	668,902
20,370,259	2,272,466	22,642,725		405,529	(85,226)
(50,648,641)	25,226,105	(25,422,536)		5,734,368	366,062
(1,903,101)	(219,836)	(2,122,937)		-	-
(52,551,742)	25,006,269	(27,545,473)		5,734,368	366,062
$ (32,181,483)	$ 27,278,735	$ (4,902,748)		$ 6,139,897	$ 280,836

CITY OF DECATUR, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	SPLOST Fund	SPLOST II Fund	Capital Improvement Fund	2010 URA Bond Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 16,788,994	$ 7,053,787	$ 13,197,545	$ 3,599,430	$ -	$ 4,705,826	$ 1,970,393	$ 7,444,052	$ 54,760,027
Taxes receivable, net	782,066	-	-	223,943	-	185,905	-	116,894	1,308,808
Other receivables	346,504	-	394,925	-	-	-	-	466,553	1,207,982
Lease receivable	-	-	-	-	2,151,973	-	-	-	2,151,973
Due from other funds	2,151,825	2,031,569	64,293	284,126	293,871	-	-	920,540	5,746,224
Due from other governments	-	-	-	150,954	-	-	-	-	150,954
Restricted investments	-	-	-	667,457	-	-	-	-	667,457
Prepaid expenditures	223,377	-	-	82,417	134,893	409,691	-	258,897	1,109,275
Other current assets	6,500	-	-	-	-	-	-	-	6,500
Total assets	$ 20,299,266	$ 9,085,356	$ 13,656,763	$ 5,008,327	$ 2,580,737	$ 5,301,422	$ 1,970,393	$ 9,206,936	$ 67,109,200
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ 1,368,724	$ -	$ -	$ 647,479	$ -	$ -	$ 105,181	$ 455,269	$ 2,576,653
Accrued liabilities	992,156	-	17,115	30,621	-	-	-	14,870	1,054,762
Due to component unit	128,509	-	-	43,074	-	-	-	123,468	295,051
Due to other funds	294,247	211,056	1,994,843	337,622	-	-	572,655	1,609,630	5,020,053
Unearned revenue-intergovernmental	-	-	-	-	-	-	1,292,557	-	1,292,557
Total liabilities	2,783,636	211,056	2,011,958	1,058,796	-	-	1,970,393	2,203,237	10,239,076
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	247,564	-	-	65,105	-	38,628	-	-	351,297
Leasing arrangements	-	-	-	-	1,916,182	-	-	-	1,916,182
Total deferred inflows of resources	247,564	-	-	65,105	1,916,182	38,628	-	-	2,267,479
FUND BALANCES									
Fund balances:									
Nonspendable:									
Prepaids	223,377	-	-	82,417	134,893	409,691	-	258,897	1,109,275
Restricted:									
Capital construction	-	8,874,300	11,644,805	2,565,627	-	-	-	1,070,621	24,155,353
Culture and recreation	-	-	-	-	-	-	-	1,231,518	1,231,518
Economic development	-	-	-	-	-	-	-	3,226,840	3,226,840
Debt service	-	-	-	-	529,662	4,853,103	-	178,441	5,561,206
Law enforcement	-	-	-	-	-	-	-	22,295	22,295
E911 services	-	-	-	-	-	-	-	651,035	651,035
Opioid mitigation	-	-	-	-	-	-	-	42,872	42,872
Assigned:									
Fiscal year 2026 operations	1,530,610	-	-	-	-	-	-	-	1,530,610
Greenspace acquisition	13,715	-	-	-	-	-	-	-	13,715
Cemetery operations	-	-	-	-	-	-	-	43,577	43,577
Equipment purchases	-	-	-	1,236,382	-	-	-	-	1,236,382
Energy efficiency, electrification and renewable energy projects	-	-	-	-	-	-	-	296,076	296,076
Unassigned	15,500,364	-	-	-	-	-	-	(18,473)	15,481,891
Total fund balances	17,268,066	8,874,300	11,644,805	3,884,426	664,555	5,262,794	-	7,003,699	54,602,645
Total liabilities, deferred inflows of resources, and fund balances	$ 20,299,266	$ 9,085,356	$ 13,656,763	$ 5,008,327	$ 2,580,737	$ 5,301,422	$ 1,970,393	$ 9,206,936	$ 67,109,200

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

CITY OF DECATUR, GEORGIA
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION OF THE GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

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

Fund balances - total governmental funds	$	54,602,645
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		121,285,800
Some receivables are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		351,297
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.		3,005,033
The fair market value of an effective hedging instrument is not a current financial resources used in governmental activities and, therefore, is not reported in the governmental funds.		71,398
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(170,748,234)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder and, therefore, are deferred in governmental activities.		(71,398)
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.		(40,678,024)
Net position - governmental activities	$	(32,181,483)

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, 2025

	General Fund	SPLOST Fund	SPLOST II Fund	Capital Improvement Fund	2010 URA Bonds Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes	$ 33,083,696	$ -	$ -	$ 6,892,341	$ -	$ 6,744,833	$ -	$ 1,514,218	$ 48,235,088
Licenses and permits	1,584,146	-	-	-	-	-	-	-	1,584,146
Intergovernmental	528,240	-	4,753,625	698,879	91,247	-	5,868,888	3,511,098	15,451,977
Fines and forfeitures	644,597	-	-	-	-	-	-	19,647	664,244
Charges for services	4,735,899	-	-	-	-	-	-	1,858,863	6,594,762
Investment income	340,857	196,710	38,974	16,386	87,446	-	-	14,124	694,497
Contributions	1,554	-	-	-	-	-	-	-	1,554
Other revenues	28,644	-	-	-	-	-	-	46,452	75,096
Total revenues	40,947,633	196,710	4,792,599	7,607,606	178,693	6,744,833	5,868,888	6,964,402	73,301,364
Expenditures									
Current:									
General government	14,804,995	-	-	781,286	-	-	-	918,779	16,505,060
Public safety	11,643,452	-	-	155,213	-	-	-	1,148,205	12,946,870
Public works	5,826,032	-	-	1,572,035	-	-	-	-	7,398,067
Culture and recreation	5,693,071	-	-	-	-	-	-	57,978	5,751,049
Capital outlay	-	192,941	920,892	1,590,623	-	-	3,598,847	5,334,844	11,638,147
Intergovernmental	100,000	-	-	103,480	-	-	-	-	203,480
Debt service:									
Principal retirements	433,393	-	-	629,803	461,056	3,315,000	-	2,414,434	7,253,686
Interest expenditures	36,784	-	-	62,596	293,199	2,967,699	-	1,604,329	4,964,607
Issuance costs	-	-	304,031	-	-	-	-	-	304,031
Total expenditures	38,537,727	192,941	1,224,923	4,895,036	754,255	6,282,699	3,598,847	11,478,569	66,964,997
Excess (deficiency) of revenues over expenditures	2,409,906	3,769	3,567,676	2,712,570	(575,562)	462,134	2,270,041	(4,514,167)	6,336,367
Other financing sources (uses):									
Sale of capital assets	1,492	-	-	-	-	-	-	-	1,492
Transfers in	1,577,732	-	-	518,000	663,020	-	-	7,589,961	10,348,713
Transfers out	(1,732,020)	-	(1,930,550)	(2,820,370)	-	-	(2,270,041)	(881,748)	(9,634,729)
Issuance of general obligation bonds	-	-	8,250,000	-	-	-	-	-	8,250,000
Premium from issuance of bonds	-	-	567,436	-	-	-	-	-	567,436
Total other financing sources (uses)	(152,796)	-	6,886,886	(2,302,370)	663,020	-	(2,270,041)	6,708,213	9,532,912
Net change in fund balances	2,257,110	3,769	10,454,562	410,200	87,458	462,134	-	2,194,046	15,869,279
Fund balances, July 1, as previously reported	15,010,956	8,870,531	-	3,474,226	577,097	4,800,660	-	5,999,896	38,733,366
Adjustment - change to reporting entity	-	-	1,190,243	-	-	-	-	(1,190,243)	-
Fund balances, July 1, as adjusted	15,010,956	8,870,531	1,190,243	3,474,226	577,097	4,800,660	-	4,809,653	38,733,366
Fund balances, June 30	$ 17,268,066	$ 8,874,300	$ 11,644,805	$ 3,884,426	$ 664,555	$ 5,262,794	$ -	$ 7,003,699	$ 54,602,645

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, 2025

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

Net change in fund balances - total governmental funds	$	15,869,279
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 or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		5,672,115
The net effect of the disposal of capital assets is to decrease net position.		(442,100)
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.		(289,275)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		38,007
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.		(938,747)
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.		460,980
Change in net position - governmental activities	$	20,370,259

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 31,055,200	$ 33,120,490	$ 33,083,696	$ (36,794)
Licenses and permits	1,421,700	1,729,200	1,584,146	(145,054)
Fines and forfeitures	587,000	622,500	644,597	22,097
Charges for services	5,807,050	4,757,950	4,735,899	(22,051)
Intergovernmental	514,400	465,740	528,240	62,500
Interest income	350,000	355,000	340,857	(14,143)
Contributions	-	500	1,554	1,054
Other revenues	158,600	48,300	28,644	(19,656)
Total revenues	39,893,950	41,099,680	40,947,633	(152,047)
Expenditures				
Current:				
General government:				
Commission	454,710	475,240	432,664	42,576
Manager	1,618,630	1,893,370	1,748,571	144,799
Administrative services	5,657,590	5,863,620	5,798,525	65,095
Attorney	550,000	745,000	721,068	23,932
Community and economic development	1,697,160	1,384,190	1,173,489	210,701
Development and inspection	2,641,590	2,767,770	2,628,104	139,666
Accounting, collection and records	2,911,440	2,691,880	2,302,574	389,306
Total general government	15,531,120	15,821,070	14,804,995	1,016,075
Public safety:				
General management	2,045,280	2,005,470	1,633,172	372,298
Fire	4,700,670	4,799,870	4,699,687	100,183
Police	5,845,400	5,917,480	5,304,560	612,920
Pandemic management	183,000	8,000	6,033	1,967
Total public safety	12,774,350	12,730,820	11,643,452	1,087,368
Public works:				
Engineering	815,390	831,690	767,148	64,542
Motor maintenance	1,363,230	1,243,180	1,145,186	97,994
Buildings and grounds maintenance	3,723,320	3,752,370	3,379,551	372,819
Cemetery	624,870	614,850	534,147	80,703
Total public works	6,526,810	6,442,090	5,826,032	616,058
Recreation	7,767,500	7,440,180	5,693,071	1,747,109
Intergovernmental	100,000	100,000	100,000	-
Debt service:				
Principal	345,400	518,200	433,393	84,807
Interest	76,000	113,800	36,784	77,016
	421,400	632,000	470,177	161,823
Total expenditures	43,121,180	43,166,160	38,537,727	4,628,433
Excess (deficiency) of revenues over expenditures	(3,227,230)	(2,066,480)	2,409,906	4,476,386
Other financing sources (uses)				
Sale of capital assets	10,000	8,000	1,492	(6,508)
Transfers in	1,650,890	1,576,150	1,577,732	1,582
Transfers out	(1,805,730)	(1,882,020)	(1,732,020)	150,000
Total other financing sources (uses)	(144,840)	(297,870)	(152,796)	145,074
Net change in fund balances	(3,372,070)	(2,364,350)	2,257,110	4,621,460
Fund balances, beginning of year	15,010,956	15,010,956	15,010,956	-
Fund balances, end of year	$ 11,638,886	$ 12,646,606	$ 17,268,066	$ 4,621,460

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,769,950	$ 6,065,070	$ 5,868,888	$ (196,182)
EXPENDITURES				
Capital outlay	2,070,000	3,794,690	3,598,847	195,843
Total expenditures	2,070,000	3,794,690	3,598,847	195,843
Excess of revenues over expenditures	1,699,950	2,270,380	2,270,041	(339)
Other financing uses				
Transfers out	(1,699,950)	(2,270,380)	(2,270,041)	339
Total other financing uses	(1,699,950)	(2,270,380)	(2,270,041)	339
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

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

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
			Other Enterprise Fund	
ASSETS	Solid Waste Fund	Stormwater Utility Fund	Conference Center and Parking Deck Fund	Totals
CURRENT ASSETS				
Cash	$ 2,356,577	$ 12,578,816	$ 31,514	$ 14,966,907
Accounts receivable, net of allowances	425,346	436,961	-	862,307
Due from other funds	-	-	283,916	283,916
Total current assets	2,781,923	13,015,777	315,430	16,113,130
NONCURRENT ASSETS				
Construction in progress	-	1,537,848	-	1,537,848
Land	-	714,332	194,861	909,193
Infrastructure	-	20,078,404	-	20,078,404
Buildings	-	-	8,605,815	8,605,815
Furniture, fixtures, and equipment	3,608,636	429,462	340,382	4,378,480
SBITA assets	24,342	24,342	-	48,684
	3,632,978	22,784,388	9,141,058	35,558,424
Accumulated depreciation and amortization	(2,932,455)	(6,876,030)	(8,927,355)	(18,735,840)
Total capital assets	700,523	15,908,358	213,703	16,822,584
Total assets	3,482,446	28,924,135	529,133	32,935,714
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	111,451	25,139	-	136,590
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	101,254	233,772	-	335,026
Accrued liabilities	28,590	23,775	-	52,365
Compensated absences payable	230,462	59,235	-	289,697
Financed purchases	27,361	-	-	27,361
Note payable	-	54,093	-	54,093
SBITA liability	4,902	4,902	-	9,804
Due to other funds	513,731	496,356	-	1,010,087
Due to component unit	-	-	283,916	283,916
Unearned revenue	1,377,305	1,269,872	-	2,647,177
Total current liabilities	2,283,605	2,142,005	283,916	4,709,526
NONCURRENT LIABILITIES				
Compensated absences payable	40,669	10,453	-	51,122
Note payable	-	196,380	-	196,380
Financed purchases	62,112	-	-	62,112
SBITA liability	5,166	5,166	-	10,332
Net pension liability	499,404	112,647	-	612,051
Total noncurrent liabilities	607,351	324,646	-	931,997
Total liabilities	2,890,956	2,466,651	283,916	5,641,523
DEFERRED INFLOWS OF RESOURCES				
Pension related items	124,062	27,984	-	152,046
NET POSITION				
Net investment in capital assets	600,982	15,828,496	213,703	16,643,181
Unrestricted	(22,103)	10,626,143	31,514	10,635,554
Total net position	$ 578,879	$ 26,454,639	$ 245,217	$ 27,278,735

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, 2025

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center and Parking Deck Fund	Totals
OPERATING REVENUE				
Intergovernmental	$ -	$ 247,728	$ -	$ 247,728
Stormwater fees	-	3,477,802	-	3,477,802
Sanitation fees	3,082,211	-	-	3,082,211
Miscellaneous	145,303	5,049	-	150,352
Total operating revenues	3,227,514	3,730,579	-	6,958,093
OPERATING EXPENSES				
Cost of sales and services	2,633,494	522,384	283,915	3,439,793
Depreciation and amortization	200,972	392,020	9,552	602,544
Total operating expenses	2,834,466	914,404	293,467	4,042,337
Operating income (loss)	393,048	2,816,175	(293,467)	2,915,756
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	80,457	-	-	80,457
Interest expense	(9,763)	-	-	(9,763)
Total nonoperating expenses	70,694	-	-	70,694
Income (loss) before transfers	463,742	2,816,175	(293,467)	2,986,450
Transfers in	-	12,000	283,916	295,916
Transfers out	(515,600)	(494,300)	-	(1,009,900)
Total transfers	(515,600)	(482,300)	283,916	(713,984)
Change in net position	(51,858)	2,333,875	(9,551)	2,272,466
Net position, beginning of year, as previously reported	805,414	24,165,923	254,768	25,226,105
Adjustment - change in accounting principle	(174,677)	(45,159)	-	(219,836)
Net position, beginning of year, as adjusted	630,737	24,120,764	254,768	25,006,269
Total net position, ending	$ 578,879	$ 26,454,639	$ 245,217	$ 27,278,735

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, 2025

	Business-Type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center and Parking Deck Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 3,222,244	$ 3,917,687	$ -	$ 7,139,931
Payments to suppliers	(650,914)	380,282	(594,766)	(865,398)
Payments to employees	(1,629,498)	(375,885)	-	(2,005,383)
Net cash provided by (used in) operating activities	941,832	3,922,084	(594,766)	4,269,150
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	12,000	60,118	72,118
Transfers out to other funds	(515,600)	(494,300)	-	(1,009,900)
Net cash provided by (used in) non-capital financing activities	(515,600)	(482,300)	60,118	(937,782)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(504,700)	(615,150)	-	(1,119,850)
Proceeds from sale of capital assets	80,457	-	-	80,457
Principal paid on financed purchases	(25,427)	-	-	(25,427)
Principal paid on note payable	-	(54,093)	-	(54,093)
Principal paid on SBITA	(4,710)	(4,710)	-	(9,420)
Interest paid on financed purchases and SBITA	(9,763)	-	-	(9,763)
Net cash used in capital and related financing activities	(464,143)	(673,953)	-	(1,138,096)
Net increase (decrease) in cash	(37,911)	2,765,831	(534,648)	2,193,272
Cash, beginning of year	2,394,488	9,812,985	566,162	12,773,635
Cash, end of year	$ 2,356,577	$ 12,578,816	$ 31,514	$ 14,966,907
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 393,048	$ 2,816,175	$ (293,467)	$ 2,915,756
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	200,972	392,020	9,552	602,544
Change in assets and liabilities:				
Decrease (Increase) in fees receivable	(164,957)	187,293	-	22,336
Decrease in due from other funds	45	-	-	45
Increase in deferred outflows for pension items	(71,250)	(17,424)	-	(88,674)
Increase in accounts payable	7,135	141,317	-	148,452
Increase (Decrease) in accrued liabilities	5,121	(50,642)	-	(45,521)
Increase in compensated absences payable	15,412	10,250	-	25,662
Increase (Decrease) in unearned revenue	159,687	(185)	-	159,502
Decrease in due to component unit	-	-	(310,851)	(310,851)
Increase in due to other funds	513,731	444,772	-	958,503
Decrease in net pension liability	(156,761)	(13,276)	-	(170,037)
Increase in deferred inflows for pension items	39,649	11,784	-	51,433
Net cash provided by (used in) operating activities	$ 941,832	$ 3,922,084	$ (594,766)	$ 4,269,150
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Financed purchases of capital assets	$ -	$ 114,900	$ -	$ 114,900
Accrued purchases of capital assets	$ -	$ 18,088	$ -	$ 18,088

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

CITY OF DECATUR, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Pension Trust Fund	Custodial Fund
ASSETS		
Cash	$ 583,210	$ 4,597,022
Taxes receivable	-	1,900,307
Investments:		
Mutual funds invested in equity securities	30,754,431	-
Mutual funds invested in fixed income securities	27,300,628	-
Total assets	58,638,269	6,497,329
LIABILITIES		
Due to others	-	4,597,022
Uncollected taxes	-	1,900,307
Total liabilities	-	6,497,329
NET POSITION		
Net position restricted for pension benefits	$ 58,638,269	$ -

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, 2025

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions		
Plan member contributions	$ 1,317,777	$ -
Employer contributions	1,348,665	-
Taxes	-	64,231,684
Total additions	2,666,442	64,231,684
Investment earnings		
Net increase in fair value of investments	3,916,307	-
Interest and dividends	1,471,174	-
Total investment earnings	5,387,481	-
Less investment expense	(241,949)	-
Net investment earnings	5,145,532	-
Total additions	7,811,974	64,231,684
DEDUCTIONS		
Benefit payments	4,225,172	-
Administrative fees	55,005	-
Taxes and fees paid to other governments	-	64,231,684
Total deductions	4,280,177	64,231,684
Change in net position	3,531,797	-
NET POSITION		
Beginning of year	55,106,472	-
End of year	$ 58,638,269	$ -

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 nonfiduciary 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 noncurrent assets and noncurrent 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 lease 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 **SPLOST II Fund** accounts for the special purpose local option sales tax revenue collected and payments made for capital project expenditures on projects included in the 2023 voter-approved referendum. These resources are to be used for improvements to parking facilities, parks and recreation facilities, public safety buildings, road improvements, and administrative facilities.

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

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 **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 **Enterprise Fund** accounts for the City's activities involving its conference center and parking deck.

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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 nonoperating 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

E. Deposits and Investments

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

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed (purchase method).

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, 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), right-to-use lease assets, and right-to-use subscription 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 No. 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 lease buildings	3-4
Right-to-use subscription assets	4-5

J. Leases

Lessee

The City of Decatur Downtown Development Authority (the “DDA”) is a lessee for a noncancelable lease of a building. 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)

Lessee (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 leases 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)

Lessor (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. Subscription-Based Information Technology Arrangements

The City has entered into a noncancelable long-term subscription-based information technology arrangement (SBITA) for its information technology infrastructure. The City recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide and proprietary fund financial statements.

At the commencement of the subscription term, the City measures the subscription liability at the present value of payments expected to be paid during the term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

Activities associated with the City's SBITA, other than making subscription payments, are accounted for as follows:

- Preliminary project stage activities including evaluating alternatives, determining the needed technology, and vendor selection are expensed as incurred.
- Initial implementation stage activities include all ancillary charges necessary to place the subscription asset into service are capitalized in addition to the subscription asset.
- Operation and additional implementation stage activities such as maintenance and support are expensed as incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Subscription Based Information Technology Arrangements (Continued)

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The subscription term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

L. 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)

L. 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, 2025 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 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)

L. 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.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City estimates its liability for sick pay based on whether such accumulated amounts are more likely than not to be used for time off or paid at separation. 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.

N. 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)

O. 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)

O. 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.

P. 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.

Q. 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 $3,005,033 difference are as follows:

Installment sale receivable	$	2,970,000
Accrued interest receivable		35,033
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	3,005,033

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 $170,748,234 difference are as follows:

Financed purchases payable	$	(346,879)
SBITA liability		(715,281)
Certificates of participation		(1,515,000)
Accrued interest payable		(2,019,400)
Notes payable		(10,056,903)
Bonds payable		(147,319,753)
Bond premium		(7,301,416)
Deferred charges from bond refunding		2,161,363
Compensated absences		(3,634,965)
Net adjustment to decrease *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(170,748,234)

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 ($40,678,024) difference are as follows:

Deferred outflows of resources - pension related items	$ 1,535,466
Deferred inflows of resources - pension related items	(1,709,220)
Deferred outflows of resources - OPEB related items	2,269,305
Deferred inflows of resources - OPEB related items	(6,833,855)
Total OPEB liability	(29,059,375)
Net pension liability	(6,880,345)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities*	$ (40,678,024)

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 $5,672,115 difference are as follows:

Capital outlay	$ 11,180,943
Depreciation and amortization expense	(5,508,828)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 5,672,115

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 ($938,747) difference are as follows:

Principal retirements	$	7,253,686
Bond issuance		(8,250,000)
Bond issuance - premium		(567,436)
Amortization of premiums		785,281
Amortization of deferred charges from refunding		(160,278)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(938,747)

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 $460,980 difference are as follows:

Compensated absences	$	(558,451)
Accrued interest		114,556
Pension expense		847,051
OPEB expense		57,824
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	460,980

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 ($289,275) difference are as follows:

Principal payments received	$	(280,000)
Change in accrued interest		(9,275)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(289,275)

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 following fund had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2025:

Community Energy Fund		
General government	$	21,674

This over-expenditure was funded by available fund balance.

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, 2025:

Investment	Maturities	Fair Value
Deposits with Financial Institutions	---	$ 62,065,102
Guaranteed Investment Contract	June 1, 2028	667,457
Georgia Fund 1 - cash equivalents	51 days	12,842,064
Total		$ 75,574,623
As Reported in the Statement of Net Position:		
Cash and cash equivalents		$ 69,726,934
Restricted:		
Investments		667,457
Cash and cash equivalents - Fiduciary Funds		5,180,232
Total		$ 75,574,623

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 8 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, 2025, 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, 2025 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, 2025, the Pension Trust Fund had $58,055,059 invested in the following types of investments:

Investment		Fair Value
Mutual funds invested in equities	$	30,754,431
Mutual funds invested in fixed income		27,300,628
Total	$	58,055,059

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, 2025, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2025, 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, 2025, the Pension Trust Fund had $58,055,059 invested in the following investments as categorized by interest rate risk:

Investment		Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	$	30,754,431	N/A
Mutual funds invested in fixed income		27,300,628	5.2
Total	$	58,055,059	

Rate of Return: For the year ended June 30, 2025, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 9.78%. 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, 2025, 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, 2025:

Investment	Level 1
Mutual funds invested in equities	$ 30,754,431
Mutual funds invested in fixed income	27,300,628
Total investments	$ 58,055,059

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, 2025, 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	Capital Improvement	2010 URA Bond	Debt Service
Receivables:				
Taxes	$ 798,976	$ 230,888	$ -	$ 192,384
Lease receivable	-	-	2,151,973	-
Due from other governments	-	150,954	-	-
Other	346,504	-	-	-
Less allowance for uncollectible	(16,910)	(6,945)	-	(6,479)
Net total receivable	$ 1,128,570	$ 374,897	$ 2,151,973	$ 185,905

	SPLOST II	Nonmajor Governmental Funds
Receivables:		
Taxes	$ -	$ 116,894
Other	394,925	466,553
Net total receivable	$ 394,925	$ 583,447

Proprietary Funds	Solid Waste	Stormwater
Receivables:		
Accounts	$ 592,119	$ 658,224
Less allowance for uncollectible	(166,773)	(221,263)
Net total receivable	$ 425,346	$ 436,961

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:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 295,000	$ 70,065	$ 365,065
2027	300,000	61,215	361,215
2028	315,000	52,215	367,215
2029	325,000	42,765	367,765
2030	335,000	33,015	368,015
2031-2034	1,400,000	59,995	1,459,995
Total	$ 2,970,000	$ 319,270	$ 3,289,270

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, 2025 was $125,406. At June 30, 2025, the City's receivable for lease payments was $2,151,973. 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. 94. 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, 2025, 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, 2025, is as follows:

	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 37,260,198	$ -	$ -	$ -	$ 37,260,198
Construction in progress	6,258,772	9,975,383	(12,400,205)	(442,100)	3,391,850
Total	43,518,970	9,975,383	(12,400,205)	(442,100)	40,652,048
Capital assets, being depreciated and amortized:					
Land improvements	4,877,812	95,236	1,445,683	-	6,418,731
Infrastructure	47,894,889	23,272	3,915,745	-	51,833,906
Buildings and improvements	67,784,485	41,181	7,038,777	-	74,864,443
Machinery and equipment	9,567,221	39,648	-	(7,460)	9,599,409
Vehicles	8,469,316	1,006,223	-	(58,800)	9,416,739
Subscription assets	2,031,864	-	-	-	2,031,864
Total	140,625,587	1,205,560	12,400,205	(66,260)	154,165,092
Less accumulated depreciation for and amortization for:					
Land improvements	(1,662,576)	(117,521)	-	-	(1,780,097)
Infrastructure	(25,364,504)	(1,220,729)	-	-	(26,585,233)
Buildings and improvements	(26,067,693)	(2,571,160)	-	-	(28,638,853)
Machinery and equipment	(7,197,212)	(504,060)	-	7,460	(7,693,812)
Vehicles	(6,893,737)	(643,833)	-	58,800	(7,478,770)
Subscription assets	(903,050)	(451,525)	-	-	(1,354,575)
Total	(68,088,772)	(5,508,828)	-	66,260	(73,531,340)
Total capital assets, being depreciated and amortized, net	72,536,815	(4,303,268)	12,400,205	-	80,633,752
Governmental activities capital assets, net	$ 116,055,785	$ 5,672,115	$ -	$ (442,100)	$ 121,285,800

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental Activities:	
General government	$ 635,217
Public safety	1,876,714
Public works	1,548,250
Recreation	1,448,647
Total	$ 5,508,828

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 848,059	$ 61,134	$ -	$ 909,193
Construction in progress	965,745	572,103	-	1,537,848
Total	1,813,804	633,237	-	2,447,041
Capital assets, being depreciated and amortized:				
Infrastructure	20,078,404	-	-	20,078,404
Buildings	8,605,815	-	-	8,605,815
Furniture, fixtures, and equipment	4,350,425	504,700	(476,645)	4,378,480
Subscription assets	48,684	-	-	48,684
Total	33,083,328	504,700	(476,645)	33,111,383
Less accumulated depreciation for and amortization for:				
Infrastructure	(6,086,049)	(374,220)	-	(6,460,269)
Buildings	(8,585,269)	(9,115)	-	(8,594,384)
Furniture, fixtures, and equipment	(3,916,987)	(208,391)	476,645	(3,648,733)
Subscription assets	(21,636)	(10,818)	-	(32,454)
Total	(18,609,941)	(602,544)	476,645	(18,735,840)
Total capital assets, being depreciated and amortized, net	14,473,387	(97,844)	-	14,375,543
Business-type activities capital assets, net	$ 16,287,191	$ 535,393	$ -	$ 16,822,584

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Business-Type Activities:	
Solid Waste	$ 200,972
Stormwater	392,020
Conference Center and Parking Deck	9,552
Total	$ 602,544

Component Units

Capital asset activity for the Decatur Downtown Development Authority for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 1,975,061	$ -	$ -	$ 1,975,061
Total	1,975,061	-	-	1,975,061
Capital assets, being depreciated and amortized:				
Machinery and equipment	233,616	-	-	233,616
Leasehold Improvements	1,139,834	-	-	1,139,834
Lease assets - building	451,635	-	(163,949)	287,686
Total	1,825,085	-	(163,949)	1,661,136
Less accumulated depreciation and amortization for:				
Machinery and equipment	(7,787)	(15,574)	-	(23,361)
Leasehold Improvements	(582,579)	(47,493)	-	(630,072)
Lease assets - building	(188,789)	(64,828)	163,949	(89,668)
Total	(779,155)	(127,895)	163,949	(743,101)
Total capital assets, being depreciated and amortized, net	1,045,930	(127,895)	-	918,035
Decatur Downtown Development Authority capital assets, net	$ 3,020,991	$ (127,895)	$ -	$ 2,893,096

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the City's governmental activities for the year ended June 30, 2025 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 144,225,000	$ 8,250,000	$ (5,800,000)	$ 146,675,000	$ 7,595,000
Direct placement bonds	680,809	-	(36,056)	644,753	38,219
Plus: premium	7,519,261	567,436	(785,281)	7,301,416	-
Total bonds payable	152,425,070	8,817,436	(6,621,337)	154,621,169	7,633,219
Financed purchases from direct borrowings	555,616	-	(208,737)	346,879	171,326
Notes payable from direct borrowings	10,623,852	-	(566,949)	10,056,903	579,889
Subscription liability	1,172,225	-	(456,944)	715,281	475,561
Certificates of participation	1,700,000	-	(185,000)	1,515,000	195,000
Total OPEB liability	28,412,983	3,602,519	(2,956,127)	29,059,375	901,000
Net pension liability	7,402,388	6,943,656	(7,465,699)	6,880,345	-
Compensated absences	3,076,514	558,451 *	-	3,634,965	3,089,720
Governmental activities long-term liabilities	$ 205,368,648	$ 19,922,062	$ (18,460,793)	$ 206,829,917	$ 13,045,715

Long-term liability activity for the City's business-type activities for the year ended June 30, 2025 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Financed purchases from direct borrowings	$ 114,900	$ -	$ (25,427)	$ 89,473	$ 27,361
Subscription liability	29,556	-	(9,420)	20,136	9,804
Note payable	304,566	-	(54,093)	250,473	54,093
Net pension liability	782,088	617,683	(787,720)	612,051	-
Compensated absences	315,157	25,662 *	-	340,819	289,697
Business-type activities long-term liabilities	$ 1,546,267	$ 643,345	$ (876,660)	$ 1,312,952	$ 380,955

* The change in the City's compensated absence liabilities is presented as a net change.

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Effective July 1, 2024, the City adopted the provisions of Governmental Accounting Standards Statement No. 101, *Compensated Absences*. This change in accounting principle resulted in a restatement of the compensated absence balance as of the beginning of the fiscal year (Note 18).

For governmental funds, compensated absences, the net pension liability, and the total OPEB liability 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, 2025, the outstanding principal amount is $21,975,000.

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 semiannually on February 1 and August 1, beginning on August 1, 2016. The bonds mature August 1, 2042. As of June 30, 2025, the outstanding principal amount is $58,450,000.

In April 2025 the City issued General Obligation Bonds (SPLOST II), Series 2025 in the amount of $8,250,000. The proceeds from the bonds, combined with an original issue premium in the amount of $567,436, were used to disburse $8,817,436 to the City of Decatur for the purpose of paying (a) all or a portion of the costs of any of the City's capital outlay projects approved by the voters of the City in the November 7, 2023 referendum and (b) the costs of issuing the bonds. The bonds are payable first from the proceeds of a one percent special purpose local option sales tax (SPLOST). To the extent that SPLOST proceeds are insufficient to make such payments, principal and interest are payable from a direct ad valorem tax to be levied upon all taxable property within the City subject to taxation for general obligation bond purposes. Interest rates range from 3% to 5% and payments are due semiannually on June 1 and December 1, beginning on December 1, 2025. The bonds mature June 1, 2030. As of June 30, 2025, the outstanding principal amount is $8,250,000.

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Revenue Bonds. 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 semiannual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2038. As of June 30, 2025, the outstanding principal amount is $7,350,000.

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 semiannual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2044. As of June 30, 2025, the outstanding principal amount is $22,435,000.

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

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 semiannually on April 1 and October 1. As of June 30, 2025, the outstanding principal balance on these bonds is $4,590,000.

In March 2022, the Decatur Housing Authority (the “Housing Authority”), a related organization, issued $4,060,000 in Series 2022 Revenue Bonds (the “Series 2022 Bonds”), the proceeds of which were provided to the City in order to purchase seven (7) acres of land from the Decatur Public Facilities Authority, a blended component unit, for a low-income housing development. The City entered into an intergovernmental agreement with the Housing Authority whereby the City is required to make payments to the Housing Authority sufficient to cover debt service on the Series 2022 Bonds. Semiannual interest payments commenced on February 1, 2023, and principal is due annually beginning February 1, 2023 through June 30, 2028. Interest on the Series 2022 Bonds is fixed at 1.82%. As of June 30, 2025, the outstanding principal balance on these bonds is $1,770,000.

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 semiannual payments of principal and interest commencing February 1, 2028 through the maturity date of February 1, 2047. 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, 2025, the outstanding principal amount is $21,855,000.

NOTE 8. 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
2026	$ 7,595,000	$ 4,892,146	$ 12,487,146
2027	7,970,000	4,542,336	12,512,336
2028	8,320,000	4,207,568	12,527,568
2029	8,715,000	3,828,386	12,543,386
2030	9,135,000	3,435,741	12,570,741
2031-2035	40,735,000	12,631,991	53,366,991
2036-2040	37,385,000	6,587,240	43,972,240
2041-2045	23,920,000	1,910,178	25,830,178
2046-2047	2,900,000	131,100	3,031,100
Total	$ 146,675,000	$ 42,166,686	$ 188,841,686

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 semiannually on July 1 and January 1, beginning July 1, 2011. The bonds mature January 1, 2037. As of June 30, 2025, the outstanding principal amount is $644,754.

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
2026	$ 38,219	$ 38,685	$ 76,904
2027	40,512	36,392	76,904
2028	42,943	33,961	76,904
2029	45,520	31,385	76,905
2030	48,251	28,654	76,905
2031-2035	288,313	96,208	384,521
2036-2038	140,995	12,813	153,808
	$ 644,753	$ 278,098	$ 922,851

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed Purchases from Direct Borrowings. 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, 2025, the total amount of principal outstanding was $346,879.

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 were required until maturity on September 26, 2024 at an interest rate of 3.26%.

Debt service requirements as of June 30, 2025 for governmental activities' financed purchases from direct borrowings are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 171,326	$ 8,568	$ 179,894
2027	175,553	4,336	179,889
Total	$ 346,879	$ 12,904	$ 359,783

In October 2023, the City entered into a financed purchase agreement in the amount of $114,900 to finance the purchase of a street sweeper. The street sweeper is recorded under business-type activities under the Solid Waste Fund. Annual principal and interest payments are required until maturity on October 30, 2027 at an interest rate of 8.75%. At June 30, 2025, the total amount of principal outstanding was $89,473.

Debt service requirements as of June 30, 2025 for business-type activities' financed purchases from direct borrowings are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 27,361	$ 7,829	$ 35,190
2027	29,754	5,435	35,189
2028	32,358	2,831	35,189
Total	$ 89,473	$ 16,095	$ 105,568

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

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, 2025, the outstanding principal amount is $9,037,656.

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, 2025, the outstanding principal amount is $1,019,246.

In March 2020, the Decatur Housing Authority (DHA) loaned the City $500,000 to assist in stormwater infrastructure repairs on DHA-owned property. The City will not repay DHA directly but recognize a reduction in the liability rather than bill DHA for its annual stormwater fees. The note does not carry interest. As of June 30, 2025, the outstanding principal amount is $250,473.

Debt service requirements as of June 30, 2025 for notes payable from direct borrowings associated with governmental activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 579,889	$ 182,419	$ 762,308
2027	593,150	169,158	762,308
2028	606,741	155,567	762,308
2029	620,670	141,638	762,308
2030	360,217	127,632	487,849
2031-2035	1,895,800	542,092	2,437,892
2036-2040	2,063,866	374,026	2,437,892
2041-2045	2,246,831	191,061	2,437,892
2046-2049	1,089,739	22,015	1,111,754
Total	$ 10,056,903	$ 1,905,608	$ 11,962,511

Debt service requirements as of June 30, 2025 for notes payable from direct borrowings associated with business-type activities are as follows:

Fiscal Year Ending June 30,	Principal
2026	$ 54,093
2027	54,093
2028	54,093
2029	54,093
2030	34,101
Total	$ 250,473

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Subscription Liability. The City has entered into a subscription-based information technology arrangement whereby various departments within the City are able to access and utilize virtual office services. Monthly minimum payments required under the subscription agreement are $42,162 through December 31, 2026. As the agreement does not contain a stated interest rate, the City used its incremental borrowing rate of 4.0% to discount the future payments.

Debt service requirements as of June 30, 2025 for the City's SBITA liability for governmental activities are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 475,561	$ 20,167	$ 495,728
2027	239,720	2,866	242,586
Total	$ 715,281	$ 23,033	$ 738,314

Debt service requirements as of June 30, 2025 for the City's SBITA liability for business-type activities are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 9,804	$ 416	$ 10,220
2027	10,332	359	10,691
Total	$ 20,136	$ 775	$ 20,911

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 Association's issuance of Certificates of Participation in the amount of $150,126,000. 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.

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Certificates of Participation (Continued)

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 semiannual 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 (2) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

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, 2025, the floating rate being paid by the City is 0.40% and the fair value of this agreement is $71,398, an increase of $4,970 from the fair value at the end of the previous fiscal year. The fair value of the hedge was determined using settlement prices at the end of the day on June 30, 2025 based on the derivative contract and it is reported as a noncurrent 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.

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Certificates of Participation (Continued)

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

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2026	$ 195,000	$ 67,770	$ 262,770
2027	-	62,700	62,700
2028	1,320,000	62,700	1,382,700
Total	$ 1,515,000	$ 193,170	$ 1,708,170

Decatur Downtown Development Authority

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 1,467,657	$ -	$ (89,418)	$ 1,378,239	$ 92,551
Lease liabilities	273,335	-	(61,152)	212,183	42,285
Decatur DDA Long-term liabilities	$ 1,740,992	$ -	$ (150,570)	$ 1,590,422	$ 134,836

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, 2025, the outstanding principal amount is $44,979.

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 0.42% (or 5% annually) with monthly payments of $11,285 until maturity in February 2039. As of June 30, 2025, the outstanding principal amount is $1,333,260.

NOTE 8. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 92,551	$ 65,357	$ 157,908
2027	96,135	61,773	157,908
2028	77,413	58,005	135,418
2029	81,374	54,044	135,418
2030	85,537	49,881	135,418
2031-2035	497,983	179,108	677,091
2036-2039	447,246	43,743	490,989
Total	$ 1,378,239	$ 511,911	$ 1,890,150

The Decatur DDA has entered into a lease agreement as lessee for the acquisition and use of a building to be used a community gathering center. An initial lease liability was recorded in the amount of $163,949. The DDA was 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 had an interest rate of 4%.

The Decatur DDA has also entered into a lease agreement as lessee for the use of a building to be used for the City of Decatur's Visitor Center. An initial lease liability was recorded in the amount of $287,686. As of June 30, 2025, the value of the lease liability was $212,183. The DDA is required to make monthly principal and interest payments of $3,976 through November 30, 2024, at which point payments increase by 3% annually, through the term of the lease ending on November 30, 2029. The lease has an interest rate of 4%.

Future principal and interest payments to be made on these leases, to maturity, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 42,285	$ 7,725	$ 50,010
2027	45,535	5,975	51,510
2028	48,964	4,091	53,055
2029	52,580	2,067	54,647
2030	22,819	229	23,048
Total	$ 212,183	$ 20,087	$ 232,270

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from primary government and component units:

Receivable	Payable	Amount
Component unit - Downtown Development Authority	Primary government - General Fund	$ 128,509
Component unit - Downtown Development Authority	Primary government - Capital Improvement Fund	43,074
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	283,916
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	123,468
Total		$ 578,967

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Utility Fund	$ 496,214
General Fund	Nonmajor governmental funds	1,047,725
General Fund	SPLOST Fund	94,155
General Fund	Solid Waste	513,731
SPLOST Fund	SPLOST II Fund	1,817,873
SPLOST Fund	Nonmajor governmental funds	213,696
SPLOST II Fund	Nonmajor governmental funds	64,293
Capital Improvement Fund	Stormwater Utility Fund	142
Capital Improvement Fund	General Fund	283,984
2010 URA Bond Fund	SPLOST Fund	116,901
2010 URA Bond Fund	SPLOST II Fund	176,970
Nonmajor governmental funds	General Fund	10,263
Nonmajor governmental funds	Capital Improvement Fund	337,622
Nonmajor governmental funds	ARPA Fund	572,655
Nonmajor enterprise funds	Nonmajor governmental funds	283,916
Total		$ 6,030,140

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.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor governmental funds	$ 567,832
General Fund	Stormwater Utility Fund	494,300
General Fund	Solid Waste Fund	515,600
		$ 1,577,732
Capital Improvement Fund	General Fund	$ 500,000
Capital Improvement Fund	Nonmajor governmental funds	18,000
		$ 518,000
2010 URA Bonds Fund	SPLOST II Fund	$ 663,020
Nonmajor governmental funds	Capital Improvement Fund	$ 2,820,370
Nonmajor governmental funds	ARPA Fund	2,270,041
Nonmajor governmental funds	General Fund	1,232,020
Nonmajor governmental funds	SPLOST II Fund	1,267,530
		$ 7,589,961
Stormwater Utility Fund	Nonmajor governmental funds	$ 12,000
Nonmajor enterprise funds	Nonmajor governmental funds	$ 283,916

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 10. 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, 2024, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	128
Terminated vested participants not yet receiving benefits	23
Active participants	219
	370

Benefits

The Plan provides retirement, disability, and death benefits. Retirement benefits for general plan members are calculated as 1% 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 10. 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 8% 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, 2025, the City's contributions were $1,348,665, which was 9.26% of covered payroll.

NOTE 10. PENSION PLANS (Continued)

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	4.00% to 6.75%
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-2021. 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-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of the most recent experience study for the years 2019 through 2023.

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, 2025 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 2.50% assumed rate of inflation.

NOTE 10. 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, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2024	$ 63,290,948	$ 55,106,472	$ 8,184,476
Changes for the year:			
Service cost	1,348,559	-	1,348,559
Interest	4,376,884	-	4,376,884
Differences between expected and actual experience	1,780,891	-	1,780,891
Assumption changes	(441,445)	-	(441,445)
Contributions - employer	-	1,348,665	(1,348,665)
Contributions - employee	-	1,317,777	(1,317,777)
Net investment income	-	5,145,532	(5,145,532)
Benefit payments, including refunds of employee contributions	(4,225,172)	(4,225,172)	-
Administrative expense	-	(55,005)	55,005
Net changes	2,839,717	3,531,797	(692,080)
Balances at June 30, 2025	$ 66,130,665	$ 58,638,269	$ 7,492,396

The Plan's fiduciary net position as of June 30, 2025, as a percentage of the total pension liability, was 88.67%. 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 10. 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%)
$ 15,381,259	$ 7,492,396	$ 920,453

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, 2025 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, 2025, the City recognized pension expense of $294,336. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,468,852	$ 630,616
Difference resulting from changes in actuarial assumptions	203,204	353,156
Net difference between projected and actual earnings on pension plan investments	-	877,494
Total	$ 1,672,056	$ 1,861,266

NOTE 10. 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:		
2026	$	1,415,191
2027		(884,820)
2028		(718,559)
2029		(1,022)
Total	$	(189,210)

NOTE 11. 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 healthcare, 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 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

As of July 1, 2024, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	92
Active participants	188
	280

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, 2025, the City contributed $860,952 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, 2025 and was determined by an actuarial valuation as of July 1, 2024 with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial Assumptions. The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	5.20%
Healthcare cost trend rate:	8.00% - 4.50%, ultimate trend in 2034
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 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 5.20%. 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 5.20% as determined by the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2025.

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, 2025, were as follows:

	Total OPEB Liability
Balances at June 30, 2024	$ 28,412,983
Changes for the year:	
Service cost	1,414,480
Interest	1,237,800
Differences between expected and actual experience	950,239
Assumption changes	(2,095,175)
Benefit payments	(860,952)
Net changes	646,392
Balances at June 30, 2025	$ 29,059,375

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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 33,056,488	$ 29,059,375	$ 25,786,050

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Current (8.0% Decreasing to 4.5%)	1% Decrease (9.0% Decreasing to 5.5%)
Total OPEB Liability	$ 25,102,444	$ 29,059,375	$ 33,990,503

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, 2025 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, 2025, the City recognized OPEB expense of $803,128. At June 30, 2025, 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	$ 941,954	$ 2,135,495
Changes in assumptions	1,327,351	4,698,360
Total	$ 2,269,305	$ 6,833,855

NOTE 11. 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:		
2026	$	(1,849,155)
2027		(2,477,794)
2028		(8,613)
2029		(228,988)
Total	$	(4,564,550)

NOTE 12. DEFINED CONTRIBUTION PENSION PLAN

The City of Decatur's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full-time employees. Plan provisions and contribution requirements are established and may be amended by the City Commission. At June 30, 2025, there were 49 active plan members, 41 of which were making contributions to the plan.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the year ended June 30, 2024, were $170,009.84. The City Commission has approved discretionary employer contributions for employees in six positions. Total employer contributions for the year ended June 30, 2025 were $70,483.

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, 2025, there was one plan member. There were no employer contributions for the year ended June 30, 2025.

NOTE 13. 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 14. 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 15. 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
2025	$ 66,927	$ 53,987	$ 29,356	$ 91,558
2024	-	148,204	81,277	66,927

NOTE 15. 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, 2025.

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
2025	$ 394,525	$ 3,369,203	$ 3,283,389	$ 480,339
2024	319,738	3,676,708	3,601,921	394,525

NOTE 16. 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, 2025, contractual commitments on uncompleted contracts were $1,423,120.

NOTE 16. 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 17. 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 $1,514,218 for the year ended June 30, 2025. 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 18. ACCOUNTING CHANGES

Change in Major Funds

In the current year, the City's SPLOST II Fund meets the definition of a major fund, whereas in the prior year it did not meet this definition. The effect of this change to or within the reporting entity is shown in Column B of the table on the next page.

NOTE 18. ACCOUNTING CHANGES (Continued)

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the City is restating the beginning net position for governmental activities, business-type activities, and proprietary funds noted below. The effect of this change in accounting principle is shown in Column A below.

	June 30, 2024 As Previously Reported	Change in Accounting Principle (A)	Change in Major Funds (B)	June 30, 2024 As Restated
Government-Wide				
Governmental Activities	$ (50,648,641)	$ (1,903,101)	$ -	$ (52,551,742)
Business-Type Activities	25,226,105	(219,836)	-	25,006,269
Total Primary Government	$ (25,422,536)	$ (2,122,937)	$ -	$ (27,545,473)
Governmental Funds				
Major Funds:				
SPLOST II Fund	$ -	$ -	$ 1,190,243	$ 1,190,243
Nonmajor Funds	5,999,896	-	(1,190,243)	4,809,653
Total Governmental Funds	$ 5,999,896	$ -	$ -	$ 5,999,896
Proprietary Funds				
Major Funds:				
Solid Waste Fund	$ 805,414	$ (174,677)	$ -	$ 630,737
Stormwater Utility Fund	24,165,923	(45,159)	-	24,120,764
Total Proprietary Funds	$ 24,971,337	$ (219,836)	$ -	$ 24,751,501

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 1,348,559	$ 1,115,988	$ 1,045,217	$ 1,033,341	$ 1,110,184
Interest on total pension liability	4,376,884	4,334,826	4,218,959	4,044,841	3,980,475
Differences between expected and actual experience	1,780,891	(1,051,026)	16,643	187,407	(811,492)
Changes in actuarial assumptions	(441,445)	-	84,784	846,463	135,189
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,225,172)	(3,837,873)	(3,724,388)	(3,548,670)	(3,287,331)
Net change in total pension liability	2,839,717	561,915	1,641,215	2,563,382	1,127,025
Total pension liability - beginning	63,290,948	62,729,033	61,087,818	58,524,436	57,397,411
Total pension liability - ending (a)	$ 66,130,665	$ 63,290,948	$ 62,729,033	$ 61,087,818	$ 58,524,436
Plan fiduciary net position					
Contributions - employer	$ 1,348,665	$ 1,301,865	$ 1,077,978	$ 1,056,175	$ 1,034,423
Contributions - employee	1,317,777	1,299,924	1,085,423	1,102,101	1,118,406
Net investment income (loss)	5,145,532	6,017,428	4,218,624	(6,611,681)	11,385,323
Benefit payments, including refunds of member contributions	(4,225,172)	(3,837,873)	(3,724,388)	(3,548,670)	(3,287,331)
Administrative expenses	(55,005)	(36,848)	(34,749)	(36,361)	(48,674)
Net change in plan fiduciary net position	3,531,797	4,744,496	2,622,888	(8,038,436)	10,202,147
Plan fiduciary net position - beginning	55,106,472	50,361,976	47,739,088	55,777,524	45,575,377
Plan fiduciary net position - ending (b)	$ 58,638,269	$ 55,106,472	$ 50,361,976	$ 47,739,088	$ 55,777,524
City's net pension liability - ending (a) - (b)	$ 7,492,396	$ 8,184,476	$ 12,367,057	$ 13,348,730	$ 2,746,912
Plan fiduciary net position as a percentage of the total pension liability	88.67%	87.07%	80.28%	78.15%	95.31%
Covered payroll	$ 14,564,202	$ 12,354,351	$ 11,937,554	$ 11,858,381	$ 11,947,032
City's net pension liability as a percentage of covered payroll	51.44%	66.25%	103.60%	112.57%	22.99%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 1,063,766	$ 1,006,350	$ 1,022,483	$ 952,885	$ 938,166
Interest on total pension liability	3,709,335	3,651,487	3,427,102	3,317,074	3,164,496
Differences between expected and actual experience	1,580,193	(588,010)	820,485	-	849,742
Changes in actuarial assumptions	1,409,418	-	1,101,020	-	2,744,933
Changes in benefit terms	(732,235)	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,119,588)	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)
Net change in total pension liability	3,910,889	587,678	3,554,361	1,551,241	5,378,908
Total pension liability - beginning	53,486,522	52,898,844	49,344,483	47,793,242	42,414,334
Total pension liability - ending (a)	$ 57,397,411	$ 53,486,522	$ 52,898,844	$ 49,344,483	$ 47,793,242
Plan fiduciary net position					
Contributions - employer	$ 1,007,751	$ 945,300	$ 880,322	$ 859,173	$ 941,003
Contributions - employee	1,129,135	1,099,074	1,040,763	989,242	1,006,352
Net investment income	2,495,788	3,115,789	3,312,134	3,606,939	87,025
Benefit payments, including refunds of member contributions	(3,119,588)	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)
Administrative expenses	(32,499)	(109,897)	(39,816)	(46,743)	(54,408)
Net change in plan fiduciary net position	1,480,587	1,568,117	2,376,674	2,689,893	(338,457)
Plan fiduciary net position - beginning	44,094,790	42,526,673	40,149,999	37,460,106	37,798,563
Plan fiduciary net position - ending (b)	$ 45,575,377	$ 44,094,790	$ 42,526,673	$ 40,149,999	$ 37,460,106
City's net pension liability - ending (a) - (b)	$ 11,822,034	$ 9,391,732	$ 10,372,171	$ 9,194,484	$ 10,333,136
Plan fiduciary net position as a percentage of the total pension liability	79.40%	82.44%	80.39%	81.37%	78.38%
Covered payroll	$ 12,359,976	$ 11,185,643	$ 11,691,803	$ 11,696,251	$ 10,892,115
City's net pension liability as a percentage of covered payroll	95.65%	83.96%	88.71%	78.61%	94.87%

CITY OF DECATUR, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 1,191,293	$ 1,149,979	$ 1,077,961	$ 1,060,221	$ 1,135,892
Contributions in relation to the actuarially determined contribution	1,348,665	1,301,865	1,077,978	1,056,175	1,034,423
Contribution deficiency (excess)	$ (157,372)	$ (151,886)	$ (17)	$ 4,046	$ 101,469
Covered payroll	$ 14,564,202	$ 12,354,351	$ 11,937,554	$ 11,858,381	$ 11,947,032
Contributions as a percentage of covered payroll	9.26%	10.54%	9.03%	8.91%	8.66%

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

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	June 30, 2024
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	3.00%-7.00% (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

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	9.78%	12.39%	9.48%	(11.94%)	5.7%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	5.8%	7.7%	8.5%	14.9%	0.1%

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

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 1,414,480	$ 1,117,289	$ 1,188,400	$ 2,046,086
Interest on total OPEB liability	1,237,800	1,099,981	1,161,284	834,570
Differences between expected and actual experience	950,239	(365,577)	(3,062,976)	(2,072,877)
Changes of assumptions and other inputs	(2,095,175)	1,467,455	(143,327)	(8,894,668)
Benefit payments	(860,952)	(837,118)	(826,298)	(718,838)
Net change in total OPEB liability	646,392	2,482,030	(1,682,917)	(8,805,727)
Total OPEB liability - beginning	28,412,983	25,930,953	27,613,870	36,419,597
Total OPEB liability - ending	$ 29,059,375	$ 28,412,983	$ 25,930,953	$ 27,613,870
Covered-employee payroll	$ 20,892,572	$ 18,283,975	$ 14,593,525	$ 9,841,019
City's total OPEB liability as a percentage of covered-employee payroll	139.09%	155.40%	177.69%	280.60%

	2021	2020	2019	2018
Total OPEB liability	$ 1,696,284	$ 1,609,711	$ 1,541,662	$ 1,704,797
Service cost	853,256	1,207,802	1,297,300	1,426,178
Interest on total OPEB liability	1,090,588	(7,398,970)	(2,956,105)	-
Differences between expected and actual experience	2,681,273	2,902,424	1,782,465	(8,521,132)
Changes of assumptions and other inputs	(561,962)	(914,922)	(775,665)	(749,348)
Benefit payments	5,759,439	(2,593,955)	889,657	(6,139,505)
Net change in total OPEB liability	30,660,158	33,254,113	32,364,456	38,503,961
Total OPEB liability - beginning	$ 36,419,597	$ 30,660,158	$ 33,254,113	$ 32,364,456
Total OPEB liability - ending				
Covered-employee payroll	$ 11,765,194	$ 8,973,157	$ 13,326,662	$ 13,326,662
City's total OPEB liability as a percentage of covered-employee payroll	309.55%	341.69%	249.53%	242.85%

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.

Opioid Settlement Fund – To account for restricted funds received from legal settlements related to the nationwide opioid epidemic.

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.

School Zone Safety Fund – To account for the use of fines by the City's Police Department for public safety initiatives that were collected due to violation of speed limits in school zones.

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.

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.

Community Energy Fund – To account for the financial resources provided to support the community's clean energy efforts for the Decatur Clean Energy Plan.

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.

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

Public Facilities Authority Fund – To account for the proceeds from the issuance of the Series 2017 and Series 2022 Revenue Bonds, proceeds from the issuance of a note payable, and the expenditures of those funds for major capital projects.

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, 2025

	Special Revenue Funds						
ASSETS	Confiscated Drug Fund	Opioid Settlement Fund	Emergency Telephone System Fund	School Zone Safety Fund	Grant Fund	Tree Bank Fund	Hotel/Motel Tax Fund
Cash and cash equivalents	$ 22,283	$ 51,586	$ 495,741	$ 1,026,796	$ 335,264	$ 75,891	$ 1,055,157
Taxes receivable	-	-	-	-	-	-	116,894
Other receivables	-	-	165,058	102,861	42,427	-	-
Due from other funds	12	-	5,312	-	-	1,189	-
Prepaid items	-	-	2,099	-	-	-	-
Total assets	$ 22,295	$ 51,586	$ 668,210	$ 1,129,657	$ 377,691	$ 77,080	$ 1,172,051
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 206	$ -	$ 2,467	$ 95,553	$ -
Accrued expenditures	-	-	14,870	-	-	-	-
Due to component unit	-	-	-	-	-	-	123,468
Due to other funds	-	8,714	-	10,590	262,773	-	1,048,583
Total liabilities	-	8,714	15,076	10,590	265,240	95,553	1,172,051
FUND BALANCES							
Nonspendable:							
Prepaid items	-	-	2,099	-	-	-	-
Restricted:							
Capital construction	-	-	-	-	-	-	-
Culture and recreation	-	-	-	1,119,067	112,451	-	-
Economic development	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Law enforcement	22,295	-	-	-	-	-	-
E911 services	-	-	651,035	-	-	-	-
Opioid mitigation	-	42,872	-	-	-	-	-
Assigned:							
Cemetery operations	-	-	-	-	-	-	-
Energy efficiency, electrification and renewable energy projects	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	(18,473)	-
Total fund balance	22,295	42,872	653,134	1,119,067	112,451	(18,473)	-
Total liabilities and fund balance	$ 22,295	$ 51,586	$ 668,210	$ 1,129,657	$ 377,691	$ 77,080	$ 1,172,051

Capital Projects Funds					
Community Energy Fund	Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	TAD Fund	Total Nonmajor Governmental Funds
$ 317,750	$ 39,827	$ 118,808	$ 678,109	$ 3,226,840	$ 7,444,052
-	-	-	-	-	116,894
-	-	-	156,207	-	466,553
-	3,750	337,622	572,655	-	920,540
-	-	256,798	-	-	258,897
$ 317,750	$ 43,577	$ 713,228	$ 1,406,971	$ 3,226,840	$ 9,206,936
$ 21,674	$ -	$ -	$ 335,369	$ -	$ 455,269
-	-	-	-	-	14,870
-	-	-	-	-	123,468
-	-	277,989	981	-	1,609,630
21,674	-	277,989	336,350	-	2,203,237
-	-	256,798	-	-	258,897
-	-	-	1,070,621	-	1,070,621
-	-	-	-	-	1,231,518
-	-	-	-	3,226,840	3,226,840
-	-	178,441	-	-	178,441
-	-	-	-	-	22,295
-	-	-	-	-	651,035
-	-	-	-	-	42,872
-	43,577	-	-	-	43,577
296,076	-	-	-	-	296,076
-	-	-	-	-	(18,473)
296,076	43,577	435,239	1,070,621	3,226,840	7,003,699
$ 317,750	$ 43,577	$ 713,228	$ 1,406,971	$ 3,226,840	$ 9,206,936

CITY OF DECATUR, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds						
	Confiscated Drug Fund	Opioid Settlement Fund	Emergency Telephone System Fund	School Zone Safety Fund	Grant Fund	Tree Bank Fund	Hotel/Motel Tax Fund
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,514,218
Intergovernmental	-	-	-	-	877,442	-	-
Charges for services	-	-	712,783	1,129,657	-	16,423	-
Fines and forfeitures	-	19,647	-	-	-	-	-
Interest	5	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	5	19,647	712,783	1,129,657	877,442	16,423	1,514,218
EXPENDITURES							
Current:							
General government	-	-	-	-	12,227	84,123	662,470
Public safety	-	14,382	1,123,233	10,590	-	-	-
Culture and recreation	-	-	-	-	57,978	-	-
Capital outlay	-	-	-	-	792,427	-	-
Debt service:							
Principal	-	-	23,551	-	-	-	-
Interest	-	-	1,999	-	-	-	-
Total expenditures	-	14,382	1,148,783	10,590	862,632	84,123	662,470
Excess (deficiency) of revenues over expenditures	5	5,265	(436,000)	1,119,067	14,810	(67,700)	851,748
Other financing sources (uses):							
Transfers in	-	-	350,000	-	-	-	-
Transfers out	-	-	-	-	-	-	(851,748)
Issuance of bonds	-	-	-	-	-	-	-
Premium from issuance of bonds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	350,000	-	-	-	(851,748)
Net change in fund balances	5	5,265	(86,000)	1,119,067	14,810	(67,700)	-
Fund balances, July 1	22,290	37,607	739,134	-	97,641	49,227	-
Adjustment - change to reporting entity	-	-	-	-	-	-	-
Fund balances, July 1, as adjusted	22,290	37,607	739,134	-	97,641	49,227	-
Fund balances (deficits), end of year	$ 22,295	$ 42,872	$ 653,134	$ 1,119,067	$ 112,451	$ (18,473)	$ -

Capital Projects Funds						
SPLOST II Fund	Community Energy Fund	Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	Tax Allocation District Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 1,514,218
-	-	-	363,615	2,270,041	-	3,511,098
-	-	-	-	-	-	1,858,863
-	-	-	-	-	-	19,647
-	-	-	-	14,119	-	14,124
-	-	45,451	-	1,001	-	46,452
-	-	45,451	363,615	2,285,161	-	6,964,402
-	21,674	31,239	-	107,046	-	918,779
-	-	-	-	-	-	1,148,205
-	-	-	-	-	-	57,978
-	-	-	-	4,542,417	-	5,334,844
				-		
-	-	-	1,330,000	1,060,883	-	2,414,434
-	-	-	638,510	963,820	-	1,604,329
-	21,674	31,239	1,968,510	6,674,166	-	11,478,569
-	(21,674)	14,212	(1,604,895)	(4,389,005)	-	(4,514,167)
-	167,020	-	1,604,900	4,570,041	898,000	7,589,961
-	-	(30,000)	-	-	-	(881,748)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	167,020	(30,000)	1,604,900	4,570,041	898,000	6,708,213
-	145,346	(15,788)	5	181,036	898,000	2,194,046
1,190,243	150,730	59,365	435,234	889,585	2,328,840	5,999,896
(1,190,243)	-	-	-	-	-	(1,190,243)
-	150,730	59,365	435,234	889,585	2,328,840	4,809,653
	$ 296,076	$ 43,577	$ 435,239	$ 1,070,621	$ 3,226,840	$ 7,003,699

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ 2	$ 5	$ 3
EXPENDITURES				
Public safety	50	50	-	50
Net change in fund balances	(50)	(48)	5	53
FUND BALANCES, beginning of year	22,290	22,290	22,290	-
FUND BALANCES, end of year	$ 22,240	$ 22,242	$ 22,295	$ 53

CITY OF DECATUR, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 19,646	$ 19,646	$ 19,647	$ 1
EXPENDITURES				
Public safety	19,646	19,646	14,382	5,264
Total expenditures	19,646	19,646	14,382	5,264
Net change in fund balances	-	-	5,265	(5,263)
FUND BALANCES, beginning of year	-	-	37,607	-
FUND BALANCES, end of year	$ -	$ -	$ 42,872	$ (5,263)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 655,000	$ 680,000	$ 712,783	$ 32,783
EXPENDITURES				
Current:				
Public safety	1,470,510	1,378,350	1,123,233	255,117
Total public safety	1,470,510	1,378,350	1,123,233	255,117
Debt service:				
Principal	-	23,551	23,551	-
Interest	-	1,999	1,999	-
Total debt service	-	25,550	25,550	-
Total expenditures	1,470,510	1,403,900	1,148,783	255,117
Deficiency of revenues over expenditures	(815,510)	(723,900)	(436,000)	287,900
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Net change in fund balances	(465,510)	(373,900)	(86,000)	287,900
FUND BALANCES, beginning of year	739,134	739,134	739,134	-
FUND BALANCES, end of year	$ 273,624	$ 365,234	$ 653,134	$ 287,900

CITY OF DECATUR, GEORGIA
SCHOOL ZONE SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 500,000	$ 1,050,000	$ 1,129,657	$ 79,657
EXPENDITURES				
Current:				
Public safety	54,150	149,150	10,590	138,560
Net change in fund balances	445,850	900,850	1,119,067	218,217
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ 445,850	$ 900,850	$ 1,119,067	$ 218,217

CITY OF DECATUR, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,350,000	$ 997,788	$ 877,442	$ (120,346)
EXPENDITURES				
General government	600,000	14,500	12,227	2,273
Education	68,670	61,500	57,978	3,522
Capital outlay	2,550,000	800,000	792,427	7,573
Total expenditures	3,218,670	876,000	862,632	13,368
Net change in fund balances	131,330	121,788	14,810	(106,978)
FUND BALANCES, beginning of year	97,641	97,641	97,641	-
FUND BALANCES, end of year	$ 228,971	$ 219,429	$ 112,451	$ (106,978)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 20,000	$ 36,000	$ 16,423	$ (19,577)
EXPENDITURES				
General government	30,000	85,000	84,123	877
Net change in fund balances	(10,000)	(49,000)	(67,700)	(18,700)
FUND BALANCES, beginning of year	49,227	49,227	49,227	-
FUND BALANCES (DEFICIT), end of year	$ 39,227	$ 227	$ (18,473)	$ (18,700)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,585,000	$ 1,515,000	$ 1,514,218	$ (782)
EXPENDITURES				
General government	693,430	663,120	662,470	650
Excess of revenues over expenditures	891,570	851,880	851,748	(132)
OTHER FINANCING USES				
Transfers out	(891,570)	(851,880)	(851,748)	132
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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,123,000	$ 6,805,000	$ 6,744,833	$ (60,167)
Total revenues	6,123,000	6,805,000	6,744,833	(60,167)
EXPENDITURES				
Debt service:				
Principal retirements	3,315,000	3,315,000	3,315,000	-
Interest and fiscal charges	2,967,710	2,967,710	2,967,699	11
Total expenditures	6,282,710	6,282,710	6,282,699	11
Net change in fund balances	(159,710)	522,290	462,134	(60,156)
FUND BALANCES, beginning of year	4,800,660	4,800,660	4,800,660	-
FUND BALANCES, end of year	$ 4,640,950	$ 5,322,950	$ 5,262,794	$ (60,156)

CITY OF DECATUR, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ 195,000	$ 196,710	$ 1,710
Total revenues	-	195,000	196,710	1,710
EXPENDITURES				
Capital outlay	4,800,000	350,000	192,941	157,059
Total expenditures	4,800,000	350,000	192,941	157,059
Net change in fund balances	(4,800,000)	(155,000)	3,769	158,769
FUND BALANCES, beginning of year	8,870,531	8,870,531	8,870,531	-
FUND BALANCES, end of year	$ 4,070,531	$ 8,715,531	$ 8,874,300	$ 158,769

CITY OF DECATUR, GEORGIA
SPLOST II FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,900,000	$ 4,700,000	$ 4,753,625	$ 53,625
Interest	-	-	38,974	38,974
Total revenues	3,900,000	4,700,000	4,792,599	92,599
EXPENDITURES				
General government	500,000	-	-	-
Capital outlay	2,444,450	2,660,000	920,892	1,739,108
Debt service:				
Issuance costs	-	307,290	304,031	3,259
Total expenditures	2,944,450	2,967,290	1,224,923	1,742,367
Excess of revenues over expenditures	955,550	1,732,710	3,567,676	1,834,966
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	8,250,000	8,250,000	-
Premium from debt issuance	-	567,430	567,436	6
Transfers out	(1,930,550)	(1,930,550)	(1,930,550)	-
Total other financing sources (uses)	(1,930,550)	6,886,880	6,886,886	6
Net change in fund balances	(975,000)	8,619,590	10,454,562	1,834,972
FUND BALANCES, beginning of year	1,190,243	1,190,243	1,190,243	-
FUND BALANCES, end of year	$ 215,243	$ 9,809,833	$ 11,644,805	$ 1,834,972

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,275,000	$ 6,860,000	$ 6,892,341	$ 32,341
Intergovernmental	1,612,210	698,000	698,879	879
Interest	-	-	16,386	16,386
Total revenues	7,887,210	7,558,000	7,607,606	49,606
EXPENDITURES				
General government	1,068,700	1,117,600	781,286	336,314
Public safety	196,400	155,300	155,213	87
Public works	2,275,000	2,525,000	1,572,035	952,965
Capital outlay	3,061,600	1,883,160	1,590,623	292,537
Intergovernmental	105,900	105,900	103,480	2,420
Debt service:				
Principal retirements	630,000	630,000	629,803	197
Interest and fiscal charges	77,880	77,880	62,596	15,284
Total expenditures	7,415,480	6,494,840	4,895,036	1,599,804
Excess (deficiency) of revenues over expenditures	471,730	1,063,160	2,712,570	1,649,410
OTHER FINANCING SOURCES (USES)				
Financed purchases	1,007,100	1,013,990	-	(1,013,990)
Transfers in	768,000	518,000	518,000	-
Transfers out	(2,787,960)	(2,820,370)	(2,820,370)	-
Total other financing sources (uses)	(1,012,860)	(1,288,380)	(2,302,370)	(1,013,990)
Net change in fund balances	(541,130)	(225,220)	410,200	635,420
FUND BALANCES, beginning of year	3,474,226	3,474,226	3,474,226	-
FUND BALANCES, end of year	$ 2,933,096	$ 3,249,006	$ 3,884,426	$ 635,420

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 91,240	$ 91,240	$ 91,247	$ 7
Interest	-	-	87,446	87,446
Total revenues	91,240	91,240	178,693	87,453
EXPENDITURES				
Debt service:				
Principal retirements	461,060	461,060	461,056	4
Interest and fiscal charges	293,200	293,200	293,199	1
Total expenditures	754,260	754,260	754,255	5
Deficiency of revenues over expenditures	(663,020)	(663,020)	(575,562)	87,458
OTHER FINANCING SOURCES				
Transfers in	663,020	663,020	663,020	-
Total other financing sources	663,020	663,020	663,020	-
Net change in fund balances	-	-	87,458	87,458
FUND BALANCES, beginning of year	577,097	577,097	577,097	-
FUND BALANCES, end of year	$ 577,097	$ 577,097	$ 664,555	$ 87,458

CITY OF DECATUR, GEORGIA
COMMUNITY ENERGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 400,000	$ 400,000	$ -	$ (400,000)
EXPENDITURES				
General government	701,460	-	21,674	(21,674)
Excess (deficiency) of revenues over expenditures	(301,460)	400,000	(21,674)	(421,674)
OTHER FINANCING SOURCES				
Transfers in	$ 150,730	$ 167,020	$ 167,020	$ -
Net change in fund balances	(150,730)	567,020	145,346	(421,674)
FUND BALANCES, beginning of year	150,730	150,730	150,730	-
FUND BALANCES, end of year	$ -	$ 717,750	$ 296,076	$ (421,674)

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Other revenues	$ 30,000	$ 37,000	$ 45,451	$ 8,451
EXPENDITURES				
General government	40,000	38,000	31,239	6,761
Excess (deficiency) of revenues over expenditures	(10,000)	(1,000)	14,212	15,212
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(40,000)	(31,000)	(15,788)	15,212
FUND BALANCES, beginning of year	59,365	59,365	59,365	-
FUND BALANCES, end of year	$ 19,365	$ 28,365	$ 43,577	$ 15,212

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 363,620	$ 363,620	$ 363,615	$ (5)
EXPENDITURES				
Debt service:				
Principal retirements	1,330,000	1,330,000	1,330,000	-
Interest and fiscal charges	638,520	638,520	638,510	10
Total expenditures	1,968,520	1,968,520	1,968,510	10
Deficiency of revenues over expenditures	(1,604,900)	(1,604,900)	(1,604,895)	5
OTHER FINANCING SOURCES				
Transfers in	1,604,650	1,604,900	1,604,900	-
Net change in fund balances	(250)	-	5	5
FUND BALANCES, beginning of year	435,234	435,234	435,234	-
FUND BALANCES, end of year	$ 434,984	$ 435,234	$ 435,239	$ 5

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,959,000	$ 2,250,380	$ 2,270,041	$ 19,661
Interest	-	14,690	14,119	(571)
Miscellaneous	-	-	1,001	1,001
Total revenues	1,959,000	2,265,070	2,285,161	20,091
EXPENDITURES				
General government	303,150	224,920	107,046	117,874
Capital outlay	3,918,950	4,650,640	4,542,417	108,223
Debt service:				
Principal retirements	1,060,900	1,060,900	1,060,883	17
Interest and fiscal charges	964,000	964,000	963,820	180
Total expenditures	6,247,000	6,900,460	6,674,166	226,294
Deficiency of revenues over expenditures	(4,288,000)	(4,635,390)	(4,389,005)	246,385
OTHER FINANCING SOURCES				
Transfers in	3,999,950	4,550,380	4,570,041	19,661
Total other financing sources	3,999,950	4,550,380	4,570,041	19,661
Net change in fund balances	(288,050)	(85,010)	181,036	266,046
FUND BALANCES, beginning of year	889,585	889,585	889,585	-
FUND BALANCES, end of year	$ 601,535	$ 804,575	$ 1,070,621	$ 266,046

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Capital outlay	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES				
Transfers in	898,000	898,000	898,000	-
Net change in fund balances	898,000	898,000	898,000	-
FUND BALANCES, beginning of year	2,328,840	2,328,840	2,328,840	-
FUND BALANCES, end of year	$ 3,226,840	$ 3,226,840	$ 3,226,840	$ -

CITY OF DECATUR, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	$ 4,092,137	$ 4,092,137	$ -	$ 4,092,137	100.00 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	7,863,204	7,863,204	-	7,863,204	100.00
Railroad Crossing, Bicycle, Pedestrian, and Traffic Calming Improvements	7,029,218	9,097,586	1,850,858 (1)	192,941	2,043,799	22.47
Total SPLOST	$ 20,529,218	$ 21,052,927	$ 13,806,199	$ 192,941	$ 13,999,140	
SPLOST II:						
Repayment of 2010 Series Urban Redevelopment Bonds	$ 4,488,526	$ 4,488,526	$ -	$ 663,020	$ 663,020	- %
Repayment of 2013 Series Urban Redevelopment Bonds	7,596,230	7,596,230	-	1,267,530	1,267,530	16.69
Transportation Projects	9,350,000	9,350,000	-	1,224,923	1,224,923	13.10
Culture Projects	4,185,000	4,185,000				
Recreation Projects	4,972,369	4,972,369	-	-	-	-
Total SPLOST II	$ 30,592,125	$ 30,592,125	$ -	$ 3,155,473	$ 3,155,473	

(1) The balance of expenditures from prior years for this project has been corrected by the City to appropriately reflect the actual balance of the SPLOST funds expended in accordance with the voter-approved referendum.

COMPONENT UNITS

CITY OF DECATUR, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2025

ASSETS		
Cash	$	4,309,096
Taxes receivables		33,304
Other receivables, net of allowance		48,377
Due from primary government		455,499
Total assets	$	4,846,276
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	27,464
Total liabilities		27,464
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes		27,062
Total deferred inflows of resources		27,062
FUND BALANCE		
Unassigned		4,791,750
Total fund balance		4,791,750
Total liabilities, deferred inflows of resources, and fund balance	$	4,846,276

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, 2025

REVENUES		
Taxes	$	1,403,241
Miscellaneous		753,739
Total revenues		2,156,980
EXPENDITURES		
Downtown development		1,631,487
Debt service:		
Principal retirement		150,570
Interest and fiscal charges		72,011
Total expenditures		1,854,068
Net change in fund balance		302,912
FUND BALANCE, beginning of year		4,488,838
FUND BALANCE, end of year	$	4,791,750

CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2025

ASSETS		
Cash	$	250,429
Due from primary government		123,468
Total assets	$	373,897
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	134,903
Total liabilities		134,903
FUND BALANCE		
Restricted for promotion of tourism		238,994
Total fund balance		238,994
Total liabilities and fund balance	$	373,897

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, 2025

REVENUES		
Taxes	$	662,471
Charges for services		16,869
Interest		6,431
Total revenues		685,771
EXPENDITURES		
Tourism		758,214
Total expenditures		758,214
Net change in fund balance		(72,443)
FUND BALANCE, beginning of year		311,437
FUND BALANCE, end of year	$	238,994

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 **119**

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 **130**

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

Debt Capacity **136**

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 **141**

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 **143**

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)

	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	**$ 45,482**	$ 36,472	$ 29,061	$ 23,480
Restricted	**21,013**	15,185	13,696	12,486
Unrestricted	**(98,676)**	(104,208)	(104,811)	(108,095)
Total governmental activities net position	**$ (32,181)**	$ (52,551) (4)	$ (62,054)	$ (72,129) (3)
Business-type activities				
Net investment in capital assets	**$ 16,643**	$ 16,073	$ 15,881	$ 15,965
Unrestricted	**10,636**	8,933	7,477	5,746
Total business-type activities net position	**$ 27,279**	$ 25,006	$ 23,358	$ 21,711
Primary government				
Net investment in capital assets	**$ 62,125**	$ 52,545	$ 44,942	$ 39,445
Restricted	**21,013**	15,185	13,696	12,486
Unrestricted	**(88,040)**	(95,275)	(97,334)	(102,349)
Total primary government net position	**$ (4,902)**	$ (27,545) (4)	$ (38,696)	$ (50,418) (3)

NOTES:

(1) 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.

(2) 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.

(3) During 2023, the City restated its beginning net position of governmental activities to address the correction of an error from the prior year in the amount of $1,895 (in thousands).

(4) During 2025, the City restated its beginning net position of governmental activities and business-type activities for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences.*

2021	2020	2019	2018	2017	2016
$ 21,802	$ 21,600	$ 17,811	$ 13,343	$ 13,369	$ 10,030
10,252	6,483	11,064	12,058	6,664	5,969
(112,608)	(116,601) (2)	(123,577) (2)	(122,076)	(99,455)	(98,095) (1)
$ (80,554)	$ (88,518)	$ (94,702)	$ (96,675)	$ (79,422)	$ (82,096)
$ 16,057	$ 15,018	$ 15,269	$ 16,155	$ 16,221	$ 15,116
3,647	3,707	1,870	1,135	(339)	(396)
$ 19,704	$ 18,725	$ 17,139	$ 17,290	$ 15,882	$ 14,720
$ 37,859	$ 36,618	$ 33,080	$ 29,498	$ 29,590	$ 25,146
10,252	6,483	11,064	12,058	6,664	5,969
(108,961)	(112,894) (2)	(121,707) (2)	(120,941)	(99,794)	(98,491)
$ (60,850)	$ (69,793)	$ (77,563)	$ (79,385)	$ (63,540)	$ (67,376)

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

	2025	2024	2023	2022
Expenses				
Governmental activities:				
General government	**$ 17,124**	$ 15,357	$ 13,198	$ 11,293
Public safety	**14,548**	12,998	10,971	11,075
Public works	**10,330**	9,755	8,323	7,525
Recreation	**7,166**	7,180	5,528	5,066
Interest on long-term debt	**4,225**	4,837	5,202	5,216
Total governmental activities expenses	**53,393**	50,127	43,222	40,175
Business-type activities:				
Conference center	**293**	309	305	259
Stormwater	**914**	929	1,192	865
Solid waste	**2,844**	3,054	2,764	2,435
Total business-type activities expenses	**4,051**	4,292	4,261	3,559
Total primary government expenses	**$ 57,444**	$ 54,419	$ 47,483	$ 43,734
Program Revenues				
Governmental activities:				
Charges for services:				
General government	**$ 2,407**	$ 2,802	$ 1,209	$ 1,119
Public safety	**2,986**	1,787	1,750	1,754
Public works	**-**	-	30	-
Recreation	**4,007**	3,574	2,900	2,532
Operating grants and contributions	**9,473**	4,694	1,142	136
Capital grants and contributions	**5,455**	5,212	5,820	5,661
Total governmental activities program revenues	**24,328**	18,069	12,851	11,202
Business-type activities:				
Charges for services:				
Conference center	**-**	-	-	-
Stormwater	**3,731**	3,857	3,539	3,233
Solid waste	**3,228**	2,928	2,887	2,895
Total business-type activities program revenues	**6,959**	6,785	6,426	6,128
Total primary government program revenues	**$ 31,287**	$ 24,854	$ 19,277	$ 17,330

2021	2020	2019	2018	2017	2016
$ 13,685	$ 10,672	$ 11,662	$ 12,288	$ 11,913	$ 10,601
10,305	11,400	12,102	12,521	12,592	12,311
7,903	5,537	5,687	6,190	4,759	4,678
3,840	5,313	6,050	5,640	4,966	4,556
4,652	6,109	6,322	6,084	5,099	3,989
40,385	39,031	41,823	42,723	39,329	36,135
142	187	417	481	479	497
832	932	1,278	760	1,036	803
2,336	2,429	2,196	2,515	2,603	2,424
3,310	3,548	3,891	3,756	4,118	3,724
$ 43,695	$ 42,579	$ 45,714	$ 46,479	$ 43,447	$ 39,859
$ 2,010	$ 1,484	$ 1,098	$ 1,787	$ 2,031	$ 1,470
1,216	2,157	2,453	2,403	2,396	2,333
-	8	98	91	71	112
648	2,025	2,936	2,873	2,643	2,446
338	284	306	297	306	423
7,051	4,579	3,760	3,324	3,341	1,713
11,263	10,537	10,651	10,775	10,788	8,497
-	-	-	-	-	-
1,927	1,395	1,318	1,290	2,108	1,123
2,891	2,901	2,762	2,745	2,716	2,337
4,818	4,296	4,080	4,035	4,824	3,460
$ 16,081	$ 14,833	$ 14,731	$ 14,810	$ 15,612	$ 11,957

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

	2025	2024	2023	2022
Net (Expense)/Revenue				
Governmental activities	**$ (29,065)**	$ (32,058)	$ (30,371)	$ (28,973)
Business-type activities	**2,908**	2,493	2,165	2,569
Total primary government net expense	**$ (26,157)**	$ (29,565)	$ (28,206)	$ (26,404)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	**$ 41,392**	$ 35,593	$ 33,194	$ 32,685
Franchise taxes	**1,870**	1,732	1,658	1,644
Sales taxes	**2,114**	2,209	2,236	1,940
Other taxes	**2,896**	2,729	2,503	2,159
Unrestricted investment earnings	**450**	550	339	95
Gain on sale of capital assets	**-**	-	-	1,952
Miscellaneous	**-**	22	-	-
Transfers	**714**	628	516	564
Special item	**-**	-	-	-
Total governmental activities	**49,436**	43,463	40,446	41,039
Business-type activities:				
Gain on sale of capital assets	**80**	3	-	-
Transfers	**(714)**	(628)	(516)	(564)
Total business-type activities	**(634)**	(625)	(516)	(564)
Total primary government	**$ 48,802**	$ 42,838	$ 39,930	$ 40,475
Change in Net Position				
Governmental activities	**$ 20,371**	$ 11,405	$ 10,075	$ 12,066
Business-type activities	**2,274**	1,868	1,649	2,005
Total primary government	**$ 22,645**	$ 13,273	$ 11,724	$ 14,071

NOTES: (1) 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.

2021	2020	2019	2018	2017	2016
$ (29,122)	$ (28,494)	$ (31,172)	$ (31,948)	$ (28,541)	$ (27,638)
1,508	748	189	279	706	(264)
$ (27,614)	$ (27,746)	$ (30,983)	$ (31,669)	$ (27,835)	$ (27,902)
$ 31,409	$ 29,836	$ 27,237	$ 24,717	$ 22,151	$ 20,149
1,569	1,682	1,670	1,647	1,704	1,623
1,125	1,361	1,336	7,100	5,504	5,001
2,081	2,057	1,949	1,869	1,777	1,676
330	555	564	496	479	1,921
-	11	1	4	-	-
40	11	53	18	55	98
530	(837)	338	242	(456)	12
-	-	-	-	-	(75,979) (1)
37,084	34,676	33,148	36,093	31,214	(45,499)
-	-	-	-	-	-
(530)	837	(338)	(242)	456	(12)
(530)	837	(338)	(242)	456	(12)
$ 36,554	$ 35,513	$ 32,810	$ 35,851	$ 31,670	$ (45,511)
$ 7,962	$ 6,182	$ 1,976	$ 4,145	$ 2,673	$ (73,137)
978	1,585	(149)	37	1,162	(276)
$ 8,940	$ 7,768	$ 1,827	$ 4,182	$ 3,835	$ (73,413)

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
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	34,936
2021	31,409	1,569	1,125	1,577	504	36,184
2022	32,685	1,644	1,940	1,628	531	38,428
2023	33,194	1,658	2,236	2,013	490	39,591
2024	35,593	1,732	2,209	2,211	518	42,263
2025	41,392	1,870	2,114	2,380	516	48,272

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)

	2025	2024	2023	2022
General fund				
Prepaids	**$ 223**	$ 199	$ 164	$ 144
Long-term receivable	**-**	-	-	-
Assigned:				
Greenspace acquisition	**14**	19	14	13
Next fiscal year operations	**1,531**	3,372	4,146	3,884
Unassigned	**15,500**	11,421	10,920	12,551
Total general fund	**$ 17,268**	$ 15,011	$ 15,244	$ 16,592
All other governmental funds				
Nonspendable - prepaids				
Prepaids	**$ 886**	$ 933	$ 927	$ 985
Advances	**-**	179	120	-
Assets held for resale	**-**	-	-	-
Restricted:				
Capital construction	**24,155**	13,516	12,645	11,722
Culture and recreation	**1,232**	98	251	250
Economic development	**3,227**	2,329	2,095	1,479
Equipment purchases	**-**	-	-	-
Debt service	**5,561**	4,775	4,627	4,810
Law enforcement	**22**	22	22	22
E911 services	**651**	739	715	567
Opioid mitigation	**43**	34	-	-
Committed:				
Tree preservation	**-**	49	19	49
Children and youth services	**-**	-	616	463
Assigned:				
Development activities	**-**	-	-	-
Cemetery operations	**44**	59	72	108
Equipment purchases	**1,236**	838	3,300	3,610
Energy efficiency, electrification, and renewable energy projects	**296**	151	-	-
Unassigned	**(18)**	-	-	-
Total all other governmental funds	**$ 37,335**	$ 23,722	$ 25,409	$ 24,065

NOTES: (1) 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.

2021	2020	2019	2018	2017	2016
$ 86	$ 36	$ 29	$ 3	$ 25	$ 43
-	400	-	-	-	-
13	13	13	13	13	13
2,289	2,289	2,316	1,481	1,180	1,224
12,304	9,822	8,338	9,034	8,498	7,140
$ 14,692	$ 12,560	$ 10,696	$ 10,531	$ 9,716	$ 8,420
$ 961	$ 1,241	$ 1,297	$ 1,364	$ 1,690	$ 1,096
-	260	-	-	585	549
-	-	-	-	-	6,335
10,874	10,195	14,989 (1)	11,278	6,099	5,865
-	-	-	-	-	-
916	-	-	-	-	-
-	-	1,010	740	193	227
4,961	4,097	4,048	3,543	4,023	5,377
22	15	15	16	12	14
541	553	526	425	333	268
-	-	-	-	-	-
57	63	63	62	194	168
190	865	1,309	1,369	1,193	1,131
-	-	-	-	-	324
124	130	144	168	173	203
3,337	4,036	471	376	129	987
-	-	-	-	-	-
-	-	-	-	(117)	(25)
$ 21,983	$ 21,455	$ 23,872	$ 19,341	$ 14,507	$ 22,519

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

	2025	2024	2023	2022
Revenues				
Taxes	**$ 48,235**	$ 42,266	$ 39,617	$ 38,538
Licenses and permits	**1,584**	1,789	540	673
Intergovernmental	**15,452**	10,596	7,397	6,300
Fines and forfeitures	**664**	586	433	531
Charges for services	**6,594**	4,996	4,266	3,713
Interest income	**694**	791	509	132
Other revenues	**77**	145	317	246
Total revenues	**73,300**	61,169	53,079	50,133
Expenditures				
General government	**16,505**	15,511	13,571	11,419
Public safety	**12,947**	11,854	10,289	10,330
Public works	**7,398**	8,190	6,692	5,930
Recreation	**5,751**	5,929	4,366	3,930
Capital outlay	**11,638**	8,951	5,403	2,430
Intergovernmental	**203**	204	205	306
Debt service				
Principal retirements	**7,254**	7,840	7,691	10,790
Interest and fiscal charges	**4,965**	5,260	5,379	5,772
Cost of issuance	**304**	-	-	458
Total expenditures	**66,965**	63,739	53,596	51,365
Excess (deficiency) of revenues over expenditures	**6,335**	(2,570)	(517)	(1,232)
Other financing sources (uses)				
Proceeds from financed purchases	**-**	-	-	-
Proceeds from notes payables	**-**	-	-	-
Issuance of long-term debt	**8,817**	-	-	21,855
Premium on bond issuance	**567**	-	-	2,065
Refunding deposit with escrow agent	**-**	-	-	(23,461)
Proceeds from sale of capital assets	**1**	22	-	4,117
Transfers in	**10,349**	10,345	9,744	7,051
Transfers out	**(9,635)**	(9,717)	(9,228)	(6,487)
Total other financing sources (uses)	**10,099**	650	516	5,140
Net change in fund balances	**$ 16,434**	$ (1,920)	$ (1)	$ 3,908
Debt service as a percentage of noncapital expenditures	**22.45%**	23.91%	27.06%	34.76%

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).

2021	2020	2019	2018	2017	2016	
$ 36,263	$ 34,800	$ 32,160	$ 35,261	$ 31,176	$ 28,397	
1,459	810	606	1,218	1,472	653	
8,124	5,578	4,907	4,613	4,418	3,123	
252	853	855	859	805	707	
1,590	3,278	4,592	4,417	4,307	4,175	
23	119	128	36	10	1,260	
259	553	267	212	346	851	
47,970	45,993	43,515	46,616	42,534	39,166	
13,609	10,294	10,914	11,257	11,086	9,232	
9,169	9,884	10,082	9,749	9,498	9,790	
6,315	4,105	4,313	3,850	3,445	3,557	
2,698	4,177	4,811	4,051	3,901	3,599	
6,847	6,104	4,676	42,672	6,050	2,468	
332	111	-	-	-	75,000	(1)
6,294	5,567	4,982	4,456	9,130	3,870	
6,006	6,817	6,868	6,376	5,682	3,107	
769	-	89	766	-	979	
52,039	47,059	46,735	83,177	48,792	111,602	
(4,069)	(1,066)	(3,220)	(36,561)	(6,258)	(72,436)	
-	1,339	150	450	-	173	
-	-	2,334	-	-	-	
40,120	-	5,095	41,077	-	69,755	
2,208	-	-	434	-	6,224	
(36,127)	-	-	-	-	-	
-	11	-	5	2	30	
6,903	5,803	6,745	4,375	4,184	3,714	
(6,373)	(6,641)	(6,407)	(4,133)	(4,640)	(3,596)	
6,731	512	7,917	42,208	(454)	76,300	
$ 2,662	$ (554)	$ 4,697	$ 5,647	$ (6,712)	$ 3,864	
27.18%	30.05%	26.68%	26.68%	34.62%	(2) 0%	

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
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	32,161
2020	29,700	1,682	1,361	1,495	561	34,799
2021	31,488	1,569	1,125	1,577	504	36,263
2022	32,795	1,644	1,940	1,628	531	38,538
2023	33,220	1,658	2,236	2,013	490	39,617
2024	35,593	1,732	2,209	2,211	518	42,263
2025	41,392	1,870	2,114	2,380	516	48,273

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			
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
2023	2,359,336	760,193	24,301	22,070	4,014
2024	2,532,726	722,182	26,750	17,465	3,559
2025	2,721,233	746,315	27,683	20,021	2,816

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
$ 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	4,135,081	50.00%
118,288	2,235,417	1.354	4,470,834	50.00%
129,588	2,352,021	1.354	4,704,042	50.00%
126,525	2,616,588	1.279	4,473,826	50.00%
126,757	3,043,158	1.212	6,086,316	50.00%
128,901	3,173,781	1.262	6,347,561	50.00%
133,605	3,384,463	1.262	6,770,334	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 and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage		Operating Millage	Operating Millage		
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
2023	1.009	0.203	1.212	1.01	2.030	0.035	0.00	4.287
2024	1.064	0.198	1.262	1.00	2.030	0.035	0.00	4.331
2025	1.064	0.182	1.262	1.10	2.030	0.035	0.00	4.430

Source: City of Decatur Tax Department and DeKalb County

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

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
AMCO 120 WEST TRINITY LLC	$ 56,722,658	1	1.68% %			
MARTA	46,966,378	2	1.39%			
DECATUR PROPERTIES I LLC	37,126,440	3	1.10%	$ 20,498,550	1	1.29%
MCREF III DECATUR APARTMENTS	32,980,803	4	0.97%			
TB DECATUR LLC	29,500,000	5	0.87%			
PENLER ARLO LP	23,937,000	6	0.71%			
TYCON ONE INC	21,793,500	7	0.64%			
AP WEST COURT LLC	19,070,000	8	0.56%			
DTC PARTNERS LLC	17,063,400	9	0.50%			
NR EAST DECATUR PROPERTY OWNER LLC	14,980,000	10	0.44%			
CLAIREMONT APARTMENTS LLC				17,296,900	2	1.09%
DECATUR TRINITY MF 1 LP				13,446,300	3	0.85%
N G ONE WEST COURT LLC				11,757,500	4	0.74%
GP GOVT PROPERTIES I LLC				11,250,000	5	0.71%
RREF II DB DRI LLC				11,145,650	6	0.70%
GATEWAY CLAIREMONT LLC				10,983,586	7	0.69%
SNH MEDICAL OFFICE PROPERTIES				8,808,566	8	0.55%
SUMMIT HOSPITALITY 126 LLC				8,505,276	9	0.54%
GEORGIA POWER COMPANY				7,122,145	10	0.45%
	$ 300,140,179		8.87% %	$ 120,814,473		7.61% %

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
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	68,530	28,907	42.2%	39,603	68,510	99.97%
2021	73,381	32,045	43.7%	41,236	73,281	99.86%
2022	80,289	35,822	44.6%	44,367	80,189	99.88%
2023	84,510	37,948	44.9%	45,879	83,827	99.19%
2024	94,714	39,638	41.9%	54,769	94,407	99.68%

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	Subscription Liability	Notes Payable	Financed Purchases	Subscription Liability	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 108,752 (2)	$ 48,654	$ 2,965	$ 3,692	$ 793	$ -	$ -	$ -	$ -	$ 164,856	10.49%	$ 7,508
2017	107,553	42,311	2,830	1,852	425	-	-	-	-	154,971	17.45%	6,793
2018	106,168	71,106	2,685	11,240	510	-	-	-	-	191,709	15.24%	8,044
2019	108,000	69,226	2,535	13,275	510	-	-	301	-	193,847	18.14%	7,533
2020	104,410	67,284	2,380	12,768	1,734	-	500	242	-	189,318	15.68%	7,368
2021	103,413	69,587	2,220	12,250	1,427	-	467	182	-	189,546	13.86%	7,604
2022	100,704	66,132	2,055	11,720	1,111	2,031	412	118	48	184,331	12.85%	7,253
2023	96,165	63,625	1,880	11,178	791	1,611 (3)	359	52	39 (3)	175,700	11.45%	7,223
2024	91,259	61,166	1,700	10,624	556	1,172	305	115	30	166,927	10.88%	6,794
2025	95,976	58,645	1,515	10,057	347	715	250	89	20	167,614	9.29%	6,850

(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 implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* effective for fiscal year 2023.

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)
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	2.29%	3,976
2021	103,413	4,285	99,128	2.11%	3,976
2022	100,704	4,502	96,202	2.05%	3,916
2023	96,165	3,794	92,371	1.77%	3,795
2024	91,259	3,548	87,711	1.44%	3,608
2025	95,976	4,382	91,594	1.44%	3,743

(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, 2025
(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	$ 109,915	6.151%	$ 6,761
Certificates of participation	2,680	6.151%	165
Notes payable	9,496	6.151%	584
Financed purchases	1,456	6.151%	90
Lease liabilities	10,343	6.151%	636
SBITA liabilities	13,560	6.151%	834
Fulton DeKalb Hospital Authority	2,040	6.151%	125
Total overlapping debt	149,490		9,195
City direct debt:			
General obligation debt	95,976	100.000%	95,976
Revenue bonds	58,645	100.000%	58,645
Financed purchases	436	100.000%	436
Subscription liability	735	100.000%	735
Notes payable	10,307	100.000%	10,307
Certificates of participation	1,515	100.000%	1,515
	167,614		167,614
Total direct and overlapping debt	$ 317,104		$ 176,809

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			
	2025	2024	2023	2022
Debt limit	$ 351,807	$ 330,268	$ 316,991	$ 274,311
Total net debt applicable to limit	91,594	87,711	92,371	96,202
Legal debt margin	$ 260,213	$ 242,557	$ 224,620	$ 178,109

Assessed Value	$ 3,384,463
Add back: exempt real property	133,605
Total assessed value	3,518,068
Debt limit (10% of total assessed value)	351,807
Debt applicable to limit:	
General obligation bonds	95,976
Less: Amount set aside for repayment of general obligation debt	(4,382)
Total net debt applicable to limit	91,594
Legal debt margin	$ 260,213
Total net debt applicable to the limit as a percentage of debt limit	26.04%

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						
2021	2020	2019	2018	2017	2016
$ 248,161	$ 235,371	$ 217,882	$ 205,623	$ 188,514	$ 172,054
99,128	102,160	105,933	102,110	104,853	106,497
$ 149,033	$ 133,211	$ 111,949	$ 103,513	$ 83,661	$ 65,557

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 Than 12 Years of Formal Schooling (3)	School Enrollment (2)	Unemployment Rate (4)
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	49,572	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%	5,620	3.4%
2023	24,338	1,533,805	63,021	38.6	96%	5,700	3.2%
2024	24,307	1,662,453	68,394	38.7	96%	5,833	3.8%
2025	24,470	1,804,295	73,735	39.6	96%	5,764	3.7%

(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

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
DeKalb County Government*	1,341	1	N/A %	1,000	1	N/A %
The City Schools of Decatur	889	2	N/A	556	3	N/A
Emory University Health Systems*	872	3	N/A	822	2	N/A
Agnes Scott College	325	4	N/A	274	4	N/A
City of Decatur	258	5	N/A	205	5	N/A
DeVry University	148	6	N/A	120	7	N/A
Task Force for Global Health	137	7	N/A	118	9	N/A
USPS	126	8	N/A	200	6	N/A
Columbia Theological Seminary	100	9	N/A	75	10	N/A
Positive Impact Health Centers, Inc.	99	10	N/A	-	-	N/A
DeKalb Medical - Decatur Hospital	-		N/A	150	8	N/A
	4,295		N/A %	3,520		N/A %

Source: Various City departments
N/A - Information not available
* No update provided since 2024

CITY OF DECATUR, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Function					
General government	52	49	42	33	32
Public safety					
Police					
Officers	48	47	47	47	47
Civilians	14	15	15	13	13
Fire					
Firefighters and officers	40	40	40	39	39
Highways and streets					
Engineering	14	14	16	22	20
Maintenance	38	38	39	37	35
Sanitation	20	20	18	18	18
Culture and recreation	32	31	25	25	26
Total	258	254	242	234	230

Source: City of Decatur department records

2020	2019	2018	2017	2016
32	31	31	39	32
47	47	48	37	39
13	13	13	11	12
39	38	37	36	37
20	20	14	29	17
37	35	29	28	31
16	15	16	14	14
26	26	20	21	23
230	225	208	215	205

CITY OF DECATUR, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021
Police					
Physical arrests	882	734	600	513	392
Parking violations	7,410	8,849	6,193	6,495	81
Traffic violations (1)	3,413	5,620	2,436	3,075	2,755
Fire					
Number of calls answered	4,128	4,078	4,218	3,736	3,260
Inspections	1,070	601	617	897	950
Highways and streets					
Street resurfacing (miles)	1.38	1.68	1.00	1.02	0.98
Potholes repaired	94	104	105	70	135
Sanitation					
Refuse collected (tons/day)	12.60	17.49	16.12	14.8	14.80
Recyclables collected (tons/day)	5.90	5.7 (2)	9.84	8.4	9.87
Culture and recreation					
Athletic field permits issued	262	340	12	8	8 (3)
Community center admissions (4)	30,693	10,604	120,000 (5)	3,390	2,508

Source: City of Decatur Departments

N/A - Information not available

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

(2) Decrease due to residents using other providers for certain plastics.

(3) Limited during COVID-19 pandemic.

(4) Permits decreased due to construction at athletic field facilities.

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

2020	2019	2018	2017	2016
635	768	775	652	622
3,631	4,328	3,567	4,975	5,469
8,984	11,045	7,256	8,417	6,572
3,579	4,099	3,629	3,654	3,313
293	811	255	336	858
1.08	2.23	1.65	0.96	1.00
120	45	33	37	66
15.00	15.50	18.10	16.50	18.20
10.00	9.20	12.56	13.30	14.50
30	19 (4)	26 (4)	44 (4)	304
39,750	59,750	58,580	52,904	49,213

CITY OF DECATUR, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	31	38	41	41	38
Fire stations	2	2	2	2	2
Sanitation					
Collection trucks	9	10	13	13	12
Highways and streets					
Streets (miles)	71	71	71	70.7	127 ***
Culture and recreation					
Parks acreage	196	196 **	197 **	207	193
Parks	22	22	21	22	22
Swimming pools	4	4	5	5	5
Tennis courts	9	9	9	9	9
Community centers	4	4	5	5	5

Source: Various City departments

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

* Increase in 2018 due to Legacy Park acquisition

** Measurement in 2018-2021 was in curb miles

2020	2019	2018	2017	2016
1	1	1	1	1
38	38	37	41	41
2	2	2	2	2
11	11	11	10	10
127 ***	127 ***	121 **	75	75
193	193	193	116	116 *
22	22	22	21	21
5	5	4	3	3
9	9	9	9	9
3	3	3	2	2