CITY OF DORAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

CITY OF DORAVILLE, GEORGIA
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FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Doraville, Georgia
Doraville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Doraville, Georgia (the "City")** as of and for the fiscal year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Doraville, Georgia as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Confiscated Assets Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-11 and Schedule of Funding Progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014 on our consideration of the City of Doraville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Doraville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 20, 2014

CITY OF DORAVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

As management of the City of Doraville, we offer readers of the City of Doraville's financial statements this narrative overview and analysis of the financial activities of the City of Doraville for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Management encourages readers to review the attached charts that show where the City's revenue comes from and how the revenue is appropriated and expended.

Financial Highlights

- The assets of the City of Doraville exceeded its liabilities at June 30, 2014 by $17,190,642. Of this amount unrestricted net position of $6,065,659 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $2,065,595. Of this amount an increase of $1,685,911 was associated with governmental and an increase of $379,684 was from business-type activities.

- As of the close of the current fiscal year, the City of Doraville's governmental funds reported combined ending fund balances of $4,939,150 an increase of $1,361,157 in comparison with the prior year. Of this amount $3,546,198 is unassigned and available for spending: $138,862 is restricted for Police Activities; $639,330 is restricted for Capital Outlay; $15,598 is committed to tree removal and planting; $547,705 is assigned for Capital Outlay and $51,457 is non-spendable related to prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $3,546,198 or 41.3 percent of total General Fund expenditures.

- The City of Doraville's total long term debt obligations consisted of accrued compensated absences of $189,879 and an accrued net pension obligation of $123,699. It has been a past and present policy of the City of Doraville's Mayor and Council to keep the City of Doraville out of debt and financially sound.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Doraville include general government, public safety and courts, streets and maintenance, parks and recreation, and community development.

The government-wide financial statements are presented on pages 12 and 13 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the 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 that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains two major governmental funds. The City's major governmental funds are the General and the Confiscated Assets Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these major funds.

The City of Doraville adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with the FYE 2014 budget. These statements can be found beginning on page 18.

Proprietary funds. The City of Doraville maintains two proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in Statement of Net Position of the Solid Waste Management Enterprise Fund and the Storm Water Management Fund and the Statement of Revenues, Expenses and Changes in Fund Net Position for the Solid Waste Management Enterprise Fund and Storm Water Management Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of budget comparison for the General Fund and Confiscated Assets Funds' revenues and expenditures, and required supplemental information regarding the City's defined Benefit Pension Plan.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2014, the City's assets exceeded liabilities by $17,190,642. The City's net position reflects its investment in capital assets (60.1 percent) less related debt, if any. As of June 30, 2014, there was no debt related to capital assets. Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $17,190,642 only $778,192 or 4.5 percent is restricted for Police, and Capital Improvement Projects and $6,065,659 (35.3 percent) is unrestricted. The following table provides a summary of the City's net position at June 30:

City of Doraville, Georgia's Summary Statement of Net Position
As of Fiscal Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
Assets:	2014	2013	2014	2013	2014	2013
Current and Other Assets	$ 5,698,502	$ 4,807,116	$ 2,216,199	$ 1,756,942	$ 7,914,701	$ 6,564,058
Capital Assets	9,198,645	9,018,223	1,148,146	1,192,798	10,346,791	10,211,021
Total Assets	14,897,147	13,825,339	3,364,345	2,949,740	18,261,492	16,775,079
Liabilities:						
Current Liabilities	721,485	1,202,392	35,787	865	757,272	1,203,257
Long-term Liabilities	309,310	442,506	4,268	4,269	313,578	446,775
Total Liabilities	1,030,795	1,644,898	40,055	5,134	1,070,850	1,650,032
Net Position:						
Investment in Capital assets	9,198,645	9,018,223	1,148,146	1,192,798	10,346,791	10,211,021
Restricted	778,192	814,757	-	-	778,192	814,757
Unrestricted	3,889,515	2,347,461	2,176,144	1,751,808	6,065,659	4,099,269
Total Net Position	$ 13,866,352	$ 12,180,441	$ 3,324,290	$ 2,944,606	$ 17,190,642	$ 15,125,047

A portion of the net position (4.5 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2014 ($6,065,659) may be used to meet the government's ongoing obligations to citizens and creditors.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased for business type activities by $379,684 and increased for governmental activities by $1,685,911. The City's financial position continues to be positive with an unrestricted net position of $6,065,659.

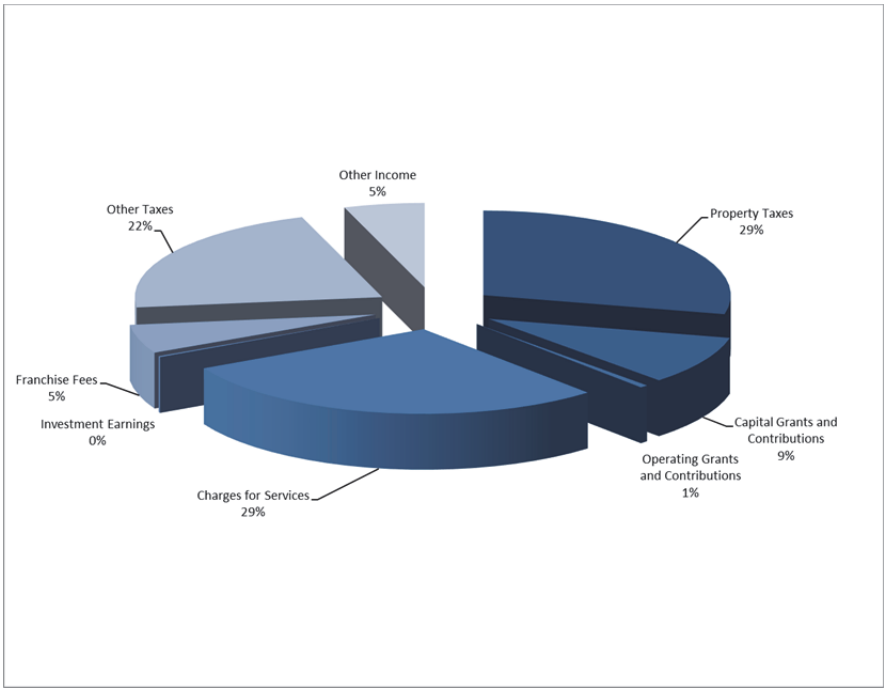
City of Doraville, Georgia's Statement of Activities
For the Fiscal Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues						
Charges for services	$ 3,315,750	$ 3,032,820	$ 990,629	$ 885,639	$ 4,306,379	$ 3,918,459
Operating grants and contributions	61,292	97,043	-	-	61,292	97,043
Capital grants and contributions	1,069,186	229,069	-	-	1,069,186	229,069
General Revenues						
Property Taxes	3,283,229	2,591,606	-	-	3,283,229	2,591,606
Other Taxes	3,119,520	3,536,210	-	-	3,119,520	3,536,210
Interest	21,819	17,289	9,492	8,511	31,311	25,800
Other	603,863	108,399	-	-	603,863	108,399
	11,474,659	9,612,436	1,000,121	894,150	12,474,780	10,506,586
Expenses:						
General government	1,987,288	1,587,972	-	-	1,987,288	1,587,972
Public safety	5,748,874	5,678,759	-	-	5,748,874	5,678,759
Public works	709,233	824,906	-	-	709,233	824,906
Culture and recreation	843,777	848,984	-	-	843,777	848,984
Tourism, economic, and community development	499,576	392,394	-	-	499,576	392,394
Stormwater	-	-	186,378	167,934	186,378	167,934
Solid waste	-	-	434,059	344,648	434,059	344,648
	9,788,748	9,333,015	620,437	512,582	10,409,185	9,845,597
Increase in net position before transfers	1,685,911	279,421	379,684	381,568	2,065,595	660,989
Transfers	-	(118,017)	-	118,017	-	-
Change in net position	1,685,911	161,404	379,684	499,585	2,065,595	660,989
Net position - beginning of fiscal year	12,180,441	12,019,037	2,944,606	2,445,021	14,464,058	13,201,954
Net position - end of fiscal year	$ 13,866,352	$ 12,180,441	$ 3,324,290	$ 2,944,606	$ 16,529,653	$ 13,862,943

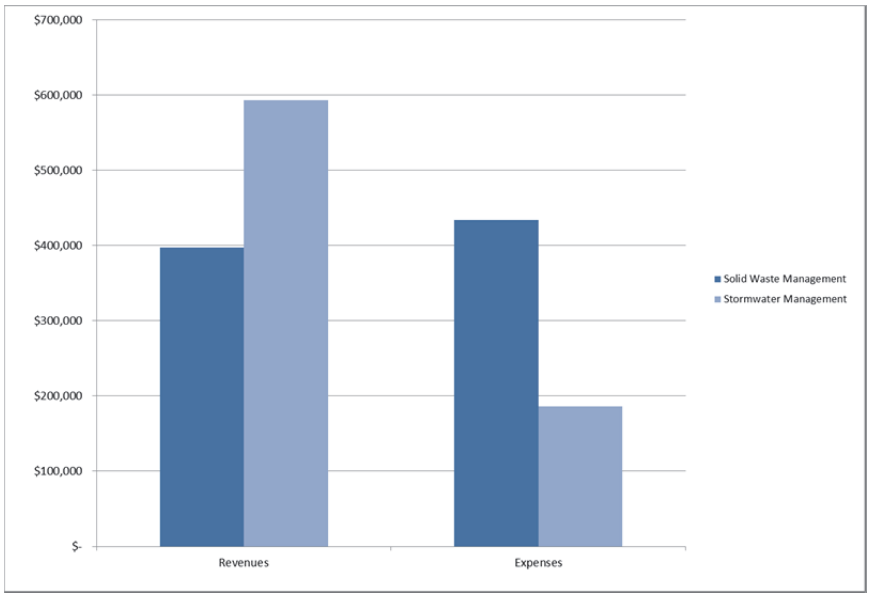
Governmental activities. Governmental activities increased the City's net position $1,685,911 accounting for 81.6 percent of the increase in net position for the year. Key elements of this increase are as follows:

- Capital assets increased as the City began to implement its Capital Improvement Plan which called for the addition of vehicles for Public Works, Police and Recreation as well as technology investments for Finance, Police, Municipal Court and the City Clerk's Office.
- Increases in Charges for Services and Capital Grants and Contributions offset a slight decrease in Operating Grants.
- Increased Property Tax collections offset decreases in other tax categories.
- The City continued to limit spending in all departments and shifted a portion of the Public Works expenditures to the Sanitation Fund.

Revenue by Source-Governmental Activities
For The Fiscal Year Ended June 30, 2014



Expenses and Program Revenues-Business-Type Activities
For The Year Ended June 30, 2014



Financial Analysis of the Government's Funds

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

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

At June 30, 2014 the city's governmental funds reported combined ending fund balances of $4,939,150. Of this amount, $3,546,198 (71.8 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because $138,862 is restricted for public safety activities, $639,330 is restricted for capital projects, $15,598 is committed for tree removal and planting, $547,705 is assigned to capital projects and $51,457 are non-spendable resources related to prepaid expenses.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $3,546,198 while the total fund balance totaled $3,595,162. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41.32 percent of the total general fund expenditures, while total fund balance represents 41.89 percent of that same amount.

During the current fiscal year the fund balance of the City's general fund increased by $852,311. Contributing to the increase in the General Fund is the increase in property tax collections and charges for services. In addition, increases in general fund expenditures were limited and were more than offset by increased revenues. The City has also started hiring more part time employees to aid in reducing overtime expenditures.

The Confiscated Assets Fund was created by the City to account for assets confiscated during investigations into illegal drug activities. The City received $97,688 of allocations of confiscated assets from federal and state agencies during FYE 2014. The City expended $439,851 of confiscated asset funds for police activities.

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

Unrestricted net position of the Storm Water Management Fund amounted to $2,018,696 as of June 30, 2014. Operating revenues amounted to $593,427 while operating expenses amounted to $186,378 resulting in operating income of $407,049. The City of Doraville has an Intergovernmental Agreement with DeKalb County to perform maintenance and replacement of the Storm Water infrastructure. Stormwater activities are supported through annual assessments which are billed on the DeKalb County tax bills.

Unrestricted net position of the Solid Waste Fund at the end of the year was $157,448. Operating revenues amounted to $397,202 while operating expenses amounted to $434,059, resulting in an operating deficit of $36,857. In addition to weekly sanitation service, the City offers free bulk refuse removal and recycling to all of its citizens. Sanitation activities are supported through fees assessed annually which are billed on the DeKalb County tax bills.

General Fund Budgetary Highlights

The General Fund's final budgeted expenditures were $8,879,553. Actual expenditures totaled $8,581,416 thus producing a positive variance of $298,137. Increases in expenditures were related mainly to the addition of the City Manager's and E911 dispatchers' budget. FYE 2014 was the first full fiscal year in which these departments were included. The City also increased the budgets for Code Compliance and Public Safety. These increases were offset by increases in Charges for Services and Property tax collections, resulting in the positive variance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2014 amounts to $10,346,791 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Purchases of capital assets during the year included:

- $1,147,396 in vehicles and other equipment (includes equipment transferred from the Federal Surplus program)
- $144,000 in furniture and office equipment (includes software and computer hardware)
- $82,000 in building improvements.
- $70,000 in other equipment

A more detail analysis of capital asset transactions for the year can be found in Note 6 on pages 36 and 37.

Long-term debt. At the end of the current fiscal year, the city's long term debt amounted to $313,578. Long-term debt consisted of accrued vacation and sick leave pay and accrued net pension obligations. An analysis of the City's long-term debt transactions for the year can be found in Note 8 on page 38.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials and management considered many factors when adopting the budget for the year ending June 30, 2015. Budget calculations were based on, but not limited to the following factors:

- The revenue projected could be lower than anticipated. Certain revenues are anticipated as a result of the annexation of commercial properties under HB 1138. These revenues were conservatively estimated due to limited information available about the properties being annexed.
- The Council voted to lower the millage rate from 9.00 mills to 8.75 mills.
- Departmental expenditures were budgeted to maintain the current level of service with increases being driven by increases in benefits and insurance costs.
- Increase in employees benefits. There is always a concern with possible increases in health care insurance costs as well as workers' compensation and liability insurance costs.
- The City has developed a 5 year Capital Improvement Plan and funds are being set aside to implement the plan.
- Economic Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the continued weakness of the economy.
- Our biggest challenge is to provide good customer service to citizens by not reducing services or current staff in this economic climate.

Economic activity in Doraville during the year reflects national and regional trends.

The General Motors plant located within the city limits of Doraville was closed during 2008. The immediate and long term effects of this planned plant closing have not been determined but the decrease in revenues directly relating to the closing is estimated to be $1,000,000. The sale of the property closed in September, 2014 and the developer has begun demolition of the existing buildings. The City is working with the developers to develop a master site plan for the area.

Requests for Information

This financial report is designed to provide a general overview of the City of Doraville's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 451-8745 or at the following address:

City Clerk
City of Doraville
3725 Park Avenue
Doraville, GA 30340

BASIC FINANCIAL STATEMENTS

CITY OF DORAVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 4,429,320	$ 821,566	$ 5,250,886
Investments	1,000,000	1,000,000	2,000,000
Receivables, net of allowance for uncollectibles	186,359	205,059	391,418
Interfund balances	31,366	(31,366)	-
Prepaid items	51,457	220,940	272,397
Capital assets, non-depreciable	313,057	-	313,057
Capital assets, depreciable, net of accumulated depreciation	8,885,588	1,148,146	10,033,734
Total assets	14,897,147	3,364,345	18,261,492
LIABILITIES			
Accounts payable	135,104	34,921	170,025
Accrued liabilities	586,381	866	587,247
Net pension obligation, due in more than one year	123,699	-	123,699
Compensated absences, due within one year	126,385	4,268	130,653
Compensated absences, due in more than one year	59,226	-	59,226
Total liabilities	1,030,795	40,055	1,070,850
NET POSITION			
Investment in capital assets	9,198,645	1,148,146	10,346,791
Restricted for:			
Capital projects	639,330	-	639,330
Public safety	138,862	-	138,862
Unrestricted	3,889,515	2,176,144	6,065,659
Total net position	$ 13,866,352	$ 3,324,290	$ 17,190,642

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 1,987,288	$ 309,902	$ 1,120	$ -	$ (1,676,266)	$ -	$ (1,676,266)
Public safety	5,748,874	2,916,268	60,172	-	(2,772,434)	-	(2,772,434)
Public works	709,233	-	-	1,061,188	351,955	-	351,955
Culture and recreation	843,777	82,975	-	7,998	(752,804)	-	(752,804)
Tourism, economic, and community development	499,576	6,605	-	-	(492,971)	-	(492,971)
Total governmental activities	9,788,748	3,315,750	61,292	1,069,186	(5,342,520)	-	(5,342,520)
Business-type activities:							
Stormwater	186,378	593,427	-	-	-	407,049	407,049
Solid waste	434,059	397,202	-	-	-	(36,857)	(36,857)
Total business-type activities	620,437	990,629	-	-	-	370,192	370,192
Total primary government	$ 10,409,185	$ 4,306,379	$ 61,292	$ 1,069,186	$ (5,342,520)	$ 370,192	$ (4,972,328)
General revenues:							
Property taxes					3,283,229	-	3,283,229
Sales taxes					101,691	-	101,691
Franchise taxes					630,786	-	630,786
Hotel/Motel occupancy tax					67,060	-	67,060
Motor vehicle taxes					56,846	-	56,846
Business taxes					1,753,718	-	1,753,718
Other taxes					509,419	-	509,419
Unrestricted investment earnings					21,819	9,492	31,311
Miscellaneous					603,863	-	603,863
Total general revenues					7,028,431	9,492	7,037,923
Change in net position					1,685,911	379,684	2,065,595
Net position, beginning of fiscal year					12,180,441	2,944,606	15,125,047
Net position, end of fiscal year					$ 13,866,352	$ 3,324,290	$ 17,190,642

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

CITY OF DORAVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General	Confiscated Assets	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,917,631	$ 307,719	$ 1,203,970	$ 4,429,320
Investments	1,000,000	-	-	1,000,000
Taxes receivable, net	97,641	-	10,333	107,974
Accounts receivable	53,707	-	24,678	78,385
Due from other funds	34,868	-	6,605	41,473
Prepaid Items	48,964	-	2,493	51,457
Total assets	$ 4,152,811	$ 307,719	$ 1,248,079	$ 5,708,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 130,393	$ 1,443	$ 3,268	$ 135,104
Accrued salaries	89,542	-	7,427	96,969
Other liabilities	293,242	196,170	-	489,412
Due to other funds	6,605	-	3,502	10,107
Total liabilities	519,782	197,613	14,197	731,592
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	37,867	-	-	37,867
Total deferred inflows of resources	37,867	-	-	37,867
FUND BALANCES				
Nonspendable for:				
Prepaid Items	48,964	-	2,493	51,457
Restricted for:				
Public safety	-	110,106	28,756	138,862
Capital projects	-	-	639,330	639,330
Committed for:				
Tree removal and planting	-	-	15,598	15,598
Assigned for capital projects	-	-	547,705	547,705
Unassigned	3,546,198	-	-	3,546,198
Total fund balances	3,595,162	110,106	1,233,882	4,939,150
Total liabilities, deferred inflows or resources and fund balances	$ 4,152,811	$ 307,719	$ 1,248,079	

Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	9,198,645
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	37,867
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(309,310)
Net position of governmental activities	$ 13,866,352

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Confiscated Assets	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property taxes	$ 3,272,093	$ -	$ -	$ 3,272,093
Sales taxes	101,691	-	-	101,691
Hotel/Motel occupancy taxes	-	-	67,060	67,060
Motor vehicle taxes	-	-	56,846	56,846
Franchise taxes	630,786	-	-	630,786
Business taxes	1,753,718	-	-	1,753,718
Other taxes	509,419	-	-	509,419
Licenses and permits	302,234	-	6,605	308,839
Intergovernmental	60,172	-	233,180	293,352
Fines and forfeitures	2,622,863	97,688	-	2,720,551
Charges for services	109,976	-	176,384	286,360
Investment earnings	19,417	305	2,097	21,819
Contributions and donations	1,120	-	-	1,120
Other revenues	614,935	17,282	-	632,217
Total revenues	9,998,424	115,275	542,172	10,655,871
Expenditures				
Current:				
General government	1,884,327	-	55,503	1,939,830
Public safety	4,765,114	439,851	184,382	5,389,347
Public works	646,129	-	19,389	665,518
Culture and recreation	826,376	-	24,000	850,376
Tourism, economic, and community development	459,470	-	38,264	497,734
Total expenditures	8,581,416	439,851	321,538	9,342,805
Excess (deficiency) of revenues over expenditures	1,417,008	(324,576)	220,634	1,313,066
Other financing sources (uses):				
Proceeds from sale of capital assets	-	48,091	-	48,091
Transfers in	40,236	-	604,933	645,169
Transfers out	(604,933)	-	(40,236)	(645,169)
Total other financing sources (uses)	(564,697)	48,091	564,697	48,091
Net change in fund balances	852,311	(276,485)	785,331	1,361,157
Fund balances, beginning of fiscal year	2,742,851	386,591	448,551	3,577,993
Fund balances, end of fiscal year	$ 3,595,162	$ 110,106	$ 1,233,882	$ 4,939,150

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

CITY OF DORAVILLE, 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, 2014

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

Net change in fund balances - total governmental funds	$	1,361,157
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(263,778)
The net effect of various miscellaneous transactions involving capital assets (i.e. sale of capital assets and donated capital assets) is to increase net position.		444,200
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		11,136
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.		133,196
Change in net position - governmental activities	$	1,685,911

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

CITY OF DORAVILLE, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,234,378	$ 3,255,877	$ 3,272,093	$ 16,216
Sales taxes	86,000	101,000	101,691	691
Franchise taxes	600,000	600,000	630,786	30,786
Business taxes	2,000,000	2,245,000	1,753,718	(491,282)
Other taxes	488,289	503,289	509,419	6,130
Licenses and permits	203,000	280,000	302,234	22,234
Intergovernmental	65,066	88,164	60,172	(27,992)
Fines and forfeitures	1,991,800	2,216,800	2,622,863	406,063
Charges for services	110,520	103,520	109,976	6,456
Investment earnings	-	-	19,417	19,417
Contributions and donations	2,500	600	1,120	520
Other revenues	71,000	413,500	614,935	201,435
Total revenues	8,852,553	9,807,750	9,998,424	190,674
Expenditures:				
Current:				
General government				
Governing body	120,733	137,693	125,357	12,336
Mayor and council	39,384	36,629	24,643	11,986
City manager	325,656	320,591	284,033	36,558
Municipal court	430,087	438,682	400,418	38,264
City administrator	198,887	273,377	262,297	11,080
Finance	225,147	332,820	211,699	121,121
Legal	225,000	245,000	243,686	1,314
Technology	350,341	350,341	314,721	35,620
Other	34,520	17,520	17,473	47
Total general government	1,949,755	2,152,653	1,884,327	268,326
Public safety:				
Police	4,411,344	4,533,804	4,299,413	234,391
E911 dispatchers	-	-	394,646	(394,646)
Animal control	74,896	74,558	71,055	3,503
Total public safety	4,486,240	4,608,362	4,765,114	(156,752)
Public works	760,510	680,279	646,129	34,150
Culture and recreation:				
Recreation	507,581	563,447	517,241	46,206
Parks	29,635	29,635	28,927	708
Libraries	312,886	306,374	280,208	26,166
Total culture and recreation	850,102	899,456	826,376	73,080
Economic and Community Development	442,355	538,803	459,470	79,333
Total expenditures	8,488,962	8,879,553	8,581,416	298,137
Excess of revenues over expenditures	363,591	928,197	1,417,008	488,811
Other financing sources (uses):				
Transfers in	24,000	45,000	40,236	(4,764)
Transfers out	(487,594)	(1,073,199)	(604,933)	468,266
Total other financing sources (uses)	(463,594)	(1,028,199)	(564,697)	463,502
Net change in fund balances	(100,003)	(100,002)	852,311	952,313
Fund balances, beginning of year	2,742,851	2,742,851	2,742,851	-
Fund balances, end of year	$ 2,642,848	$ 2,642,849	$ 3,595,162	$ 952,313

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

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 130,000	$ 130,000	$ 97,688	$ (32,312)
Investment earnings	-	-	305	305
Miscellaneous income	-	-	17,282	17,282
Total revenues	130,000	130,000	115,275	(14,725)
Expenditures:				
Current:				
Public safety	515,000	515,000	439,851	75,149
Total expenditures	515,000	515,000	439,851	75,149
Deficiency of revenues over expenditures	(385,000)	(385,000)	(324,576)	60,424
Other financing sources:				
Proceeds from sale of capital assets	-	-	48,091	48,091
Total other financing sources	-	-	48,091	48,091
Net changes in fund balances	(385,000)	(385,000)	(276,485)	60,424
Fund balances, beginning of fiscal year	386,591	386,591	386,591	-
Fund balances, end of fiscal year	$ 1,591	$ 1,591	$ 110,106	$ 60,424

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-type Activities - Enterprise Funds		
ASSETS	**Stormwater Fund**	**Solid Waste Fund**	**Totals**
CURRENT ASSETS			
Cash and cash equivalents	$ 820,696	$ 870	$ 821,566
Investments	1,000,000	-	1,000,000
Accounts receivable, net	12,844	192,215	205,059
Prepaid items	220,940	-	220,940
Total current assets	2,054,480	193,085	2,247,565
NONCURRENT ASSETS			
Capital assets:			
Depreciable assets, net of accumulated depreciation	1,148,146	-	1,148,146
Total noncurrent assets	1,148,146	-	1,148,146
Total assets	3,202,626	193,085	3,395,711
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	8,092	26,829	34,921
Accrued salaries	866	-	866
Compensated absences payable, current	4,268	-	4,268
Due to other funds	22,558	8,808	31,366
Total current liabilities	35,784	35,637	71,421
Total liabilities	35,784	35,637	71,421
NET POSITION			
Investment in capital assets	1,148,146	-	1,148,146
Unrestricted	2,018,696	157,448	2,176,144
Total net position	$ 3,166,842	$ 157,448	$ 3,324,290

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds		
OPERATING REVENUES	**Stormwater Fund**	**Solid Waste Fund**	**Totals**
Charges for services:			
Stormwater fees	$ 593,427	$ -	$ 593,427
Refuse collection charges	-	397,202	397,202
Total operating revenues	593,427	397,202	990,629
OPERATING EXPENSES			
Personal services and benefits	92,972	106,219	199,191
Purchased and contracted services	47,187	327,840	375,027
Supplies	1,567	-	1,567
Depreciation	44,652	-	44,652
Total operating expenses	186,378	434,059	620,437
Operating income (loss)	407,049	(36,857)	370,192
NON-OPERATING REVENUES			
Interest income	9,492	-	9,492
Total non-operating revenues	9,492	-	9,492
Change in net position	416,541	(36,857)	379,684
NET POSITION, beginning of year,	2,750,301	194,305	2,944,606
NET POSITION, end of year	$ 3,166,842	$ 157,448	$ 3,324,290

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds		
	Stormwater Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 624,128	$ 399,292	$ 1,023,420
Payments to vendors	(36,821)	(292,203)	(329,024)
Payments to or on behalf of employees	(92,972)	(106,219)	(199,191)
Net cash provided by operating activities	494,335	870	495,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	9,492	-	9,492
Net cash provided by investing activities	9,492	-	9,492
Net increase in cash and cash equivalents	503,827	870	504,697
Cash and cash equivalents, beginning of year	316,869	-	316,869
Cash and cash equivalents, end of year	$ 820,696	$ 870	$ 821,566
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 407,049	$ (36,857)	$ 370,192
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	44,652	-	44,652
Change in assets and liabilities:			
Decrease in accounts receivable	30,701	2,090	32,791
Increase in prepaids	(832)	-	(832)
Increase in accounts payable	8,092	26,829	34,921
Increase in due to other funds	4,673	8,808	13,481
Net cash provided by operating activities	$ 494,335	$ 870	$ 495,205

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2014

ASSETS	Agency Fund
Cash	$ 1,018,135
Total assets	$ 1,018,135
LIABILITIES	
Due to other agencies	$ 1,018,135
Total liabilities	$ 1,018,135

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Doraville, 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 of Doraville (the "City") was incorporated in 1871 and operates under a Mayor/Council/City Manager form of government. The City provides such services as police, highways and streets, parks and recreation, planning and zoning, municipal court services, stormwater services, sanitation services, and general and administrative services. Water, sewer, and fire protection services are provided by DeKalb County.

The City, for financial reporting purposes, includes all of the funds relevant to the operations of the City. The Governmental Accounting Standards Board has set forth criteria to determine if legally separate organizations are considered to be component units in which the City is considered to be financially accountable or other organizations whose nature and significant relationship with the City is such that exclusion would cause the City's financial statements to be misleading. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. (For the most part, the effect of interfund activity has been removed from these statements). 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 normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets, deferred outflows of resources, non-current liabilities, and deferred inflows of resources. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, 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.

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

The government-wide financial statements are reported using the *economic resources measurement* focus and *the accrual basis* of accounting, as are the proprietary and fiduciary fund financial statements, although agency funds do not have a measurement focus. 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 in the year for which they are levied. Other taxes are recognized predominately when the underlying transaction occurs. 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 sixty (60) days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It is used to account for resources traditionally associated with the City, which are not required legally or by sound financial management to be accounted for in a different fund.

The ***Confiscated Assets Fund*** accounts for the use of confiscated drug money by the City's Police Department. These monies must be used for police related expenditures and are restricted by Federal law.

The City aggregates other nonmajor governmental funds in a single column in the fund financial statements.

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Capital Project Funds are used to account for expenditures on various capital related projects.

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 enterprise funds:

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

The ***Solid Waste Fund*** accounts for the activities associated with the collection of residential and commercial garbage. Activity is rendered on a user charge basis.

Additionally, the City reports the following fund type:

The ***Agency Fund*** is used to account for assets held by the City's Municipal Court until they can be disbursed to other parties.

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets

Annual appropriated budgets are adopted for all funds, except the capital projects funds, which adopt project-length budgets. 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 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

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

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. Investments are reported at fair value as determined by quoted market prices.

F. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are 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, are offset by a fund balance nonspendable account in the 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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items in both government-wide and fund financial statements. Expenses or expenditures are reported when the service is provided.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $3,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation. As allowed under GASB Statement No. 34, the City did not capitalize any infrastructure purchased or donated prior to the implementation of GASB Statement No. 34. Therefore, the City only reports infrastructure assets purchased subsequent to June 30, 2003.

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended June 30, 2014. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset	Years
Buildings and improvements	30-40
Furniture and office equipment	5-15
Vehicles	7-10
Infrastructure	20-50
Other equipment	10-20
Park and recreation facilities	20

Note 1. Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City does not have any items that qualify for reporting in this category at June 30, 2014.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one (1) type of item, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. 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 that the amounts become available.

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off benefits. This includes compensatory time off in lieu of overtime pay for irregular or occasional overtime work. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the City. All paid time off and compensatory time (comp time) are accrued when incurred in the government-wide and proprietary fund financial statements. The maximum accrual is limited to eighty (80) hours. The paid time off is capped at December 31. Employees can rollover 80 hours of their outstanding paid time off balance at December 31 in which the most an employee can accrue is 26 days per year based on their years of service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Long-term Obligations

In the government-wide financial statements and the proprietary funds 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position are reported as restricted using the same definition as used for restricted fund balance as described in the Fund Equity section (Footnote 1.M). 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.

Note 1. Summary of Significant Accounting Policies (Continued)

M. Fund Equity

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

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Council (passage of a resolution). The same formal action is required to subsequently remove or modify a commitment of fund balance.

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. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not nonspendable, restricted or committed. The City Council has expressly delegated to the City's City Manager and Finance Director the authority to assign funds 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. In addition, any remaining deficits in the City's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

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

Note 1. Summary of Significant Accounting Policies (Continued)

N. Management Estimates

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

O. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

Note 2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $309,310 difference are as follows:

Compensated absences	$	(185,611)
Net pension obligation		(123,699)
Net adjustment to reduce *fund balances - total governmental funds* to arrive at *change in net position of governmental activities*	$	(309,310)

Note 2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

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

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 *change 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 $263,778 difference are as follows:

Capital outlay	$	609,342
Depreciation expense		(873,120)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(263,778)

Another element of that reconciliation states that "the net effect of various miscellaneous transactions involving capital assets (disposals and donations) is to increase net position." The details of this $444,200 difference are as follows:

Disposal of capital assets	$	(391,806)
Donation of capital asset		836,006
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *change in net position of governmental activities*	$	444,200

Another element of that reconciliation states 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 $133,196 difference are as follows:

Compensated absences	$	89,276
Net pension obligation		43,920
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities*	$	133,196

Note 3. Legal Compliance - Budgets

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

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

Encumbrances accounting is not used by the City.

The City's E911 dispatchers department expenditures in the General Fund exceeded the approved budget by $394,646. This overage was offset by excess budget in other departments.

Note 4. Deposits and Investments

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and the City policy require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, all of the City's deposits were covered either by FDIC or collateralized by the financial institution or a combination of both.

As of June 30, 2014, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit # 1	February 26, 2015	$ 250,000
Certificate of Deposit # 2	May 19, 2015	750,000
Certificate of Deposit # 3	August 7, 2014	500,000
Certificate of Deposit # 4	July 3, 2014	500,000
Total		$ 2,000,000

Interest rate risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loses arising from increasing interest rates.

Note 4. Deposits and Investments (Continued)

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. As of June 30, 2014, the City had no investments balances that were exposed to credit risk.

Note 5. Receivables

The City receives property tax assessments from DeKalb County, Georgia. The operating millage rate cap of 10 mills is statutorily set and cannot be changed without a referendum. The operating millage rate in effect for fiscal year 2014 was 9 mills. Property taxes are attached as an enforceable lien on property as of January 1 and are based on property values as of January 1. Property taxes were levied in June 2013 and are due and payable in two installments. The installments were due on September 30 and November 15, respectively, of each year. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

In governmental funds, property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available. Taxes levied in one year are for that fiscal year. Accordingly, property taxes levied during 2013 are for the fiscal year 2014.

In the enterprise funds, stormwater and sanitation (solid waste) fees are billed annually in July along with the property taxes and are due and payable in two installments. The installments were due on September 30 and November 15, respectively, of each year. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City.

Receivables as of the fiscal year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Stormwater	Solid Waste	Nonmajor Funds
Receivables:				
Taxes	$ 261,438	$ -	$ -	$ 10,333
Accounts	53,707	39,014	310,915	24,678
Less allowance for uncollectibles	(163,797)	(26,170)	(118,700)	-
Net total receivables	$ 151,348	$ 12,844	$ 192,215	$ 35,011

Note 6. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 313,057	$ -	$ -	$ -	$ 313,057
Total assets, not being depreciated	313,057	-	-	-	313,057
Capital assets, being depreciated:					
Infrastructure	1,518,041	-	156,228	-	1,674,269
Building improvements	7,830,272	82,303	-	-	7,912,575
Park and recreation facilities	1,675,388	-	-	-	1,675,388
Furniture and office equipment	1,161,888	144,701	-	(27,221)	1,279,368
Vehicles	2,137,382	1,147,396	-	(429,840)	2,854,938
Other equipment	2,664,707	70,948	(156,228)	(505,263)	2,074,164
Total assets, being depreciated	16,987,678	1,445,348	-	(962,324)	17,470,702
Less accumulated depreciation for:					
Infrastructure	(216,505)	(47,660)	(147,019)	-	(411,184)
Building improvements	(3,036,238)	(188,050)	-	-	(3,224,288)
Park and recreation facilities	(1,173,941)	(33,297)	-	-	(1,207,238)
Furniture and office equipment	(723,762)	(138,616)	-	22,668	(839,710)
Vehicles	(1,316,062)	(271,148)	-	220,897	(1,366,313)
Other equipment	(1,816,004)	(194,349)	147,019	326,953	(1,536,381)
Total accumulated depreciation	(8,282,512)	(873,120)	-	570,518	(8,585,114)
Total assets, being depreciated, net	8,705,166	572,228	-	(391,806)	8,885,588
Governmental activities capital assets, net	$ 9,018,223	$ 572,228	$ -	$ (391,806)	$ 9,198,645

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Infrastructure	$ 1,255,782	$ -	$ -	$ 1,255,782
Vehicles	155,013	-	(22,013)	133,000
Total assets, being depreciated	1,410,795	-	(22,013)	1,388,782
Less accumulated depreciation for:				
Infrastructure	(109,534)	(31,352)	-	(140,886)
Vehicles	(108,463)	(13,300)	22,013	(99,750)
Total accumulated depreciation	(217,997)	(44,652)	22,013	(240,636)
Business-type activities capital assets, net	$ 1,192,798	$ (44,652)	$ -	$ 1,148,146

Note 6. Capital Assets (Continued)

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

Governmental activities:		
General government	$	57,387
Public safety		702,142
Public works		59,763
Culture and recreation		50,112
Economic and community development		3,716
Total depreciation expense - governmental activities	$	873,120
Business-type activities:		
Stormwater	$	44,652

Note 7. Inter-fund Receivables, Payables, and Transfers

The composition of inter-fund balances as of June 30, 2014, is as follows:

Due to/from other funds:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor Governmental Funds	$ 3,502
General Fund	Stormwater Fund	22,558
General Fund	Solid Waste Fund	8,808
Nonmajor Governmental funds	General Fund	6,605
		$ 41,473

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

Note 7. Inter-fund Receivables, Payables, and Transfers (Continued)

Inter-fund transfers for the year ended June 30, 2014:

	Transfers Out		
Transfers in	General Fund	Nonmajor Governmental funds	Total
General Fund	$ -	$ 40,236	$ 40,236
Nonmajor governmental funds	604,933	-	604,933
Total	$ 604,933	$ 40,236	$ 645,169

Transfers are used to 1) move unrestricted revenues from the General Fund to the Non-Major Governmental Funds to cover operating shortfalls during the fiscal year, 2) move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 3) to move restricted revenues collected in other funds to the General Fund to cover allowable expenditures.

Note 8. Long-term Debt

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 274,887	$ 306,809	$ (396,085)	$ 185,611	$ 126,385
Net pension obligation	167,619	540,828	(584,748)	123,699	-
Governmental activities Long-term liabilities	$ 442,506	$ 847,637	$ (980,833)	$ 309,310	$ 126,385
Business-type activities:					
Compensated absences	$ 4,269	$ 2,768	$ (2,769)	$ 4,268	$ 4,268
Business-type activities Long-term liabilities	$ 4,269	$ 2,768	$ (2,769)	$ 4,268	$ 4,268

For governmental funds, compensated absences and net pension obligation are liquidated by the General Fund. For the business-type funds, compensated absences are liquidated by the Stormwater Fund.

Note 9. Pension Plan

A. Plan Description

The City, as authorized by the Mayor and City Council, has established a non-contributory defined benefit pension plan (The City of Doraville Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered by AUL Retirement Services (a One American Financial Partner and American United Life Insurance) and represents an agent multiple-employer pension plan. Contributions made by the City are not commingled with contributions made by other employers' pension plans that are administered by AUL Retirement Services. The City does not own any securities on its own. The Mayor and City Council has the governing authority to establish and amend from time to time, the contribution rates of the employer and its Plan members. Financial information pertaining to the Plan may be obtained by writing to AUL Retirement Services (a One American Financial Partner / American United Life Insurance), One American Square, 400C, Indianapolis, Indiana, 46282 or by calling (205)-862-3101.

As provided by State law, benefit provisions for participants in the Pension Plan are established by the respective employers. As authorized by the Mayor and City Council, employees working a minimum of twenty (20) hours per week are eligible for participation after one (1) year of continuous service. Employees are vested after completing ten (10) years of credited service. Elected officials and municipal court judges are vested immediately at 100%. City employees who retire at age 65 and five (5) years of service or age 60/25 (participant is not required to be in service of the City to qualify for the alternative)

At January 1, 2014, the date of the most recent actuarial valuation, there were 164 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	57
Terminated vested participants not yet receiving benefits	21
Active vested employees	86
Total	164

B. Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. AUL Retirement Services has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. At January 1, 2014, the date of the most recent actuarial valuation, the actuarially determined contribution rate was 14.54% of covered payroll.

Note 9. Pension Plan (Continued)

For 2014, the City's recommended contribution was $523,451 and actual contribution totaled $584,748. The recommended contribution was determined as part of the January 1, 2014 actuarial valuations using the projected unit credit actuarial cost method. Actuarial assumptions include a 6.75% rate of return on investments (net of investment expenses) and projected salary increases were 0% until 2015, at which time it will be 2.5% per year. The merit component of salary increases was assumed to be approximately 6% in year one and reduced to 1% in year 5, ranging from 0.5% through 1% thereafter. The cost of living assumption was 2.5%. The period, and related method, for amortizing the initial unfunded actuarial accrued liability 25 years. The asset valuation method is the sum of actuarial value at beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years. Therefore, the actuarial value of the Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten year period.

C. Annual Pension Cost

The City's actuarially required contribution, pension cost, and decrease in net pension obligation (or increase in net pension asset) for the fiscal year ended June 30, 2014, were computed as follows:

Actuarially required contribution	$ 523,451
Interest	17,377
Annual pension cost	540,828
Actual contributions made	(584,748)
Increase in net pension obligation	(43,920)
Net pension obligation, June 30, 2013	167,619
Net pension obligation, June 30, 2014	$ 123,699

Note 9. Pension Plan (Continued)

D. Schedule of Annual Pension Costs

The chart below shows the annual pension cost for the current year and prior two fiscal years along with the percentage actually contributed by the City.

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
2014	$ 540,828	$ 584,748	108.1 %	$ 123,699
2013	777,635	768,147	98.8	167,619
2012	708,094	549,963	77.7	158,131

E. Funding Progress

The information presented below is based on the annual actuarial valuation as of January 1, 2014. Additional funding progress history is presented in the required supplementary section.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2014	$ 15,061,965	$ 16,209,749	$ 1,147,784	92.92 %	$ 3,580,064	32.06 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2014 and on the pattern of sharing costs between the City and Plan members to that point.

Note 9. Pension Plan (Continued)

The assumptions used in the January 1, 2014 actuarial valuation are as follows:

Actuarial Assumptions:	
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at the beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Assumed Rate of Return on Investments	6.75%
Projected Salary Increases	0.5 - 6.0% (including 2.5% for inflation)
Cost-of-living Adjustment	2.5%
Amortization Method	Level dollar, closed
Remaining Amortization Period	24 years

Note 10. Other Post-employment Benefits (OPEB)

As authorized by the Mayor and City Council, the City provides post-employment benefits to all retirees who have reached age 60 and was employed by the City for 30 years. The City pays 100% of each retiree's health insurance premiums for three (3) retirees who met the age and longevity requirements and pays 100% of each retiree's life insurance premiums for fifteen (15) retirees. The City finances the Plan on a pay-as-you-go basis. The health insurance is $13,545 per year and should be completely phased out in two (2) years. For the life insurance, the City pays a total of $626 per year to cover all fifteen (15) employees. This should also be phasing out as retirees drop off of the insurance. No currently active or new employees will receive these benefits since it was removed from the City's ordinance during the fall of 2013.

GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,"* was effective for the City's June 30, 2011 fiscal year-end. This statement required employers to have an actuarial valuation report performed on the OPEB Plan and to report various assets and liabilities, if applicable. Since the current insurance coverage for the 15 employees will be phased out in 2 years and the fact that no new employees will receive these benefits in the future, the City has determined that the amount of any net OPEB liability would be immaterial to the financial statements and therefore, an actuarial valuation was not performed.

Note 11. Joint Venture

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

Note 12. Risk Management

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State as part of the Georgia Inter-local Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim or loss.

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

Settled claims in the past three (3) years have not exceeded insurance coverage.

Note 13. Contingent Liabilities

Litigation:
The City is involved in pending lawsuits in the normal course of the City's business. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

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

Note 14. Hotel/Motel Occupancy Tax

The City imposes a hotel/motel tax on lodging facilities within the City. The tax is assessed at 5% and the City is remitting 40% of the amount collected to the DeKalb County Convention and Visitor's Bureau. Revenues were $67,060 for the fiscal year ended June 30, 2014. Of this amount 40%, or $26,824, was remitted to the DeKalb County Convention and Visitor's Bureau while 60%, or $40,236, was transferred to the General Fund in accordance with O.C.G.A. 48-13-51.

Note 15. Motor Vehicle Excise Tax

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with state law, for promotion of tourism or the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the fiscal year ended June 30, 2014, the City received $56,846 in motor vehicle excise taxes. Of this amount, $17,024, or 30%, was used for these purposes.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DORAVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2014	$ 15,061,965	$ 16,209,749	$ 1,147,784	92.92 %	$ 3,580,064	32.06 %
1/1/2013	14,086,381	15,633,656	1,547,275	90.10	3,492,828	44.30
1/1/2012	13,105,502	15,192,645	2,087,143	86.26	4,338,116	48.11
1/1/2011	12,454,280	14,277,651	1,823,371	87.23	4,472,123	40.77
1/1/2010	11,810,894	13,584,198	1,773,304	86.95	4,574,234	38.77
5/1/2009	9,385,262	14,845,085	5,459,823	63.22	4,335,431	125.93

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Emergency 911 Fund – This fund is used to account for receipt of "911" emergency telephone system charges collected by communication firms. Funds are restricted by State laws.

Tree Bank Fund – This fund accounts for committed funds to be used for tree planting throughout the city. Funds were committed by the Mayor and City Council through the passage of a tree ordinance in prior years.

Multi-Grants Fund – This fund is used to account for the funds received from external sources as they relate to grants awarded to the City. Matching funds, which are the City's responsibility, are also recorded within this fund. These funds are restricted by Federal and State law.

Hotel/Motel Tax Fund – This fund is used to account for the occupancy tax collected by the City from area hotels and motels, and distributed based upon State statute. Funds are restricted by State laws.

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

Capital Projects Fund

Capital Projects Funds are used to account for the acquisition and construction of major items, such as buildings, infrastructure, parks, streets, and other major capital facilities.

Homestead Option Sales Tax Fund (HOST) – This fund is used to account for locally funded acquisition and construction of major capital projects financed by restricted homestead option sales tax funds.

Capital Projects Fund – This fund is used to account for acquisition and construction of various major capital projects.

CITY OF DORAVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
ASSETS	Emergency 911	Tree Bank	Multi-Grants	Hotel / Motel Tax	Rental Motor Vehicle Excise Tax	HOST	Capital Projects	
Cash and cash equivalents	$ 11,505	$ 9,293	$ 122,814	$ -	$ 60,254	$ 452,399	$ 547,705	$ 1,203,970
Taxes receivable	-	-	-	5,915	4,418	-	-	10,333
Accounts receivable	24,678	-	-	-	-	-	-	24,678
Due from other funds	-	6,605	-	-	-	-	-	6,605
Prepaids	2,493	-	-	-	-	-	-	2,493
Total assets	$ 38,676	$ 15,898	$ 122,814	$ 5,915	$ 64,672	$ 452,399	$ 547,705	$ 1,248,079
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ -	$ 300	$ 555	$ 2,413	$ -	$ -	$ -	$ 3,268
Accured Expenses	7,427	-	-	-	-	-	-	7,427
Due to other funds	-	-	-	3,502	-	-	-	3,502
Total liabilities	7,427	300	555	5,915	-	-	-	14,197
FUND BALANCES								
Nonspendable:								
Prepaids	2,493	-	-	-	-	-	-	2,493
Restricted for:								
Capital projects	-	-	122,259	-	64,672	452,399	-	639,330
Public safety	28,756	-	-	-	-	-	-	28,756
Committed for:								
Tree removal and planting	-	15,598	-	-	-	-	-	15,598
Assigned for:								
Capital projects	-	-	-	-	-	-	547,705	547,705
Total fund balances	31,249	15,598	122,259	-	64,672	452,399	547,705	1,233,882
Total liabilities and fund balances	$ 38,676	$ 15,898	$ 122,814	$ 5,915	$ 64,672	$ 452,399	$ 547,705	$ 1,248,079

CITY OF DORAVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds					Capital Project Funds		Total Nonmajor Governmental Funds
	Emergency 911	Tree Bank	Multi-Grants	Hotel / Motel Tax	Rental Motor Vehicle Excise Tax	HOST	Capital Projects	
Revenues:								
Hotel/Motel occupancy taxes	$ -	$ -	$ -	$ 67,060	$ -	$ -	$ -	$ 67,060
Motor vehicle taxes	-	-	-	-	56,846	-	-	56,846
License and permits	-	6,605	-	-	-	-	-	6,605
Charges for services	176,384	-	-	-	-	-	-	176,384
Intergovernmental	-	-	77,370	-	-	155,810	-	233,180
Investment earnings	-	48	-	-	-	2,049	-	2,097
Total revenues	176,384	6,653	77,370	67,060	56,846	157,859	-	542,172
Expenditures:								
Current:								
General government	-	-	-	-	-	17,603	37,900	55,503
Public safety	176,384	-	7,998	-	-	-	-	184,382
Public works	-	-	2,365	-	17,024	-	-	19,389
Culture and recreation	-	-	-	-	-	24,000		24,000
Tourisim and economic development	-	11,440	-	26,824	-	-	-	38,264
Total expenditures	176,384	11,440	10,363	26,824	17,024	41,603	37,900	321,538
Excess (deficiency) of revenues over expenditures	-	(4,787)	67,007	40,236	39,822	116,256	(37,900)	220,634
Other financing sources (uses):								
Transfers in	19,328	-	-	-	-	-	585,605	604,933
Transfers out	-	-	-	(40,236)	-	-	-	(40,236)
Total other financing sources (uses)	19,328	-	-	(40,236)	-	-	585,605	564,697
Net change in fund balances	19,328	(4,787)	67,007	-	39,822	116,256	547,705	785,331
Fund balances, beginning of fiscal year	11,921	20,385	55,252	-	24,850	336,143	-	448,551
Fund balances, end of fiscal year	$ 31,249	$ 15,598	$ 122,259	$ -	$ 64,672	$ 452,399	$ 547,705	$ 1,233,882