CITY OF DORAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF DORAVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 9 and 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

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 5-12, the Schedule of City's Net Pension Liability and Related Ratios on page 47, and the Schedule of City Contributions on page 48 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 December 30, 2015 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
December 30, 2015

CITY OF DORAVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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, 2015. 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 and deferred inflows of resources at June 30, 2015 by $15,041,774. Of this amount unrestricted net position of $3,469,505 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $1,136,077. Of this amount an increase of $987,969 was associated with governmental activities and an increase of $148,108 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 $6,144,796 an increase of $1,205,646 in comparison with the prior year. Of this amount $4,522,205 is unassigned and available for spending; $310,981 is restricted for police activities; $545,018 is restricted for capital outlay; $14,856 is committed to tree removal and planting; $558,769 is assigned for capital outlay and $192,967 is non-spendable related to prepaid items.

- At the end of the current year, unassigned fund balance for the general fund was $4,522,205 or 48 percent of total General Fund expenditures.

- The City of Doraville's total long term debt obligations consisted of accrued compensated absences of $192,251 and an accrued net pension liability of $3,169,243. 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.

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, liabilities, and deferred inflows of resources, with the difference between them 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 13 and 14 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 three categories: governmental funds, proprietary funds, and a fiduciary fund.

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 HOST 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 the General Fund to demonstrate compliance with the FYE2015 budget. This statement can be found 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 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, 2015, the City's assets exceeded liabilities and deferred inflows of resources by $15,041,774. The City's net position reflects its investment in capital assets (71.2 percent) less related debt, if any. As of June 30, 2015, 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 $15,041,774 only $855,999 or 5.7 percent is restricted for police, and capital improvement projects and $3,469,505 (23.1 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, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
Assets:	2015	2014	2015	2014	2015	2014
Current and Other Assets	$ 6,792,912	$ 5,698,502	$ 2,001,062	$ 2,216,199	$ 8,793,974	$ 7,914,701
Capital Assets	8,883,893	9,198,645	1,832,377	1,148,146	10,716,270	10,346,791
Total Assets	15,676,805	14,897,147	3,833,439	3,364,345	19,510,244	18,261,492
Liabilities:						
Current Liabilities	576,148	721,485	361,041	35,787	937,189	757,272
Long-term Liabilities	3,361,494	3,594,255	-	4,268	3,361,494	3,598,523
Total Liabilities	3,937,642	4,315,740	361,041	40,055	4,298,683	4,355,795
Deferred Inflow of Resources	169,787	-	-	-	169,787	-
Net Position:						
Investment in capital assets	8,883,893	9,198,645	1,832,377	1,148,146	10,716,270	10,346,791
Restricted	855,999	778,192	-	-	855,999	778,192
Unrestricted	1,829,484	604,570	1,640,021	2,176,144	3,469,505	2,780,714
Total Net Position	$ 11,569,376	$ 10,581,407	$ 3,472,398	$ 3,324,290	$ 15,041,774	$ 13,905,697

A portion of the net position (5.7 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2015 ($3,469,505) 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 $148,108 and increased for governmental activities by $987,969. The City's financial position continues to be positive with an unrestricted net position of $3,469,505.

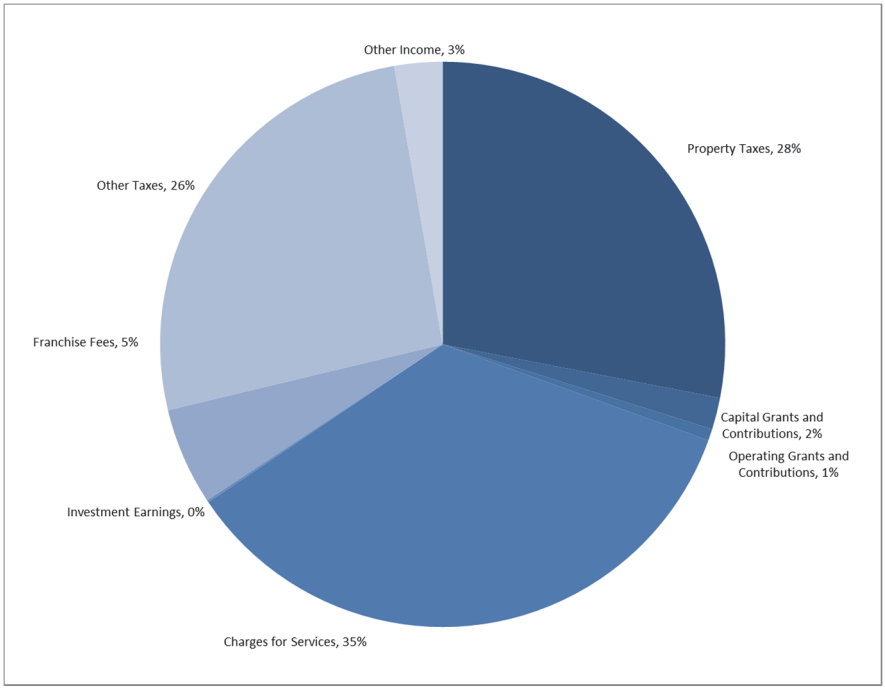
City of Doraville, Georgia's Statement of Activities
For the Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for services	$ 4,141,807	$ 3,315,750	$ 1,010,655	$ 990,629	$ 5,152,462	$ 4,306,379
Operating grants and contributions	78,263	61,292	-	-	78,263	61,292
Capital grants and contributions	292,445	1,069,186	-	-	292,445	1,069,186
General Revenues						
Property Taxes	3,313,273	3,283,229	-	-	3,313,273	3,283,229
Other Taxes	3,728,299	3,119,520	-	-	3,728,299	3,119,520
Interest	14,689	21,819	8,149	9,492	22,838	31,311
Other	306,596	603,863	-	-	306,596	603,863
	11,875,372	11,474,659	1,018,804	1,000,121	12,894,176	12,474,780
Expenses:						
General government	2,105,579	1,987,288	-	-	2,105,579	1,987,288
Public safety	5,796,961	5,748,874	-	-	5,796,961	5,748,874
Public works	858,175	709,233	-	-	858,175	709,233
Culture and recreation	982,265	843,777	-	-	982,265	843,777
Tourism, economic, and community development	1,163,425	499,576	-	-	1,163,425	499,576
Stormwater	-	-	379,102	186,378	379,102	186,378
Solid waste	-	-	472,592	434,059	472,592	434,059
	10,906,405	9,788,748	851,694	620,437	11,758,099	10,409,185
Increase in net position before transfers	968,967	1,685,911	167,110	379,684	1,136,077	2,065,595
Transfers	19,002	-	(19,002)	-	-	-
Change in net position	987,969	1,685,911	148,108	379,684	1,136,077	2,065,595
Net position - beginning of fiscal year, restated	10,581,407	8,895,496	3,324,290	2,944,606	13,905,697	11,840,102
Net position - end of fiscal year	$ 11,569,376	$ 10,581,407	$ 3,472,398	$ 3,324,290	$ 15,041,774	$ 13,905,697

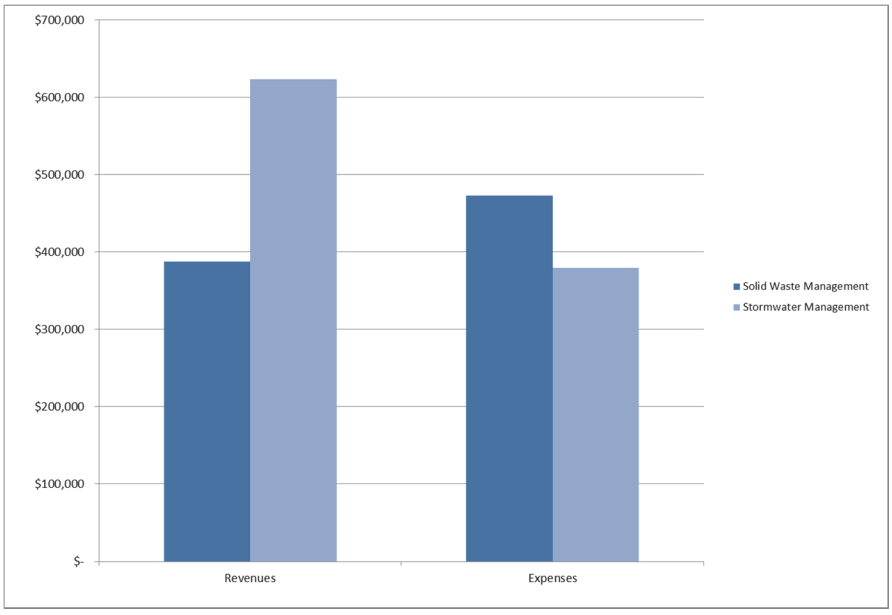
Governmental activities. Governmental activities increased the City's net position $987,969 accounting for 87 percent of the increase in net position for the year. Key elements of this increase are as follows:

- Capital assets increased as the City continued to implement its Capital Improvement Plan which called for the addition of vehicles for Public Works and Police, as well as technology investments for Finance, Police, Municipal Court and the City Clerk's Office.
- 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, 2015



Expenses and Program Revenues-Business-Type Activities
For The Year Ended June 30, 2015



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, 2015 the city's governmental funds reported combined ending fund balances of $6,144,796. Of this amount, $4,522,205 (73.6 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 $310,981 is restricted for public safety activities, $545,018 is restricted for capital projects, $14,856 is committed for tree removal and planting, $558,769 is assigned to capital projects and $192,167 are non-spendable resources related to prepaid items.

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 $4,522,205 while the total fund balance totaled $4,708,348. 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 48.1 percent of the total general fund expenditures, while total fund balance represents 50.1 percent of that same amount.

During the current fiscal year the fund balance of the City's general fund increased by $1,113,186. 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 continues hiring more part time employees to aid in reducing overtime expenditures.

The HOST fund was set up to account for receipts of Homestead Option Sales Tax revenues. During the current year, a total of $215,315 was recognized as revenues. Funds totaling $124,989 were spent on capital projects for public works and recreation. The fund balance at year end was $542,725.

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 $1,578,086 as of June 30, 2015. Operating revenues amounted to $632,281 while operating expenses amounted to $379,102 resulting in operating income of $244,179. 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 $61,935. Operating revenues amounted to $387,374 while operating expenses amounted to $472,592, resulting in an operating deficit of $85,218. 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 revenues were $10,414,432. Actual revenues totaled $10,841,239 thus producing a positive variance of $426,807. Increased collections of property taxes, occupational taxes, franchise fees, building permits and other charges for services contributed to the positive variance.

The General Fund's final budgeted expenditures were $9,987,941. Actual expenditures totaled $9,399,114 thus producing a positive variance of $588,827. Fiscally conservative spending in all departments combined to create the positive variance. Vacant positions in public safety, library, public works and recreation also contributed to the positive variance. Unspent budgeted contingency funds also factored into the 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, 2015 amounts to $10,716,270 (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:

- $280,000 in vehicles and other equipment
- $668,000 in infrastructure (includes stormwater and paving projects)
- $489,000 in construction in progress (includes stormwater and parks projects)
- $42,000 in building improvements.

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 $3,361,494. Long-term debt consisted of accrued vacation and sick leave pay and the accrued net pension liability. 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, 2016. 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.
- Economic Impact – The City's property tax valuations are improving and building permit revenue is increasing as the economy recovers.
- The Council voted to lower the millage rate from 8.75 mills to 8.50 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 continues to implement and extend its Capital Improvement Plan and funds are being set aside to implement the plan.
- The City restricts the use of one-time revenues to capital and other one-time projects.
- Our biggest challenge is to provide good customer service to citizens by not reducing services or current staff while providing resources for continuing capital needs.

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 substantially completed demolition of the existing buildings. Now renamed the Assembly site, progress on the General Motors site has resulted in increased building permit activity both related to the site and across the city. 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, 2015

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 4,968,469	$ 2,047,534	$ 7,016,003
Investments	1,000,000	-	1,000,000
Receivables, net of allowance for uncollectibles	175,109	201,403	376,512
Interfund balances	456,367	(456,367)	-
Prepaid items	192,967	208,492	401,459
Capital assets, non-depreciable	421,926	379,388	801,314
Capital assets, depreciable, net of accumulated depreciation	8,461,967	1,452,989	9,914,956
Total assets	15,676,805	3,833,439	19,510,244
LIABILITIES			
Accounts payable	334,642	361,041	695,683
Accrued liabilities	241,506	-	241,506
Net pension liability, due in more than one year	3,169,243	-	3,169,243
Compensated absences, due within one year	122,567	-	122,567
Compensated absences, due in more than one year	69,684	-	69,684
Total liabilities	3,937,642	361,041	4,298,683
DEFERRED INFLOW OF RESOURCES			
Net difference between projected and actual pension plan investment earnings	17,527	-	17,527
Pension plan experience differences	152,260	-	152,260
Total deferred inflow of resources	169,787	-	169,787
NET POSITION			
Investment in capital assets	8,883,893	1,832,377	10,716,270
Restricted for:			
Capital projects	545,018	-	545,018
Public safety	310,981	-	310,981
Unrestricted	1,829,484	1,640,021	3,469,505
Total net position	$ 11,569,376	$ 3,472,398	$ 15,041,774

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, 2015

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	$ 2,105,579	$ 678,161	$ 11,105	$ -	$ (1,416,313)	$ -	$ (1,416,313)
Public safety	5,796,961	3,459,251	67,158	78,318	(2,192,234)	-	(2,192,234)
Public works	858,175	-	-	214,127	(644,048)	-	(644,048)
Culture and recreation	982,265	-	-	-	(982,265)	-	(982,265)
Tourism, economic, and community development	1,163,425	4,395	-	-	(1,159,030)	-	(1,159,030)
Total governmental activities	10,906,405	4,141,807	78,263	292,445	(6,393,890)	-	(6,393,890)
Business-type activities:							
Stormwater	379,102	623,281	-	-	-	244,179	244,179
Solid waste	472,592	387,374	-	-	-	(85,218)	(85,218)
Total business-type activities	851,694	1,010,655	-	-	-	158,961	158,961
Total primary government	$ 11,758,099	$ 5,152,462	$ 78,263	$ 292,445	$ (6,393,890)	$ 158,961	$ (6,234,929)
General revenues:							
Property taxes					3,313,273	-	3,313,273
Sales taxes					118,787	-	118,787
Franchise taxes					656,930	-	656,930
Hotel/Motel occupancy tax					78,491	-	78,491
Motor vehicle taxes					53,393	-	53,393
Business taxes					2,189,812	-	2,189,812
Other taxes					630,886	-	630,886
Unrestricted investment earnings					14,689	8,149	22,838
Miscellaneous					306,596	-	306,596
Transfers					19,002	(19,002)	-
Total general revenues					7,381,859	(10,853)	7,371,006
Change in net position					987,969	148,108	1,136,077
Net position, beginning of fiscal year, restated					10,581,407	3,324,290	13,905,697
Net position, end of fiscal year					$ 11,569,376	$ 3,472,398	$ 15,041,774

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

CITY OF DORAVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General	HOST	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 3,320,971	$ 625,578	$ 1,021,920	$ 4,968,469
Investments	1,000,000	-	-	1,000,000
Taxes receivable, net	83,906	-	11,347	95,253
Accounts receivable	53,771	-	26,085	79,856
Due from other funds	537,139	-	5,068	542,207
Prepaid Items	186,143	-	6,824	192,967
Total assets	$ 5,181,930	$ 625,578	$ 1,071,244	$ 6,878,752
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 235,709	$ 17,033	$ 81,900	$ 334,642
Accrued salaries	98,952	-	9,819	108,771
Other liabilities	61,885	-	70,850	132,735
Due to other funds	5,068	65,820	14,952	85,840
Total liabilities	401,614	82,853	177,521	661,988
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	71,968	-	-	71,968
Total deferred inflows of resources	71,968	-	-	71,968
FUND BALANCES				
Nonspendable for:				
Prepaid Items	186,143	-	6,824	192,967
Restricted for:				
Public safety	-	-	310,981	310,981
Capital projects	-	542,725	2,293	545,018
Committed for:				
Tree removal and planting	-	-	14,856	14,856
Assigned for capital projects	-	-	558,769	558,769
Unassigned	4,522,205	-	-	4,522,205
Total fund balances	4,708,348	542,725	893,723	6,144,796
Total liabilities, deferred inflows or resources and fund balances	$ 5,181,930	$ 625,578	$ 1,071,244	

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.	8,883,893
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	71,968
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(3,339,030)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(192,251)
Net position of governmental activities	$ 11,569,376

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, 2015

	General	HOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property taxes	$ 3,279,172	$ -	$ -	$ 3,279,172
Sales taxes	118,787	-	-	118,787
Hotel/Motel occupancy taxes	-	-	78,491	78,491
Motor vehicle taxes	-	-	53,393	53,393
Franchise taxes	656,930	-	-	656,930
Business taxes	2,189,812	-	-	2,189,812
Other taxes	630,886	-	-	630,886
Licenses and permits	678,161	-	4,395	682,556
Intergovernmental	67,158	214,127	78,318	359,603
Fines and forfeitures	2,771,989	-	376,700	3,148,689
Charges for services	129,130	-	181,432	310,562
Investment earnings	13,467	1,188	34	14,689
Contributions and donations	11,105	-	-	11,105
Other revenues	294,642	-	11,954	306,596
Total revenues	10,841,239	215,315	784,717	11,841,271
Expenditures				
Current:				
General government	1,827,562	-	-	1,827,562
Public safety	4,895,181	-	611,645	5,506,826
Public works	775,402	19,200	191,624	986,226
Culture and recreation	905,902	105,789	-	1,011,691
Tourism, economic, and community development	995,067	-	36,546	1,031,613
Capital outlay	-	-	336,218	336,218
Total expenditures	9,399,114	124,989	1,176,033	10,700,136
Excess (deficiency) of revenues over expenditures	1,442,125	90,326	(391,316)	1,141,135
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	45,509	45,509
Transfers in	184,162	-	513,101	697,263
Transfers out	(513,101)	-	(165,160)	(678,261)
Total other financing sources (uses)	(328,939)	-	393,450	64,511
Net change in fund balances	1,113,186	90,326	2,134	1,205,646
Fund balances, beginning of fiscal year	3,595,162	452,399	891,589	4,939,150
Fund balances, end of fiscal year	$ 4,708,348	$ 542,725	$ 893,723	$ 6,144,796

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, 2015

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

Net change in fund balances - total governmental funds	$	1,205,646
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.		(77,637)
The net effect of various miscellaneous transactions involving capital assets (i.e. sale of capital assets) is to decrease net position.		(237,115)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		34,101
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.		62,974
Change in net position - governmental activities	$	987,969

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,226,563	$ 3,226,563	$ 3,279,172	$ 52,609
Sales taxes	196,000	196,000	118,787	(77,213)
Franchise taxes	625,000	625,000	656,930	31,930
Business taxes	2,450,000	2,100,000	2,189,812	89,812
Other taxes	497,182	624,182	630,886	6,704
Licenses and permits	300,500	625,500	678,161	52,661
Intergovernmental	128,534	64,267	67,158	2,891
Fines and forfeitures	2,441,800	2,716,800	2,771,989	55,189
Charges for services	102,520	102,520	129,130	26,610
Investment earnings	15,500	15,500	13,467	(2,033)
Contributions and donations	2,500	12,500	11,105	(1,395)
Other revenues	105,600	105,600	294,642	189,042
Total revenues	10,091,699	10,414,432	10,841,239	426,807
Expenditures:				
Current:				
General government				
Governing body	143,775	144,447	112,767	31,680
Mayor and council	32,063	32,063	24,056	8,007
City manager	277,699	277,699	248,056	29,643
Municipal court	478,925	487,576	420,473	67,103
General administration	329,893	333,631	307,198	26,433
Finance	427,670	463,077	344,516	118,561
Legal	260,000	260,000	247,912	12,088
Technology	94,200	94,200	94,200	-
Other	39,300	39,300	28,384	10,916
Total general government	2,083,525	2,131,993	1,827,562	304,431
Public safety:				
Police	4,910,807	4,967,985	4,590,834	377,151
E911 dispatchers	-	-	241,258	(241,258)
Animal control	75,308	75,308	63,089	12,219
Total public safety	4,986,115	5,043,293	4,895,181	148,112
Public works	867,915	867,915	775,402	92,513
Culture and recreation:				
Recreation	558,604	558,604	574,347	(15,743)
Parks	33,500	33,500	34,300	(800)
Libraries	329,315	339,548	297,255	42,293
Total culture and recreation	921,419	931,652	905,902	25,750
Economic and Community Development	813,088	1,013,088	995,067	18,021
Total expenditures	9,672,062	9,987,941	9,399,114	588,827
Excess of revenues over expenditures	419,637	426,491	1,442,125	1,015,634
Other financing sources (uses):				
Transfers in	91,800	97,800	184,162	86,362
Transfers out	(796,694)	(836,594)	(513,101)	323,493
Total other financing sources (uses)	(704,894)	(738,794)	(328,939)	409,855
Net change in fund balances	(285,257)	(312,303)	1,113,186	1,425,489
Fund balances, beginning of year	3,595,162	3,595,162	3,595,162	-
Fund balances, end of year	$ 3,309,905	$ 3,282,859	$ 4,708,348	$ 1,425,489

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

CITY OF DORAVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds		
ASSETS	**Stormwater Fund**	**Solid Waste Fund**	**Totals**
CURRENT ASSETS			
Cash and cash equivalents	$ 2,046,289	$ 1,245	$ 2,047,534
Accounts receivable, net	9,403	192,000	201,403
Prepaid items	208,492	-	208,492
Total current assets	2,264,184	193,245	2,457,429
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable assets	379,388	-	379,388
Depreciable assets, net of accumulated depreciation	1,452,989	-	1,452,989
Total noncurrent assets	1,832,377	-	1,832,377
Total assets	4,096,561	193,245	4,289,806
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	330,758	30,283	361,041
Due to other funds	355,340	101,027	456,367
Total current liabilities	686,098	131,310	817,408
Total liabilities	686,098	131,310	817,408
NET POSITION			
Investment in capital assets	1,832,377	-	1,832,377
Unrestricted	1,578,086	61,935	1,640,021
Total net position	$ 3,410,463	$ 61,935	$ 3,472,398

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, 2015

	Business-type Activities - Enterprise Funds		
OPERATING REVENUES	**Stormwater Fund**	**Solid Waste Fund**	**Totals**
Charges for services:			
Stormwater fees	$ 623,281	$ -	$ 623,281
Refuse collection charges	-	387,374	387,374
Total operating revenues	623,281	387,374	1,010,655
OPERATING EXPENSES			
Personal services and benefits	51,257	120,895	172,152
Purchased and contracted services	278,131	351,697	629,828
Supplies	975	-	975
Depreciation	48,739	-	48,739
Total operating expenses	379,102	472,592	851,694
Operating income (loss)	244,179	(85,218)	158,961
NON-OPERATING REVENUES			
Interest income	8,149	-	8,149
Total non-operating revenues	8,149	-	8,149
Income before transfers	252,328	(85,218)	167,110
Transfer out	(8,707)	(10,295)	(19,002)
Change in net position	243,621	(95,513)	148,108
NET POSITION, beginning of year,	3,166,842	157,448	3,324,290
NET POSITION, end of year	$ 3,410,463	$ 61,935	$ 3,472,398

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, 2015

	Business-type Activities - Enterprise Funds		
	Stormwater Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 626,722	$ 387,589	$ 1,014,311
Payments to vendors	(124,278)	(256,024)	(380,302)
Payments to or on behalf of employees	(56,391)	(120,895)	(177,286)
Net cash provided by operating activities	446,053	10,670	456,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold	1,000,000	-	1,000,000
Interest received	8,149	-	8,149
Net cash provided by investing activities	1,008,149	-	1,008,149
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(552,684)	-	(552,684)
Net cash used in capital and related financing activities	(552,684)	-	(552,684)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers to other funds	(8,707)	(10,295)	(19,002)
Receipt of cash advanced from other funds	332,782	-	332,782
Net cash used in non-capital and related financing activities	324,075	(10,295)	313,780
Net increase in cash and cash equivalents	1,225,593	375	1,225,968
Cash and cash equivalents, beginning of year	820,696	870	821,566
Cash and cash equivalents, end of year	$ 2,046,289	$ 1,245	$ 2,047,534
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 244,179	$ (85,218)	$ 158,961
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	48,739	-	48,739
Change in assets and liabilities:			
Decrease in accounts receivable	3,441	215	3,656
Decrease in prepaids	12,448	-	12,448
Increase in accounts payable	142,380	3,454	145,834
Decrease in accrued salaries	(866)	-	(866)
Decrease in compensated absences	(4,268)	-	(4,268)
Increase in due to other funds	-	92,219	92,219
Net cash provided by operating activities	$ 446,053	$ 10,670	$ 456,723

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, 2015

	Agency Fund
ASSETS	
Cash	$ 683,158
Total assets	$ 683,158
LIABILITIES	
Due to other agencies	$ 683,158
Total liabilities	$ 683,158

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

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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items in both government-wide and fund financial statements. Expenses or expenditures are reported when the service is provided. These items are accounted for using the consumption method.

Note 1. Summary of Significant Accounting Policies (Continued)

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, 2015. 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

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, 2015.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of resources (Continued)

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.

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

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. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Doraville Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Contributions are recognized when paid or legally due. Investments are reported at fair value.

M. 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 is 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)

N. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets, 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)

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets 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.

P. 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 "deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds." The details of this $3,339,030 difference are as follows:

Net pension liability	$	(3,169,243)
Deferred inflows of resources		
Net difference between projected and actual investment earnings		(17,527)
Pension plan experience differences		(152,260)
Net adjustment to reduce *fund balance- total governmental funds* to arrive at *net position - governmental activities*	$	(3,339,030)

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

B. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement Net Position (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 $77,637 difference are as follows:

Capital outlay	$	745,344
Depreciation expense		(822,981)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(77,637)

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 $62,974 difference are as follows:

Compensated absences	$	(6,640)
Pension expense		69,614
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities*	$	62,974

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 $241,258. The City's parks department and recreation department expenditures in the General Fund exceeded the approved budget by $800 and $15,743 respectively. This overage was offset by excess budget in other departments. The Hotel/Motel Tax Fund's expenditures exceeded the approved budget by $4,196 and the transfers out exceed the budget by $6,295. These excesses were funded through greater than anticipated revenues. The Rental Motor Vehicle Tax Fund's transfers out exceeded the approved budget by $61,065. This excess was funded through fund balance reserves.

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, 2015, all of the City's deposits were covered either by FDIC or collateralized by a financial institution or a combination of both.

As of June 30, 2015, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit # 1	August 7, 2015	$ 500,000
Certificate of Deposit # 2	July 3, 2015	500,000
Total		$ 1,000,000

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, 2015, 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 2015 was 8.75 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 2014 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 2014 are for the fiscal year 2015.

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	$ 261,892	$ -	$ -	$ 11,347
Accounts	53,771	26,865	309,040	26,085
Less allowance for uncollectibles	(177,986)	(17,462)	(117,040)	-
Net total receivables	$ 137,677	$ 9,403	$ 192,000	$ 37,432

Note 6. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 313,057	$ -	$ -	$ -	$ 313,057
CIP	-	108,869	-	-	108,869
Total assets, not being depreciated	313,057	108,869	-	-	421,926
Capital assets, being depreciated:					
Infrastructure	1,674,269	345,288	-	(4,600)	2,014,957
Building improvements	7,912,575	42,354	-	(110,000)	7,844,929
Park and recreation facilities	1,675,388	-	-	-	1,675,388
Furniture and office equipment	1,279,368	36,101	-	(134,835)	1,180,634
Vehicles	2,854,938	203,732	-	(340,873)	2,717,797
Other equipment	2,074,164	9,000	-	(118,468)	1,964,696
Total assets, being depreciated	17,470,702	636,475	-	(708,776)	17,398,401
Less accumulated depreciation for:					
Infrastructure	(411,184)	(58,580)	-	1,823	(467,941)
Building improvements	(3,224,288)	(186,381)	-	35,269	(3,375,400)
Park and recreation facilities	(1,207,238)	(33,205)	-	-	(1,240,443)
Furniture and office equipment	(839,710)	(107,700)	-	116,171	(831,239)
Vehicles	(1,366,313)	(296,422)	-	209,256	(1,453,479)
Other equipment	(1,536,381)	(140,693)	-	109,142	(1,567,932)
Total accumulated depreciation	(8,585,114)	(822,981)	-	471,661	(8,936,434)
Total assets, being depreciated, net	8,885,588	(186,506)	-	(237,115)	8,461,967
Governmental activities capital assets, net	$ 9,198,645	$ (77,637)	$ -	$ (237,115)	$ 8,883,893

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 379,388	$ -	$ 379,388
Total assets, not being depreciated	-	379,388	-	379,388
Capital assets, being depreciated:				
Infrastructure	1,255,782	322,691	-	1,578,473
Vehicles	133,000	30,891	-	163,891
Total assets, being depreciated	1,388,782	353,582	-	1,742,364
Less accumulated depreciation for:				
Infrastructure	(140,886)	(32,129)	-	(173,015)
Vehicles	(99,750)	(16,610)	-	(116,360)
Total accumulated depreciation	(240,636)	(48,739)	-	(289,375)
Total assets, being depreciated, net	1,148,146	304,843	-	1,452,989
Business-type activities capital assets, net	$ 1,148,146	$ 684,231	$ -	$ 1,832,377

Note 6. Capital Assets (Continued)

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

Governmental activities:		
General government	$	59,646
Public safety		629,153
Public works		73,510
Culture and recreation		54,426
Economic and community development		6,246
Total depreciation expense - governmental activities	$	822,981
Business-type activities:		
Stormwater	$	48,739

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

The composition of inter-fund balances as of June 30, 2015, is as follows:

Due to/from other funds:

Receivable Entity	Payable Entity	Amount
General Fund	HOST Fund	$ 65,820
General Fund	Nonmajor Governmental Funds	14,952
General Fund	Stormwater Fund	355,340
General Fund	Solid Waste Fund	101,027
Nonmajor Governmental funds	General Fund	5,068
		$ 542,207

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, 2015:

	Transfers Out				
Transfers in	General Fund	Nonmajor Governmental funds	Stormwater Fund	Solid Waste Fund	Total
General Fund	$ -	$ 165,160	$ 8,707	$ 10,295	$ 184,162
Nonmajor governmental funds	513,101	-	-	-	513,101
Total	$ 513,101	$ 165,160	$ 8,707	$ 10,295	$ 697,263

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, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 185,611	$ 344,793	$ (338,153)	$ 192,251	$ 122,567
Net pension liability	3,408,644	1,427,206	(1,666,607)	3,169,243	-
Governmental activities Long-term liabilities	$ 3,594,255	$ 1,771,999	$ (2,004,760)	$ 3,361,494	$ 122,567

For governmental funds, compensated absences and net pension liability are liquidated by the General Fund.

Note 9. Pension Plan

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. Benefits are provided by the Plan whereby retirees receive three percent (3%) of the members average monthly compensation received multiplied by the members' years of credited service, up to twenty-five (25) years. 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)

Plan Membership. At January 1, 2015, the date of the most recent actuarial valuation, there were 150 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	57
Terminated vested participants not yet receiving benefits	24
Active employees - vested	69
Total	150

Note 9. Pension Plan (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The 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. For 2015, the actuarially determined contribution rate was 14.54% of covered payroll. The City makes all contributions to the plan. For 2015, the City's contribution to the Plan was $533,389.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	0% until 2016, then 2.5%
Investment rate of return	6.75%

Mortality rates for the January 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2009.

Cost of living adjustments were assumed to be 2.50%.

Note 9. Pension Plan (Continued)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the table below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	55%	8.20%
Fixed income	45%	4.90
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Note 9. PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	$ 18,253,833	$ 14,845,189	$ 3,408,644
Changes for the year:			
Service cost	247,460	-	247,460
Interest	1,191,635	-	1,191,635
Differences between expected and actual experience	(184,913)	-	(184,913)
Assumption Changes	-	-	-
Contributions—employer	-	533,389	(533,389)
Contributions—employee	-	-	-
Net investment income	-	985,340	(985,340)
Benefit payments, including refunds of employee contributions	(1,564,498)	(1,564,498)	-
Administrative expense	-	(25,146)	25,146
Other changes	-	-	-
Net changes	(310,316)	(70,915)	(239,401)
Balances at 6/30/15	$ 17,943,517	$ 14,774,274	$ 3,169,243

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 5,844,165	$ 3,169,243	$ 1,017,831

Note 9. PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. 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 December 31, 2014 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the City recognized pension expense of $463,775. At June 30, 2015, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	$ 152,260
Net difference between projected and actual earnings on pension plan investments	17,527
Total	$ 169,787

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

Year ending June 30:	
2016	$ (37,035)
2017	(37,035)
2018	(37,035)
2019	(37,035)
2020	(21,647)
Total	$ (169,787)

Note 10. 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 11. 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 12. 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.

Construction Commitments:
The City has active construction projects as of June 30, 2015. The projects As of June 30, 2015, the City's commitments with contractors were approximately $357,107.

Note 13. 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 $78,491 for the fiscal year ended June 30, 2015. Of this amount 40%, or $31,396, was remitted to the DeKalb County Convention and Visitor's Bureau while 60%, or $47,095, was transferred to the General Fund in accordance with O.C.G.A. 48-13-51.

Note 14. 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, 2015, the City received $53,393 in motor vehicle excise taxes. Of this amount, $53,393, or 100%, was used for these purposes.

Note 15. Change in Accounting Principle

As discussed in Note 9 above, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. The new standards significantly changed the City's accounting for pension amounts. As a result of this change in accounting principle, the City was required to restate beginning net position for the following:

Net position, governmental activities, as previously reported	$	13,866,352
City's net pension liability, beginning balance		(3,408,644)
Removal of net pension obligation under GASB Statement No. 27		123,699
Beginning net position, governmental activities, restated	$	10,581,407

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DORAVILLE, GEORGIA

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

	2015
Total pension liability	
Service cost	$ 247,460
Interest on total pension liability	1,191,635
Differences between expected and actual experience	(184,913)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(1,564,498)
Net change in total pension liability	(310,316)
Total pension liability - beginning	18,253,833
Total pension liability - ending (a)	$ 17,943,517
Plan fiduciary net position	
Contributions - employer	$ 533,389
Net investment income	985,340
Benefit payments, including refunds of member contributions	(1,564,498)
Administrative expenses	(25,146)
Net change in plan fiduciary net position	(70,915)
Plan fiduciary net position - beginning	14,845,189
Plan fiduciary net position - ending (b)	$ 14,774,274
City's net pension liability - ending (a) - (b)	$ 3,169,243
Plan fiduciary net position as a percentage of the total pension liability	82.34%
Covered-employee payroll	$ 3,048,894
City's net pension liability as a percentage of covered-employee payroll	103.95%

Notes to the Schedule:

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

CITY OF DORAVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2011	2012	2013	2014	2015
Actuarially determined contribution	$ 683,851	$ 708,094	$ 777,635	$ 540,828	$ 533,389
Contributions in relation to the actuarially determined contribution	683,851	549,963	768,147	584,748	533,389
Contribution deficiency (excess)	$ -	$ 158,131	$ 9,488	$ (43,920)	$ -
Covered-employee payroll	$ 4,472,123	$ 4,338,116	$ 3,492,828	$ 3,580,064	$ 3,669,566
Contributions as a percentage of covered-employee payroll	15.29%	12.68%	21.99%	16.33%	14.54%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2014
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts 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 20% of market value.
Assumed Rate of Return on Investments	6.75%
Projected Salary Increases	2.50% plus service based merit increases
Cost-of-living Adjustment	2.50%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	23 years

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

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.

Confiscated Assets Fund – This 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.

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.

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, 2015

	Special Revenue Funds						Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS	Confiscated Assets	Emergency 911	Tree Bank	Multi-Grants	Hotel / Motel Tax	Rental Motor Vehicle Excise Tax	Capital Projects	
Cash and cash equivalents	$ 371,799	$ -	$ 14,856	$ -	$ 8,275	$ -	$ 626,990	$ 1,021,920
Taxes receivable	-	-	-	-	5,920	5,427	-	11,347
Accounts receivable	-	26,085	-	-	-	-	-	26,085
Due from other funds	-	-	-	5,068	-	-	-	5,068
Prepaids	-	6,824	-	-	-	-	-	6,824
Total assets	$ 371,799	$ 32,909	$ 14,856	$ 5,068	$ 14,195	$ 5,427	$ 626,990	$ 1,071,244
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 6,234	$ -	$ -	$ 2,775	$ 4,670	$ -	$ 68,221	$ 81,900
Accured expenses	-	9,819	-	-	-	-	-	9,819
Other liabilities	70,850	-	-	-	-	-	-	70,850
Due to other funds	-	-	-	-	9,525	5,427	-	14,952
Total liabilities	77,084	9,819	-	2,775	14,195	5,427	68,221	177,521
FUND BALANCES								
Nonspendable:								
Prepaids	-	6,824	-	-	-	-	-	6,824
Restricted for:								
Capital projects	-	-	-	2,293	-	-	-	2,293
Public safety	294,715	16,266	-	-	-	-	-	310,981
Committed for:								
Tree removal and planting	-	-	14,856	-	-	-	-	14,856
Assigned for:								
Capital projects	-	-	-	-	-	-	558,769	558,769
Total fund balances	294,715	23,090	14,856	2,293	-	-	558,769	893,723
Total liabilities and fund balances	$ 371,799	$ 32,909	$ 14,856	$ 5,068	$ 14,195	$ 5,427	$ 626,990	$ 1,071,244

CITY OF DORAVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds						Capital Project Funds	Total Nonmajor Governmental Funds
	Confiscated Assets	Emergency 911	Tree Bank	Multi-Grants	Hotel / Motel Tax	Rental Motor Vehicle Excise Tax	Capital Projects	
Revenues:								
Hotel/Motel occupancy taxes	$ -	$ -	$ -	$ -	$ 78,491	$ -	$ -	$ 78,491
Motor vehicle taxes	-	-	-	-	-	53,393	-	53,393
License and permits	-	-	4,395	-	-	-	-	4,395
Charges for services	-	181,432	-	-	-	-	-	181,432
Fines and forfeitures	376,700							376,700
Intergovernmental	-	-	-	78,318	-	-	-	78,318
Investment earnings	21	-	13	-	-	-	-	34
Other revenues	11,954							11,954
Total revenues	388,675	181,432	4,408	78,318	78,491	53,393	-	784,717
Expenditures:								
Current:								
Public safety	249,575	355,410	-	6,660	-	-	-	611,645
Public works	-	-	-	191,624	-	-	-	191,624
Culture and recreation	-	-	-	-	-	-		-
Tourisim and economic development	-	-	5,150	-	31,396	-	-	36,546
Capital outlay	-	-	-	-	-	-	336,218	336,218
Total expenditures	249,575	355,410	5,150	198,284	31,396	-	336,218	1,176,033
Excess (deficiency) of revenues over expenditures	139,100	(173,978)	(742)	(119,966)	47,095	53,393	(336,218)	(391,316)
Other financing sources (uses):								
Proceeds from sale of capital assets	45,509	-	-	-	-	-	-	45,509
Transfers in	-	165,819	-	-	-	-	347,282	513,101
Transfers out	-	-	-	-	(47,095)	(118,065)	-	(165,160)
Total other financing sources (uses)	45,509	165,819	-	-	(47,095)	(118,065)	347,282	393,450
Net change in fund balances	184,609	(8,159)	(742)	(119,966)	-	(64,672)	11,064	2,134
Fund balances, beginning of fiscal year	110,106	31,249	15,598	122,259	-	64,672	547,705	891,589
Fund balances, end of fiscal year	$ 294,715	$ 23,090	$ 14,856	$ 2,293	$ -	$ -	$ 558,769	$ 893,723

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 305,000	$ 305,000	$ 376,700	$ 71,700
Investment earnings	-	-	21	21
Miscellaneous income	-	-	11,954	11,954
Total revenues	305,000	305,000	388,675	83,675
Expenditures:				
Current:				
Public safety	305,000	305,000	249,575	55,425
Total expenditures	305,000	305,000	249,575	55,425
Excess of revenues over expenditures	-	-	139,100	139,100
Other financing sources:				
Proceeds from sale of capital assets	-	-	45,509	45,509
Total other financing sources	-	-	45,509	45,509
Net changes in fund balances	-	-	184,609	139,100
Fund balances, beginning of fiscal year	110,106	110,106	110,106	-
Fund balances, end of fiscal year	$ 110,106	$ 110,106	$ 294,715	$ 139,100

CITY OF DORAVILLE, GEORGIA
EMERGENCY 911 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 142,000	$ 150,000	$ 181,432	$ 31,432
Total revenues	142,000	150,000	181,432	31,432
Expenditures:				
Current:				
Public safety	629,595	629,595	355,410	274,185
Total expenditures	629,595	629,595	355,410	274,185
Deficiency of revenues over expenditures	(487,595)	(479,595)	(173,978)	305,617
Other financing sources:				
Transfers in	487,594	479,594	165,819	(313,775)
Total other financing sources	487,594	479,594	165,819	(313,775)
Net changes in fund balances	(1)	(1)	(8,159)	(8,158)
Fund balances, beginning of fiscal year	31,249	31,249	31,249	-
Fund balances, end of fiscal year	$ 31,248	$ 31,248	$ 23,090	$ (8,158)

CITY OF DORAVILLE, GEORGIA
TREE BANK FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ -	$ 4,395	$ 4,395	$ -
Investment earnings	-	-	13	13
Total revenues	-	4,395	4,408	13
Expenditures:				
Current:				
Culture and recreation	15,856	19,993	5,150	14,843
Total expenditures	15,856	19,993	5,150	14,843
Net changes in fund balances	(15,856)	(15,598)	(742)	14,856
Fund balances, beginning of fiscal year	15,598	15,598	15,598	-
Fund balances (deficit), end of fiscal year	$ (258)	$ -	$ 14,856	$ 14,856

CITY OF DORAVILLE, GEORGIA
MULTI-GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 71,718	$ 74,083	$ 78,318	$ 4,235
Total revenues	71,718	74,083	78,318	4,235
Expenditures:				
Current:				
Public safety	9,436	9,436	6,660	2,776
Public works	191,624	191,624	191,624	-
Total expenditures	201,060	201,060	198,284	2,776
Deficiency of revenues over expenditures	(129,342)	(126,977)	(119,966)	7,011
Other financing sources:				
Transfers in	4,718	4,718	-	(4,718)
Total other financing sources	4,718	4,718	-	(4,718)
Net changes in fund balances	(124,624)	(122,259)	(119,966)	2,293
Fund balances, beginning of fiscal year	122,259	122,259	122,259	-
Fund balances (deficit), end of fiscal year	$ (2,365)	$ -	$ 2,293	$ 2,293

CITY OF DORAVILLE, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel/Motel occupancy taxes	$ 58,000	$ 68,000	$ 78,491	$ 10,491
Total revenues	58,000	68,000	78,491	10,491
Expenditures:				
Current:				
Tourism and economic development	23,200	27,200	31,396	(4,196)
Total expenditures	23,200	27,200	31,396	(4,196)
Excess of revenues over expenditures	34,800	40,800	47,095	6,295
Other financing uses:				
Transfers out	(34,800)	(40,800)	(47,095)	(6,295)
Total other financing uses	(34,800)	(40,800)	(47,095)	(6,295)
Net changes in fund balances	-	-	-	-
Fund balances, beginning of fiscal year	-	-	-	-
Fund balances, end of fiscal year	$ -	$ -	$ -	$ -

CITY OF DORAVILLE, GEORGIA
RENTAL MOTOR VEHICLE EXCISE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Motor vechicle taxes	$ 57,000	$ 57,000	$ 53,393	$ (3,607)
Total revenues	57,000	57,000	53,393	(3,607)
Other financing uses:				
Transfers out	(57,000)	(57,000)	(118,065)	(61,065)
Total other financing uses	(57,000)	(57,000)	(118,065)	(61,065)
Net changes in fund balances	-	-	(64,672)	(64,672)
Fund balances, beginning of fiscal year	64,672	64,672	64,672	-
Fund balances, end of fiscal year	$ 64,672	$ 64,672	$ -	$ (64,672)