

CITY OF DOUGLAS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:
City of Douglas Finance Department

CITY OF DOUGLAS, GEORGIA
ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

City of Douglas

CITY OF EXCELLENCE

OFFICE OF THE CITY MANAGER

City Manager
Terrell Jacobs

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Mayor
Tony L. Paulk

Mayor Pro Tem
Olivia Pearson

Commissioners
Johnnie L. Roper
Kentaiwon Durham
Mike Gowen
Cindy McNeill
Bob Moore

Certified City of Ethics

December 20, 2016

To the Citizens of the City of Douglas;
Honorable Tony Paulk, Mayor; and
Distinguished Members of City Commission

State law requires that all general –purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Douglas, Georgia for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City of Douglas, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Douglas, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Douglas, Georgia's financial statements in conformity with GAAP. The City's management is responsible for establishing a system of internal controls to: safeguard City assets from loss or unauthorized use or disposal, provide reliable financial records for preparing internal and external financial reports and for maintaining accountability over City assets and to ensure compliance with applicable Federal and State laws and regulations related to programs for which the City receives assistance. No system of internal control can be perfect. Therefore internal controls are meant to provide "reasonable assurance". Reasonable assurance means: the cost of internal controls should not exceed the benefits likely to be derived from that control and the costs and benefits of internal controls are subject to estimates and judgments by management. We believe the City's internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported, and ensure compliance with Federal and State laws and regulations. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Douglas, Georgia's financial statements have been audited by Hurst & Hurst, CPAs, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Douglas, Georgia for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Douglas, Georgia's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Douglas, Georgia's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Douglas, Georgia was incorporated in 1895 under provisions of an act of the General Assembly of Georgia. The City operates under a council-manager form of government and provides the full range of services contemplated by statute or charter. Policy-making and legislative authority are vested in the governing council consisting of the Mayor and six Commissioners. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year terms. The Mayor is also elected to serve four year terms. The council members are elected by wards.

The City of Douglas, Georgia provides a full range of services. These include police and fire protection, construction and maintenance of highways and streets, sanitation services, public infrastructure improvements, planning and zoning, general administrative services, water and sewer systems, a natural gas system, electric system, storm-water management system and parks and recreation services.

The annual budget serves as the foundation for the City of Douglas, Georgia's financial planning and control. All departments of the City are to submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 15th, the proposed budget is presented to the governing council for review. The governing council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City manager or the revenue estimates must be changed by an affirmative vote of a majority of the governing council.

Relevant Financial Policies

As a practice and a standing policy, the City of Douglas, based on general accounting principles, has tried to maintain a 3 to 6 month fund balance over the last several years. We have also set out to make whatever budget adjustments needed to address deviations in the line items before the end of the budget year.

During the budgetary process, we have an established policy of trying to stay within 2 % of expenditures of the current budget. We strive to adhere to all the general accounting principles in relationship of our many funds we engage in.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The City of Douglas has seen a neutral position in primary general fund revenues. Some of the revenues are property taxes, Local Option Sales Taxes, and development related fees. We have seen a glimmer of rise in some of these areas from the 4 to 5 years recession drops that have impacted the nation, the State of Georgia, Coffee County and the City of Douglas. In the last year, property taxes have seen a slight increase on an average of 2% to 3%, whereas, Local Option Sales Taxes have dropped somewhat. The implementation of the Title Ad Valorem Tax (TAVT) has steadily impacted the overall revenues of personal property taxes due to declining revenues from 2013. The TAVT initially increased the revenues of personal property tax but we have seen a decline in last two years. In

the development fee sector, revenues are also increasing with about 4% growth post 2008 recession numbers. Staff has been able to continue to work efficiently and operate within spending limits that provide for a modest increase in fund balance or reserves. The City of Douglas has committed to keep up with Cost of living wages. Mayor and Commission approved a 2% cost of living increase for all employees. The City of Douglas benefit package remains in good position to be funded and employees have sought to keep cost down in our biggest expense which is health care. Healthcare has been impacted by some larger claims and the full implementation of Affordable Healthcare Law. Worker Compensation and liability claims have seen an even position in claims and expenditures as well.

Our enterprise funds have steadily improved over the past several years and we have been fortunate to be able to increase some transfers from these funds to help sure up general funds in the absence of increased revenues from primary sources from General Funds. We have implemented two programs from the Electric fund which amounted in a $200K increase in transfer to General Funds. Even though there seems to be a weak economy for Douglas-Coffee County in the way of new growth in the development sector, our utilities have done well with increasing revenues. Other considerations with utilities revenue increase is that our customers have used more service for their use in Douglas. The City of Douglas' utility customer base make up is about 65% Commercial and Industrial and 35% Residential. The City has seen a slight increased demand for energy and other services that we provide during this recession. Thus, this has boosted our revenues with rate increases of about 10-15% from prerecession to current. Also, the enterprise fund operation functions on very minimal cost.

At the height of the recession in Douglas-Coffee County, we experienced about 22% unemployment in 2008-2009. The major contributor to this high unemployment was the closure of the chicken processing plant and other auxiliary's services to support the plant. The total amount of unemployed individuals from this one closure represented around 2,400 jobs in Douglas-Coffee County. As a County of 44,000 and a city of 11,500, this number was staggering to overcome and reduce. However, we have a strong economic development team in Douglas-Coffee County. In 2009, this community was able to reopen the poultry processing plant and began bringing back jobs to Douglas-Coffee County which slowly started reducing the high unemployment figures.

Since the reopening of the poultry processing plant and other auxiliaries' services to support it, Douglas-Coffee County's economy has seen resurgence in business activity and a steady decline in the unemployment rate in our community. Currently, Douglas-Coffee County is experiencing single digit unemployment figures (5.4%) which represent a 75 percent reduction in unemployment rates from the height of the recession in 2008.

Commercial and Industrial growth seems to continue with new commercial properties sprouting up in several areas in our Community. We are seeing small retailers popping up in and around our community. The downtown business district is still seeing 90 to 95 % occupancy in the retail and commercial stores. On the Utility side of operation, the City of Douglas has consolidate electric, Natural Gas, Water and Wastewater under one department reduce administration cost and increase customer service and operation.

Electric

1-Completed two pilot programs for smart grid metering with Nexgrid and Tantalus. Will be recommending Tantalus for the vendor of choice at January 9, 2017 Commission Meeting.

2-The Hwy 135 widening project is about 90% complete on Electric relocations as of 12/19/2016. Hopefully this will be completed by the end of January 31, 2017 excluding some traffic light relocation help that Corbett may need.

3-Electric remains steady with no real growth.

Natural Gas

1-The Hwy 135 widening project is completed on the Natural Gas portion as of 12/14/16.

2-The Compress Natural Gas station is running on average about 6300 GGE's per month ($15,750.00 revenue). The CNG station is at a break even operating cost. (Enough revenue to pay loan payment, all taxes, and utilities)

3-We now have 52 chicken houses, 4 peanut drying operations, 2 cotton Gins, 25 Tobacco barns, 4 green houses for farming operations, 3 corn dryers, 1 vineyard operation, a pecan dryer, and 1 natural gas generator to run irrigation on a pecan orchard. Agricultural load has grown significantly over the past 4 years. Industrial load is averaging about 55,000-60,000 MCF's per month, Commercial loads have grown about 6% and Residential customers have seemed to become stable.

4-The peak shaving plant has undergone a major rehab cosmetically and also is having equipment upgrades starting 12/19/16. ($70,000.00 investment)

Water/Sewer

Below are the projects that have been completed over the last year.

1. Sand filter rehab at Wastewater Plant - $120,000 (budget)
2. Southside sewer rehab Phase 1 & 2- (SPLOST)
3. Wheeler Park sewer repair - $10,000 (SPLOST)
4. Lift station SCADA - $35,000 (Budget)
5. Airport Lift station rehab - $25,000 (Budget)
6. 12" water main on S. Gaskin - (SPLOST)
7. Pilgrim Water line - $65,000 (Budget)
8. Installed additional chlorine treatment capacity at wells 4 and 7 to reduce smelly water complaints.
9. Received Excellence in Biosolids Residual Management Program of the Year Award from GAWP for the Compost site.
10. Repaired well 2 pump and column - $25,000(budget)
11. Hwy 135 Widening Project is about 40% complete on the Water and Sewer portion.

We have about $2M in utility work conflicts on the $33M GADOT project to complete. We have entered into a contract agreement with ESG to provide operational and maintenance service for our Water and Wastewater operation for the City of Douglas as of January 2015. We project some cost saving and some leveraging of professional and technical services to help us address the water and wastewater needs of Douglas for now and the future. We will discuss other options of other services to consider for the future at our next retreat.

From the above indicators and the financial outlook, the City of Douglas looks promising and is on the rise for growth and will see more opportunities in the future.

Respectfully submitted,

Terrell Jacobs, City Manager

Charles W. Davis, Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Douglas

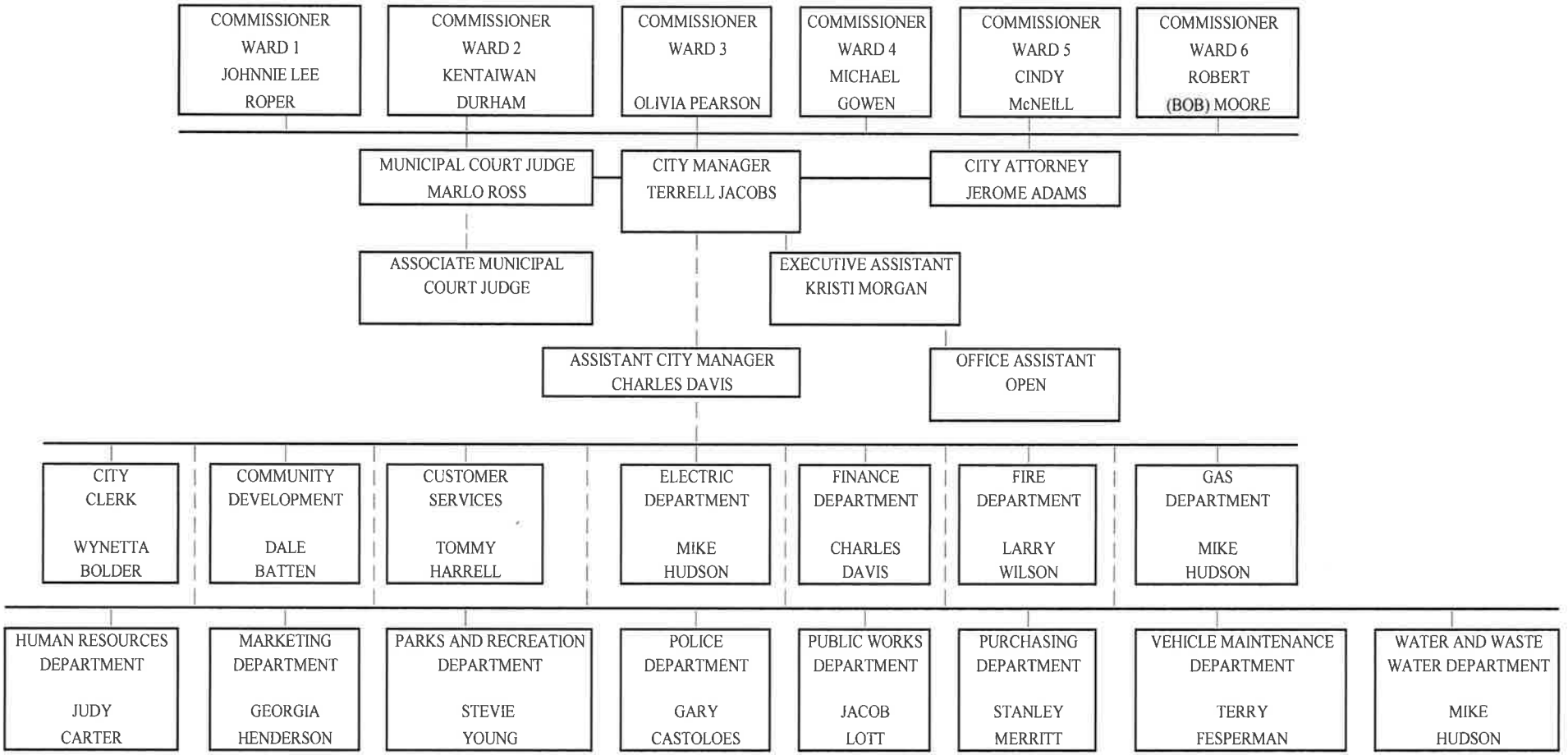
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

CITY OF DOUGLAS
ORGANIZATIONAL CHART



CITY OF DOUGLAS, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2016

MAYOR	TONY PAULK
WARD ONE	JOHNNIE LEE ROPER
WARD TWO	KENTAIWAN DURHAM
WARD THREE	OLIVIA PEARSON
WARD FOUR	MICHAEL GOWEN
WARD FIVE	CINDY McNEILL
WARD SIX	ROBERT (BOB) MOORE

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Douglas, GA

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 for the City of Douglas, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Douglas, Georgia'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 State 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 error or fraud.

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 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 and, including the assessment of the risk 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 on 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 Douglas, Georgia, as of June 30, 2016, and the respective changes in financial position, the general fund budget comparison and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Pension information on pages 12-23 and 64-66, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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 Douglas, Georgia's basic financial statements as a whole. The introductory section, and combining and individual non-major fund financial statements, schedule of expenditures of special purpose local option sales tax proceeds, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedule of expenditures of special purpose local option sales tax proceeds are fairly stated in all material aspects in relation to the basic financial statements as a whole.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide and assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 20, 2016, on our consideration of the City of Douglas, Georgia's internal control over financial reporting and on our test 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 Douglas, Georgia's internal control over financial reporting and compliance.



Douglas, Georgia
December 20, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Douglas, Georgia's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which begin on page 25 and the Notes to the Financial Statements, which begin on page 39.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) is presented in three distinct sections:

- An Introductory Section which includes the Letter of Transmittal and general information;
- Financial Section which includes the Independent Auditor's Report, Management's Discussion and Analysis, Government-wide and Fund Financial Statements, along with Notes to these statements; and
- Statistical Section

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2016 are as follows:

- The City's net position totaled $80.6 million for its governmental and business-type activities, an increase of $8.5 million over the previous fiscal year. Net position for governmental activities increased $2.0 million, or 7.2%, and business-type activities increased $6.5 million, or 14.4%.

- Total combined revenues for governmental and business-type activities were $58.9 million, a decrease of $.5 million over the previous fiscal year. Revenues for governmental activities decreased $.6 million, or 5%, and revenues for business-type activities increased $.07 million, or 2%.

- Overall expenses were $50.5 million, a decrease of $.2 million over the previous year. Expenses for governmental activities increased $.3 million, or 2.4%, and expenses for business-type activities decreased $.5 million, or 1.5%.

- As of June 30, 2016, governmental activities' expenses exceeded program revenue, resulting in the use of $6.4 million in general revenues (primarily taxes).

- In the City's business-type activities, revenues were $47.0 million and expenses were $36.8 million, for an operating profit of approximately $10.2 million for 2016.

- The General Fund resources available for appropriation were $.36 million less than budgeted, and charges to appropriations were $.37 million less than budgeted, resulting in a $.01 million profit and increase in total fund balance.

- The combined governmental funds' balance as of June 30, 2016 was $17.0 million, of which the general fund comprised $5.7 million, SPLOST V fund comprised $10.2 and other governmental funds (which are presented in detail on pages 67 through 73) comprised $1.1 million.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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. The Statement of Net Position and the Statement of Activities (on pages 25-27) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. The governmental fund financial statements start on page 28. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole-Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 25. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the type of accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position—the difference between assets, liabilities and deferred inflows/outflows of resources —as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads and water/sewer infrastructure to assess the overall wellbeing of the City.

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). In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including the public safety, public works, airport, parks and recreation, community development, code enforcement, as well as general administration. Property taxes, fees, fines, licenses, permits, charges for services, and state and federal grants finance most of these activities.
- Business-type activities—The City charges a fee to customers to help it cover the cost of certain services it provides. The City's Water and Sewer, Natural Gas, Electric, and Sanitation Services are reported here.
- Component units— The City included no component units in its financial statements for fiscal year 2016.

Reporting the City's Most Significant Funds

The fund financial statements begin on page 28 and provide detailed information about the most significant funds—not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. Some funds are required to be established by State Law and by bond covenants. However, the City Council establishes many other funds to help it control and

manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. Fund financial statements provide detailed information about the City's major funds. The City's major governmental fund is the General Fund. The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are non-spendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, City council, and the City's annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on pages 29 and 31, respectively.

  The City maintains 19 governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST V Fund which are considered to be major funds. Data from the other 17 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

  The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

  The basic governmental fund financial statements can be found on pages 28 through 33 of this report.

- Proprietary funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds are used to report activities that provide services for the City's other programs and activities. The City accounts for self-insurance programs for worker's compensation and employee life and health care, in Internal Service Funds. The proprietary fund statements begin on page 34.

Notes to Financial Statements and Other Information

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-62. In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information and combining financial statements and schedules.

THE CITY AS A WHOLE

NET POSITION:

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1
Net Position
(000's Omitted)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
Assets:	2016	2015	2016	2015	2016	2015	2015-2016
Current assets	$ 18,207	$ 15,924	$ 18,976	$ 16,015	$ 37,183	$ 31,939	16.4%
Restricted Assets -current	-	-	982	961	961	961	0.0%
Unrestricted non current	-	-	4	4	4	4	0.0%
Restricted assets - non current	-	-	19,885	17,040	19,885	17,040	16.7%
Capital assets- net	22,322	22,771	18,766	19,380	41,088	42,151	-2.5%
Deferred Outflows of Resources	1,465	892	426	267	1,159	1,159	0.0%
Total assets & deferred outflows of resources	**41,994**	**39,587**	**59,039**	**53,667**	**100,280**	**93,254**	7.5%
Liabilities:							
Long-term debt outstanding	1,171	1,215	1,201	1,881	2,372	3,096	-23.4%
Other liabilities	10,815	9,743	6,133	6,425	16,948	16,168	4.8%
Deferred Inflows of Resources	865	1,445	265	413	1,130	1,858	0.0%
Total liabilities & deferred inflows of resources	**12,851**	**12,403**	**7,599**	**8,719**	**20,450**	**21,122**	-3.2%
Net assets:							
Net investment in capital assets	22,194	22,612	17,759	17,734	39,953	40,346	-1.0%
Restricted	10,498	8,191	-	-	10,498	8,191	28.2%
Unrestricted (deficit)	(3,549)	(3,619)	33,681	27,214	30,132	23,595	27.7%
Total net assets	**$ 29,143**	**$ 27,184**	**$ 51,440**	**$ 44,948**	**$ 80,583**	**$ 72,132**	11.7%

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. The City reported positive balances in all categories of net position except unrestricted net position in governmental activities. The City's combined net position increased $8.5 million from a net position of $72.1 million to $80.6 million as of June 30, 2016. $2.0 million of this increase was in governmental activities and was primarily due to the receipt of SPLOST tax for the 2012 Special Purpose Local Option Sales Tax and $6.5 million of this increase was in business-type activities and due to a profit in all enterprise funds, primarily electric.

The growing OPEB obligation and pension obligation may continue to contribute to a reduction in the City's net position. Impacts on the City's financial statements which are beyond our control have primarily occurred due to pronouncements of the Governmental Accounting Standards Board (GASB). Although GASB has no legal authority to impose financial obligations, they have adopted rules that, in effect, manufacture financial commitments for governments. GASB's rules requiring accounting for other post-employment benefits (OPEB) and pensions are examples of an "obligation" that must be accounted for in financial statements and results from GASB's unrealistic definition of a "pay-as-you-go" system of benefits funding.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was $30.1 million at the end of this year. This is an increase of $6.5 million over the last fiscal year's net position.

The largest portion of the City's net position (approximately 50%) reflects its investment in capital assets such as land, buildings, equipment, and infrastructure (roads, bridges, sidewalks) less any debt used to acquire those assets that remain outstanding. The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (37%) may be used to meet the government's ongoing obligation to citizens and creditors.

The total net position of our business-type activities increased by 14.4 percent ($51.4 million in 2016 compared to $44.9 million in 2015). The increase of $6.5 million in net assets resulted from a net operating profit of $10.3 million, a net transfer of $4.8 million to governmental activities, and a capital contribution of $1 million(capital assets purchased with SPLOST monies). $3.7 million of the transfers to the general fund were from the Electric fund to help support rising costs without raising property taxes. The City Code states that all profits derived from the operations of the business-type activities shall be considered general funds of the city and may be used by the city council in the operation of the City, provided the use is not in conflict with the charter and the Code. The City reports positive net position balances in all of its enterprise activities (Natural Gas, Electric, Water and Sewer, and Sanitation). These activities are presented in more detail on pages 34 through 38.

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CHANGES IN NET POSITION:

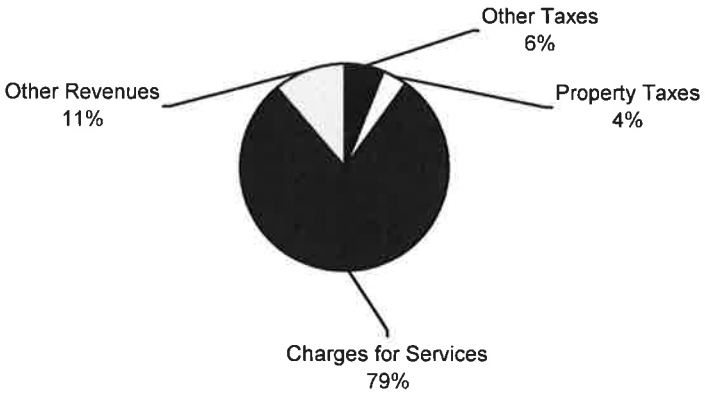
The City's total change in net assets was a total increase of $8.5 million is comprised of an increase of $2.0 million in the current fiscal year as a result of its governmental activities and an increase of $6.5 million as a result of its business-type activities. Key elements of this increase are as follows:

Table 2
Changes in Net Position
(000 Omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2016	2015	2016	2015	2016	2015	2015-2016
Revenues							
Program revenues:							
Charges for services	$ 1,461	$ 1,577	$ 45,295	$ 46,736	$ 46,756	$ 48,313	-3.2%
Operating grants	222	117	-	-	222	117	89.7%
Capital grants	3,796	4,452	-	-	3,796	4,452	-14.7%
General revenues:							
Property taxes	2,631	2,638	-	-	2,631	2,638	-0.3%
Other taxes	3,335	3,297	-	-	3,335	3,297	1.2%
Investment earnings	20	8	1,758	247	1,778	255	597.3%
Other Revenues	413	412	-	-	413	412	0.2%
Total general / program revenues	**11,878**	**12,501**	**47,053**	**46,983**	**58,931**	**59,484**	-0.9%
Program Expense							
General government	1,845	2,081	-	-	1,845	2,081	-11.3%
Public safety	6,132	5,684	-	-	6,132	5,684	7.9%
Public works	2,143	2,268	36,757	37,273	38,900	39,541	-1.6%
Culture and recreation	2,018	2,003	-	-	2,018	2,003	0.7%
Housing and development	1,543	1,317	-	-	1,543	1,317	17.2%
Interest and fiscal charges	4	5	38	69	42	74	-43.2%
Total program expenses	**13,685**	**13,358**	**36,795**	**37,342**	**50,480**	**50,700**	-0.4%
Changes in net position before special and extraordinary items and transfers	(1,807)	(857)	10,258	9,641	8,451	8,784	-3.8%
Transfers	3,766	4,579	(4,778)	(4,579)	(1,012)	-	-
Capital Contributions	-	-	1,012	215	1,012	215	370.7%
Changes in net position	**$ 1,959**	**$ 3,722**	**$ 6,492**	**$ 5,277**	**$ 8,451**	**$ 8,999**	-6.1%

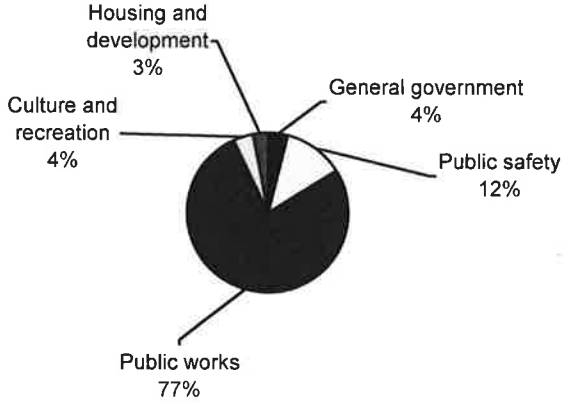
As can be seen from the following chart, approximately 4% of the City's combined total revenue is provided by property taxes, 79% by fees, fines, charges for services, an additional 6% by other taxes, and the remaining 11% by a combination of sales tax, grants, contributions, investment income and other revenues. The City charges fees for services as varied as providing copies of documents, issuing building permits, water and sewer, electric, natural gas, and sanitation.

Revenue Sources – FY 2016



The City's major expenses, at 77% of the combined total, are clearly in the area of providing services and public works activities. These services include providing services relating to highways and streets, cemetery, vehicle maintenance, natural gas, electricity, water and sewer, and sanitation.

Expenses by Activity– FY 2016



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Douglas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The objective of the City's governmental funds is to provide information on near-term in-flows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City ended the 2016 fiscal year with a balance of $17.0 million in its governmental funds, an increase of $2.4 million in comparison with the prior year. Of this, the unassigned portion was $5.4 million. The remaining $11.6 million is reserved for inventories, or restricted or assigned to various special revenue funds. $10.3 million of this amount was restricted for the SPLOST V fund.

Major Funds – Governmental:

General Fund

The General Fund is the chief operating fund of the City. At the end of the current year, the fund balance was $5.7 million, of which $5.4 million was unassigned, which is available for spending in the coming year, unchanged from the prior year. As a measure of liquidity, it may be useful to compare the unassigned fund balance to total expenditures for the General Fund and transfers out to other funds. The unassigned General Fund balance represents 38.1% of that total. The General Fund pays for most of the city's governmental services. The most significant of these is general government expenses and police and fire services which incurred expenses of $3.3 million and $6.3 million, respectively, in 2016. The majority of expenses are for employee benefits, maintenance and utilities cost.

The largest sources of funds for the general fund are local option sales taxes and property taxes. There is little growth in either of these taxes over the last fiscal year. The City's overall 2016 real estate property digest shows an increase of approximately 1% compared to the 2015 digest. There is little growth in the real estate industry at this time. Motor vehicle tax revenue decreased from the initial years of the Title Ad Valorem Tax enacted by the Georgia General Assembly in 2012 which converted the ad valorem taxes on motor vehicles to an excise tax paid at the time of sale. Although there are provisions aimed at keeping local governments financially whole, research indicates that after five years, the change will result in reduced revenue for local governments. There are also indications that in the future, the legislature may look to restrict other revenue sources that local governments use to finance services. The City continues to work on cost containment measures in the current economic climate. The $5.7 million fund balance should help the City weather an economic slowdown and any unanticipated events. As of June 30, 2016, the City has 4.9 months' reserve based on the average monthly expenditures in the unassigned fund balance. Additional information about the General Fund can be found on pages 28 through 33.

SPLOST V Fund

This fund accounts for tax revenues and capital expenditures related to the Special Purpose Local Option Sales Tax beginning in 2012. Total assets were $10.2 million, no liabilities, and a fund balance of $10.2 million for the year ended June 30, 2016. Additional information on this SPLOST Fund can be found on page 92. The Southside Sewer Project is scheduled to begin during fiscal year 2017 and the Industrial Park is in the engineering phase.

Other Governmental Funds:

Combined assets were $1.2 million; liabilities $0.10 million; and fund balance was $1.1 million for the year ended June 30, 2016. These totals are a combination of the special revenue funds and capital project funds discussed below.

Special Revenue Funds

The City uses special revenue funds to account for the collection and disbursement of revenues that are legally restricted to expenditures for specific purposes. Included in this classification are Recreation Activity Fund, Forfeiture Fund, Program Income HUD Fund, DCA Program Income Fund, Central Multi-Purpose Complex Fund, Main Street Program Fund, Pave the Way, Escrow II Fund, Airport Rental Receipts Fund, Motel Tax Fund, DCA C.H.I.P Fund, Central Service Activity, Heat Grant Fund, GHFA Energy Fund, Park Improvement Project Fund, and Youth Summer/After School Program Fund.

Combined total assets of the above funds were $1.04 million as of June 30, 2016, liabilities $0.05 million and fund balances were $0.99 million. Details on these funds are on pages 67 through 90.

Capital Projects Fund

This fund is used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. Included in this classification is the Airport Improvement Fund. Capital Projects Fund had $0.14 million in assets, $0.06 million in liabilities and a fund balance of $.08 million. Additional details on this fund is on pages 67 through 74.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the following four business-type activities as major funds - Natural Gas, Electric, Water & Sewer activities and Sanitation Fund. Charges for services decreased from $46.7 million in 2015 to $45.3 million in 2016. In March 2015 water/sewer rates were increased 5.5% to cover expenses of the aging infrastructure. Units of water sold are stable with no anticipated large increase. In July 2013, sanitation rates were increased 10% to cover the CPI and Fuel Surcharge from Transwaste Services and to further establish a Stormwater Utility and Maintenance Program. In July 2014 there was a 2 mil increase and in March 2015 another 2 mil increase from 0.004 to 0.006 to all customers to cover increased wholesale power costs, to begin closing the gap between actual wholesale cost and what the City pays and to cover increased Federal environment expenses. The compressed natural gas dispensing facility went online in October 2014. Costs of services decreased from $37.3 million in 2015 to $36.8 million in 2016. There continues to be increased demand for natural gas. However, natural gas prices have decreased over the past fiscal year, resulting in a lower cost of goods. The combined net operating income of proprietary funds totaled $10.3 million for the year ended June 30, 2016. More detailed information about the City's proprietary funds can be found on pages 34 through 38.

The City's self-insurance funds for workers' compensation and employee benefits are reported as internal service funds in the proprietary fund statements. The government-wide statements include the internal service funds as a governmental activity with revenues, expenses, and balance sheet accounts added to the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 32. The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level. The only line items that were overspent were City Clerk, Athletics and Park maintenance. The most significant budget is that of the General Fund. The City Council amends this budget throughout the fiscal year, as needed. Budgets are amended to reflect unanticipated changes in revenue collections and operating conditions.

Actual revenues were $0.36 million less than budgeted, actual expenditures were $0.37 million less than budgeted resulting in a $.01-million-dollar profit. Operating expenditures were closely monitored to offset any revenue decreases.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to $41.0 million, net of accumulated depreciation of $38.1 million. This investment in capital assets includes land, site improvements, construction-in-progress, buildings and building improvements, equipment, and, beginning with fiscal year 2004, infrastructure. Infrastructure assets (roads, bridges, curbs, gutters, storm drains, and so forth) are items that have been heretofore not considered assets at all by this City, having been viewed as immovable, without a market in which they could be sold, without readily determinable current values, and of indeterminable salvage value, at best.

Total capital assets, net of additions, retirements and depreciation, decreased $.45 million for governmental activities and decreased $0.61 million for business-type activities. During FY 2016 there were additions to governmental activities of $.96 million and additions to business-type activities of $1.4 million. Major capital asset events during fiscal year 2016 for governmental activities included the completion of the new vehicle maintenance building, the purchase of various equipment and vehicles for the police, fire and public works departments and completion of prior year construction in progress consisting of paving of roads and the "Greenway Trail.

Major capital asset events during fiscal year 2016 for business-type activities include expenditures to complete the new compost site building, and distribution system improvements for the gas, water and electric systems,

Depreciation expense for the period was $3.5 million of which $1.4 million was allocated to the governmental activities functions and $2.1 million to the business-type activities functions. Additional information on Capital Assets can be found on page 48-49.

Long-term Debt

As of June 30, 2016 the City of Douglas had $2.4 million in outstanding long-term debt principal, of which $.33 million is due within one year. In 2016, long-term debt in governmental activities decreased $.04 million and decreased $.68 million in business-type activities.

The principal outstanding on the City's long-term debt is summarized in the following table:

City of Douglas, Georgia
Outstanding Debt (000 Omitted)

	Governmental Activities	Business-type Activities	Total
Notes payable	$ 49	$ 1,007	$ 1,056
Capital leases	79	-	79
Compensated Absences	1,043	194	1,237
	$ 1,171	$ 1,201	$ 2,372

The City continues to operate in a manner that cash balances are adequate to finance day-to-day operations without short term borrowings such as tax anticipation notes. Long term financing is used for equipment and other major projects. Additional information about the City's long-term debt can be found in Note 8 of the Notes to the Financial Statements, beginning on page 51.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City sponsors a single-employer defined benefit pension plan for all of its full-time employees. Annually, an independent actuary engaged by the Board of Trustees of the retirement system calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The City normally fully funds each year's annual required contribution to the retirement system as determined by the actuary. The City contributed $1,410,480 an excess of $102,582 of the actuarially determined contribution during the fiscal year ending June 30, 2016 to fund the system's liability for projected benefits earned by employees.

The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 67 were effective July 1, 2013 and significantly changed the disclosures required related to the City's pension plan. GASB asserts the new standards will improve the usefulness of information about the plan for making decisions and assessing accountability in addition to improving transparency.

At June 30, 2016, the City's total pension liability was $38,480,333. The plan fiduciary net position was $28,937,873 resulting in the City's net pension liability of $9,542,460 an increase of $1,019,646 from prior year. The plan fiduciary net position as a percentage of the total pension liability was 77.5%.

The plan's funded ratio, an indicator of funding status, decreased from 86.2 to 84.3% due to very minimal investment gains. According to the Center for State and Local Government Excellence, in 2013 only 34% of plans were over 80% funded.

Starting in the 2008-2009 fiscal year, the City had to account for other postemployment benefits in accordance with GASB Standard 45. An independent actuarial analysis determined that the City's cumulative future liability for these benefits or net OPEB obligation was $3,286,289. This amount was accounted for as a liability on the City's Statement of Net Position.

Additional information on the City's pension arrangements and postemployment benefits can be found in notes 14 and 22 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget, including, but not limited to, tax rates and fees that will be charged for services. In prior years increased operating costs have been funded from increases in the tax digest and increased sales taxes. However, the revenue from sales taxes, ad valorem taxes and business licenses has been relatively stable for the last few years. Although demand for an increase in services continues to rise, as do the expenses to fund services, the economy has not kept pace to provide any additional funds. Revenue concerns include the uncertain future of franchise taxes and motor vehicle taxes and legislative interference in restricting local government revenue sources. Health care costs and other employee benefits continue to rise thereby increasing costs to provide services. The City is mindful of this and continues to search for ways to deliver cost effective services to the citizens of Douglas. There is also the ever increasing cost of operating the Water and Sewer system, maintenance of its infrastructure, and satisfying State and Federal unfunded mandates. A SPLOST referendum was passed in March 2011, with Water/Sewer improvements as priority, as these improvements are needed to help support the City's industries and jobs.

Despite these concerns the City continues to operate in an efficient manner. Salary expenses have been reduced through downsizing and reorganization and health care costs are being managed through a goal achieving system. An increase in millage rate was not proposed for the 2017 budget due to the careful management of expenditures. The City Council actively participates in regional planning with State and Federal agencies, Coffee

County, neighboring counties, and municipalities to maximize services to our citizens and to provide these services as economically reasonable as possible.

The City Council sets rigorous standards for sound financial management of the City, continually reviewing the needs of the community with the costs of providing for those needs and the various sources of funding available. Ultimately the City's conservative financial practices, long-term planning, culture of innovation, and strategic approach to financial challenges have resulted in the City's ability to avoid layoffs and furloughs and to maintain high quality service delivery.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Douglas, P.O. Box 470, Douglas, GA, 31534 or call 912-389-3401.

BASIC FINANCIAL STATEMENTS

CITY OF DOUGLAS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	PRIMARY GOVERNMENT		
	Government Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Equity in Pooled Cash	$ -	$ 7,755,024	$ 7,755,024
Equity in Investment Pool	7,965,073	3,075,453	11,040,526
Cash	11,522,542	433,475	11,956,017
Receivables			
Accounts (net of allowance of $0, and $29,640 respectively)	14,113	2,503,972	2,518,085
Unbilled	-	2,203,749	2,203,749
Property Tax (net of allowance of $3,144, and $0 respectively)	318,836	-	318,836
Sales Tax	134,448	-	134,448
Other Taxes	29,595	-	29,595
Internal Balances	(1,923,313)	1,923,313	-
Due from Other Governments	34,597	-	34,597
Prepaid Items	-	-	-
Inventory	111,685	1,080,609	1,192,294
Restricted Assets:			
Customer Deposits - Equity in Investment Pool	-	867,280	867,280
Customer Deposits - Certificate of Deposit	-	115,054	115,054
Total Current Assets	18,207,576	19,957,929	38,165,505
Noncurrent Assets:			
Investments	-	3,754	3,754
Restricted Assets:			
MEAG Trust	-	19,885,524	19,885,524
Capital Assets Not Being Depreciated			
Land	5,032,030	191,243	5,223,273
Construction in Progress	-	-	-
Capital Assets, Net of Accumulated Depreciation			
Buildings and Improvements	7,971,035	1,576,168	9,547,203
Infrastructure	7,458,017	-	7,458,017
Machinery and Equipment	908,037	389,534	1,297,571
Transportation Equipment	904,938	858,836	1,763,774
Distribution System	-	15,702,477	15,702,477
Computer Equipment	6,438	48,007	54,445
Office Equipment	41,091	-	41,091
Furniture and Fixtures	-	-	-
Appliances	-	-	-
Total Noncurrent Assets	22,321,586	38,655,543	60,977,129
TOTAL ASSETS	40,529,162	58,613,472	99,142,634
DEFFERRED OUTFLOWS OF RESOURCES	1,465,241	425,890	1,891,131
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 41,994,403	$ 59,039,362	$ 101,033,765
LIABILITIES			
Current Liabilities:			
Accounts and Contracts Payable	$ 122,181	$ 2,118,308	$ 2,240,489
Accrued Expenditures	126,569	-	126,569
Other Payables	634,902	132,258	767,160
Accrued Interest Payable	-	2,801	2,801
Payable from restricted assets: Customer Deposits Payable	-	982,334	982,334
Current Portion of Compensated Absenses	156,517	29,060	185,577
Current Portion of Capital Leases	27,743	-	27,743
Current Portion of Long-Term Debt	5,000	109,726	114,726
Total Current Liabilities	1,072,912	3,374,487	4,447,399

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF NET POSITION (continued)
JUNE 30, 2016

	PRIMARY GOVERNMENT		
	Government Activities	Business-type Activities	Total
Noncurrent Liabilities:			
Estimated Liability for Compensated Absences (net of current portion)	886,932	164,676	1,051,608
Long Term Debt (net of current portion)	43,750	897,388	941,138
Net OPEB Obligation	2,571,138	715,151	3,286,289
Net Pension Liability	7,360,322	2,182,142	9,542,464
Capital Leases (net of current portion)	51,114	-	51,114
Total Noncurrent Liabilities	10,913,256	3,959,357	14,872,613
TOTAL LIABILITIES	11,986,168	7,333,844	19,320,012
DEFERRED INFLOWS OF RESOURCES	865,144	264,964	1,130,108
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,851,312	7,598,808	20,450,120
NET POSITION			
Net Investment in Capital Assets	22,193,979	17,759,151	39,953,130
Restricted for Cemetary	67,979	-	67,979
Restricted for Police Technology	32,109	-	32,109
Restricted for DCCPRD	53,387	-	53,387
Restricted for Haz-Mat	68,286	-	68,286
Restricted for Capital Projects	10,275,988	-	10,275,988
Unrestricted	(3,548,637)	33,681,403	30,132,766
TOTAL NET POSITION	29,143,091	51,440,554	80,583,645
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 41,994,403	$ 59,039,362	$ 101,033,765

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges for Services	PROGRAM REVENUES: Operating Grants and Contributions	PROGRAM REVENUES: Capital Grants and Contributions	NET (EXPENSE) REVENUE CHANGES IN NET POSITION: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Total
Primary Government							
Governmental Activities							
General Government	$ 1,845,067	$ 444,310	$ -	$ 3,520,711	$ 2,119,954	$ -	$ 2,119,954
Public Safety	6,132,173	8,127	122,760	3,733	(5,997,553)	-	(5,997,553)
Public Works	2,143,414	-	-	149,332	(1,994,082)	-	(1,994,082)
Culture and Recreation	2,018,180	753,448	-	-	(1,264,732)	-	(1,264,732)
Housing and Development	1,542,590	255,306	99,031	121,797	(1,066,456)	-	(1,066,456)
Unallocated Interest and Fiscal Charges	3,586	-	-	-	(3,586)	-	(3,586)
Total Governmental Activities	13,685,010	1,461,191	221,791	3,795,573	(8,206,455)	-	(8,206,455)
Business-Type Activities							
Natural Gas	3,843,441	4,582,608	-	-	-	739,167	739,167
Electric	23,468,590	29,469,147	-	-	-	6,000,557	6,000,557
Water and Sewer	6,633,710	8,199,153	-	-	-	1,565,443	1,565,443
Sanitation System	2,849,021	3,044,257	-	-	-	195,236	195,236
Total Business-Type Activities	36,794,762	45,295,165	-	-	-	8,500,403	8,500,403
Total Primary Government	50,479,772	46,756,356	221,791	3,795,573	(8,206,455)	8,500,403	293,948
General Revenues:							
Property Taxes, Levied For General Purpose					2,631,167	-	2,631,167
Sales and Use Taxes					1,699,057	-	1,699,057
Insurance Premium Tax					667,821	-	667,821
Franchise Taxes					280,512	-	280,512
Other Taxes					687,325	-	687,325
Investment Earnings					19,846	1,757,900	1,777,746
Gain on Disposition of Capital Assets					28,666	-	28,666
Other Revenue and Reimbursements					385,004	-	385,004
Total General Revenues					6,399,398	1,757,900	8,157,298
Transfers					3,765,930	(3,765,930)	-
Total General Revenues and Transfers					10,165,328	(2,008,030)	8,157,298
Change in Net Position					1,958,873	6,492,373	8,451,246
Net Position - Beginning					27,184,218	44,948,180	72,132,398
Net Position - Ending					$ 29,143,091	$ 51,440,554	$ 80,583,645

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Major Governmental Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	SPLOST V		
ASSETS				
Equity in Pooled Cash	$ -	$ -	$ -	$ -
Equity in Investment Pool	7,965,073	-	-	7,965,073
Cash	130,382	10,201,261	1,058,393	11,390,036
Investments	-	-	-	-
Accounts and Notes Receivable	14,113	-	-	14,113
Taxes Receivable				
Property (net of allowance of $3,144)	318,836	-	-	318,836
Sales	134,448	-	-	134,448
Franchise	29,595	-	-	29,595
Due from Other Governments	-	-	34,597	34,597
Interfund Receivables	9,434	-	83,019	92,453
Prepaid Items	-	-	-	-
Inventory	111,685	-	-	111,685
Total Assets	8,713,566	10,201,261	1,176,009	20,090,836
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	119,683	-	2,498	122,181
Accrued Expenditures	126,569	-	-	126,569
Other Payables	22,688	-	8,987	31,675
Interfund Payables	2,394,034	-	92,453	2,486,487
Total Liabilities	2,662,974	-	103,938	2,766,912
Deferred Inflows of Resources	301,050	-	-	301,050
Total Liabilities and Deferred Inflows of Resources	2,964,024	-	103,938	3,067,962
Fund Balances:				
Nonspendable:				
Not in Spendable Form - Inventory & Prepaids	111,685	-	-	111,685
Restricted for:				-
Cemetary	67,979	-	-	67,979
Police Technology	32,109	-	-	32,109
DCCPRD	53,387	-	-	53,387
Haz Mat	68,286	-	-	68,286
Capital Projects	-	10,201,261	74,727	10,275,988
Committed to:	-	-	-	-
Assigned to:				
Special Revenue Funds	-	-	997,344	997,344
Unassigned:	5,416,096	-	-	5,416,096
Total Fund Balances	5,749,542	10,201,261	1,072,071	17,022,874
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,713,566	$ 10,201,261	$ 1,176,009	$ 20,090,836

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances for governmental funds		$ 17,022,874
The net position 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.		
Cost of Capital Assets	41,032,469	
Less accumulated depreciation	(18,710,883)	
		22,321,586
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property Taxes Receivable	286,260	
Net difference between projected and actual earnings on pension plan investments	721,956	
Pension Contributions Subsequent to Measurement Date	753,112	
		1,761,328
Certain liabilities, such as compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,043,449)
Other long -term liabilities are not payable in the current period and, therefore, are deferred in the funds.		
Differences between expected and actual experience in pension plan	(581,027)	
Changes of assumptions in pension plan	(279,154)	
		(860,181)
Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes Payable	48,750	
Capital Leases Payable	78,857	
Net Pension Liability	7,360,322	
Net OPEB Obligation	2,571,138	
		(10,059,067)
Total net position of governmental activities		$ 29,143,091

CITY OF DOUGLAS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Major Governmental Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	SPLOST V		
REVENUES:				
Taxes	$ 5,583,364	$ -	$ 291,630	$ 5,874,994
Intergovernmental Revenues	30,135	3,520,711	481,518	4,032,364
License & Permits	346,721	-	-	346,721
Charges for Services	446,908	-	282,896	729,804
Fines & Forfeitures	310,663	-	8,127	318,790
Investment Earnings	19,793	-	53	19,846
Other Revenues	482,437	-	8,534	490,971
Total Revenues	7,220,021	3,520,711	1,072,758	11,813,490
EXPENDITURES:				
Current:				
General Government	1,434,958	-	-	1,434,958
Public Safety	6,270,724	-	148,058	6,418,782
Public Works	2,133,301	-	24,245	2,157,546
Culture and Recreation	1,359,812	-	213,496	1,573,308
Housing and Development	1,062,120	-	131,971	1,194,091
Capital Outlay:	-	1,229,364	112,773	1,342,137
Debt Service:				
Principal	26,727	-	5,000	31,727
Interest	3,586	-	-	3,586
Total Expenditures	12,291,228	1,229,364	635,543	14,156,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,071,207)	2,291,347	437,215	(2,342,645)
OTHER FINANCING SOURCES (USES):				
Proceeds from Capital Asset Dispositions	28,666	-	-	28,666
Transfers from (to) Other Funds	5,053,990	-	(282,868)	4,771,122
Capital Lease Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	5,082,656	-	(282,868)	4,799,788
Net Change in Fund Balances	11,449	2,291,347	154,347	2,457,143
Fund Balances - Beginning	5,738,093	7,909,914	917,724	14,565,731
Fund Balances - Ending	$ 5,749,542	$ 10,201,261	$ 1,072,071	$ 17,022,874

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net changes in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*			$ 2,457,143
Amounts reported for governmental activities in the *Statement of Activities* are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
	Depreciation Expense	(1,411,962)	
	Capital Outlay	962,343	
			(449,619)
Revenues in the *Statement of Activities* that do not provide current financial resources such as deferred revenue, are not reported as revenues in governmental funds.			35,797
The issuance of Long-Term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of Long-Term debt and related items.			
Repayments:			31,727
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.			
Compensated Absenses		12,257	
Net OPEB Obligation Increases		(437,115)	
Pension Liability Adjustments		308,683	
			(116,175)
Change in net position of governmental activities reported in the *Statement of Activities.*			$ 1,958,873

CITY OF DOUGLAS, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Positive (Negative)
	Original	Final		
Beginning budgetary fund balance:	$ 5,738,093	$ 5,738,093	$ 5,738,093	
Resources (inflows):				
Taxes	5,411,750	5,411,750	5,583,364	171,614
Intergovernmental Revenues	66,000	66,000	30,135	(35,865)
Licenses & Permits	315,350	315,350	346,721	31,371
Charges for Services	487,795	487,795	446,908	(40,887)
Fines & Forfeitures	335,000	335,000	310,663	(24,337)
Investment Earnings	3,500	3,500	19,793	16,293
Other Revenues/Reimbursements	2,678,140	2,838,534	2,391,813	(446,721)
Total Revenues	9,297,535	9,457,929	9,129,397	(328,532)
Other Financing Sources:				
Transfers from Other Funds	5,001,786	5,124,266	5,061,122	(63,144)
Budgeted Fund Balance	-	-	-	-
Proceeds from Disposition of Assets	-	-	28,666	28,666
Total Other Financing Sources	5,001,786	5,124,266	5,089,788	(34,478)
Amounts available for appropriation	14,299,321	14,582,195	14,219,185	(363,010)
Charges to appropriations (outflows):				
General Government				
Mayor & Commission	133,132	149,132	141,254	7,878
City Manager	372,961	372,961	369,987	2,974
City Clerk	105,603	105,603	108,822	(3,219)
Financial Administration	344,659	284,659	278,396	6,263
Legislative	109,000	109,000	108,258	742
Information Technology	211,943	265,423	199,083	66,340
IT/GIS	79,293	79,293	78,068	1,225
Human Resources	176,644	170,644	165,302	5,342
Customer Service	503,745	526,745	523,576	3,169
Purchasing	174,881	174,881	171,975	2,906
General Operations	1,207,794	1,257,794	1,199,613	58,181
Total General Government	3,419,655	3,496,135	3,344,334	151,801
Public Safety				
Police				
Administration	539,053	503,053	492,008	11,045
Patrol	2,234,478	2,291,478	2,258,686	32,792
Records Services	542,976	542,976	531,139	11,837
Standards and Training	252,396	184,396	176,345	8,051
Fire	2,232,964	2,676,964	2,676,215	749
Haz-Mat	36,366	36,366	33,849	2,517
Animal Control	129,116	136,116	132,795	3,321
Total Public Safety	5,967,349	6,371,349	6,301,037	70,312

The notes to the financial statements are an integral part of this statement.

CITY OF DOUGLAS, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) - (continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Pos/(Neg)
	Original	Final		
Public Works				
Highways and Streets	1,155,439	970,439	940,905	29,534
General Maintenance	586,276	603,276	595,222	8,054
Vehicle Maintenance	485,122	485,122	453,593	31,529
Cemetary	149,546	149,546	143,581	5,965
		-		-
Total Public Works	2,376,383	2,208,383	2,133,301	75,082
Culture and Recreation				
Parks and Rec Admin	248,333	248,333	242,699	5,634
Golf Course	7,900	9,400	9,030	370
Pool	56,119	53,619	48,304	5,315
Ceramics	55,741	55,741	55,279	462
Special Activities	18,926	19,320	15,140	4,180
Athletics	234,893	242,893	243,337	(444)
Teen Center	7,500	7,500	4,582	2,918
Parks and Rec Capital Purchases	10,000	10,000	10,000	-
Wellness Center	58,283	59,283	57,834	1,449
Arts Center	34,570	34,570	32,293	2,277
Central Square Complex	84,035	108,035	106,584	1,451
Museum	22,620	22,620	17,793	4,827
Martin Center	49,520	49,520	45,985	3,535
Park Maintenance	441,166	446,166	447,718	(1,552)
Weir Center	32,146	29,146	23,234	5,912
Total Culture and Recreation	1,361,752	1,396,146	1,359,812	36,334
Housing and Development				
Inspections and Permits	73,271	74,271	72,083	2,188
City Planning	63,650	63,650	61,058	2,592
Code Enforcement	84,244	79,244	72,545	6,699
Grants Administration	166,172	166,172	163,399	2,773
Ashley Slater Welcome Center	32,120	32,120	22,526	9,594
Marketing	263,646	263,646	248,058	15,588
Mainstreet	80,465	80,465	73,437	7,028
Airport	410,614	350,614	349,015	1,599
Total Housing and Development	1,174,182	1,110,182	1,062,121	48,061
Total Expenditures	14,299,321	14,582,195	14,200,605	381,590
Other Financing Uses				
Transfers Out	-	-	7,132	(7,132)
Total charges to appropriations	14,299,321	14,582,195	14,207,737	374,458
Net Changes in Fund Balance	-	-	11,449	
Ending Fund Balance	$ 5,738,093	$ 5,738,093	$ 5,749,542	

The notes to the financial statements are an integral part of this statement.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals	Internal Service
ASSETS						
Current Assets:						
Equity in Pooled Cash	$ 1,662,218	$ 2,241,356	$ 2,751,258	$ 1,100,192	$ 7,755,024	-
Equity in Investment Pool	20,468	352,014	1,770,467	932,504	3,075,453	-
Cash	-	111	433,364	-	433,475	132,506
Accounts Receivable	105,619	1,908,250	350,349	169,394	2,533,612	-
Less: Allowance for Doubtful Accounts	(339)	(19,640)	(6,828)	(2,833)	(29,640)	-
Unbilled Accounts Receivable	183,779	1,357,639	518,480	143,851	2,203,749	-
Due From Other Funds	7,014	14,924	1,891,591	9,784	1,923,313	470,721
Due From Other Governments	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Inventory, at cost	197,040	743,025	140,544	-	1,080,609	-
Restricted Assets:						
Customer Deposits - Equity in Investment Pool	77,716	530,763	258,801	-	867,280	-
Customer Deposits - Certificate of Deposit	23,011	57,527	34,516	-	115,054	-
Total Current Assets	2,276,526	7,185,969	8,142,542	2,352,892	19,957,929	603,227
Noncurrent Assets:						
Investments	-	3,754	-	-	3,754	-
Restricted Assets:						
MEAG Trust	-	19,885,524	-	-	19,885,524	-
Capital Assets Not Being Depreciated:						
Land	56,595	28,655	105,993	-	191,243	-
Capital Assets, Net of Accumulated Depreciation:						
Buildings and Improvements	1,163,004	191	393,080	19,893	1,576,168	-
Transportation Equipment	50,104	299,258	221,315	288,159	858,836	-
Machinery and Equipment	30,271	49,604	263,478	46,181	389,534	-
Computer Equipment	-	13,108	34,899	-	48,007	-
Distribution System	1,998,270	3,234,152	10,470,055	-	15,702,477	-
Total Noncurrent Assets	3,298,244	23,514,246	11,488,820	354,233	38,655,543	-
TOTAL ASSETS	5,574,770	30,700,215	19,631,362	2,707,125	58,613,472	603,227
Deferred Outflows of Resources	88,294	130,444	95,885	111,267	425,890	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,663,064	$ 30,830,659	$ 19,727,247	$ 2,818,392	$ 59,039,362	$ 603,227

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals	Internal Service
LIABILITIES						
Current Liabilities:						
Accounts and Contracts Payable	$ 154,817	$ 1,805,588	$ 6,630	$ 151,273	$ 2,118,308	$ -
Interfund Payables	-	-	-	-	-	-
Other Payables	14,955	117,303	-	-	132,258	603,227
Accrued Interest Payable	2,801	-	-	-	2,801	
Current Portion of Long Term Debt	109,726	-	-	-	109,726	-
Current Portion Estimated Liability for Compensated Absenses	3,851	12,773	6,836	5,600	29,060	-
Current Portion of Capital Leases	-	-	-	-	-	-
Payable from restricted assets:						
Customer Deposits Payable	100,727	588,290	293,317	-	982,334	-
Total Current Liabilities	386,877	2,523,954	306,783	156,873	3,374,487	603,227
Noncurrent Liabilities:						
Long Term Debt	897,388	-	-	-	897,388	-
Net Pension Liability	468,406	665,279	478,972	569,485	2,182,142	-
Net OPEB Obligation	136,219	221,356	170,274	187,302	715,151	-
Estimated Liability for Compensated Absences	21,820	72,380	38,740	31,736	164,676	-
Capital Leases	-	-	-	-	-	-
Total Noncurrent Liabilities	1,523,833	959,015	687,986	788,523	3,959,357	-
TOTAL LIABILITIES	1,910,710	3,482,969	994,769	945,396	7,333,844	603,227
Deferred Inflows of Resources	61,594	79,873	54,530	68,967	264,964	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,972,304	3,562,842	1,049,299	1,014,363	7,598,808	603,227
NET POSITION						
Net Investment in Capital Assets	2,291,130	3,624,968	11,488,820	354,233	17,759,151	-
Unrestricted	1,399,630	23,642,849	7,189,128	1,449,796	33,681,403	-
TOTAL NET POSITION	3,690,760	27,267,817	18,677,948	1,804,029	51,440,554	-
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 5,663,064	$ 30,830,659	$ 19,727,247	$ 2,818,392	$ 59,039,362	$ 603,227

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals	Internal Service
OPERATING REVENUES						
Charges For Sales & Service	$ 4,294,148	$ 26,351,598	$ 7,957,848	$ 3,008,253	41,611,847	$ -
Cut-in Charges	20	3,850	20	-	3,890	-
Penalties	8,801	183,637	67,730	36,004	296,172	-
Other Revenues/Reimbursements	279,639	2,930,062	173,555	-	3,383,256	3,471,459
Total Operating Revenues	4,582,608	29,469,147	8,199,153	3,044,257	45,295,165	3,471,459
OPERATING EXPENSES						
Cost of Sales and Services	2,468,916	20,107,556	-	1,718,541	24,295,013	-
Administration & Operating	1,084,362	2,983,531	5,324,539	1,019,899	10,412,331	3,471,459
Depreciation	265,231	377,503	1,296,441	109,908	2,049,083	-
Total Operating Expenses	3,818,509	23,468,590	6,620,980	2,848,348	36,756,427	3,471,459
Operating Income (Loss)	764,099	6,000,557	1,578,173	195,909	8,538,738	-
NONOPERATING REVENUES (EXPENSES)						
Investment Income	320	1,748,487	6,599	2,494	1,757,900	-
Interest Expense	(24,932)	-	(12,730)	(673)	(38,335)	-
Total Nonoperating Revenues (Expenses)	(24,612)	1,748,487	(6,131)	1,821	1,719,565	-
Net Income (Loss) before Contribution and Transfers	739,487	7,749,044	1,572,042	197,730	10,258,303	-
TRANSFERS/CONTRIBUTIONS:						
Gain/(Loss) on Capital Asset Disposal	-	(7,337)	-	-	(7,337)	-
Contributed Capital	-	-	1,012,529	-	1,012,529	-
Transfer from (to) Other Funds	(518,000)	(3,703,330)	(524,792)	(25,000)	(4,771,122)	-
Change of Net Position	221,487	4,038,377	2,059,779	172,730	6,492,373	-
Total Net Position - Beginning of Year	3,469,273	23,229,440	16,618,169	1,631,298	44,948,180	-
Total Net Position - End of Year	$ 3,690,760	$ 27,267,817	$ 18,677,948	$ 1,804,029	$ 51,440,554	$ -

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals Current Year	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	$ 4,625,195	$ 29,410,342	$ 8,100,720	$ 3,048,562	$ 45,184,819	$ -
Cash Paid to Suppliers	(3,112,242)	(22,463,371)	(4,657,325)	(2,120,997)	(32,353,935)	-
Cash Paid to Employees	(511,235)	(926,192)	(709,440)	(595,258)	(2,742,125)	-
Cash Received from Interfund Services Provided	37,789	98,343	85,774	-	221,906	3,471,459
Cash Paid for Interfund Services Provided	(30,304)	(61,815)	(96,249)	(33,538)	(221,906)	(3,474,839)
Net Cash Provided (Used) by Operating Activities	1,009,203	6,057,307	2,723,480	298,769	10,088,759	(3,380)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Pooled Cash Lending to General Fund	-	-	(1,834,323)	-	(1,834,323)	
Transfers In (Out)	(518,000)	(3,703,330)	(524,792)	(25,000)	(4,771,122)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(518,000)	(3,703,330)	(2,359,115)	(25,000)	(6,605,445)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds of Notes Payable	-	-	-	-	-	-
Purchase of Capital Assets	(128,585)	(141,423)	(124,655)	(35,093)	(429,756)	-
Principal Payments on Note Payable	(105,958)	-	(489,155)	(44,201)	(639,314)	-
Interest Paid	(24,932)	-	(12,730)	(673)	(38,335)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(259,475)	(141,423)	(626,540)	(79,967)	(1,107,405)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale (Purchase) of Investments	-	-	-	-	-	-
Receipts of Interest and Dividends	320	1,748,487	6,599	2,494	1,757,900	-
Net Cash Provided (Used) by Investing Activities	320	1,748,487	6,599	2,494	1,757,900	-
Net Increase (Decrease) in Cash and	232,048	3,961,041	(255,576)	196,296	4,133,809	(3,380)
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	1,551,365	19,110,008	5,503,982	1,836,400	28,001,755	135,886
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,783,413	$ 23,071,049	$ 5,248,406	$ 2,032,696	$ 32,135,564	$ 132,506

The notes to the financial statements are an integral part of this report.

CITY OF DOUGLAS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals	Internal Service
CASH AND CASH EQUIVALENT - END OF YEAR						
Unrestricted	$ 1,682,686	$ 2,597,235	$ 4,955,089	$ 2,032,696	$ 11,267,706	$ 132,506
Restricted	100,727	20,473,814	293,317	-	20,867,858	-
Total	1,783,413	23,071,049	5,248,406	2,032,696	32,135,564	132,506
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	764,099	6,000,557	1,578,173	195,909	8,538,738	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	265,231	377,503	1,296,441	109,908	2,049,083	-
Amortization Expense	-	-	-	-	-	-
(Increase) Decrease in Accounts Receivable	32,255	23,343	14,250	(2,458)	67,390	-
(Increase) Decrease in Unbilled Accounts Receivable	48,120	23,532	(26,909)	(1,847)	42,896	-
(Increase) Decrease in Interfund Receivables	4,075	6,621	5,094	5,603	21,393	(99,320)
(Increase) Decrease in Inventory	1,035	7,478	(10,764)	-	(2,251)	-
(Increase) Decrease in Prepaid Items	-	-	12,000	-	12,000	-
(Increase) Decrease in Deferred Outflows	(30,364)	(49,342)	(37,955)	(41,751)	(159,412)	-
Increase (Decrease) in Estimated Liability for Compensated Absences	3,449	(23,949)	(8,680)	(12,138)	(41,318)	-
Increase (Decrease) in Accounts Payable	(87,836)	(180,496)	(147,916)	5,265	(410,983)	-
Increase (Decrease) in Accrued Interest Payable	(401)	-	(2,148)	-	(2,549)	
Increase (Decrease) in Customer Deposits	(1,445)	19,900	2,682	-	21,137	-
Increase (Decrease) in Other Payable	(672)	(197,958)	-	-	(198,630)	95,940
Increase (Decrease) in Deferred Inflows	(28,255)	(45,916)	(35,319)	(38,852)	(148,342)	-
Increase (Decrease) in Net OPEB Obligation	(2,354)	27,354	31,701	21,014	77,715	
Increase (Decrease) in Net Pension Liability	42,265	68,682	52,831	58,116	221,894	-
Net Cash Provided (Used) by Operating Activities	$ 1,009,203	$ 6,057,307	$ 2,723,480	$ 298,769	$ 10,088,759	$ (3,380)
Non-Cash Activities						
Contributed Capital	$ -	$ -	$ 1,012,529	$ -	$ 1,012,529	$ -

The notes to the financial statements are an integral part of this report.

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The accounting methods and procedures adopted by the City of Douglas, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Annual Financial Report.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Incorporated in 1895, under the laws of the State of Georgia, the City of Douglas is governed by a six member Mayor/Council form of government. The mayor is elected to a four-year term, and council members are elected to four-year terms. The Mayor serves as the Chief Executive Officer and the other six council members serve on a part-time basis. The Mayor is assisted by a city manager to handle the daily operations of the City.

The financial statements of the City of Douglas, Georgia have been prepared in conformity with generally accepted accounting principles (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 City's major operations include social services, public safety, fire protection, culture-recreation, regulation and control of the water, sewer, electricity, and sanitation system, highways and streets, public works maintenance and general administrative services.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement including the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations. A comparative analysis of financial information is presented in the MD&A.
- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The financial statements of the reporting entity include those of the City of Douglas (the primary government) and its component units. The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of the City of Douglas, Georgia (the primary government) and its component units. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Government Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name);
- The City holds the corporate powers of the organization;
- The City appoints a voting majority of the organization's board;
- The City is able to impose its will on the organization;
- The organization has the potential to impose a financial benefit/burden on the City;
- There is fiscal dependency by the organization on the City;

Blended Component Units - Based on the GASB criteria, the City has no entities that quality as blended component units.

Discretely presented component units: Based on the aforementioned criteria, the only component unit of the city is the Downtown Development Authority. See Note Below.

Downtown Development Authority

The purpose of the Downtown Development Authority (DDA) is developing and revitalizing of downtown and facilitating loans between banks and property owners. The revitalization of DDA is governed by seven directors which are appointed by the City Commission. The Mayor, City Manager, Director of Community Development and the Executive Secretary of The Douglas-Coffee County of Commerce act as advisory members. City employees act as record keepers of the DDA. The City has the ability to impose its will upon the DDA.

The Downtown Development Authority did not issue separate Component Unit Financial Statements. The financial information for the Downtown Development Authority is not presented in this report because the amounts are immaterial to the financial statements of City of Douglas, Georgia.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues and expenses, such as charges for services and cost of services and administration, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items not meeting these definitions are reported as non-operating revenues or expenses, and/or result from non-exchange transactions or ancillary activities.

The City reports the following **major** governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Splost 2012 – This fund accounts for tax revenues and capital expenditures related to the Special Purpose Local Option Sales Tax beginning in 2012.

City reports the following **major** proprietary funds:

Electric System – This fund accounts for user fees and expenses for the electric services provided to the citizens of the City.

Water and Sewer System – The water and sewer fund accounts for the operation and maintenance of the City's water and sewer services.

Gas System – The gas fund account for the operation and maintenance of the City's gas services.

Sanitation System – The sanitation fund accounts for the operation and maintenance of the City's sanitation services.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Internal Service Fund – The Internal Service Fund accounts for the City's self-insured worker's compensation and health insurance claims. Charges are allocated back out to the various funds and departments on a pro-rata basis.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data for the funds reflected in the financial statements.

1. In May, a proposed operating budget for the fiscal year commencing July 1 is submitted to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgetary amounts between line items within a fund can be done with the approval of the City Administrator. Transfer of amounts between each department of each fund must be approved by the City Commission. This is the legal level of budgetary control.
5. The funds obtained from any source may be used for any appropriations named in said budget, except funds specifically restricted by City ordinance or State law.
6. The City does employ the use of encumbrance accounting.
7. Unexpended appropriations lapse at the end of the year.
8. At the end of the fiscal year, all amendments to the budget are approved through passage of an ordinance.

D. Encumbrances

The City of Douglas does use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of moneys are recorded in order to reserve that portion of the applicable appropriation.

E. Cash, Investments and Cash Equivalents

Cash consists of demand deposits held in banks. Any bank deposits in excess of FDIC insured amounts must be secured by an equivalent amount of State of Georgia or U.S. obligations or direct loans to the City. For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government

- Obligations fully insured or guaranteed by the United States Government or governmental agency
- Prime banker's acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

State Statutes require all deposits to be collateralized by depository insurance, obligations of the United States or certain obligations guaranteed by the U.S. Government, obligations of the State of Georgia or bonds of public or development authorities, counties, or municipalities of the State of Georgia. The acceptable collateral pledged in the City's name is composed of bonds of U.S. Government agencies and bonds of the State of Georgia and its public authorities, counties, and municipalities.

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. Obligations.

F. Receivables

All trade and property tax receivables are reported net of allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2016. The delinquent taxes receivable account represents the past seven years of uncollected tax levies.

G. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

H. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental and proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items are recorded as an expenditures in the governmental fund types when purchased (i.e., the purchasing method). Inventories of the proprietary funds are expensed when consumed.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items at both reporting levels using the consumption method by recording as asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level and equal amount of fund balance is reserved as this amount is not available for general appropriation.

J. Restricted Assets

Restricted assets represent resources segregated as required by bond ordinances, lease agreements and policies of the City.

K. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of Net Positions but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of Net positions and in the proprietary funds' statement of Net Positions. All general infrastructure assets acquired or constructed after June 30, 2003 have been reported in government-wide financial statements. In implementation of GASB Statement 34 infrastructure assets, the city has elected to limit its transition capitalization to street projects that resulted in acquisition, construction, or significant reconstruction or improvements since June 30, 1980. The city has made use of historical cost records and using normal depreciable lives to add infrastructure assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, curbs, and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines and the electric distribution systems. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the proprietary funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives		
Asset Class	Governmental Activities	Business-type Activities	Component Unit
Buildings, Plants, Tanks	20-50 Years	20-50 Years	---
Improvements other than buildings	15-25 Years	15-25 Years	---
Utility systems	---	20-50 Years	---
Machinery and equipment	5-25 Years	5-25 Years	5-10 Years
Vehicle	4-6 Years	4-6 Years	5-10 Years
Infrastructure	30-60 Years	30-60 Years	---

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual sick and vacation leave. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Up to 960 hours of unused sick leave may be accumulated. For employees with a hire date before September 2009, this time is payable upon termination. For employees with a hire date after September 2009, this time may only be applied to credit time served for pension benefits. Sick leave pay has been accrued in the Proprietary Funds. In accordance with the provisions of GASB Statement 11, concerning accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. All employees are allowed to carryover unused vacation leave up 160 hours.

All compensated absence liabilities include salary-related payments, where applicable. Vested or accumulated sick and vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the government fund that is responsible for the payment.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences, claims and unfunded pension benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements "when due".

N. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

O. Fund Equity

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

Fund Balance- Fund balances may be 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 Council or through external restriction imposed by creditors, grantors, or 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 formal action of the City Council through a motion. The fund balance must result from a specific revenue stream committed for a specific purpose. Only the City Council may modify or rescind the commitment.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the City Council can authorize an assignment of fund balances. Also, any of the fund balance reported at year end that is included in the subsequent year's budget is reported as assigned.
- 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 a positive unassigned fund balance only in the general fund.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net position net investment in capital assets, consists of capital assets, net of accumulated depreciation, plus any outstanding balances of borrowing not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All remaining net position is reported as unrestricted.

Net Position Flow Assumption - In order to report net position as a restricted net position and an unrestricted net position in the government wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted net position first before using unrestricted net position

P. Operating Revenues and Expenses

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. For the City, these revenues are charges to customers for water and sewerage services, electricity, gas, and services for solid waste management. The Water and Sewer Fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales 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, including operating grants, investment earnings and interest expense.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported below general revenues as the last item before the change in Net positions. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

The general fund charges each of the proprietary funds for specific payroll and other administrative costs that relate to these funds. The proprietary funds report these expenses as inter-fund allocations and the general fund records these payments as offsets to the corresponding expense account.

S. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations

The individual departments which had expenditure in excess of appropriations are as follows:

	Expenditures	Appropriations	Variance
General Fund:			
General Government:			
City Clerk	$ 108,822	$ 105,603	$ (3,219)
Culture and Recreation:			
Athletics	$ 243,337	$ 242,893	$ (444)
Park Maintenance	$ 447,718	$ 446,166	$ (1,552)

NOTE 3: CASH AND INVESTMENTS

The City's deposits and investments include cash on deposit with financial institutions, cash equivalents, including money market accounts, cash invested in the State of Georgia's local government investment pool, Georgia Fund One and investments authorized by State Statutes and City ordinances. Cash investments are carried at book value (cost) which approximates fair market value.

Georgia law authorizes local governments to invest in the following types of obligations:

- Obligations of State of Georgia or any other states;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or Government Agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

According to the Office of the State Treasurer in accordance with 2010 Senate Bill 296; all deposits must be secured by certain statutory obligations in an amount equal to 110% of uninsured deposits. As of June 30, 2016 the City was not under collateralized at any financial institutions.

The City has $11,040,526 invested in the Georgia Fund I. Georgia Fund I, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAA rated money market funds. However, Georgia Fund I operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Georgia Office Treasury and Fiscal Services.

The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

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 losses accruing from increasing interest rates.

CONCENTRATION OF CREDIT RISK

The City's investment policy provides that the City will diversify its investment to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

By Instrument

	Maximum %
U.S. Treasury Obligations	75%
U.S. Government Agencies	75%
Certificate of Deposit (Commercial Banks)	75%
(Savings & Loans)	10%
Local Government Investment Pool (State Sponsored)	75%

By Institutions

Certificates of Deposit in Commercial Banks – no more than 25% of total investment with any one institution.

More than 5% of the City's investments are invested in individual commercial banks. These investments are 97% of the City's total investments.
The City has more than 25% of its investment in one institution.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Governmental activities:				
Capital Assets, not being depreciated:				
Land	$ 5,032,030	$ -	$ -	$ 5,032,030
Assets Not in Use	-	-	-	-
Construction in Progress	2,639,689	-	(2,639,689)	-
Total Capital Assets, not being Depreciated	7,671,719	-	(2,639,689)	5,032,030
Capital Assets, Being Depreciated:				
Building and Improvements	16,498,336	615,662	-	17,113,998
Furniture and Fixtures	53,000	-	-	53,000
Transportation Equipment	3,371,059	621,555	(61,959)	3,930,655
Office Equipment	195,366	23,546	-	218,912
Infrastructure	9,397,677	2,240,862	-	11,638,539
Appliances	5,919	-	-	5,919
Machinery and Equipment	2,856,371	100,406	-	2,956,777
Computer Equipment	82,639	-	-	82,639
Total Capital Assets, Being Depreciated	32,460,367	3,602,031	(61,959)	36,000,439
Less Accumulated Depreciation:				
Buildings and Improvements	8,442,898	700,065	-	9,142,963
Furniture and Fixtures	53,000	-	-	53,000
Transportation Equipment	2,872,867	214,809	(61,959)	3,025,717
Office Equipment	169,617	8,204	-	177,821
Infrastructure, Retroactive Implementation	3,835,489	345,033	-	4,180,522
Appliances	5,919	-	-	5,919
Machinery and Equipment	1,906,533	142,207	-	2,048,740
Computer Equipment	74,557	1,644	-	76,201
Total Accumulated Depreciation	17,360,880	1,411,962	(61,959)	18,710,883
Total Capital Assets, Being Depreciated, Net	15,099,487	2,190,069	-	17,289,556
Governmental Activities Capital Assets, Net	$ 22,771,206	$ 2,190,069	$ (2,639,689)	$ 22,321,586

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Business-Type Activities:				
Capital Assets, not being depreciated:				
Land	$ 191,243	$ -	$ -	$ 191,243
Construction in Progress	-	-	-	-
Total Capital Assets, not being Depreciated	191,243	-	-	191,243
Capital Assets, being Depreciated				
Buildings and Improvements	1,570,479	166,385	-	1,736,864
Transporation Equipment	2,775,918	85,513	(41,458)	2,819,973
Machinery and Equipment	1,628,887	33,055	-	1,661,942
Computer Equipment	160,734	34,899	-	195,633
Distribution Plant and Other Improvements	30,443,567	1,122,434	-	31,566,001
Total Capital Assets, being Depreciated	36,579,585	1,442,286	(41,458)	37,980,413
Less Accumulated Depreciation:				
Buildings and Improvements	63,392	97,304	-	160,696
Transporation Equipment	1,685,883	309,375	(34,121)	1,961,137
Machinery and Equipment	1,118,231	154,178	-	1,272,408
Computer Equipment	142,228	5,398	-	147,626
Distribution Plant and Other Improvements	14,380,697	1,482,828	-	15,863,526
Total Accumulated Depreciation	17,390,431	2,049,083	(34,121)	19,405,393
Total Capital Assets, Being Depreciated, Net	19,189,155	(606,797)	(7,337)	18,575,021
Business-type Activities Capital Assets, Net	$ 19,380,398	$ (606,797)	$ (7,337)	$ 18,766,265

Depreciation Expense was charged to Governmental Activities as follows:

General and Administrative	$ 426,026
Public Safety	255,949
Public Works	50,326
Culture and Recreation	451,590
Housing and Development	228,071
Total	$ 1,411,962

NOTE 5: DUE FROM OTHER GOVERNMENTS

Receivables from other governments as of June 30, 2016, are as follows:

DCA C.H.I.P. Fund		
Department of Community Affairs - Grant Receivable	$	17,390
H.E.A.T. GRANT FUND		
State of Georgia - Grant Receivable	$	16,237
CENTRAL SERVICE ACTIVITY FUND		
Misc Receivable	$	470
VARIOUS NONMAJOR PROJECTS FUND		
Boys and Girls Club - Rent Receivable	$	500
Total Receivables	$	34,597

NOTE 6: INTERFUND BALANCES AND ACTIVITY

The City has interfund receivables and payables at June 30, 2016 as follows:

Balances due to/from other funds	Interfund Receivables	Interfund Payables
GOVERNMENTAL FUNDS:		
Major Funds:		
General Fund	$ 9,434	$ 2,394,034
Nonmajor Governmental Funds	83,019	92,453
INTERNAL SERVICE FUNDS	470,721	-
ENTERPRISE FUNDS:		
Major Funds:		
Gas Fund	7,014	-
Electric Fund	14,924	-
Water & Sewer Fund	1,891,591	-
Sanitation	9,784	-
Total	$ 2,486,487	$ 2,486,487

General Fund:	
Due from Nonmajor Governmental Funds	$ 9,434
Nonmajor Governmental Funds:	
Due from Nonmajor Governmental Funds	83,019
Internal Service Fund:	
Due from General Fund	470,721
Enterprise Funds:	
Electric	
Due from General	14,924
Water & Sewer	
Due from General	1,891,591
Gas	
Due from General	7,014
Sanitation	
Due from General	9,784
	$ 2,486,487

The balance due between the General Fund and Non-major Governmental funds, and Non-major Governmental funds themselves, results solely from amounts due to the General Fund for expenses relating to reimbursing grant expenditures. The General fund has a temporary balance of $1,834,323 due to the Water fund for the General fund's pooled cash overdrawn balance.

The remaining outstanding balances between funds result solely from balances due in relation to the Internal Service Fund providing services to the various other funds. These balances are adjusted on an annual basis based on the balances calculated at year end.

NOTE 7: RESTRICTED ASSETS

Restricted assets reported in the Proprietary Funds are cash and investments restricted by ordinance or City policy for customer deposits, by bond covenants, or by special agreement with the MEAG Trust. The following is a summary of the balances in these accounts:

Customer Deposits:		
Natural Gas Fund	$	100,727
Electric Fund		588,290
Water and Sewer Fund		293,317
Total Customer Deposits	$	982,334
MEAG Trust		
Generation Trust Account	$	5,804,095
Flexible Operating Account (Intermediate Extended Maturity)		4,280,692
Flexible Operating Account (Intermediate)		1,784,620
Flexible Operating Account (Short-term)		8,016,117
Total MEAG Flexible Trust	$	19,885,524

NOTE 8: LONG-TERM OBLIGATIONS

A. Governmental Activities Debt – The following is a summary of the outstanding debt of the City's governmental activities:

Note payable to One Georgia Authority Equity Fund in the original amount of $100,000 bearing interest at 0.0%. The balance of the note was $48,750 at June 30, 2016. The note provides for quarterly principal and interest payments of $1,250 beginning the earliest of 70% occupation of the Airport building or January 1, 2008. If the City is unable to make payments the debt will be forgiven; however, the City believes funds will be available to make the payments.

Debt service requirements for the general obligation note payable is as follows:

	Notes Payable		
Year Ending June 30,	Principal	Interest	Total
2017	$ 5,000	$ -	$ 5,000
2018	5,000	-	5,000
2019	5,000	-	5,000
2020	5,000	-	5,000
2021	5,000	-	5,000
2022-2026	23,750	-	23,750
Total	$ 48,750	$ -	$ 48,750

B. Business-type activities

Notes Payable

Note payable to State Revolving Loan Fund in the original amount of $4,572,292 bearing interest at 4%. The balance of the loan was $0 at June 30, 2016. The loan calls for quarterly payments of principal and interest of $83,302 through June 2016. Proceeds were used for construction of water and sewer system.

Note payable to State Revolving Loan Fund in the original amount of $692,717 bearing interest at 4%. The balance of the loan was $0 at June 30, 2016. The loan calls for quarterly payments of principal and interest of $12,621 through November 2018. Proceeds were used for construction of water and sewer system.

Note payable to the Municipal Gas Authority of Georgia (MGAG) in the original amount of 1,207,000 bearing interest at 3.5%. The balance of the loan was $1,007,114 at June 30, 2016. The loan calls for monthly payments of principle and interest of 11,936 through July 2024. Proceeds were used for the construction of a new compressed natural gas dispensing facility.

Debt Service Requirements

Debt service requirements for the Notes Payable are as follows:

	Notes Payable		
Year Ending June 30,	Principal	Interest	Total
2017	$ 109,726	$ 33,500	$ 143,226
2018	113,629	29,597	143,226
2019	117,670	25,556	143,226
2020	121,856	21,371	143,227
2021	126,190	17,037	143,227
2022-2026	418,043	23,571	441,614
Total	$ 1,007,114	$ 150,632	$ 1,157,746

C. Capital Leases

The City has entered into various lease-purchase agreements in the General Fund and Proprietary Funds to finance the acquisition of several assets. The leases are for periods of five to ten years at interest rates ranging from 2.37% to 3.75%. The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The amortization expense related to these transactions has been appropriately recorded in depreciation expense. The following is an analysis of building, equipment, and vehicles leased under capital leases as of June 30, 2016:

	Governmental Activities		Business-Type Activities	
	Carrying Value	Gross Amount	Carrying Value	Gross Amount
Vehicles	$ 78,857	$ 78,338	$ -	$ -
Equipment	-	-	-	108,880
Totals	$ 78,857	$ 78,338	$ -	$ 108,880

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments June 30, 2016:

For year ending June 30,	Governmental Activities	Enterprise Funds
2017	30,313	-
2018	30,313	-
2019	22,735	-
Total minimum lease payments	$ 83,361	$ -
Less amount representing interest	(4,504)	-
Present value of future minimum lease payments	$ 78,857	$ -

D. Compensated Absences

Governmental activities:
Accumulated sick pay obligation and related social security as of June 30, 2016, amounted to $1,043,449. This amount is shown as a long-term liability on the entity-wide statements, with an estimated portion reflected as a current liability.

Business-type activities:

Accumulated sick pay obligation and related social security as of June 30, 2016 amounted to $193,736. This amount is shown as a long-term liability on the entity-wide statements, with an estimated portion reflected as a current liability.

Compensated Absences in prior years were considered current liabilities. Compensated Absences starting with the year ended June 30, 2006, are considered long-term liabilities. The compensated liability is normally liquidated by the fund from which the employee is paid.

E. Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Loan Payable	$ 53,750	$ -	$ 5,000	$ 48,750	$ 5,000
Capital Leases	105,584	-	26,727	78,857	27,743
Compensated Absences	1,055,706	-	12,257	1,043,449	156,517
Total	$ 1,215,040	$ -	$ 43,984	$ 1,171,056	$ 189,260
Business Type activities:					
Notes Payable	1,602,227	-	595,113	1,007,114	109,726
Capital Leases	44,201	-	44,201	-	-
Compensated Absences	235,054	-	41,318	193,736	29,060
Total	$ 1,881,482	$ -	$ 680,632	$ 1,200,850	$ 138,786

NOTE 9: CONTINGENCIES AND COMMITMENTS

A. Grants

The City receives grant funds, principally from the U.S. Government for various programs. Expenditures from these grants are subject to audit and the City is contingently liable to refund amounts received in excess of allowable expenditures.

B. Litigation

The City is a defendant in various lawsuits. The City records liabilities resulting from claims and legal actions only when they become probable and measurable. No additional accrual or disclosure of these lawsuits is required.

C. Commitments

Agreement with the Municipal Electric Authority of Georgia

In 1975, the City of Douglas entered into a contract with the Municipal Electric Authority of Georgia (MEAG). The purpose of the agreement was to secure electric power supply from MEAG. MEAG consented to provide this power supply to the City of Douglas in return for the City's promise to pay its share of MEAG's cost of generating and transmitting electrical power.

The term of the contract will continue in full force until such time, not exceeding fifty years, as all MEAG's bonds and the interest thereon have been paid or provision for payment has been made or until such time as the MEAG Project is retired from service, whichever is later.

MEAG has issued bonds to generate funds for the purpose of building generation and transmission plants. Each participant, such as the City of Douglas, is responsible for their pro-rata share of those bonds until they are paid or deferred. The City's guarantee varies by individual projects undertaken by MEAG and is approximately $166,790,663. During fiscal year 1999, the City of Douglas Council voted to accept the offer from MEAG in a Municipal Competitive Trust (the Trust).

The Trust was created by MEAG in anticipation of future deregulation of the electric industry which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electric systems of political subdivisions, which are wholesale power customers of MEAG, such as the City of Douglas. MEAG expects that after such legislation is effective, market rates for power will result which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust to deposit funds to be invested at the best prudent rates of return and be applied, in accordance with the provisions of the Trust, to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Douglas, and within the account creates the following sub-accounts in which the City of Douglas participates:

1. Reserve Funded Debt Trust Account – The source of funding for this sub-account was the bond reserve funds accumulated from bond proceeds over the years. The bond reserves were released by the bond holders from the lien of the bond resolutions after substitution of a surety bond in lieu of cash funded bond reserves. The majority of the funds in the Municipal Competitive Trust are deposited in this sub account.

   The funds deposited in this sub account may be utilized by a City after deregulation, with the written consent of MEAG, only for the purpose of applying such funds to the outstanding balance of the City's current monthly billing relating to its entitlement or obligation share under the Power Sales Contract of MEAG's Annual Project Generation Fixed Charges. Otherwise, after December 31, 2025, each City may have any funds remaining in its Reserve Funded Debt Trust Account applied to any remaining obligations for debt service, or disbursed to the Utility and City if its obligations for debt service are fulfilled.

   The City had a balance in this account of $2,596,968 and $4,422,387 as of June 30, 2016 and 2015, respectively.

2. Credit Support Operating Trust Account – This type of sub-account may be funded from the funds allocated to the City's account in MEAG's Rate Stabilization Reserve Fund or the City's Discretionary Reserve with MEAG, or from any other available funds.

   According to Trust provisions, the City has the following withdrawal rights with respect to this fund:

   Prior to the anticipated actual deregulation date, the City shall have the right to cause the Trustee to use funds from the Credit Support Operating Trust Account to reduce, or as credit against, its monthly billings (i) to mitigate wholesale rate increases which have an impact of greater than 20% on the City's wholesale cost in any year, (ii) to mitigate the adverse impact of any wholesale cost increase which results from the phase-out of special rates in any year, and (iii) to mitigate the impact of wholesale costs which exceed the system average whole costs by more than 20% in any year, all as set forth in a certificate of the City and MEAG.

   The City also has the right to borrow, if certain conditions are met, part or all of the funds in the Credit Support Operating Trust Account for the purpose of paying the cost of any capital expenditure, provided that the City executes and delivers to the Trustee a promissory note and such other documents reasonably satisfactory to MEAG in which the City agrees to repay the withdrawn amount to the Trustee.

   The City had a balance in this account of $0 and $410 as of June 30, 2016 and 2015, respectively.

3. Flexible Operating Trust Accounts – This type of sub-account may be funded from contributions by the City, from the City's Discretionary Reserve Fund with MEAG, or from any other available funds.

   According to the Trust provisions, the City has the following withdrawal rights with respect to this fund:

   The City has, at any time, the right to withdraw part or all funds from the Flexible Operating Trust Account.

   The City had a balance in this account of $14,081,429 and $11,534,484 as of June 30, 2016 and 2015, respectively. This amount is included in restricted investments in the electric fund.

4. Generation Trust Account – This type of sub-account may be funded from contributions by the City, or from any other the other MEAG trust account.

   The City's access to this account is restricted to withdrawals for new generation projects or to mitigate wholesale rate increases.

   The City had a balance of $5,804,095 and $5,505,710 as of June 30, 2016 and 2015, respectively. This amount is included in restricted investments in the electric fund.

Georgia Public Web
In May of 1996, in conjunction with the aforementioned power sales contract, the City entered into an additional contract with MEAG, whereby the City agrees to participate in MEAG's Telecommunications Project (Georgia Public Web) for a period not to exceed fifty years. In the event that the City is unable to make any of its annually determined payments for use of the communication system, the City has agreed to assess and collect property taxes sufficient to provide such funds for the remainder of the life of this contract. In the year ended June 30, 2008, the City chose to pay off their pro-rata share of the bonds and to treat the entire payment of $770,851 as a current Special Item on the Statement of Revenues, Expenses, & Changes in Fund Balance.

Agreement with The Municipal Gas Authority of Georgia
The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs of the gas supply and interest on MGAG's bonds. These obligations, which extend through the year 2016, are general obligations of the City of which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply.

NOTE 10: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Self-Insurance Fund (internal service fund) and Workers Compensation Fund (internal service fund) to account for its self-insured risks of loss related to workers' compensation and health claims (with stop loss or excess coverage purchased when available). The commercial insurance provides for the transfer of risk from the City for all other major programs. The City's risk is constituted by a $1,000 deductible for each occurrence. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts did not exceed insurance coverage for the previous three years.

NOTE 11: CONTRIBUTED CAPITAL-PROPRIETARY FUNDS

The following is a summary of additions to contributed capital for the City's Proprietary Funds during the year ended June 30, 2016:

	Contributions From Federal Govt. After 6/30/79	Contributions From Other Governments	Contributions From Other City Sources/ Funds	Contributions From Water & Sewer Impact Fees
Natural Gas Fund				
Balance, July 1, 2015	$ 12,694	$ 18,767	$ 33,107	$ -
Current Year Additions	-	-	-	-
Balance, June 30, 2016	$ 12,694	$ 18,767	$ 33,107	$ -
Electric Fund				
Balance, July 1, 2015	$ 269,663	$ -	$ -	$ -
Current Year Additions	-	-	-	-
Balance, June 30, 2016	$ 269,663	$ -	$ -	$ -
Water & Sewer Fund				
Balance, July 1, 2015	$ 2,413,862	$ 194,829	$ 815,914	$ 902,940
Current Year Additions	-	-	1,012,529	-
Balance, June 30, 2016	$ 2,413,862	$ 194,829	$ 1,828,443	$ 902,940
Sanitation Fund				
Balance, July 1, 2015	324,259	-	124,874	-
Current Year Additions	-	-	-	-
Balance, June 30, 2016	324,259	-	124,874	-

NOTE 12: VEHICLE MAINTENANCE AND CENTRAL PURCHASING/WAREHOUSE DEPARTMENTS – GENERAL FUND

For this and prior fiscal years, these departments have been treated as budgeted departments of the general fund rather than as separate internal service funds. All expenses of these departments are budgeted in the general fund except for repairs and maintenance, parts, supplies and other direct costs which are budgeted to the individual operating departments. Vehicle parts and supplies and inventory items purchased by the City are charged to these departments initially and then charged out to the various departments as used.

NOTE 13: CONTINGENT ASSETS

The City of Douglas has an asset whose estimated value is not recognized on the books in accordance with accounting procedures for Community Development Grant Funds (Special Revenue Funds). This asset, when sold or realized, will result in Program Income which is subject to Federal regulations before it can be expended. Contingent assets at June 30, 2016 include:

Asset	Estimated Amount	Orginal Source of Asset
Land - N. Madison Ave.	$ 2,300	HUD-CDBG/Small Cities
Land - Lonnie Street	2,000	DCA CDBG/Small Cities
Land- Lonnie Street	2,000	DCA CDBG/Small Cities
Total	$ 6,300	

NOTE 14: PENSION PLAN

Plan Description

The City provides retirement benefits for substantially all of its employees under a revised noncontributory pension plan adopted March 28, 1977, City of Douglas Retirement Plan (the Plan). The City of Douglas Retirement Plan is a participating member of the Georgia Municipal Employees Benefit System (GMEBS) Defined Benefit Plan, an agent multiple employer public employee retirement system. The (GMEBS) issues a stand-alone financial report that may be obtained from the Georgia Municipal Association.

Effective January 1, 2015, employees are eligible for the City of Douglas Retirement Plan immediately upon employment. Elected officials are eligible for the retirement plan.

Members can retire when age at retirement plus years of service equals ninety. The plan also provides death benefits; however, only participants who have completed 5 years of credited service are eligible to designate a beneficiary to receive death benefits. The plan provisions are adopted by the governing body of the city within the options available in the Public Retirement Systems Standards Laws and within the actuarial constraints also in the statutes.

Plan Disclosures

Effective July 1, 2013, the Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25,* which significantly changed the disclosures required related to the Plan. The information presented below is presented in accordance with this new standard

Net Pension Liability

The components of the net pension liability of the City at June 30, 2016 were as follows:

Total Pension Liability	$	38,480,335
Plan fiduciary net position		(28,937,871)
City's net pension liability	$	9,542,464
Plan fiduciary net postion as a percentage of the total pension liability		75.20%

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

The total pension liability was determined by an actuarial valuation as of January 1, 2016. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.25%
Projected Salary Increases	3.25%
Investment Rate of Return	7.75%

Mortality rates were based upon the RP-2000 Mortality Table, which contained sex-distinct and disabled rates.

Discount rate. The discount rates used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made equal to the actuarial determined contribution rate. Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes In Assumptions

As a result of the plan change to provide immediate participation for Employees, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's unfunded liability due to this change is minimal and has been treated as a difference between expected and actual experience.

Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014 the following assumptions were changed in this valuation:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates
- Normal retirement age rates were changed from the prior assumption of 100% at earliest unreduced age, but not below 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation and cost of living adjustment assumptions were decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

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 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.75%), or 1% higher (8.75%) than the current rate.

	1% Decrease 6.75%	Current Rate 7.75%	1% Increase 8.75%
City's net pension liability	$ 14,173,108	$ 9,542,460	$ 5,679,599

Pension expense and deferred outflows/inflows of resources related to pensions.

For the year ended June 30, 2016, the City recognized pension expense of $933,038. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	$ 980,924	$ -
Differences between expected and actual experience	-	750,828
Changes in assumptions	-	364,491
Net difference between projected and actual earnings on plan investments	910,204	-
Total	$ 1,891,128	$ 1,115,319

$980,924 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	$ 376,336	$ 570,153
2018	$ 376,336	$ 570,153
2019	$ 376,336	$ 570,153
2020	$ 376,336	$ -

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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2016.

NOTE 15: DEFERRED COMPENSATION PLAN

The City maintains a deferred compensation plan which is available to all employees. The Public Employees Benefit Services Corporation (PEBSCO) is the independent plan administrator. The plan, which complies with Section 457 of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments), has been approved by a private letter ruling from the Internal Revenue Service. Employees who choose to participate may elect the amount of their contributions, within legal limits, and defer federal income taxation on that portion of their salaries and the earnings thereon.

The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Under the revised terms of IRC Section 457, the employee's contributions and all income attributable to the investment of such amounts have been placed in trust by the City and are the property of the participants or their beneficiaries.

NOTE 16: SELF INSURANCE (LIFE & HEALTH)

The City of Douglas established a self-insurance plan for employee health coverage effective March 1, 1989. The plan name is "The City of Douglas Employee Health Benefit Plan." The City has contracted with Meritain Health to serve as its plan administrator in handling all processing of claims and payments. The self-insurance program is being accounted for separately in an internal service fund to the proprietary fund type. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents and to minimize the total cost of annual insurance to the municipality. Coverage charges to the various departments are actuarially determined and are allocated pro rata based on the number of employees in the respective departments. Dependent coverage is funded by charges to employees via payroll deductions. Health claims payable are estimated based upon historical claims and new diagnosis.

The following is a reconciliation of the liability for unpaid claims for the year ended June 30,

	2015	2016
Health Claims Payable - July 1	$ -	$ 121,797
Claims Incurred During the Year Ended June 30	2,502,735	2,635,416
	2,502,735	2,757,213
Claims Paid During the Year Ended June 30	(2,380,938)	(2,409,728)
Health Claims Payable - June 30	$ 121,797	$ 347,485

NOTE 17: SELF INSURANCE (WORKERS' COMPENSATION)

The City of Douglas established a self-insurance plan for workers' compensation coverage effective May 1, 1991. The plan name is "The City of Douglas Workers' Compensation Insurance Trust Plan". The City has contracted with Associated Risk Services, Incorporated, (AMPRO) to serve as its plan administrator in handling all processing of claims and payments.

The self-insurance workers' compensation program is being accounted for separately in an internal service fund of the proprietary fund type. The purpose of this fund is to pay workers' compensation claims of the City employees and to minimize the total cost of annual insurance to the municipality. Coverage charges to the various departments are actuarially determined and are allocated pro rata based on the number of employees in the respective departments. Unpaid claims are estimated based upon state allowed costs for claims that have been received.

The following is a reconciliation of the liability for unpaid claims for the year ended June 30,

	2015	2016
Health Claims Payable - July 1	$ 556,947	$ 473,571
Claims Incurred During the Year Ended June 30	282,519	61,215
	839,466	534,786
Claims Paid During the Year Ended June 30	(365,895)	(187,125)
Health Claims Payable - June 30	$ 473,571	$ 347,661

NOTE 18: RECONCILIATION OF EXPENDITURES FOR GOVERNMENTAL FUND TYPES GAAP BASIS/BUDGETARY BASIS

The following schedule reconciles actual expenditures of the governmental funds from GAAP to budgetary basis for the fiscal year ended June 30, 2016:

	Current Operations	Enterprise Fund Overhead Allocations	Debt Service	Budgetary Basis
General Government	$ 1,434,958	1,909,376	$ -	$ 3,344,334
Public Safety	6,270,724	-	30,313	6,301,037
Public Works	2,133,301	-	-	2,133,301
Culture and Recreation	1,359,812	-	-	1,359,812
Housing and Development	1,062,121	-	-	1,062,121
Total	$ 12,260,916	$ 1,909,376	$ 30,313	$ 14,200,605

NOTE 19: JOINT VENTURES

The City of Douglas, Georgia, in conjunction with cities and counties in the eight (8) county Southeast Georgia area are members of the Southern Georgia Regional Commission (SGRC). Membership in an SGRC is automatic for municipality and county in the state. The official code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the SGRCs. Each county and municipality in the state is required by law to pay the minimum annual dues to the SGRC. The City paid annual dues in the amount of

$14,840 to the SGRC for the year ended June 30, 2016. The SGRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and the municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A 50-8-39.1) defines SGRC's as "public agencies and instrumentalities of their members". Georgia law also provides that the member governments are liable for any debts or obligations of an SGRC beyond its resources. (O.C.G.A. 50-8-39.1) The financial statements of the SGRC can be obtained from the SGRC board.

NOTE 20: HOTEL/MOTEL TAX

The City of Douglas levies an annual hotel/motel tax in accordance with the provisions of OCGA 48-13-51 and is contractually required to expend 3% of the amount received on tourism expenditures. The city has elected to expend 100% of the amount collected on tourism expenditures. The amount that is not expended during the current fiscal year is allocated to a designated fund balance. During fiscal year 2016, the City collected $291,630 in hotel/motel taxes. The City expended $248,058, which was 85% of the amount collected.

NOTE 21: INTERFUND TRANSFERS

The following is a list of transfers the City made during fiscal year 2016. General Fund transfers from the Enterprise Funds are done for the purpose of financing basic City services. Transfers between the General Fund/Non-Major Governmental Funds and other Non/Major Governmental Funds are done for the purposes of financing tourism expenditures and providing advanced funding for reimbursable grant expenditures. SPLOST Fund transfers to the Water and Sewer Fund are the transfer of assets purchased by the SPLOST Fund for the benefit of the Water and Sewer Fund.

	Gas Fund	Electric Fund	Water and Sewer Fund	Sanitation Fund	Non-Major Governmental Funds	SPLOST V Fund	General Fund	Total
Transfers from/(to):								
General Fund	$ 518,000	$ 3,703,330	$ 524,792	$ 25,000	$ 282,868	$ -	$ -	$ 5,053,990
SPLOST V			(1,012,529)			-	-	(1,012,529)
Gas Fund	-	-	-	-	-	-	(518,000)	(518,000)
Electric Fund	-	-	-	-	-	-	(3,703,330)	(3,703,330)
Water & Sewer	-	-	-	-	-	1,012,529	(524,792)	487,737
Sanitation	-	-	-	-	-	-	(25,000)	(25,000)
Non-Major Governmental Funds	-	-	-	-	-	-	(282,868)	(282,868)
Total	$ 518,000	$ 3,703,330	$ (487,737)	$ 25,000	$ 282,868	$ 1,012,529	$ (5,053,990)	$ -

The City of Douglas has eliminated all interfund balances and transfers in the governmental-wide financial statements. Balances reported as transfers on the Government Wide statements may differ from fund level reporting due to differing accounting treatments.

NOTE 22: POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City of Douglas provides, through passage of local ordinance, a certain health care benefits for retired employees through the City of Douglas OPEB Plan and Georgia Municipal Association. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City until they become eligible for Medicare. Health care benefits are provided through the City's self-insurance program. The coverage provided is based on the type held at retirement. Single coverage is provided by the City and dependent coverage is paid by the retiree. Membership in the plan by City retirees is voluntary. The cost of retiree health care benefits is recognized as an expense as claims are incurred.

The authority to establish and amend the benefit provisions of the OPEB plan rests with the City. The plan does not issue separate financial statements.

As of January 1, 2016, employee membership data relative to the OPEB plan consist of the following:

Plan membership:	
Current retirees, beneficiaries, and dependents	28
Current active participants	182
Total	210

Summary of Significant Accounting Policies
The accrual basis of accounting is used with the respect to the recognition in the financial statements of contributions in the form of insurance premiums made to the plan. Plan investments, if any, are reported at their fair value at the reporting date. As of June 30, 2016 the plan reported no assets.

Funding Policy
The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation.

Annual OPEB Cost and Net OPEB Obligation
The City's actuarial valuation was performed for the plan as of January 1, 2016 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the period according to the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Calculations are based on the type of benefits provided under the terms of the plan at the time of each valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. The City's annual OPEB cost is $781,430.

The following table reflects the components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual Required Contribution	$ 885,585
Interest on Existing (NOO)	110,858
ARC Adjustment	(215,013)
Annual OPEB Cost	781,430
Actual Contribution Amount	266,599
Net Increase in NOO	514,831
NOO as of Valuation Date	3,286,289
Net OPEB Obligation - beginning of year	2,771,458
Net OPEB Obligation - end of year	$ 3,286,289

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2016 and the previous two years is as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2013	$ 857,720	50.17%	$ 1,986,697
6/30/2014	$ 712,218	41.06%	$ 2,406,466
6/30/2015	$ 692,631	47.30%	$ 2,771,458
6/30/2016	$ 781,430	34.12%	$ 3,286,289

Funded Status and Funding Progress
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll (b-a)/c)
5/1/2008	$ -	$ 3,872,009	$ 3,872,009	0%	$ 6,840,532	56.60%
1/1/2012	$ -	$ 7,635,222	$ 7,635,222	0%	$ 6,371,193	119.84%
1/1/2014	$ -	$ 5,993,307	$ 5,993,307	0%	$ 6,686,659	89.63%
1/1/2016	$ -	$ 6,782,117	$ 6,782,117	0%	$ 6,127,660	110.68%

AAL based on a pay-as-you-go plan

Additional Information
Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2016
Actuarial cost method	Projected unit credit
Amortization method	25-Year Amortization Closed
Remaining amortization period	18 years as of July 1, 2015
Asset valuation method	Market value
Actuarial Assumptions:	
Investment rate of return	4.00%
Inflation rate	3.25%
Medical and drug cost trend rate	8.0% graded to 5% over 6 years
Plan membership:	
Current retirees, beneficiaries, and dependents	28
Current active participants	182
Total	210

NOTE 23: PROPERTY TAX CALENDAR

Property taxes are assessed and attached as an enforceable lien on property as of January 1. The City's property taxes are billed and collected by the Coffee County Tax Commissioner and remitted to the City. The City pays a commission of 2.5% for the collection of its taxes to the Coffee County Tax Commissioner. City property tax revenues are recognized when levied to the extent that they result in current receivables. Property taxes are levied in September of each year based on the assessed valuation of property as of the proceeding January 1 and are due within 60 days. Taxes levied on October 1, 2015 were due on December 1, 2015. Liens were attached to property for unpaid taxes on January 31, 2016.

Assessed values are established by the Coffee County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed value of property at January 1, 2015 was $338,256,549.

Based on the 2015 City millage levy of 7.497, a property owner would pay $7.50 per $1,000 of assessed valuation.

Current real and personal tax collections of $2,045,986 for the fiscal year ended June 30, 2016 were 95% of the respective tax levy. Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Property taxes deferred at June 30, 2016 were $286,260.

NOTE 24: SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through December 20, 2016 (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has identified no events that required adjustment and disclosure in the financial statements that were issued on December 20, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DOUGLAS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS *

	2015	2016
Total Pension Liability		
Service Costs	$ 467,828	$ 479,525
Interest	2,866,014	2,847,503
Differences between expected and actual experience	(646,841)	(483,633)
Benefits payments, including refunds of employee contributions	(2,257,615)	(2,379,135)
Other	(607,483)	84,534
Net change in total pension liability	(178,097)	548,794
Total pension liability - beginning	38,109,636	37,931,539
Total pension liability - ending	$ 37,931,539	$ 38,480,333
Plan Fiduciary Net Position		
Contributions - Employer	$ 1,574,311	$ 1,505,317
Contributions - Employee	86,080	83,091
Net Investment Income	3,058,666	365,102
Benefits payments, including refunds of employee contributions	(2,257,615)	(2,379,135)
Administrative Expense	(38,498)	(45,227)
Net change in fiduciary net position	2,422,944	(470,852)
Plan fiduciary net position - beginning	26,985,781	29,408,725
Plan fiduciary net position - ending	$ 29,408,725	$ 28,937,873
City's Net Pension Liability	$ 8,522,814	$ 9,542,460
Plan fiduciary net position as a percentage of the total pension liability	77.53%	75.20%
Covered employee payroll	$ 7,141,650	$ 6,228,879
City's net pension liability as a percentage of covered employee payroll	119.34%	153.20%

*** The schedule will present the required 10 years of information once it is accumulated**

CITY OF DOUGLAS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS*

	2015	2016
Actuarially determined contribution	$ 1,544,801	$ 1,307,898
Contributions in relation to the actuarially determined contribution	1,413,086	1,410,480
Contribution deficiency (excess)	$ 131,715	$ (102,582)
Covered employee payroll	$ 7,141,650	$ 6,228,879
Contributions as a percentage of covered employee payroll	19.79%	22.64%

* 2016 information

Notes to the Schedule

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Closed level dollar for remaining unfunded liability

Remaining Amortization Period: Remaining amortization period varies for the bases, with a net effective period of ten years

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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value

Actuarial Assumptions:

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	3.25%
Retirement Age	65
Mortality	RP-2000 Healthy Mortality Tabke with sex-distinct rates, set forward two years for males and one year for females. RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

*** The schedule will present the required 10 years of information once it is accumulated**

CITY OF DOUGLAS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS*

	2015	2016
Annual money-weighted rate of return, net of investment expenses for the City of Douglas' pension plan	11.33%	1.24%

*** The schedule will present the required 10 years of information once it is accumulated**

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Fund:

Airport Improvement Fund – to account for the construction ongoing improvements to the Douglas Municipal Airport.

Special Revenue Funds:

Recreation Activity Fund – to account for revenues and expenses related to the City's recreation activities provided as a service to the citizens.

Forfeiture Fund – to account for confiscated funds collected by the City of Douglas' Police Department.

Program Income HUD Fund – to account for program income related to previous grant funds received from the U.S. Department of Housing and Urban Development that were used for sewer system. The City receives payment for each new account that is connected to this system. Payments to the City must be used for eligible HUD projects.

DCA Program Income Fund – to account for program income related to previous grant funds received from the Georgia Department of Community Affairs.

Central Multipurpose Complex Fund- to account for funds originally assigned for the construction of a new central multipurpose complex for the City. Amounts remaining are residual remaining after completion. They City anticipates utilizing these funds within the next fiscal year for necessary repairs and/or upgrades.

Mainstreet Program Fund – to account for revenues and expenses for the maintenance and revitalization of the City's downtown area. Revenues in this fund are received from the General Fund and Coffee County, Georgia.

Pave the Way – to account for proceeds received from the sale of commemorative bricks at the Airport. Proceeds are reserved for Airport improvements.

Various Nonmajor Projects Fund – to account for various miscellaneous grants and revenues received for nonmajor projects and uses.

Airport Rental Receipts Fund – to account for the rental activity of the various rented units at the Douglas Municipal Airport.

Motel Tax Fund – to account for the hotel/motel tax monies received by the City. These monies are transferred over to the General Fund at year end to offset a portion of the cost of tourism promotion.

DCA C.H.I.P. Fund – To account for grant revenues received from the Georgia Department of Community Affairs for the City's participation in the C.H.I.P. program.

Central Service Activity – to account for the rental activities related to the Central Multipurpose Complex facility.

H.E.A.T. Grant Fund – to account for grant revenue received from the Governor's Office of Highway Safety for the City's participation in the H.E.A.T. Program.

GHFA Home Fund – to account for grant revenues received from the Georgia Housing and Finance Authority for the rehabilitation of low-income homes within the area.

Park Improvement Project Fund – to account for funds received from the Georgia Department of Natural Resources for local park rehabilitation.

Youth Summer/After School Program – to account for activities related to the City's Youth Programs.

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 922,567	$ 135,826	$ 1,058,393
Investments	-	-	-
Due from Other Governments	34,597	-	34,597
Interfund Receivable	83,019	-	83,019
TOTAL ASSETS	1,040,183	135,826	1,176,009
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts/Deposits Payable	2,498	-	2,498
Other Payables	8,987	-	8,987
Interfund Payables	31,354	61,099	92,453
Total Liabilities	42,839	61,099	103,938
Fund Balance:			
Assigned	997,344	-	997,344
Restricted for Capital Projects	-	74,727	74,727
Total Fund Balance	997,344	74,727	1,072,071
TOTAL LIABILITIES & FUND BALANCE	$ 1,040,183	$ 135,826	$ 1,176,009

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental Revenues	$ 359,721	$ 121,797	$ 481,518
Other Taxes	291,630	-	291,630
Investment Earnings	53	-	53
Fines and Forgeitures	8,127	-	8,127
Charges for Services or Materials	282,896	-	282,896
Other Revenues/Reimbursements	8,534	-	8,534
Total Revenues	950,961	121,797	1,072,758
EXPENDITURES			
Current Operating:			
Culture & Recreation	213,496	-	213,496
Public Safety	148,058	-	148,058
Public Works	24,245	-	24,245
Housing & Development	131,971	-	131,971
Capital Outlay	-	112,773	112,773
Debt service			
Principal	5,000	-	5,000
Interest	-	-	-
Total Expenditures	522,770	112,773	635,543
Excess (Deficiency) of Revenues Over (Under) Expenditures	428,191	9,024	437,215
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	(282,868)	-	(282,868)
Proceeds from Capital Asset Dispositions	-	-	-
Capital Lease Proceeds	-	-	-
Total Other Financing Sources (Uses)	(282,868)	-	(282,868)
NET CHANGE IN FUND BALANCES	145,323	9,024	154,347
FUND BALANCE - BEGINNING	852,021	65,703	917,724
FUND BALANCES - ENDING	$ 997,344	$ 74,727	$ 1,072,071

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Capital Project Fund	Special Revenue Funds							
	Airport Improvement Fund	Recreation Activity Fund	Forfeiture Fund	Program Income HUD Fund	DCA Program Income Fund	Central Multipurpose Complex Fund	Main Street Program Fund	Pave The Way	Various Nonmajor Projects Fund
ASSETS									
Cash	$ 135,826	$ 132,713	$ 44,466	$ 19,514	$ 53,688	$ 1,760	$ 3,567	$ 7,263	$ 317,799
Investments	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	500
Interfund Receivables	-	-	-	-	21,920	-	-	-	-
TOTAL ASSETS	135,826	132,713	44,466	19,514	75,608	1,760	3,567	7,263	318,299
LIABILITIES AND FUND BALANCE									
Accounts/Deposits Payable	-	2,498	-	-	-	-	-	-	-
Other Payables	-	1,744	-	-	-	-	-	-	200
Interfund Payables	61,099	-	-	-	-	-	-	-	-
Total Liabilities	61,099	4,242	-	-	-	-	-	-	200
Fund Balance									
Assigned	-	128,471	44,466	19,514	75,608	1,760	3,567	7,263	318,099
Restricted for Capital Projects	74,727	-	-	-	-	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	$ 135,826	$ 132,713	$ 44,466	$ 19,514	$ 75,608	$ 1,760	$ 3,567	$ 7,263	$ 318,299

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2016

	Special Revenue Funds								
	Airport Rental Receipts Fund	Motel Tax Fund	DCA C.H.I.P Fund	Central Service Activity	H.E.A.T. Grant Fund	GHFA Home Fund	Park Improvement Project Fund	Youth Summer/ After School Program Fund	Total Nonmajor Special Revenue Funds
ASSETS									
Cash	$ 200,527	$ 78,325	$ -	$ 54,215	$ 10	$ 3,205	$ 14	$ 5,501	$ 1,058,393
Investments	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	17,390	470	16,237	-	-	-	34,597
Interfund Receivables	61,099	-	-	-	-	-	-	-	83,019
TOTAL ASSETS	261,626	78,325	17,390	54,685	16,247	3,205	14	5,501	1,176,009
LIABILITIES AND FUND BALANCE									
Accounts/Deposits Payable	-	-	-	-	-	-	-	-	2,498
Other Payables	-	-	-	240	6,803	-	-	-	8,987
Interfund Payables	-	-	21,920	-	9,434	-	-	-	92,453
Total Liabilities	-	-	21,920	240	16,237	-	-	-	103,938
Fund Balance									
Assigned	261,626	78,325	(4,530)	54,445	10	3,205	14	5,501	997,344
Restricted for Capital Projects	-	-	-	-	-	-	-	-	74,727
TOTAL LIABILITIES & FUND BALANCE	$ 261,626	$ 78,325	$ 17,390	$ 54,685	$ 16,247	$ 3,205	$ 14	$ 5,501	$ 1,176,009

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Capital Project Fund	Special Revenue Funds							
	Airport Improvement Fund	Recreation Activity Fund	Forfeiture Fund	Program Income HUD Fund	DCA Program Income Fund	Central Multi-Purpose Complex Fund	Main Street Program Fund	Pave The Way	Various Nonmajor Projects Fund
REVENUES									
Intergovernmental Revenues	$ 121,797	$ -	$ 3,733	$ -	$ -	$ -	$ 15,000	$ -	$ 149,332
Other Taxes	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	49	-	4	-
Fines and Forfeitures	-		8,127	-	-	-	-	-	-
Charges for Services or Materials	-	201,732	-	-	-	-	-	320	150
Other Revenues/Reimbursements	-	-	-	-	-	-	-	-	7,549
Total Revenues	121,797	201,732	11,860	-	-	49	15,000	324	157,031
EXPENDITURES									
Current Operating:									
Culture & Recreation	-	167,645	-	-	-	-	5,000	193	2,932
Public Safety	-	-	53,676	-	-	-	-	-	1,757
Public Works	-	-	-	-	-	-	-	-	24,245
Housing & Development	-	-	-	-	8,000	-	-	-	-
Capital Outlay	112,773	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-		-	-	-	-	-	-	-
Total Expenditures	112,773	167,645	53,676	-	8,000	-	5,000	193	28,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,024	34,087	(41,816)	-	(8,000)	49	10,000	131	128,097
OTHER FINANCING SOURCES (USES)									
Transfers from (to) Other Funds	-	(25,000)	-	-	-	-	(15,000)	7,132	-
Proceeds from Capital Asset Dispositions	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	9,024	9,087	(41,816)	-	(8,000)	49	(5,000)	7,263	128,097
FUND BALANCES - BEGINNING OF YEAR	65,703	119,384	86,282	19,514	83,608	1,711	8,567	-	190,002
FUND BALANCES - END OF YEAR	$ 74,727	$ 128,471	$ 44,466	$ 19,514	$ 75,608	$ 1,760	$ 3,567	$ 7,263	$ 318,099

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2016

	Special Revenue Funds								
	Airport Rental Receipts Fund	Motel Tax Fund	DCA C.H.I.P. Fund	Central Service Activity	H.E.A.T. Grant Fund	GHFA Home Fund	Park Improvement Project Fund	Youth Summer/ After School Program Fund	Total Nonmajor Governmental Funds
REVENUES									
Intergovernmental Revenues	$ -	$ -	$ 99,031	$ -	$ 92,625	$ -	$ -	$ -	$ 481,518
Other Taxes	-	291,630	-	-	-	-	-	-	291,630
Investment Earnings	-	-	-	-	-	-	-	-	53
Fines and Forfeitures	-	-	-	-	-	-	-	-	8,127
Charges for Services or Materials	41,862	-	-	38,832	-	-	-	-	282,896
Other Revenues/Reimbursements	-	-	-	-	-	985	-	-	8,534
Total Revenues	41,862	291,630	99,031	38,832	92,625	985	-	-	1,072,758
EXPENDITURES									
Current Operating:									
Culture & Recreation	-	1,837	-	35,881	-	-	-	8	213,496
Public Safety	-	-	-	-	92,625	-	-	-	148,058
Public Works	-	-	-	-	-	-	-	-	24,245
Housing & Development	20,410	-	103,561	-	-	-	-	-	131,971
Capital Outlay	-	-	-	-	-	-	-	-	112,773
Debt Service									
Principal	5,000	-	-	-	-	-	-	-	5,000
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	25,410	1,837	103,561	35,881	92,625	-	-	8	635,543
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,452	289,793	(4,530)	2,951	-	985	-	(8)	437,215
OTHER FINANCING SOURCES (USES)									
Transfers from (to) Other Funds	-	(250,000)	-	-	-	-	-	-	(282,868)
Proceeds from Capital Asset Dispositions	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	16,452	39,793	(4,530)	2,951	-	985	-	(8)	154,347
FUND BALANCES - BEGINNING OF YEA	245,174	38,532	-	51,494	10	2,220	14	5,509	917,724
FUND BALANCES - END OF YEAR	$ 261,626	$ 78,325	$ (4,530)	$ 54,445	$ 10	$ 3,205	$ 14	$ 5,501	$ 1,072,071

CITY OF DOUGLAS, GEORGIA
AIRPORT IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 959,886	$ 121,797	$ (838,089)
Investment Earnings	-	-	-
Other Revenues/Reimbursements	-	-	-
Total Revenues	959,886	121,797	(838,089)
Expenditures			
Housing and Development	959,886	112,773	847,113
Total Expenditures	959,886	112,773	847,113
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	9,024	9,024
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	9,024	$ 9,024
Fund Balances Beginning of Year		65,703	
Fund Balances End of Year		$ 74,727	

CITY OF DOUGLAS, GEORGIA
RECREATION ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	$ 215,900	$ 201,732	$ (14,168)
Total Revenues	215,900	201,732	(14,168)
Expenditures			
Culture and Recreation	215,900	167,645	48,255
Total Expenditures	215,900	167,645	48,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	34,087	34,087
Other Financing Sources (Uses) Transfers from/(to) Other Funds	-	(25,000)	(25,000)
Net Changes in Fund Balance	$ -	9,087	$ 9,087
Fund Balances Beginning of Year		119,384	
Fund Balances End of Year		$ 128,471	

CITY OF DOUGLAS, GEORGIA
FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Fines and Forfeitures	$ 105,025	$ 8,127	$ (96,898)
Intergovernmental Revenues	-	3,733	3,733
Total Revenues	105,025	11,860	(93,165)
Expenditures			
Public Safety	105,025	53,676	51,349
Total Expenditures	105,025	53,676	51,349
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(41,816)	(41,816)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(41,816)	$ (41,816)
Fund Balances Beginning of Year		86,282	
Fund Balances End of Year		$ 44,466	

CITY OF DOUGLAS, GEORGIA
PROGRAM INCOME HUD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ 19,514	$ -	$ (19,514)
Total Revenues	19,514	-	(19,514)
Expenditures			
Housing and Development	19,514	-	19,514
Total Expenditures	19,514	-	19,514
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		19,514	
Fund Balances End of Year		$ 19,514	

CITY OF DOUGLAS, GEORGIA
PROGRAM INCOME DCA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ 81,500	$ -	$ (81,500)
Total Revenues	81,500	-	(81,500)
Expenditures			
Housing and Development	81,500	8,000	73,500
Total Expenditures	81,500	8,000	73,500
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(8,000)	(8,000)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(8,000)	$ (8,000)
Fund Balances Beginning of Year		83,608	
Fund Balances End of Year		$ 75,608	

CITY OF DOUGLAS, GEORGIA
CENTRAL MULTI-PURPOSE COMPLEX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ 1,385	$ 49	$ (1,336)
Total Revenues	1,385	49	(1,336)
Expenditures			
Culture and Recreation	1,385	-	1,385
Total Expenditures	1,385	-	1,385
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	49	49
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	49	$ 49
Fund Balances Beginning of Year		1,711	
Fund Balances End of Year		$ 1,760	

CITY OF DOUGLAS, GEORGIA
MAINSTREET PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 35,000	$ 15,000	$ (20,000)
Investment Earnings	-	-	-
Total Revenues	35,000	15,000	(20,000)
Expenditures			
Culture and Recreation	5,000	5,000	-
Total Expenditures	5,000	5,000	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	30,000	10,000	(20,000)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	(30,000)	(15,000)	15,000
Net Changes in Fund Balance	$ -	(5,000)	$ (5,000)
Fund Balances Beginning of Year		8,567	
Fund Balances End of Year		$ 3,567	

CITY OF DOUGLAS, GEORGIA
PAVE THE WAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ -	$ 4	$ 4
Charges for Services	8,500	320	(8,180)
Total Revenues	8,500	324	(8,176)
Expenditures			
Culture and Recreation	8,500	193	8,307
Total Expenditures	8,500	193	8,307
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	131	131
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	7,132	7,132
Net Changes in Fund Balance	$ -	7,263	$ 7,263
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ 7,263	

CITY OF DOUGLAS, GEORGIA
VARIOUS NON-MAJOR PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 183,890	$ 149,332	$ (34,558)
Other Revenues/Reimbursements	-	7,549	7,549
Charges for Services	-	150	150
Total Revenues	183,890	157,031	(26,859)
Expenditures			
Public Safety	-	1,757	(1,757)
Culture and Recreation	-	2,932	
Public Works	183,890	24,245	159,645
Total Expenditures	183,890	28,934	159,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	128,097	128,097
Other Financing Sources (Uses) Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	128,097	$ 128,097
Fund Balances Beginning of Year		190,002	
Fund Balances End of Year		$ 318,099	

CITY OF DOUGLAS, GEORGIA
AIRPORT RENTAL RECEIPTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	$ 89,417	$ 41,862	$ (47,555)
Investment Earnings	-	-	-
Total Revenues	89,417	41,862	(47,555)
Expenditures			
Housing and Development	89,417	25,410	64,007
Total Expenditures	89,417	25,410	64,007
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	16,452	16,452
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	16,452	$ 16,452
Fund Balances Beginning of Year		245,174	
Fund Balances End of Year		$ 261,626	

CITY OF DOUGLAS, GEORGIA
MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Other Taxes	$ 199,120	$ 291,630	$ 92,510
Investment Earnings	-	-	-
Total Revenues	199,120	291,630	92,510
Expenditures			
Culture and Recreation	-	1,837	(1,837)
Total Expenditures	-	1,837	(1,837)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	199,120	289,793	90,673
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	(199,120)	(250,000)	(50,880)
Net Changes in Fund Balance	$ -	39,793	$ 39,793
Fund Balances Beginning of Year		78,325	
Fund Balances End of Year		$ 118,118	

CITY OF DOUGLAS, GEORGIA
DCA C.H.I.P. FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 201,539	$ 99,031	$ (102,508)
Total Revenues	201,539	99,031	(102,508)
Expenditures			
Housing and Development	201,539	103,561	97,978
Total Expenditures	201,539	103,561	97,978
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(4,530)	(4,530)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(4,530)	$ (4,530)
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ (4,530)	

CITY OF DOUGLAS, GEORGIA
CENTRAL SERVICE ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	98,900	38,832	(60,068)
Total Revenues	98,900	38,832	(60,068)
Expenditures			
Culture and Recreation	98,900	35,881	63,019
Total Expenditures	98,900	35,881	63,019
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	2,951	2,951
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	2,951	$ 2,951
Fund Balances Beginning of Year		51,494	
Fund Balances End of Year		$ 54,445	

CITY OF DOUGLAS, GEORGIA
H.E.A.T. GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 105,000	$ 92,625	$ (12,375)
Investment Earnings	-	-	-
Total Revenues	105,000	92,625	(12,375)
Expenditures			
Public Safety	105,000	92,625	12,375
Total Expenditures	105,000	92,625	12,375
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		10	
Fund Balances End of Year		$ 10	

CITY OF DOUGLAS, GEORGIA
GHFA HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Other Revenues/Reimbursements	$ 1,200	$ 985	$ (215)
Investment Earnings	-	-	-
Total Revenues	1,200	985	(215)
Expenditures			
Housing and Development	1,200	-	1,200
Total Expenditures	1,200	-	1,200
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	985	985
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	985	$ 985
Fund Balances Beginning of Year		2,220	
Fund Balances End of Year		$ 3,205	

CITY OF DOUGLAS, GEORGIA
PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ -	$ -	$ -
Investment Earnings	-	-	-
Total Revenues	-	-	-
Expenditures			
Culture and Recreation	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		14	
Fund Balances End of Year		$ 14	

CITY OF DOUGLAS, GEORGIA
YOUTH SUMMER/AFTER SCHOOL PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Other Revenues and Reimbursements	$ 1,508	$ -	$ (1,508)
Total Revenues	1,508	-	(1,508)
Expenditures			
Culture and Recreation	1,508	8	1,500
Total Expenditures	1,508	8	1,500
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(8)	(8)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(8)	$ (8)
Fund Balances Beginning of Year		5,509	
Fund Balances End of Year		$ 5,501	

SUPPLEMENTAL FINANCIAL DATA

CITY OF DOUGLAS, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2012
FOR THE YEAR ENDED JUNE 30, 2016

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Years	Total	Estimate Percentage of Completion
1 Airport Improvements	$ 737,000	$ 737,000	$ 20,732	$ 10,510	$ 31,242	4.24%
2 Public Safety - Facility Improvements	45,000	45,000	-	-	-	0.00%
3 Public Works - Facility Improvements	90,000	90,000	92,725	-	92,725	103.03%
4 Recreation - Facility Improvements	400,000	417,974	233,784	-	233,784	55.93%
5 Renovations - Municipal Buildings	50,000	50,000	679	-	679	1.36%
6 Road, Street, & Bridge Projects	1,000,000	1,000,000	803,638	-	803,638	80.36%
7 Technology Equipment & Upgrades	200,000	200,000	-	-	-	0.00%
8 Water/Sewer System Improvements, and land acquisitions	18,595,561	19,195,561	1,916,514	1,218,854	3,135,368	16.33%
Total	$ 21,117,561	$ 21,735,535	$ 3,068,072	$ 1,229,364	$ 4,297,436	19.77%

STATISTICAL SECTION (unaudited)

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

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Financial Trends:

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time 94

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the electric department sales 100

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future 104

Demographic and Economic Information

These schedules of demographic and economic indicators help the reader understand the environment within which the government's financial activities take place 106

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs 108

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

CITY OF DOUGLAS, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015*	2016
Governmental Activities:										
Net Investment in Capital Assets	$ 19,765,303	$ 21,517,113	$ 20,877,512	$ 19,451,293	$ 20,376,663	$ 21,168,409	$ 21,897,267	$ 21,953,716	$ 22,611,871	$ 22,193,979
Restricted	-	-	-	-	-	(35,241)	3,296,513	5,629,063	8,191,407	10,497,749
Unrestricted	2,703,330	3,277,244	3,635,408	4,296,706	3,179,288	3,107,032	2,321,894	4,523,771	(3,619,060)	(3,548,637)
Total Governmental Net Position	$ 22,468,633	$ 24,794,357	$ 24,512,920	$ 23,747,999	$ 23,555,951	$ 24,240,200	$ 27,515,674	$ 32,106,550	$ 27,184,218	$ 29,143,091
Business-tyoe Activities										
Net Investment in Capital Assets	$ 14,632,914	$ 15,828,151	$ 16,286,524	$ 16,451,492	$ 17,909,528	$ 18,214,332	$ 17,933,443	$ 17,615,877	$ 17,733,969	$ 17,759,151
Restricted	488,268	483,509	487,633	478,630	-	-	-	-	-	-
Unrestricted	7,251,796	7,629,619	9,380,538	13,115,932	15,840,316	18,612,364	21,418,459	24,978,779	27,214,211	33,681,403
Total Business-type Activites	$ 22,372,978	$ 23,941,279	$ 26,154,695	$ 30,046,054	$ 33,749,844	$ 36,826,696	$ 39,351,902	$ 42,594,656	$ 44,948,180	$ 51,440,554
Primary Government:										
Net Investment in Capital Assets	$ 34,398,217	$ 37,345,264	$ 37,164,036	$ 35,902,785	$ 38,286,191	$ 39,382,741	$ 39,830,710	$ 39,569,593	$ 40,345,840	$ 39,953,130
Restricted	488,268	483,509	487,633	478,630	-	(35,241)	3,296,513	5,629,063	8,191,407	10,497,749
Unrestricted	9,955,126	10,906,863	13,015,946	17,412,638	19,019,604	21,719,396	23,740,353	29,502,550	23,595,151	30,132,766
Total Primary Government Net Position	$ 44,841,611	$ 48,735,636	$ 50,667,615	$ 53,794,053	$ 57,305,795	$ 61,066,896	$ 66,867,576	$ 74,701,206	$ 72,132,398	$ 80,583,645

* During fiscal year 2015 the City implemented GASB Statement No. 68, thereby recording the impact of the City's Net Pension Liability on unrestricted net position.

CITY OF DOUGLAS, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenditures	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Governmental Activities:										
General Government	$ 4,935,965	$ 4,794,462	$ 4,918,157	$ 5,567,977	$ 4,906,729	$ 4,860,549	$ 4,897,398	$ 3,691,642	$ 3,942,490	$ 1,845,067
Public Safety	4,669,353	5,103,527	4,965,256	5,344,200	5,330,018	5,666,100	5,724,075	6,243,436	5,684,083	6,132,173
Public Works	-	-	-	-	-	-	-	2,337,109	2,268,249	2,143,414
Culture and Recreation	2,713,069	2,678,801	2,751,982	2,746,448	2,158,133	2,373,613	2,106,607	2,344,417	2,002,687	2,018,180
Housing and Development	1,725,022	1,121,636	1,280,566	956,541	919,714	1,151,026	1,833,263	1,478,537	1,316,644	1,542,590
Interest on Long-term Debt	18,392	16,627	23,513	48,151	31,376	46,987	18,123	20,879	4,566	3,586
Total Governmental Activities	14,061,801	13,715,053	13,939,474	14,663,317	13,345,970	14,098,275	14,579,466	16,116,020	15,218,719	13,685,010
Business-type Activities										
Natural Gas	5,683,550	6,297,030	6,071,056	3,717,559	4,284,721	3,940,444	4,151,613	4,966,924	4,538,215	3,843,441
Electric	19,104,533	19,652,910	19,142,763	17,470,126	19,766,003	21,013,941	22,259,348	22,523,339	23,404,010	22,283,959
Water and Sewer	5,125,794	5,261,409	5,435,605	4,915,268	4,989,444	5,285,780	5,779,348	6,323,375	6,706,690	6,633,710
Sanitation	1,970,530	2,263,661	2,244,265	2,042,638	2,314,328	2,432,334	2,563,170	2,625,493	2,693,431	2,849,021
Total Business-type Activites	31,884,407	33,475,010	32,893,689	28,145,591	31,354,496	32,672,499	34,753,479	36,439,131	37,342,346	35,610,131
Total Primary Government Expenses	$ 45,946,208	$ 47,190,063	$ 46,833,163	$ 42,808,908	$ 44,700,466	$ 46,770,774	$ 49,332,945	$ 52,555,151	$ 52,561,065	$ 49,295,141

CITY OF DOUGLAS, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS, cont.
(accrual basis of accounting)

Program Revenues	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Charges for Services:										
General Government	$ 2,017,215	$ 1,595,664	$ 1,770,992	$ 2,009,465	$ 2,082,798	$ 2,237,270	$ 2,202,535	$ 2,264,622	$ 2,248,161	$ 444,310
Public Safety	267,741	17,853	-	-	-	-	63,175	36,375	76,592	8,127
Culture and Recreation	320,018	903,904	881,901	917,801	526,158	476,377	804,150	865,318	780,410	753,448
Housing and Development	1,077,433	445,601	274,088	237,537	246,891	238,924	285,352	331,917	333,050	255,306
Operating Grants and Contributions	105,811	321,476	246,125	454,962	241,783	521,967	-	89,192	116,702	221,791
Capital Grants and Contributions	28,007	37,799	-	-	493,262	761,656	4,605,319	3,736,644	4,451,846	3,795,573
Total Governmental Activities										
Program Revenue	3,816,225	3,322,297	3,173,106	3,619,765	3,590,892	4,236,194	7,960,531	7,324,068	8,006,761	5,478,555
Business-type Activities:										
Charges for Services:										
Natural Gas	5,947,410	6,708,650	6,362,854	4,235,468	4,699,582	4,397,886	4,931,753	5,912,014	5,791,377	4,582,608
Electric	21,573,747	22,826,926	23,423,457	24,102,744	25,500,980	25,718,050	26,800,894	29,215,975	29,979,855	29,469,147
Water and Sewer	4,595,759	5,487,694	6,289,913	5,097,939	5,891,656	7,174,910	7,059,716	7,309,595	7,986,545	8,199,153
Sanitation	2,160,441	2,296,749	2,410,181	2,153,143	2,419,264	2,595,901	2,821,915	2,971,476	2,978,550	3,044,257
Total Business-type Activities Revenue	34,277,357	37,320,019	38,486,405	35,589,294	38,511,482	39,886,747	41,614,278	45,409,060	46,736,327	45,295,165
Total Primary Gov't Program Revenue	$ 38,093,582	$ 40,642,316	$ 41,659,511	$ 39,209,059	$ 42,102,374	$ 44,122,941	$ 49,574,809	$ 52,733,128	$ 54,743,088	$ 50,773,720
Net (Expense)/Revenue:										
Governmental Activities	$ (10,245,576)	$ (10,392,756)	$ (10,766,368)	$ (11,043,552)	$ (9,755,078)	$ (9,862,081)	$ (6,618,935)	$ (8,791,952)	$ (7,211,958)	$ (8,206,455)
Business-type Activities	2,392,950	3,845,009	5,592,716	7,443,703	7,156,986	7,214,248	6,860,799	8,969,929	9,393,981	9,685,034
Total Primary Government net expense	$ (7,852,626)	$ (6,547,747)	$ (5,173,652)	$ (3,599,849)	$ (2,598,092)	$ (2,647,833)	$ 241,864	$ 177,977	$ 2,182,023	$ 1,478,579

CITY OF DOUGLAS, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS, cont.
(accrual basis of accounting)

General Revenues & Other	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property	$ 1,964,954	$ 2,500,962	$ 2,622,513	$ 2,663,198	$ 2,329,403	$ 2,277,014	$ 2,265,452	$ 2,863,239	$ 2,637,862	$ 2,631,167
Sales and Use	2,668,835	5,061,492	2,049,052	1,869,547	1,741,974	1,776,986	1,724,358	1,621,353	1,714,134	1,699,057
Insurance Premium	-	-	-	-	-	-	**	597,807	625,104	667,821
Franchise	300,993	300,940	340,882	284,480	259,574	298,711	338,155	251,691	279,077	280,512
Other	570,301	1,454,250	1,615,134	1,605,390	1,396,826	1,714,758	1,450,309	921,957	679,177	687,325
Interest	61,553	35,307	29,057	29,577	7,545	16,479	3,825	5,490	8,328	19,846
Gain on Capital Asset Sales	-	163,435	82,299	(786)	33,212	14,313	106,401	54,368	110,021	28,666
Other Revenues/Reimbursements	911,019	112,079	129,437	153,374	253,498	224,219	348,253	271,268	301,783	385,004
Transfers in	3,773,852	3,109,081	3,616,557	3,673,851	3,540,998	4,223,850	4,427,963	4,719,997	4,578,642	3,765,930
Total Governmental Activities	10,251,507	12,737,546	10,484,931	10,278,631	9,563,030	10,546,330	10,664,716	11,307,170	10,934,128	10,165,328
Business-type Activities										
Interest	439,289	422,537	237,257	121,507	87,802	86,454	7,645	474,678	246,538	573,269
Transfers	(3,773,852)	(2,699,245)	(3,616,557)	(3,673,851)	(3,540,998)	(4,223,850)	(4,343,238)	(4,126,188)	(4,363,299)	(3,765,930)
Total Business-type Activities	(3,334,563)	(2,276,708)	(3,379,300)	(3,552,344)	(3,453,196)	(4,137,396)	(4,335,593)	(3,651,510)	(4,116,761)	(3,192,661)
Total Primary Government	6,916,944	10,460,838	7,105,631	6,726,287	6,109,834	6,408,934	6,329,123	7,655,660	6,817,367	6,972,667
Change in Net Assets										
Governmental Activities	$ 5,931	$ 2,344,790	$ (281,437)	$ (764,921)	$ (192,048)	$ 684,249	$ 4,045,781	$ 2,515,218	$ 3,722,170	$ 1,958,873
Business-type Activities	(941,613)	1,568,301	2,213,416	3,891,359	3,703,790	3,076,852	2,525,206	5,318,419	5,277,220	6,492,373
Total Primary Government	$ (935,682)	$ 3,913,091	$ 1,931,979	$ 3,126,438	$ 3,511,742	$ 3,761,101	$ 6,570,987	$ 7,833,637	$ 8,999,390	$ 8,451,246

* During fiscal year 2016 the City changed its method of reporting "charges for services" collected by the General Fund from the Enterprise Funds to more accurately reflect the nature of the transactions, thereby impacting General Government expenditures, and General Government charges for services.

** Prior to fiscal year 2014, the City reported its franchise taxes as "other taxes".

CITY OF DOUGLAS, GEORGIA
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Nonspendable	$ 88,268	$ 128,122	$ 76,144	$ 115,968	$ 122,265	$ 158,024	$ 149,777	$ 226,920	$ 138,275	$ 111,685
Restricted	63,267	137,846	188,000	141,906	172,311	176,644	197,378	220,970	215,790	221,761
Committed	106,812	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,327,519	2,674,172	2,963,797	2,844,839	2,277,514	2,308,313	2,743,022	4,602,802	5,384,028	5,416,096
Total General Fund	$ 2,585,866	$ 2,940,140	$ 3,227,941	$ 3,102,713	$ 2,572,090	$ 2,642,981	$ 3,090,177	$ 5,050,692	$ 5,738,093	$ 5,749,542
All other Governmental Funds:										
Special Revenue Funds:										
Assigned	$ 636,729	$ 698,084	$ 726,801	$ 705,786	$ 734,820	$ 620,457	$ 565,439	$ 750,966	$ 852,021	$ 997,344
Capital Project Funds:										
Restricted	(104,166)	134,976	136,419	89,506	(49,517)	37,158	3,423,686	5,629,063	7,975,617	10,275,988
Total All Other Governmental Funds	$ 532,563	$ 833,060	$ 863,220	$ 795,292	$ 685,303	$ 657,615	$ 3,989,125	$ 6,380,029	$ 8,827,638	$ 11,273,332

CITY OF DOUGLAS, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Revenues										
Taxes	$ 5,915,618	$ 8,800,169	$ 5,909,734	$ 5,524,407	$ 5,238,685	$ 5,183,573	$ 5,174,203	$ 5,665,473	$ 5,717,273	$ 5,874,994
Intergovernmental	238,827	359,275	246,125	616,462	734,973	2,107,416	4,688,072	3,810,618	4,689,513	4,032,364
License and Permits	371,159	337,930	321,374	321,204	317,318	322,917	332,563	348,218	349,014	346,721
Charges for Services	673,242	600,744	597,950	607,768	634,273	680,599	601,211	701,386	696,995	729,804
Fines and Forfeitures	253,142	231,078	285,204	277,575	352,059	307,296	321,874	482,964	427,098	318,790
Interest	62,398	94,197	29,057	29,577	7,617	17,013	5,246	7,556	8,328	19,846
Other Revenues/Reimbursements	2,739,852	2,392,323	2,538,952	2,797,454	2,908,310	2,861,769	2,897,853	2,607,229	2,381,041	490,971
Total Revenues	10,254,238	12,815,716	9,928,396	10,174,447	10,193,235	11,480,583	14,021,022	13,623,444	14,269,262	11,813,490
Expenditures										
General Government	4,440,417	4,678,263	4,602,422	5,151,613	4,458,597	4,785,943	4,243,261	3,274,436	3,213,242	1,434,958
Public Safety	4,747,943	4,885,744	4,792,675	5,057,932	5,636,830	5,506,688	5,464,136	5,972,200	5,803,259	6,418,782
Public Works	-	-	-	-	-	-	-	2,269,209	2,308,359	2,157,546
Culture and Recreation	2,350,893	2,358,362	2,432,462	2,427,061	2,223,901	2,075,319	1,836,708	1,870,524	1,614,534	1,573,308
Housing and Development	1,175,781	999,357	1,094,053	771,983	1,172,337	970,161	1,440,326	1,135,482	1,113,391	1,194,091
Capital Outlay	1,082,542	2,422,457	1,020,683	516,688	723,883	2,262,721	1,469,529	1,277,519	1,734,816	1,342,137
Debt Service:										
Principal	45,875	50,150	111,482	276,175	295,160	228,053	253,525	301,803	30,748	31,727
Interest	18,392	16,627	23,513	48,151	31,376	46,987	18,123	20,879	4,566	3,586
Total Expenditures	13,861,843	15,410,960	14,077,290	14,249,603	14,542,084	15,875,872	14,725,608	16,122,052	15,822,915	14,156,135
Other Financing Sources(Uses)										
Sale of Capital Assets	-	160,000	82,299	11,845	36,211	14,313	106,401	54,368	110,021	28,666
Transfers in (out)	3,773,851	3,109,081	3,616,557	3,673,851	3,540,898	4,056,635	4,427,963	6,795,662	4,578,642	4,771,122
Capital Lease Proceeds	-	-	767,999	196,304	131,125	367,544	-	-	-	-
Total Other Financing	3,773,851	3,269,081	4,466,855	3,882,000	3,708,234	4,438,492	4,534,364	6,850,030	4,688,663	4,799,788
Change in Fund Balance	$ 166,246	$ 673,837	$ 317,961	$ (193,156)	$ (640,615)	$ 43,203	$ 3,829,778	$ 4,351,422	$ 3,135,010	$ 2,457,143
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.20%	0.26%	0.27%

* During fiscal year 2016 the City changed its method of reporting allocations collected by the General Fund from the Enterprise Funds to more accurately reflect the nature of the transactions, thereby impacting General Government *expenditures* , and General Government *Other Revenues/Reimbursements* .

CITY OF DOUGLAS, GEORGIA
ELECTRIC SALES BY CATEGORY
LAST TEN FISCAL YEARS**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential	$ -	$ -	$ -	$ -	$ -	$ 6,171,186	$ 6,625,548	$ 5,626,554	$ 6,049,179	$ 5,765,021
Commercial						17,506,239	17,315,141	18,954,310	18,565,533	18,332,699
Other Sales	-	-	-	-	-	1,159,696	781,582	1,120,406	1,934,188	2,253,879
Total	$ -	$ -	$ -	$ -	$ -	$ 24,837,121	$ 24,722,271	$ 25,701,270	$ 26,548,900	$ 26,351,599
Transfers to General Fund*						$ 3,574,850	$ 3,574,850	$ 3,685,526	$ 3,574,850	$ 3,703,330

Source: City of Douglas, Georgia Finance Department

*Annual transfers to the General Fund are done for the purpose of financing basic City services and exceed property tax collections for all years presented.

**The City has not presented the revenue by category for its most significant single own-source revenue for all ten years as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available.

CITY OF DOUGLAS, GEORGIA
ELECTRIC RATES
LAST TEN FISCAL YEARS*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential**										
Base Charge	-	-	-	-	-	-	-	$ 10.00	$ 10.00	$ 10.00
Environmental Compliance Cost Recovery (per kWh)	-	-	-	-	-	-	-	$ 0.01	$ 0.01	$ 0.01
Power Cost Adjustment (per kWh)	-	-	-	-	-	-	-	$ 0.002	$ 0.002	$ 0.006
Summer (May 1 - Nov 1)										
First 750 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.089	$ 0.089	$ 0.089
Next 750 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.119	$ 0.119	$ 0.119
Over 1500 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.127	$ 0.127	$ 0.127
Non-Summer (Nov 1 - May 1)										
First 750 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.089	$ 0.089	$ 0.089
Next 750 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.081	$ 0.081	$ 0.081
Over 1500 kWh's (per kWh)	-	-	-	-	-	-	-	$ 0.077	$ 0.077	$ 0.077
Commercial *****										
Base Charge	-	-	-	-	-	-	-	$ 50.00	$ 50.00	$ 50.00
Demand Charge ($/billing kW)	-	-	-	-	-	-	-	$ 2.75	$ 2.75	$ 2.75
1st Block										
First 200 hrs x Billing kW										
First 6000 kWh ($/kWh)	-	-	-	-	-	-	-	$ 0.111	$ 0.111	$ 0.111
additional kWh's ($/kWh)	-	-	-	-	-	-	-	$ 0.103	$ 0.103	$ 0.103
2nd Block										
Next 200 hrs x Billing kW	-	-	-	-	-	-	-	$ 0.053	$ 0.053	$ 0.053
3rd Block										
In excess of 400 hrs x Billing kW	-	-	-	-	-	-	-	$ 0.048	$ 0.048	$ 0.048

* The City has not presented the rate schedule of its most significant single own-source revenue for all ten years as generally required. This is the City's third presentation of CAFR, therefore not all prior year information is available

** Rates above do not include 7% Sales Tax, if applicable.

** Commercial rates are reported on the "Medium Power" schedule. This is the predominent schedule used for commercial accounts within the City

CITY OF DOUGLAS, GEORGIA
PRINCIPLE ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	June 30, 2016			June 30, 2007*		
Taxpayer	Balance Remitted	Rank	Percentage of Total Revenue	Balance Remitted	Rank	Percentage of Total Revenue
Precision Castparts Corporation	$ 2,189,901	1	7.46%	-	-	-
Southwire Company	$ 2,077,160	2	7.08%	-	-	-
Coats and Clark, Inc.	$ 914,142	3	3.11%	-	-	-
Wal-Mart Distribution Center	$ 883,172	4	3.01%	-	-	-
Optima Chemicals	$ 632,479	5	2.15%	-	-	-
Elixir Extrusions	$ 594,859	6	2.03%	-	-	-
Pilgrims Pride	$ 536,129	7	1.83%	-	-	-
Coffee Regional Medical Center	$ 523,879	8	1.78%	-	-	-
Wal-Mart Store	$ 445,404	9	1.52%	-	-	-
Coffee Co Commission - Sheriff Dept	$ 372,400	10	1.27%	-	-	-
Totals	$ 9,169,525		31%	-		-

Source: City of Douglas, Georiga Electric Department Records
*The City has not presented the principle Electric customers from nine years ago as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available.

CITY OF DOUGLAS, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDER YEARS*

	Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collection Amount	Percentage of Levy	Collected in Subsequent Years	Amount	Percentage Levy
2007	$ -	$ -	-	$ -	$ -	-
2008	$ -	$ -	-	$ -	$ -	-
2009	$ -	$ -	-	$ -	$ -	-
2010	$ -	$ -	-	$ -	$ -	-
2011	$ -	$ -	-	$ -	$ -	-
2012	$ -	$ -	-	$ -	$ -	-
2013	$ -	$ -	-	$ -	$ -	-
2014	$ 2,098,998	$ 2,002,748	95.41%	$ -	$ 2,064,722	98.37%
2015	$ 2,116,616	$ 2,018,090	95.35%	$ -	$ 2,052,428	96.97%
2016	$ 2,155,734	$ 2,045,986	94.91%	$ -	$ 2,045,986	94.91%

Source: Coffee County, Georgia Tax Commissioner

* The City has not presented the Property Tax Levies and Collections for all ten years as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available

CITY OF DOUGLAS, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS*

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Term Loans	Capital Leases	Revenue Bonds	Term Loans	Capital Leases	Total Primary Government	Percentage of Personal Income**	Per Capita
2007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2008	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2009	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2011	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2014	$ -	$ 58,750	$ 131,331	$ -	$ 2,051,354	$ 87,365	$ 2,328,800	1.55%	$ 194
2015	$ -	$ 53,750	$ 105,584	$ -	$ 1,602,227	$ 44,201	$ 1,805,762	1.18%	$ 150
2016	$ -	$ 48,750	$ 78,857	$ -	$ 1,007,114	$ -	$ 1,134,721	0.70%	$ 93

Note: Details on the City's outstanding debt can be found in the notes to the financial statements
Source: City of Douglas, Georgia financial records
* The City has not presented the ratio of outstanding debt by type for all ten years as generally required. This is the City's third presentation of a CAFR, therefore not all prior years information is available.
** See Schedule of Demographics and Economic Statistics for personal income and population data

CITY OF DOUGLAS, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,073,910	$ 33,325,768	$ 33,825,655
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,073,910	$ 33,325,768	$ 33,825,655
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal debt margin calculation:	
Assessed value	$ 338,256,549
Debt limit (10% of total assessed value)	33,825,655
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal Debt Margin	$ 33,825,655

Source: City of Douglas, Georgia Finance Department
* The City has not presented the legal debt margin information for all ten years as generally required. This is the City's third presentation of a CAFR, therefor not all prior year information is available

CITY OF DOUGLAS, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDER YEARS

Year	Population *	Personal Income (in thousands)**	Per Capita Income***	Unemployment Rate****
2007	11,306	$ 471,387	$ 11,228.58	6.3%
2008	11,400	$ 465,595	$ 11,057.69	7.9%
2009	11,494	$ 426,969	$ 10,110.32	17.0%
2010	11,589	$ 406,238	$ 9,591.04	15.5%
2011	11,684	$ 434,118	$ 10,219.11	13.4%
2012	11,780	$ 439,767	$ 10,321.72	11.7%
2013	11,876	$ 464,694	$ 10,874.87	10.5%
2014	11,974	$ 499,867	$ 11,663.87	11.0%
2015	12,072	$ 510,495	$ 11,877.22	6.4%
2016	12,171	$ 536,638	$ 12,448.69	5.9%

Source: Georgia Department of Labor, Workforce Statistics, and Economic Research

* Extrapolated from 2010 Census at an average annual growth. Population for 2010 is based on the 2010 Census.

** County wide data. Revised data has been included per the US Dept of Labor - Bureau of Labor and Statistics. 2016 data extrapolated at an average annual growth rate beginning with 2012 data.

*** Extrapolated from County wide data.

**** County wide data as reported by the US Department of Labor - Bureau of Labor Statistics as of June 20XX.

CITY OF DOUGLAS, GEORGIA
PRINCIPLE EMPLOYERS**
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2016			Fiscal Year 2007		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Coffee County Board of Education	1,174	1	7.33%	-	-	-
Wal-Mart Distribution	942	2	5.88%			
Pilgrim's Pride	925	3	5.78%	-	-	-
Coffee Regional Medical Center	774	4	4.83%	-	-	-
Precision Cartparts Corporation	603	5	3.76%	-	-	-
Coffee Correctional Facility	450	6	2.81%	-	-	-
Elixir Industries	414	7	2.58%	-	-	-
Coffee County Board of Commissioners	275	8	1.72%	-	-	-
City of Douglas	225	9	1.40%	-	-	-
Southwire	215	10	1.34%	-	-	-
Totals	5,997		37.44%	-		-

Source: Douglas-Coffee County Chamber of Commerce

*The City has not presented the principle employers from nine years ago as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available.

** County Wide Data per Douglas-Coffee County Economic Development Authority

CITY OF DOUGLAS, GEORGIA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS*

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Management	-	-	-	-	-	-	-	3	3	3
City Clerk	-	-	-	-	-	-	-	1	1	1
Financial Administration	-	-	-	-	-	-	-	5	5	4
Information Technology	-	-	-	-	-	-	-	1	1	1
Human Resources	-	-	-	-	-	-	-	2	2	2
Customer Service	-	-	-	-	-	-	-	8	7	7
Purchasing	-	-	-	-	-	-	-	3	3	3
Public Safety										
Police Administration	-	-	-	-	-	-	-	6	6	7
Police Patrol	-	-	-	-	-	-	-	29	30	32
Records Management	-	-	-	-	-	-	-	7	7	7
Professional Standards and Training	-	-	-	-	-	-	-	2	1	2
Fire	-	-	-	-	-	-	-	33	33	35
Animal Control	-	-	-	-	-	-	-	1	1	1
Public Works										
Highways and Streets	-	-	-	-	-	-	-	8	7	6
General Maintenance	-	-	-	-	-	-	-	9	9	10
Vehicle Maintenance	-	-	-	-	-	-	-	6	6	6
Water / Wastewater	-	-	-	-	-	-	-	37	** 10	10
Electric	-	-	-	-	-	-	-	13	14	13
Gas	-	-	-	-	-	-	-	8	9	8
Sanitation	-	-	-	-	-	-	-	11	12	11
Cemetary	-	-	-	-	-	-	-	1	1	1
Culture and Recreation										
Parks and Recreation Administration	-	-	-	-	-	-	-	3	3	3
Ceramics	-	-	-	-	-	-	-	1	1	1
Athletics	-	-	-	-	-	-	-	3	3	3
Special Activities	-	-	-	-	-	-	-	-	-	1

CITY OF DOUGLAS, GEORGIA
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS*, cont.

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellness Center	-	-	-	-	-	-	-	1	1	1
Park Maintenance	-	-	-	-	-	-	-	6	5	5
Housing and Development										
Inspections and Permits	-	-	-	-	-	-	-	1	1	1
Code Enforcement	-	-	-	-	-	-	-	1	2	2
Marketing	-	-	-	-	-	-	-	3	3	3
Mainstreet	-	-	-	-	-	-	-	1	1	1
Airport	-	-	-	-	-	-	-	2	2	2
Grants Administration	-	-	-	-	-	-	-	2	2	2
TOTALS	-	-	-	-	-	-	-	218	192	194

Source: City of Douglas, Georgia Human Resources Department

* The City has not presented the full-time equivalent city government employees by function for all ten years as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available.

** In fiscal year 2015 the City outsourced most water and sewer operations, accounting for the majority of change in full time employees between FY 2014 & FY 2015. The remaining water & sewer employees will drop off as vesting criteria for post employment benefits are met.

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical Arrests	-	-	-	-	-	-	-	1,084	1,121 *	426
Traffic Violations	-	-	-	-	-	-	-	5,889	5,853 *	2,946
911 Calls Anwered	-	-	-	-	-	-	-	39,074	34,686	33,268
Fire										
Number of Calls Answered	-	-	-	-	-	-	-	690	496	520
Sanitation										
Residential Customers	-	-	-	-	-	-	-	4,115	4,142	4,067
Commercial Customers	-	-	-	-	-	-	-	883	896	950
Water										
Active Meters	-	-	-	-	-	-	-	5,689	5,695	5,693
Inactive Meters	-	-	-	-	-	-	-	691	689	694
Main Repairs	-	-	-	-	-	-	-	20	15	50
Average Daily Consumption (in thousands)	-	-	-	-	-	-	-	3,500	3,381	3,300
Electric										
Active Meters	-	-	-	-	-	-	-	5,454	5,462	5,484
Inactive Meters	-	-	-	-	-	-	-	362	378	386
Average Daily Consumption (in megawatts)	-	-	-	-	-	-	-	801	828	783
Gas										
Active Meters	-	-	-	-	-	-	-	1,247	1,208	1,224
Inactive Meters	-	-	-	-	-	-	-	543	558	535
Average Daily Consumption (MCF/day)	-	-	-	-	-	-	-	1,850	2,140	1,917

Source: City of Douglas, Georgia Various Departments

* Data system conversion and loss during fiscal year 2016. Full year data not presented.

** The City has not presented the operating indicators by function for all ten years as generally required. This is the City's third presentation of a CAFR, therefore not all prior year information is available.

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	-	-	-	-	-	-	-	1	1	1
Patrol Units	-	-	-	-	-	-	-	30	30	31
Admin & Other Vehicles	-	-	-	-	-	-	-	11	15	16
Fire										
Stations	-	-	-	-	-	-	-	3	3	3
Fire Engines	-	-	-	-	-	-	-	3	3	3
Ladder Trucks	-	-	-	-	-	-	-	2	2	2
Rescue Trucks	-	-	-	-	-	-	-	1	1	1
Sanitation										
Vehicles	-	-	-	-	-	-	-	11	11	4
Collection Trucks	-	-	-	-	-	-	-	4	4	4
Highways and Streets										
Vehicles	-	-	-	-	-	-	-	19	19	13
Non-vehicle Rolling Stock	-	-	-	-	-	-	-	15	15	13
Streets (miles)	-	-	-	-	-	-	-	135	129	108
Streetlights	-	-	-	-	-	-	-	1,438	1,462	1,463
Traffic Signals	-	-	-	-	-	-	-	36	36	36
Water										
Vehicles	-	-	-	-	-	-	-	-	7	7
Water Mains (miles)	-	-	-	-	-	-	-	120	120	120
Fire Hydrants	-	-	-	-	-	-	-	780	780	1,028
Maximum Daily Capacity (MGD)	-	-	-	-	-	-	-	6	6	6
Sewer										
Vehicles	-	-	-	-	-	-	-	14	7	9
Sanitary Sewer (miles)	-	-	-	-	-	-	-	130	130	130
Max Daily Treatment Capacity (MGD)	-	-	-	-	-	-	-	6	6	6

CITY OF DOUGLAS, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION (continued)
LAST TEN FISCAL YEARS*

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gas										
Vehicles	-	-	-	-	-	-	-	7	8	8
Gas Mains:										
Plastic	-	-	-	-	-	-	-	35	37	38
Steel	-	-	-	-	-	-	-	125	125	125
Electric										
Vehicles	-	-	-	-	-	-	-	11	11	11
Power Lines (miles)	-	-	-	-	-	-	-	126	165	130
Substations	-	-	-	-	-	-	-	4	4	3
Recreation										
Vehicles	-	-	-	-	-	-	-	19	18	20
Baseball/Softball Fields	-	-	-	-	-	-	-	16	16	16
Football Fields	-	-	-	-	-	-	-	1	1	1
Tennis Courts	-	-	-	-	-	-	-	12	14	12
Parks	-	-	-	-	-	-	-	12	12	12

Source: City of Douglas, Georgia Various Departments

* The City has not included the capital assets statistics by function for all ten years as generally required. This is the Cty's third presentation of a CAFR, therefore not all prior year information is available.

SPECIAL REPORTS SECTION

Section I Reporting on Compliance and on Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *GOVERNMENT AUDITING STANDARDS*

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Council
City of Douglas, Georgia

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Douglas, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Douglas, Georgia's basic financial statements, and have issued our report thereon dated December 20, 2016

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Douglas, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Douglas, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Douglas, Georgia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Douglas, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that were reported to management of City of Douglas, Georgia, in a separate letter dated December 20, 2016.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hurst & Hurst CPAs

Hurst and Hurst CPAs

Douglas, Georgia
December 20, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	_____Yes	__X__None Reported
Significant deficiencies identified not considered to be material weaknesses?	_____Yes	__X__None Reported
Noncompliance material to financial Statements noted?	_____Yes	__X__None Reported

Section II – Financial Statement Findings

No matters were reported.