

CITY OF DOUGLAS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by:
City of Douglas Finance Department

CITY OF DOUGLAS, GEORGIA
ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

City of Douglas Georgia
Est. 1895

OFFICE OF CITY MANAGER

P.O. Box 470
Douglas, GA 31534
(912) 389.3401
Fax: (912) 384.6730

City Manager
Charles W. Davis

Mayor
Tony L. Paulk

Mayor Pro Tem
Mike Gowen

Commissioners
Edwin Taylor
Kentaiwon Durham
Olivia Pearson
Cindy McNeill
Bob Moore

December 23, 2019

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, 2019.

This report consist 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, 2019, 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, 2019, 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. In the last year, property taxes, local option sales tax, and vehicle

advalorem have seen a slight increase on an average of 2%. 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, worker compensation, and payroll combined has not risen in the past 4 years. Healthcare and payroll has dropped due to privatizing some of our operations. Worker Compensation was down this year.

Our enterprise funds are beginning to flatten. We have been fortunate to be able to maintain transfers from these funds to the general fund in the absence of increased revenues from primary sources from General Funds. The City of Douglas' utility customer base make up is about 65% commercial and Industrial and 35% Residential. The City has seen a flatten demand for energy and other services that we provide.

Commercial and Industrial growth seems to continue. 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 continues to operate a solid operations. Public works, water/waste water, and sanitation are privatized. Electric and gas operations is maintained by the City. Below are some highlights of the past year's activities consolidate electric, Natural Gas, Water and Wastewater under one department reducing administration cost and increasing customer service and operation.

Electric

1. We continue to change traditional lighting to LED lighting.
2. Did a reconductoring job on Madison Ave all the way to the end of circuit.
3. Rerouted and upsized some primary on Brantley Blvd to accommodate the new Satilla Park.
4. Moved some poles and primary to accommodate the Varn Davis Road realignment.
5. Installed all new infrastructures to serve the new Utilities Complex.
6. New Utilities Building is well underway.
7. We continued to change poles as necessary that were deemed unsafe in our system.
8. Electric remains steady with some growth at existing Industrial Facilities.

Natural Gas

1. We extended the main line on Forrest Circle by 1000 feet and deleted and upgraded services in the same area.
2. Installed all new infrastructureS to serve the new Utilities Complex.
3. New Utilities Building is well underway.

4. The Compressed Natural Gas station is running on average about 7750 GGE's per month ($19,375.00 revenue). The CNG Station loan has been paid in full.

5. We expanded Jason Smith's chicken house operation by 2 houses.

Water/Sewer

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

1. New Jackson lift station to serve Satilla Park has been completed and old station has been removed.

2. We rehabbed the sewer line on East Bryan ST.

3. Well 4 had entire shaft pulled and all new bearings and pump replaced.

4. We have installed all infrastructure to serve the new Utility Complex.

5. New Utilities Building is well underway.

6. Renwed all the services on the 2018 LMIG Streets and have started on the 2019 LMIG Streets.

7. We issued new Industrial Pretreatment Permits.

8. Water/Sewer CDBG project is underway in project area.

9. Replaced the entire sewer main by the Peking House.

10. No water or Wastewater permit violations or major spills.

Public Works

Highways & Streets

1. We have continued sweeping weekly on all curb and gutter streets.

2. Mowed the actual Airport around runways and facilities 4 times this year and have maintained the Historic area as well.

3. Clipped the shoulders of all runway and taxiways at the airport.

4. Installed all the Golf Cart Community signs throughout the City and State Routes.

1. Mowed and full serviced all DOT Streets weekly during the growing season.

Storm Water

1. Approved for the CDBG Hollywood Redwood storm water project.
2. Replaced under sized pipes on Manilla.
3. Mowed all Major Canal 3 times this year with the Spider.
4. Started the GPS Mapping of the Storm Water System.
5. A lot of ditch reclamation and cleaning done again this year.

Sanitation

1. We are still contracted with Trans Waste for curbside recycling and household garbage pickup.
2. There have been some concerns with service delivery. Labor market is tight which affects service delivery.

The biggest focus currently is on the building projects that we are currently undertaking. These will have impacts both on financials and customer/employee service delivery. The building projects (to be completed by FY'21) are the public utilities complex, public works complex, the recreation complex, pool, Miracle League Field, city hall, and completion of the rails to trail.

From the above indicators and the financial outlook, the City of Douglas looks promising and is stable and setting the stage for more opportunities in the future.

Respectfully Submitted,

Charles W. Davis, City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Douglas

Georgia

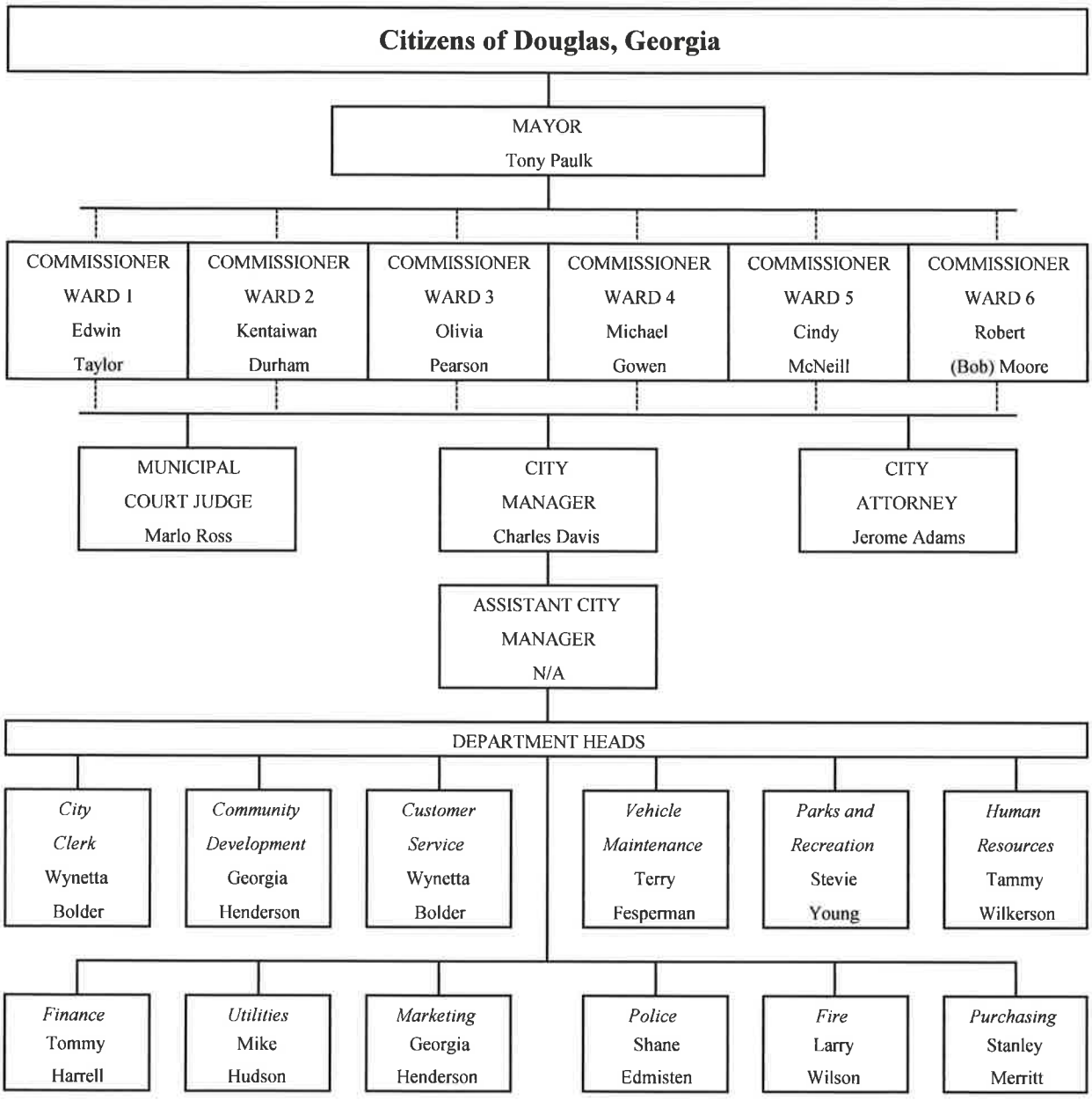
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF DOUGLAS
ORGANIZATIONAL CHART



CITY OF DOUGLAS, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2019

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

FINANCIAL SECTION

HURST & HURST CPAs
Certified Public Accountants • Small Business Advisors

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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, 2019, 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 States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment 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 of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Douglas, Georgia, as of June 30, 2019, 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 & OPEB information on pages 12-23 and 65-67, 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 federal awards, schedules 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, schedule of expenditures of federal awards, and the schedules 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 schedules, schedule of expenditures of federal awards and schedules 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 any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 23, 2019, 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.

Hurst & Hurst

Hurst and Hurst CPAs, LLC

Douglas, Georgia
December 23, 2019

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, 2019. 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 2019 are as follows:

- The City's net position totaled $99.2 million for its governmental and business-type activities, an increase of $8.7 million over the previous fiscal year. Net position for governmental activities increased $10.1 million, or 38.2%, and business-type activities decreased $1.4 million, or 2.2%. The increase of the net position for governmental activities and decrease of net position for business-type activities is primarily attributable to transfer of funds from the enterprise funds to governmental funds for capital projects beginning in 2019 and continuing into 2020.

- Total combined revenues for governmental and business-type activities were $60.8 million, an increase of $.4 million over the previous fiscal year. Revenues for governmental activities decreased $.9 million, or 7.5%, and revenues for business-type activities increased $1.3 million, or 2.8%.

- Overall expenses were $52.1 million, an increase of $.98 million over the previous year. Expenses for governmental activities decreased $.6 million, or 4.2%, and expenses for business-type activities increased $1.6 million, or 4.2%.

- As of June 30, 2019, governmental activities' expenses exceeded program revenue, resulting in the use of $7.0 million in general revenues (primarily taxes).

- In the City's business-type activities, revenues were $49.7 million and expenses were $39.0 million, for an operating profit of approximately $10.7 million for 2019.

- The General Fund resources available for appropriation were $1.35 million less than budgeted, and charges to appropriations were $.56 million less than budgeted, resulting in a $.79 million loss and decrease in total fund balance.

- The combined governmental funds' balance as of June 30, 2019 was $26.2 million, of which the general fund comprised $5.5 million, SPLOST V fund comprised $8.8, capital projects fund comprised $9.7 and other governmental funds (which are presented in detail on pages 69 through 75) comprised $2.2 million.

NEW SIGNIFICANT ACCOUNT STANDARDS

There were no new standards implemented for the fiscal year ended June 30, 2019.

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 2019.

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 nonspendable, 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, SPLOST V Fund and Capital Projects Fund which are considered to be major funds. Data from the other 16 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 basic governmental fund financial statements can be found on pages 28 through 31 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 workers compensation and employee life and health care, in Internal Service Funds. The proprietary fund statements begin on page 34.

Budgetary Comparisons

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. The budgetary comparison statements have been provided for each of these funds to demonstrate compliance with the budget. The General Fund budgetary comparison statements can be found on pages 32 through 33. The Special Revenue Fund budgetary comparison statements can be found on pages 76 through 90.

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 40-63 In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information and combining financial statements and schedules.

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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)

Assets:	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total Primary Government 2019	Total Primary Government 2018	Total % Change 2018-2019
Current assets	$ 26,995	$ 18,912	$ 20,686	$ 24,028	$ 47,681	$ 42,940	11.0%
Restricted Assets -current	-	-	996	988	$ 996	986	1.0%
Unrestricted non current	-	-	2	2	2	2	0.0%
Restricted assets - non current	-	-	25,124	23,490	25,124	23,490	7.0%
Capital assets- net	23,224	21,812	21,572	21,517	44,796	43,329	3.4%
Total assets	50,219	40,724	68,380	70,025	118,599	110,747	7.1%
Deferred Outflows of Resources	1,882	2,235	368	437	2,250	2,672	-15.8%
Total assets & deferred outflows of resources	**52,101**	**42,959**	**68,748**	**70,462**	**120,849**	**113,419**	6.6%
Liabilities:							
Long-term debt outstanding	1,090	923	172	153	1,262	1,076	17.3%
Other liabilities	11,331	11,876	5,403	5,609	16,734	17,485	-4.3%
Total liabilities	12,421	12,799	5,575	5,762	17,996	18,561	-3.0%
Deferred Inflows of Resources	3,049	3,655	586	708	3,635	4,363	-16.7%
Total liabilities & deferred inflows of resources	**15,470**	**16,454**	**6,161**	**6,470**	**21,631**	**22,924**	-5.6%
Net assets:							
Net investment in capital assets	23,139	21,812	21,572	21,517	44,711	43,329	3.2%
Restricted	19,630	11,020	-	-	19,630	11,020	78.1%
Unrestricted (deficit)	(6,138)	(6,327)	41,015	42,475	34,877	36,148	-3.5%
Total net assets	**$ 36,631**	**$ 26,505**	**$ 62,587**	**$ 63,992**	**$ 99,218**	**$ 90,497**	9.6%

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 $8.7 million from a net position of $90.5 million to $99.2 million as of June 30, 2019. Governmental activities increased $10.1 million and business-type activities decreased $1.4 million primarily due to the transfer of funds from the enterprise funds to the governmental funds for capital projects beginning in 2019 and continuing into 2020.

The growing OPEB obligation may contribute to a reduction or slower increase 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 $34.9 million at the end of this year. This is a decrease of $1.2 million over the last fiscal year's net position.

The largest portion of the City's net position (approximately 45%) 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 (20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (35%) may be used to meet the government's ongoing obligation to citizens and creditors.

The total net position of the business-type activities decreased by 2.2 percent ($62.6 million in 2019 compared to $64.0 million in 2018). The decrease of $1.4 million in net assets resulted from a net operating profit of $10.7 million, a net transfer of $13.6 million to governmental activities as compared to a $5.3 million transfer the prior year, and a capital contribution of $1.5 million (capital assets purchased with SPLOST monies and Capital Project funds). $5.3 million of the transfers to the general fund were from the Electric fund to help support rising costs without raising property taxes. The remainder of the transfers were to governmental funds to fund capital projects beginning in 2019 and continuing into 2020. 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 39.

CHANGES IN NET POSITION:

The City's total change in net position was a total increase of $8.7 million comprised of an increase of $10.1 million in the current fiscal year as a result of its governmental activities and a decrease of $1.4 million as a result of its business-type activities. Key elements of this increase are as shown on the following page:

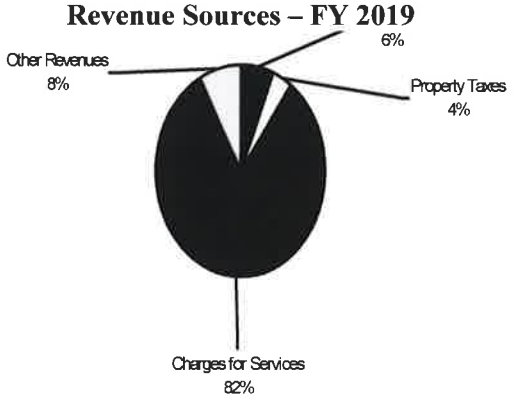
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Table 2
Changes in Net Position (000 Omitted)

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2019	2018	2019	2018	2019	2018	2018-2019
Revenues							
Program revenues:							
Charges for services	$ 1,630	$ 1,606	$ 48,496	$ 47,020	$ 50,126	$ 48,626	3.1%
Operating grants	142	196	-	-	142	196	-27.6%
Capital grants	2,377	3,549	-	-	2,377	3,549	-33.0%
General revenues:							
Property taxes	2,711	2,630	-	-	2,711	2,630	3.1%
Other taxes	3,639	3,511	-	-	3,639	3,511	3.6%
Investment earnings	176	99	1,188	1,307	1,364	1,406	-3.0%
Other Revenues	476	457	-	8	476	465	2.4%
Total general/program revenues	**11,151**	**12,048**	**49,684**	**48,335**	**60,835**	**60,383**	0.7%
Program Expense							
General government	2,086	1,730	-	-	2,086	1,730	20.6%
Public safety	5,765	6,204	-	-	5,765	6,204	-7.1%
Public works	1,708	2,370	39,023	37,459	40,731	39,829	2.3%
Culture and recreation	2,077	1,918	-	-	2,077	1,918	8.3%
Housing and development	1,454	1,448	-	-	1,454	1,448	0.4%
Interest and fiscal charges	-	-	-	-	-	-	0.0%
Total program expenses	**13,090**	**13,670**	**39,023**	**37,459**	**52,113**	**51,129**	1.9%
Changes in net position before special and extraordinary items and transfers	(1,939)	(1,622)	10,661	10,876	8,722	9,254	-5.7%
Transfers	12,065	3,461	(13,550)	(5,332)	(1,485)	(1,871)	-20.6%
Capital Contributions	-	-	1,485	1,871	1,485	1,871	-20.6%
Changes in net position	**10,126**	**1,839**	**(1,404)**	**7,415**	**8,722**	**9,254**	-5.7%
Net Position, Beginning	26,505	29,177	63,991	57,236	86,413	86,413	0.0%
Prior period adjustment	-	(4,511)	-	(659)	-	(5,170)	-100.0%
Beginning net position restated	26,505	24,666	63,991	56,576	90,496	81,242	11.4%
Ending net position	36,631	26,505	62,587	63,991	99,218	90,496	9.6%

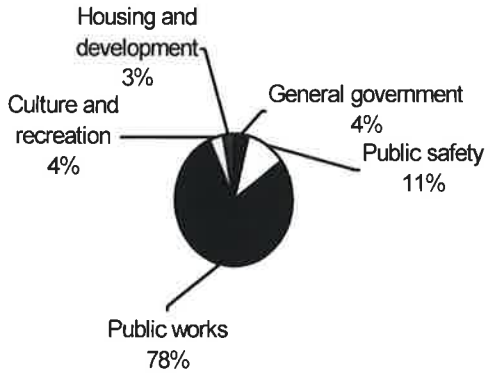
As can be seen from the following chart, approximately 4% of the City's combined total revenue is provided by property taxes, 82% by fees, fines, charges for services, an additional 6% by other taxes, and the remaining 8% by a combination of sales tax, grants, contributions, investment income and other 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 2019



The City's major expenses, at 78% 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 2019



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 2019 fiscal year with a balance of $26.3 million in its governmental funds, an increase of $8.0 million from the prior year. This increase was mainly due to the transfer of funds to the Capital Project Fund for capital projects that had not been completed by year-end. Of this $26.3 million balance, the unassigned portion was $5.2 million. The remaining $21.1 million is reserved for inventories, or restricted or assigned to various special revenue and capital project funds. $8.8 million of this amount was restricted for the SPLOST V fund and $9.7 million of this amount was restricted for the Capital Projects 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 $5.5 million, of which $5.2 million was unassigned, which is available for spending in the coming year, a decrease of $.7 million from the prior year. This decrease was intended in order to fund the capital project fund's building projects during fiscal year 2019. There will be similar results in fiscal year 2020. 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 32.0% 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 $3.6 million and $6.0 million, respectively, in 2019. The majority of expenses are for employee benefits, maintenance and utilities cost.

The largest sources of funds for the general fund are property taxes and local option sales taxes. There is little growth in either of these taxes over the last fiscal year. The City's overall 2019 real estate property digest shows a decrease of approximately 5% compared to the 2018 digest, however the millage rate increased from 7.461 to 7.756. The decrease in the digest is due to corrections of assessed values on abatements. The assessed values are actually trending slightly upwards even though there is little growth in the real estate industry at this time. The Title Ad Valorem Tax enacted by the Georgia General Assembly in 2012 converted the ad valorem taxes on motor vehicles to an excise tax paid at the time of sale. 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 $5.5 million fund balance should help the City weather an economic slowdown and any unanticipated events. As of June 30, 2019, the City has 4.3 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 $8.8 million, no liabilities, and a fund balance of $8.8 million for the year ended June 30, 2019. Approximately $1.1 million was spent on water/sewer improvements and $.6 on airport improvements. The remaining projects are expected to be completed within eighteen months. Additional information on this SPLOST Fund can be found on page 92.

Capital Projects Fund
This fund accounts for expenditures related to various significant ongoing capital improvement projects funded from various sources. Total assets were $9.81 million; total liabilities were .07 million; and fund balance was $9.74 million for the year ended June 30, 2019. Additional information on the Capital Project fund can be found on pages 28 and 30.

Other Governmental Funds
Combined assets were $2.58 million; liabilities were $0.34 million; and fund balance was $2.24 million for the year ended June 30, 2019. 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, 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, and Park Improvement Project Fund.

Combined total assets of the above funds were $1.39 million as of June 30, 2019, liabilities were $0.01 million and fund balances were $1.38 million. The majority of the $1.38 million fund balance was in SPLOST VI fund. Details on these funds are on pages 69 through 75.

Capital Projects Funds
These funds are 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, Community Development Block Grant, and SPLOST VI Fund. Capital Projects Funds had $1.19 million in assets, $0.34 million of liabilities and a fund balance of $.85 million. The SPLOST VI fund began in April, 2018 and had an ending fund balance of $1.01 million as of June 30, 2019. Collections for SPLOST VI will be considerably lower overall due to the City's pro-rata amount to be received after tier l county projects. Additional details of these funds are on pages 69 through 75.

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 had an increase from $47.0 million in 2018 to $48.5 million in 2019. In March 2019 water rates were increased by 2%. There was approximately a 6.5% increase in units of water and sewer sold during fiscal year 2019. There was no price increase in sanitation services during fiscal year ending June 30, 2019. The last increase was in January 2017 when sanitation rates were increased 1%. 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. There have been no increases in electric rates since this time. The number of electric units sold during fiscal year ending June 30, 2019 increased slightly by 1.4%. The compressed natural gas dispensing facility went online in October 2014. There were no increases in gas rates during fiscal year 2019, however the number of gas units sold were up slightly by 1.5%. Costs of services for business-type activities increased from $37.5 million in 2018 to $39.0 million in 2019. Even though water and sewer and sanitation are privatized, retirement and OPEB costs are still charged to fund operations due to the ongoing liability incurred by prior employees. The cost of sales and services would also naturally increase due to the increase in charges for services. The combined net operating income of proprietary funds totaled $10.7 million for the year ended June 30, 2019. More detailed information about the City's proprietary funds can be found on pages 34 through 39.

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 most significant budget is that of the General Fund. The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 32-33. The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level. There were no line items overspent in 2019. 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. The City has established a policy of trying to stay within 2% of expenditures of the current budget.

In June 2018, the City Council appropriated $16.7 million for fiscal year 2019 General Fund expenditures. Actual revenues were $1.35 million less than budgeted, actual expenditures were $0.56 million less than budgeted resulting in a $.79 million dollar loss. 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, 2019 amounts to $44.8 million, net of accumulated depreciation of $48.3 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, increased $1.4 million for governmental activities and increased $.06 million for business-type activities. During FY 2019 there were additions to governmental activities of $2.88 million and additions to business-type activities of $2.36 million.

Major capital asset events during fiscal year 2019 for governmental activities included the following expenditures:

- Construction in Progress (Multiple projects, including City Hall, Maintenance Building, and Miracle Field - $250,193
- New Airport Hangers - $1,260,941
- Vehicles for Fire Department, Police Department and Parks & Recreation Department - $164,534
- City Wide Server Upgrade - $270,479
- Various resurfacing projects - $170,000
- Airport Taxiway Improvements - $739,000
- Various machinery & equipment - $81,793

Major capital asset events during fiscal year 2019 for business-type activities included the following expenditures:

- Land Purchased by Water Fund - $50,011
- Construction in Progress – Sewer Improvements - $72,000
- Construction in Progress – Electric Building Improvements - $151,000
- Transportation Equipment -Gas & Electric Departments- $210,549
- Machinery & Equipment – Used Mini Excavator – Water Department - $41,301
- Distribution Plant – Water Systems Additions (EDA) - $1,744,000
- Gas Line Extensions - $19,000
- Stormwater Improvements - $36,000
- Electric Improvements - $16,000

Depreciation expense for the period was $3.8 million of which $1.5 million was allocated to the governmental activities functions and $2.3 million to the business-type activities functions. Additional information on Capital Assets can be found on page 48-49.

Long-term Obligations
As of June 30, 2019, the City of Douglas had $1.26 million in outstanding long-term obligations consisting of compensated absence liabilities, of which $.26 million is due within one year. In 2019, long-term obligations in governmental activities increased $.17 million and increased $.02 million in business-type activities.

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

City of Douglas, Georgia
Outstanding Debt (000 Omitted)

	Governmental Activities	Business-type Activities	Total
Notes payable	$ 85	$ -	$ 85
Capital leases	-	-	-
Compensated Absences	1,005	171	1,176
	$ 1,090	$ 171	$ 1,261

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, if needed, is used for equipment and other major projects. A $2 million GEFA loan has been obtained for various water/wastewater projects with $85,000 drawn down in fiscal year 2019. Additional information about the City's long-term obligations 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 $1,016,401, 100% of the actuarially determined contribution during the fiscal year ending June 30, 2019, to fund the system's liability for projected benefits earned by employees.

The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 67 went into effect July 1, 2013. This statement related to the pension plan accounting and resulted in significant changes to the actuarial reporting and financial report footnotes. The provisions of GASB Statement No. 68 were effective July 1, 2014 and significantly changed the City's accounting for pension amounts. GASB asserts the new standards will improve accounting and financial reporting by state and local governments for pensions.

GASB Statement No. 68 relates to employer accounting and results in changes to the City's accounting and financial reporting for its net pension liability and related amounts. Readers of the financial report will note the net pension liability reported in the government-wide financial statements. The net pension liability is the difference between the Total Pension Liability and Plan Fiduciary Net Position. Essentially, the net pension liability is the plan's unfunded pension obligation which GASB has determined meets the definition of a liability and should be recognized in the basic financial statements.

It is important to note that the GASB statements refer to plan accounting, not funding. The City continues to use the actuarially determined contribution (ARC) to determine appropriate funding of the pension plan.

At June 30, 2019, the City's total pension liability was $40.9 million. The plan fiduciary net position was $36.3 million resulting in the City's net pension liability of $4.6 million, a decrease of $.6 million from the prior year primarily due to investment earnings. The plan fiduciary net position as a percentage of the total pension liability was 88.83%. The plan's funded ratio, an indicator of funding status, increased from 86.99% to 88.83%.

The City also provides post-retirement health and dental care benefits for certain retirees and their dependents. The City began accounting for other postemployment benefits in accordance with GASB Statement No. 75 for the fiscal year ended June 30, 2018. The City's total OPEB liability in the amount of $8.5 million consists of $7.1 million recorded in the

Statement of Net Position as of June 30, 2019 for the Governmental Activities and $1.4 million recorded in the Statement of Net Position as of June 30, 2019 for the Business-Type Activities. The annual OPEB cost is not funded. These benefits are financed on a pay-as-you go basis.

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 2020 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 minimal increases in the tax digest and increased sales taxes. However, the revenue from primary general fund revenues have been in a neutral position for the last few years. Property taxes, local option sales tax and vehicle ad valorem tax have seen a slight increase of about 2% for fiscal year 2019. 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. The City is mindful of these potential costs and continues to search for ways to deliver cost effective services to the citizens of Douglas. The biggest expenditures in fiscal year 2020 will be the current building projects to be completed by fiscal year 2021, which include the public utilities complex, public works complex, the recreation complex, Miracle League Field, City Hall and completion of the rails to trail. Revenue concerns include the uncertain future of ad valorem taxes (due to residential declining values) and motor vehicle taxes. 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 a priority, as these improvements are needed to help support the City's industry and jobs. Another SPLOST referendum was passed in March 2017, which also included water/sewer system capital improvements and road, street, drainage and bridge projects. With the passage of both SPLOST referendums, the city has been able to pay off debt, modernize infrastructure, and stabilize rate increases.

Despite the concerns noted above, the City continues to operate in an efficient manner. Health care costs, worker compensation and payroll combined have not risen in the past four years due to the downsizing and reorganization and privatizing of approximately 22 jobs in fiscal year 2018 in the general government and the sanitation department and previously in the water/sewer department. Full-time equivalent city employees have decreased from 218 in fiscal year 2014 to 162 in fiscal year 2019. However, the City has committed to keep up with cost of living wages approving a 2% cost of living increase for all employees. Healthcare costs are being managed through a goal-reward achieving system. The Enterprise Funds have shown steady improvement over the past several years but have begun to flatten in fiscal year 2019. The City has been fortunate to be able to maintain transfers from these funds to help balance the general fund in the absence of increased general revenues in the General Fund. SPLOST V and SPLOST VI have covered required improvements to the water/sewer system over the last several years, allowing the water/sewer fund to increase cash reserves for future capital improvements. The City will be expanding its water system by purchasing the county's water system in fiscal year 2020, which should provide an additional $180,000 per year in water revenue. 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. Commercial and Industrial growth continues and the economic outlook for the City is positive.

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, 2019

	PRIMARY GOVERNMENT		
	Government Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Equity in Pooled Cash	$ -	$ 8,268,769	$ 8,268,769
Equity in Investment Pool	6,919,316	3,231,292	10,150,608
Cash	21,452,141	436,714	21,888,855
Receivables			
Accounts (net of allowance of $0, and $55,688 respectively)	30,447	3,267,721	3,298,168
Unbilled	-	2,340,916	2,340,916
Property Tax (net of allowance of $2,255, and $0 respectively)	251,732	-	251,732
Sales Tax	157,064	-	157,064
Other Taxes	11,827	-	11,827
Internal Balances	(1,986,517)	1,986,517	-
Due from Other Governments	78,012	-	78,012
Inventory	81,001	1,153,552	1,234,553
Restricted Assets:			
Customer Deposits - Equity in Investment Pool	-	880,200	880,200
Customer Deposits - Certificate of Deposit	-	116,116	116,116
Total Current Assets	26,995,023	21,681,797	48,676,820
Noncurrent Assets:			
Investments	-	1,446	1,446
Restricted Assets:			
MEAG Trust	-	25,124,458	25,124,458
Capital Assets Not Being Depreciated			
Land	5,032,030	241,253	5,273,283
Construction in Progress	286,416	222,500	508,916
Capital Assets, Net of Accumulated Depreciation			
Buildings and Improvements	8,361,069	1,280,199	9,641,268
Infrastructure	7,776,910	-	7,776,910
Machinery and Equipment	701,577	260,846	962,423
Transportation Equipment	678,074	617,435	1,295,509
Distribution System	-	18,675,287	18,675,287
Computer Equipment	1,506	274,932	276,438
Office Equipment	358,825	-	358,825
Furniture and Fixtures	9,666	-	9,666
Appliances	17,851	-	17,851
Total Noncurrent Assets	23,223,924	46,698,356	69,922,280
TOTAL ASSETS	50,218,947	68,380,153	118,599,100
DEFFERRED OUTFLOWS OF RESOURCES	1,882,038	368,224	2,250,262
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 52,100,985	$ 68,748,377	$ 120,849,362
LIABILITIES			
Current Liabilities:			
Accounts and Contracts Payable	$ 140,915	$ 2,124,834	$ 2,265,749
Accrued Expenses	154,401	-	154,401
Other Payables	144,989	151,454	296,443
Payable from restricted assets: Customer Deposits Payable	-	996,316	996,316
Current Portion of Compensated Absenses	150,760	25,721	176,481
Current Portion of Long-Term Debt	85,050	-	85,050
Total Current Liabilities	676,115	3,298,325	3,974,440

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

CITY OF DOUGLAS, GEORGIA
STATEMENT OF NET POSITION (continued)
JUNE 30, 2019

	PRIMARY GOVERNMENT		
	Government Activities	Business-type Activities	Total
Noncurrent Liabilities:			
Estimated Liability for Compensated Absences (net of current portion)	854,307	145,751	1,000,058
Long Term Debt (net of current portion)	-	-	-
Total OPEB Liability	7,068,853	1,383,036	8,451,889
Net Pension Liability	3,821,233	747,634	4,568,867
Total Noncurrent Liabilities	11,744,393	2,276,421	14,020,814
TOTAL LIABILITIES	12,420,508	5,574,746	17,995,254
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferrals	2,183,279	427,163	2,610,442
OPEB Related Deferrals	814,132	159,287	973,419
Deferred Revenues	51,701	-	51,701
TOTAL DEFERRED INFLOWS OF RESOURCES	3,049,112	586,450	3,635,562
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,469,620	6,161,196	21,630,816
NET POSITION			
Net Investment in Capital Assets	23,138,874	21,572,452	44,711,326
Restricted for Cemetary	91,672	-	91,672
Restricted for Police Technology	47,997	-	47,997
Restricted for DCCPRD	54,132	-	54,132
Restricted for Haz-Mat	43,779	-	43,779
Restricted for Capital Projects	19,392,631	-	19,392,631
Unrestricted	(6,137,720)	41,014,729	34,877,009
TOTAL NET POSITION	36,631,365	62,587,181	99,218,546
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 52,100,985	$ 68,748,377	$ 120,849,362

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, 2019

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	Primary Government: Total
Primary Government							
Governmental Activities							
General Government	$ 2,085,844	$ 441,309	$ -	$ 1,018,001	$ (626,534)	$ -	$ (626,534)
Public Safety	5,765,072	3,735	141,258	975	(5,619,104)	-	(5,619,104)
Public Works	1,708,410	-	-	1,100,466	(607,944)	-	(607,944)
Culture and Recreation	2,076,416	728,521	-	-	(1,347,895)	-	(1,347,895)
Housing and Development	1,453,675	455,912	1,075	257,178	(739,510)	-	(739,510)
Unallocated Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Governmental Activities	13,089,417	1,629,477	142,333	2,376,620	(8,940,987)	-	(8,940,987)
Business-Type Activities							
Natural Gas	4,562,458	5,454,464	-	-	-	892,006	892,006
Electric	24,345,301	30,131,926	-	-	-	5,786,625	5,786,625
Water and Sewer	6,937,324	9,624,167	-	-	-	2,686,843	2,686,843
Sanitation System	3,178,351	3,285,070	-	-	-	106,719	106,719
Total Business-Type Activities	39,023,434	48,495,627	-	-	-	9,472,193	9,472,193
Total Primary Government	52,112,851	50,125,104	142,333	2,376,620	(8,940,987)	9,472,193	531,206
General Revenues:							
Property Taxes, Levied For General Purpose					2,711,056	-	2,711,056
Sales and Use Taxes					1,817,173	-	1,817,173
Insurance Premium Tax					830,713	-	830,713
Franchise Taxes					268,072	-	268,072
Other Taxes					723,015	-	723,015
Investment Earnings					176,435	1,188,264	1,364,699
Gain on Disposition of Capital Assets					44,810	-	44,810
Other Revenue and Reimbursements					431,177	-	431,177
Total General Revenues					7,002,451	1,188,264	8,190,715
Transfers					12,065,286	(12,065,286)	-
Total General Revenues and Transfers					19,067,737	(10,877,022)	8,190,715
Change in Net Position					10,126,750	(1,404,829)	8,721,921
Net Position - Beginning					26,505,086	63,992,009	90,497,095
Net Position - Ending					$ 36,631,365	$ 62,587,181	$ 99,218,546

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

CITY OF DOUGLAS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	SPLOST V	Capital Projects Fund		
ASSETS					
Equity in Pooled Cash	$ -	$ -	$ -	$ -	$ -
Equity in Investment Pool	6,795,204	-	124,112	-	6,919,316
Cash	104,712	8,799,690	9,616,693	2,574,783	21,095,878
Accounts and Notes Receivable	30,447	-	-	-	30,447
Taxes Receivable					
Property (net of allowance of $2,255)	251,732	-	-	-	251,732
Sales	157,064	-	-	-	157,064
Franchise	11,827	-	-	-	11,827
Due from Other Governments	-	-	73,889	4,123	78,012
Interfund Receivables	625,125	-	-	3,528	628,653
Inventory	81,001	-	-	-	81,001
Total Assets	8,057,112	8,799,690	9,814,694	2,582,434	29,253,930
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	138,095	-	-	2,820	140,915
Accrued Expenditures	154,401	-	-	-	154,401
Other Payables	28,685	-	-	3,284	31,969
Interfund Payables	1,955,990	2,453	73,889	339,594	2,371,926
Total Liabilities	2,277,171	2,453	73,889	345,698	2,699,211
Deferred Inflows of Resources	295,144	-	-	-	295,144
Total Liabilities and Deferred Inflows of Resources	2,572,315	2,453	73,889	345,698	2,994,355
Fund Balances:					
Nonspendable:					
Not in Spendable Form	81,001	-	-	-	81,001
Restricted for:					-
Cemetary	91,672	-	-	-	91,672
Police Technology	47,997	-	-	-	47,997
DCCPRD	54,132	-	-	-	54,132
Haz Mat	43,779	-	-	-	43,779
Capital Projects	-	8,797,237	9,740,805	854,589	19,392,631
Committed to:	-	-	-	-	-
Assigned to:					
Special Revenue Funds	-	-	-	1,382,147	1,382,147
Unassigned:	5,166,216	-	-	-	5,166,216
Total Fund Balances	5,484,797	8,797,237	9,740,805	2,236,736	26,259,575
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,057,112	$ 8,799,690	$ 9,814,694	$ 2,582,434	$ 29,253,930

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, 2019

Total fund balances for governmental funds		$ 26,259,575
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	45,913,454	
Less accumulated depreciation	(22,689,530)	
		23,223,924
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable	243,443	
Differences between expected and actual experience in OPEB plan	4,253	
Differences between expected and actual experience in pension plan	606,313	
Changes of assumptions in the OPEB plan	488,921	
OPEB contributions subsequent to measurement date	215,830	
Pension contributions subsequent to measurement date	566,721	
		2,125,481
Certain liabilities, such as compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,005,067)
Other long -term liabilities are not payable in the current period and, therefore, are deferred in the funds.		
Difference between projected and actual earnings on pension plan investments	(1,687,886)	
Differences between expected and actual experience in pension plan	(154,639)	
Changes of assumptions in pension plan	(340,753)	
Differences between expected and actual experience in OPEB plan	(529,037)	
Changes of assumptions in OPEB plan	(285,096)	
		(2,997,411)
Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Note Payable	85,050	
Net Pension Liability	3,821,233	
Total OPEB Liability	7,068,853	
		(10,975,136)
Total net position of governmental activities		$ 36,631,366

CITY OF DOUGLAS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Governmental Funds			Other	Total
	General Fund	SPLOST V Fund	Capital Projects Fund	Governmental Funds	Governmental Funds
REVENUES:					
Taxes	$ 5,914,081	$ -	$ -	$ 311,892	$ 6,225,973
Intergovernmental Revenues	189,432	-	151,335	2,252,561	2,593,328
License & Permits	348,035	-	-	-	348,035
Charges for Services	634,496	-	-	285,531	920,027
Fines & Forfeitures	285,026	-	-	3,735	288,761
Investment Earnings	175,304	-	1,128	3	176,435
Other Revenues	516,750	-	-	8,225	524,975
Total Revenues	8,063,124	-	152,463	2,861,947	11,077,534
EXPENDITURES:					
Current:					
General Government	1,709,278	-	-	-	1,709,278
Public Safety	5,954,214	-	-	24,169	5,978,383
Public Works	2,428,025	-	-	657,458	3,085,483
Culture and Recreation	1,446,744	-	-	292,408	1,739,152
Housing and Development	1,177,531	-	-	120,901	1,298,432
Capital Outlay:	-	1,740,170	301,010	927,715	2,968,895
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	12,715,792	1,740,170	301,010	2,022,651	16,779,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,652,668)	(1,740,170)	(148,547)	839,296	(5,702,089)
OTHER FINANCING SOURCES (USES):					
Proceeds from Capital Asset Dispositions	44,810	-	-	-	44,810
Transfers from (to) Other Funds	3,823,195	-	9,804,302	(77,597)	13,549,900
Capital Lease Proceeds	-	-	85,050	-	85,050
Total Other Financing Sources (Uses)	3,868,005	-	9,889,352	(77,597)	13,679,760
Net Change in Fund Balances	(784,663)	(1,740,170)	9,740,805	761,699	7,977,671
Fund Balances - Beginning	6,269,460	10,537,407	-	1,475,037	18,281,904
Fund Balances - Ending	$ 5,484,797	$ 8,797,237	$ 9,740,805	$ 2,236,736	$ 26,259,575

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, 2019

Net changes in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds*		$ 7,977,671
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	(1,463,078)	
Capital Outlay	2,875,323	
		1,412,245
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.		28,538
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.		
Capital Lease Proceeds Received		(85,050)
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	(81,522)	
Net OPEB Liability Adjustments	(12,380)	
Pension Liability Adjustments	887,249	
		793,347
Change in net position of governmental activities reported in the *Statement of Activities.*		$ 10,126,750

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

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Beginning budgetary fund balance:	$ -	$ -	$ -	
Resources (inflows):				
Taxes	5,705,676	5,705,676	5,914,081	208,405
Intergovernmental Revenues	69,000	69,000	189,432	120,432
Licenses & Permits	347,850	347,850	348,035	185
Charges for Services	475,320	475,320	634,496	159,176
Fines & Forfeitures	350,000	350,000	285,026	(64,974)
Investment Earnings	2,000	2,000	175,304	173,304
Other Revenues/Reimbursements	4,253,988	4,253,988	2,388,122	(1,865,866)
Total Revenues	11,203,834	11,203,834	9,934,496	(1,269,338)
Other Financing Sources:				
Transfers from Other Funds	5,422,497	5,422,497	5,347,497	(75,000)
Budgeted Fund Balance	-	-	-	-
Proceeds from Disposition of Assets	50,000	50,000	44,810	(5,190)
Total Other Financing Sources	5,472,497	5,472,497	5,392,307	(80,190)
Amounts available for appropriation	16,676,331	16,676,331	15,326,803	(1,349,528)
Charges to appropriations (outflows):				
General Government				
Mayor & Commission	159,440	159,440	149,348	10,092
City Manager	273,000	273,000	264,725	8,275
City Clerk	154,000	154,000	148,423	5,577
Financial Administration	359,000	359,000	345,757	13,243
Legislative	111,087	111,087	110,701	386
Information Technology	530,000	530,000	525,440	4,560
IT/GIS	85,000	85,000	80,764	4,236
Human Resources	210,000	210,000	199,432	10,568
Customer Service	442,000	442,000	428,800	13,200
Purchasing	195,000	195,000	186,893	8,107
General Operations	1,214,906	1,214,906	1,140,366	74,540
Total General Government	3,733,433	3,733,433	3,580,649	152,784
Public Safety				
Police				
Administration	440,000	440,000	423,480	16,520
Patrol	2,350,000	2,350,000	2,295,016	54,984
Records Services	475,000	475,000	443,759	31,241
Standards and Training	224,962	224,962	201,530	23,432
Fire	2,500,000	2,500,000	2,419,494	80,506
Haz-Mat	44,000	44,000	42,465	1,535
Animal Control	131,000	131,000	128,469	2,531
Total Public Safety	6,164,962	6,164,962	5,954,213	210,749

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Pos/(Neg)
	Original	Final		
Public Works				
Highways and Streets	1,400,000	1,400,000	1,391,297	8,703
General Maintenance	492,771	492,771	476,925	15,846
Vehicle Maintenance	425,000	425,000	409,615	15,385
Cemetary	155,000	155,000	150,188	4,812
		-		-
Total Public Works	2,472,771	2,472,771	2,428,025	44,746
Culture and Recreation				
Parks and Rec Admin	278,000	278,000	264,952	13,048
Golf Course	9,800	9,800	9,618	182
Pool	53,000	53,000	52,433	567
Ceramics	45,031	45,031	42,636	2,395
Special Activities	15,000	15,000	10,273	4,727
Athletics	281,157	281,157	272,530	8,627
Teen Center	7,500	7,500	3,449	4,051
Parks and Rec Capital Purchases	-	-	-	-
Wellness Center	62,000	62,000	55,793	6,207
Arts Center	48,000	48,000	45,934	2,066
Central Square Complex	122,000	122,000	114,599	7,401
Museum	22,000	22,000	18,112	3,888
Martin Center	35,000	35,000	32,465	2,535
Park Maintenance	512,000	512,000	494,094	17,906
Weir Center	32,000	32,000	29,858	2,142
Total Culture and Recreation	1,522,488	1,522,488	1,446,746	75,742
Housing and Development				
Inspections and Permits	76,671	76,671	72,128	4,543
City Planning	9,125	9,125	5,839	3,286
Code Enforcement	192,000	192,000	183,316	8,684
Grants Administration	193,519	193,519	181,715	11,804
Ashley Slater Welcome Center	32,900	32,900	22,675	10,225
Marketing	203,436	203,436	183,772	19,664
Mainstreet	74,026	74,026	57,028	16,998
Airport	476,000	476,000	471,058	4,942
Total Housing and Development	1,257,677	1,257,677	1,177,531	80,146
Total Expenditures	15,151,331	15,151,331	14,587,164	564,167
Other Financing Uses				
Transfers Out	1,525,000	1,525,000	1,524,302	698
Total charges to appropriations	16,676,331	16,676,331	16,111,466	
Net Changes in Fund Balance	-	-	(784,663)	
Ending Fund Balance	$ -	$ -	$ (784,663)	

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, 2019

	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	$ 1,674,362	$ -	$ 5,639,020	$ 955,387	$ 8,268,769	-
Equity in Investment Pool	16,515	390,396	1,851,963	972,418	3,231,292	-
Cash	-	111	436,603	-	436,714	356,263
Accounts Receivable	212,780	2,323,264	499,536	287,829	3,323,409	-
Less: Allowance for Doubtful Accounts	(339)	(45,361)	(6,828)	(3,160)	(55,688)	-
Unbilled Accounts Receivable	242,997	1,314,593	629,560	153,766	2,340,916	-
Due From Other Funds	136,048	100,166	89,501	33,494	359,209	-
Due From Other Funds - Pooled Cash Lending	-	-	2,220,495	-	2,220,495	
Prepaid Items	-	-	-	-	-	-
Inventory, at cost	186,984	828,766	137,802	-	1,153,552	-
Restricted Assets:						
Customer Deposits - Equity in Investment Pool	85,872	530,166	264,162	-	880,200	-
Customer Deposits - Certificate of Deposit	23,260	58,151	34,705	-	116,116	-
Total Current Assets	2,578,479	5,500,252	11,796,519	2,399,734	22,274,984	356,263
Noncurrent Assets:						
Investments	-	1,446	-	-	1,446	-
Restricted Assets:						
MEAG Trust	-	25,124,458	-	-	25,124,458	-
Capital Assets Not Being Depreciated:						
Land	56,595	28,655	156,003	-	241,253	-
Construction in Progress	-	150,882	71,618	-	222,500	-
Capital Assets, Net of Accumulated Depreciation:						
Buildings and Improvements	1,000,704	-	279,495	-	1,280,199	-
Transportation Equipment	64,369	426,206	80,474	46,386	617,435	-
Machinery and Equipment	72,532	26,635	156,359	5,320	260,846	-
Computer Equipment	-	257,725	17,207	-	274,932	-
Distribution System	1,600,496	3,103,684	13,896,531	74,576	18,675,287	-
Total Noncurrent Assets	2,794,696	29,119,691	14,657,687	126,282	46,698,356	-
TOTAL ASSETS	5,373,175	34,619,943	26,454,206	2,526,016	68,973,340	356,263
Deferred Outflows of Resources	81,827	204,570	81,827	-	368,224	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,455,002	$ 34,824,513	$ 26,536,033	$ 2,526,016	$ 69,341,564	$ 356,263

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, 2019

	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	$ 222,511	$ 1,720,060	$ 13,076	$ 169,187	$ 2,124,834	$ -
Due to Other Funds	-	101,112	-	-	101,112	243,243
Due to Other Funds - Pooled Cash Borrowing	-	492,075	-	-	492,075	-
Other Payables	10,690	140,764	-	-	151,454	113,020
Accrued Interest Payable	-	-	-	-	-	-
Current Portion Estimated Liability for Compensated Absenses	6,700	18,389	632	-	25,721	-
Payable from restricted assets:						
Customer Deposits Payable	109,132	588,317	298,867	-	996,316	-
Total Current Liabilities	349,033	3,060,717	312,575	169,187	3,891,512	356,263
Noncurrent Liabilities:						
Long Term Debt	-	-	-	-	-	-
Net Pension Liability	166,141	415,352	166,141	-	747,634	-
Total OPEB Liability	307,341	768,354	307,341	-	1,383,036	-
Estimated Liability for Compensated Absences	37,965	104,206	3,580	-	145,751	-
Total Noncurrent Liabilities	511,447	1,287,912	477,062	-	2,276,421	-
TOTAL LIABILITIES	860,480	4,348,629	789,637	169,187	6,167,933	356,263
Deferred Inflows of Resources	130,322	325,806	130,322	-	586,450	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	990,802	4,674,435	919,959	169,187	6,754,383	356,263
NET POSITION						
Investment in Capital Assets	2,794,696	3,993,787	14,657,687	126,282	21,572,452	-
Unrestricted	1,669,504	26,156,291	10,958,387	2,230,547	41,014,729	-
TOTAL NET POSITION	4,464,200	30,150,078	25,616,074	2,356,829	62,587,181	-
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 5,455,002	$ 34,824,513	$ 26,536,033	$ 2,526,016	$ 69,341,564	$ 356,263

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

CITY OF DOUGLAS, GEORGIA
RECONCILIATION OF THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total assets and liabilities reported for business-type activities in the Government-wide Statement of Net Position are different because:

Total assets for Statement of Net Position - Proprietary Funds	$	68,973,340
Elimination of interfund balances		(593,187)
Total assets for Statement of Net Position - Business-type Activities	$	68,380,153
Total liabilities for Statement of Net Position - Proprietary Funds	$	6,167,933
Elimination of interfund balances		(593,187)
Total liabilities for Statement of Net Position - Business-type Activities	$	5,574,746

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, 2019

	Business-type Activities-Proprietary Funds					Governmental Activities
	Natural Gas	Electric	Water and Sewer	Sanitation Fund	Totals	Internal Service
OPERATING REVENUES						
Charges For Sales & Service	$ 5,291,647	$ 26,703,704	$ 9,258,476	$ 3,222,928	44,476,755	$ -
Cut-in Charges	-	4,405	-	-	4,405	-
Penalties	7,424	201,508	74,002	39,192	322,126	-
Other Revenues/Reimbursements	155,393	3,222,309	291,689	22,950	3,692,341	2,424,179
Total Operating Revenues	5,454,464	30,131,926	9,624,167	3,285,070	48,495,627	2,424,179
OPERATING EXPENSES						
Cost of Sales and Services	3,356,181	19,947,323	-	1,982,312	25,285,816	-
Administration & Operating	950,455	3,979,307	5,383,923	1,123,248	11,436,933	2,424,179
Depreciation	255,822	418,671	1,553,401	72,791	2,300,685	-
Total Operating Expenses	4,562,458	24,345,301	6,937,324	3,178,351	39,023,433	2,424,179
Operating Income (Loss)	892,007	5,786,625	2,686,843	106,719	9,472,194	-
NONOPERATING REVENUES (EXPENSES)						
Investment Income	2,422	1,115,433	48,577	21,832	1,188,264	-
Gain (Loss) on Capital Asset Disposals	-	-	-	-	-	
Interest Expense	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	2,422	1,115,433	48,577	21,832	1,188,264	-
Net Income (Loss) before Transfers & Contributions	894,429	6,902,058	2,735,420	128,551	10,660,458	-
CONTRIBUTIONS & TRANSFERS:						
Capital Contributions	-	150,882	1,333,732	-	1,484,614	-
Transfer from (to) Other Funds	(628,394)	(7,635,481)	(4,761,025)	(525,000)	(13,549,900)	-
Change of Net Position	266,035	(582,541)	(691,873)	(396,449)	(1,404,828)	-
Total Net Position - Beginning of Year	4,198,165	30,732,619	26,307,947	2,753,278	63,992,009	-
Total Net Position - End of Year	$ 4,464,200	$ 30,150,078	$ 25,616,074	$ 2,356,829	$ 62,587,181	$ -

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, 2019

	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	$ 5,419,506	$ 29,723,335	$ 9,437,798	$ 3,197,673	$ 47,778,312	$ -
Cash Paid to Suppliers	(3,925,820)	(22,986,261)	(4,965,751)	(3,167,250)	(35,045,082)	-
Cash Paid to Employees	(446,071)	(1,028,390)	(250,162)	(46,568)	(1,771,191)	-
Cash Received from Interfund Services Provided	36,674	219,575	91,233	-	347,482	2,424,179
Cash Paid for Interfund Services Provided	(54,586)	(65,419)	(191,837)	(35,640)	(347,482)	(2,150,715)
Net Cash Provided (Used) by Operating Activities	1,029,703	5,862,840	4,121,281	(51,785)	10,962,039	273,464
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Pooled Cash Lending Activity	-	580,453	(2,220,495)	-	(1,640,042)	-
Transfers In (Out)	(628,394)	(7,635,481)	(4,761,025)	(525,000)	(13,549,900)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(628,394)	(7,055,028)	(6,981,520)	(525,000)	(15,189,942)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds on Sales of Capital Assets	-	-	-	-	-	-
Purchase of Capital Assets	(43,293)	(203,006)	(589,724)	(36,102)	(872,125)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,293)	(203,006)	(589,724)	(36,102)	(872,125)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale (Purchase) of Investments	-	-	-	-	-	-
Receipts of Interest and Dividends	2,422	1,115,433	48,577	21,832	1,188,264	-
Net Cash Provided (Used) by Investing Activities	2,422	1,115,433	48,577	21,832	1,188,264	-
Net Increase (Decrease) in Cash and	360,438	(279,761)	(3,401,386)	(591,055)	(3,911,764)	273,464
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	1,439,571	26,384,489	11,627,839	2,518,860	41,970,759	82,799
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,800,009	$ 26,104,728	$ 8,226,453	$ 1,927,805	$ 38,058,995	$ 356,263

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, 2019

	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	$ 1,690,877	$ 391,953	$ 7,927,586	$ 1,927,805	$ 11,938,221	$ 356,263
Restricted	109,132	25,712,775	298,867	-	26,120,774	-
Total	1,800,009	26,104,728	8,226,453	1,927,805	38,058,995	356,263
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	892,007	5,786,625	2,686,843	106,719	9,472,194	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	255,822	418,671	1,553,401	72,791	2,300,685	-
(Increase) Decrease in Accounts Receivable	(5,137)	(151,370)	(15,262)	(82,385)	(254,154)	-
(Increase) Decrease in Unbilled Accounts Receivable	7,313	(32,471)	(77,355)	(5,012)	(107,525)	-
(Increase) Decrease in Interfund Receivables	(109,890)	(21,945)	(8,778)	-	(140,613)	-
(Increase) Decrease in Inventory	24,449	(124,652)	17,774	-	(82,429)	-
(Increase) Decrease in Deferred Outflows	15,345	38,361	15,345	-	69,051	-
Increase (Decrease) in Estimated Liability for Compensated Absences	9,293	9,788	(157)	-	18,924	-
Increase (Decrease) in Accounts Payable	(3,365)	29,090	334	(143,898)	(117,839)	-
Increase (Decrease) in Interfund Payables	-	12,734	-	-	12,734	241,393
Increase (Decrease) in Customer Deposits	460	5,266	2,519	-	8,245	-
Increase (Decrease) in Other Payable	(3,212)	25,656	-	-	22,444	32,071
Increase (Decrease) in Deferred Inflows	(27,113)	(67,780)	(27,113)	-	(122,006)	-
Increase (Decrease) in Total OPEB Liability	(4,399)	(10,996)	(4,399)	-	(19,794)	
Increase (Decrease) in Net Pension Liability	(21,871)	(54,678)	(21,871)	-	(98,420)	-
Net Cash Provided (Used) by Operating Activities	$ 1,029,703	$ 5,862,840	$ 4,121,281	$ (51,785)	$ 10,962,039	$ 273,464
Non-Cash Activities						
Contributed Capital	$ -	$ 150,882	$ 1,333,732	$ -	$ 1,484,614	$ -

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

NOTES TO THE FINANCIAL STATEMENTS

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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 qualify 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 Splost taxcycle beginning in 2012.
Capital Projects Fund – This fund accounts for expenditures related to various significant ongoing capital improvement projects funded from various sources.

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, 2019. 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 of supplies are presented at cost, whereas inventories held for resale are reported at the lower of cost or market on a first-in, first-out basis.

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 expenditure 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, 2019, are recorded as prepaid items at both reporting levels using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level an 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 works of art, assets received in a service concession arrangement, and other similar items are reported at their acquisition value. 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 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

The City reported the following assigned fund balance amounts for the year ended June 30, 2019:

Assigned for:	
Various City Recreation Activity Operations	136,058
Public Safety Operations	10,686
Downtown Development Projects	3,567
Matching Requirements future Grants	62,442
Operation of the City's Various Complexes	95,372
Airport Memorial Projects	5,023
Capital Projects as needed	551,786
Airport Rental Operations	312,809
Tourism and Marketing	204,406
	1,382,149

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 City had no individual departments with expenditures in excess of appropriations.

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.

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, 2019 the City was not under collateralized at any financial institutions.

The City has $11,031,085 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, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital Assets, not being depreciated:				
Land	$ 5,032,030	$ -	$ -	$ 5,032,030
Assets Not in Use	-	-	-	-
Construction in Progress	127,225	250,193	(91,002)	286,416
Total Capital Assets, not being Depreciated	5,159,255	250,193	(91,002)	5,318,446
Capital Assets, Being Depreciated:				
Building and Improvements	18,401,176	1,260,941	-	19,662,117
Furniture and Fixtures	53,000	9,720	-	62,720
Transportation Equipment	4,133,742	164,534	(260,144)	4,038,132
Office Equipment	302,403	270,479	-	572,882
Infrastructure	12,169,995	909,191	-	13,079,186
Appliances	5,919	19,474	-	25,393
Machinery and Equipment	3,000,146	81,793	(10,000)	3,071,939
Computer Equipment	82,639	-	-	82,639
Total Capital Assets, Being Depreciated	38,149,020	2,716,132	(270,144)	40,595,008
Less Accumulated Depreciation:				
Buildings and Improvements	10,582,249	718,799	-	11,301,048
Furniture and Fixtures	53,000	54	-	53,054
Transportation Equipment	3,380,910	239,292	(260,144)	3,360,058
Office Equipment	186,986	27,071	-	214,057
Infrastructure, Retroactive Implementation	4,961,844	340,432	-	5,302,276
Appliances	5,919	1,623	-	7,542
Machinery and Equipment	2,246,199	134,163	(10,000)	2,370,362
Computer Equipment	79,489	1,644	-	81,133
Total Accumulated Depreciation	21,496,596	1,463,078	(270,144)	22,689,530
Total Capital Assets, Being Depreciated, Net	16,652,424	1,253,054	-	17,905,478
Governmental Activities Capital Assets, Net	$ 21,811,679	$ 1,503,247	$ (91,002)	$ 23,223,924

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Business-Type Activities:				
Capital Assets, not being depreciated:				
Land	$ 191,243	$ 50,011	$ -	$ 241,254
Construction in Progress	-	222,500	-	222,500
Total Capital Assets, not being Depreciated	191,243	272,511	-	463,754
Capital Assets, being Depreciated				
Buildings and Improvements	1,716,971	-	-	1,716,971
Transporation Equipment	3,093,777	210,549	(59,236)	3,245,090
Machinery and Equipment	1,800,278	41,301	-	1,841,579
Computer Equipment	464,003	16,963	-	480,966
Distribution Plant and Other Improvements	37,666,534	1,815,146	-	39,481,680
Total Capital Assets, being Depreciated	44,741,563	2,083,959	(59,236)	46,766,286
Less Accumulated Depreciation:				
Buildings and Improvements	350,652	86,120	-	436,772
Transporation Equipment	2,389,206	297,318	(59,236)	2,627,288
Machinery and Equipment	1,509,119	71,613	-	1,580,733
Computer Equipment	169,435	36,599	-	206,034
Distribution Plant and Other Improvements	18,997,454	1,809,035	-	20,806,489
Total Accumulated Depreciation	23,415,866	2,300,685	(59,236)	25,657,588
Total Capital Assets, Being Depreciated, Net	21,325,697	(216,726)	-	21,108,698
Business-type Activities Capital Assets, Net	$ 21,516,940	$ 55,785	$ -	$ 21,572,452

Depreciation Expense was charged to Governmental Activities as follows:

General and Administrative	$ 409,215
Public Safety	293,850
Public Works	102,680
Culture and Recreation	438,661
Housing and Development	218,672
Total	$ 1,463,078

NOTE 5: DUE FROM OTHER GOVERNMENTS

Receivables from other governments as of June 30, 2019, are as follows:

Capital Projects Fund	
Coffee County Board of Commissioners	$ 73,889
Various Nonmajor Projects Fund	
Georgia Department of Community Affairs - Grant Receivable	1,944
Central Service Activity Fund	
Various miscellaneous	1,104
DCA C.H.I.P. Fund	
Georgia Department of Community Affairs - Grant Receivable	1,075
Total Receivables	$ 78,012

NOTE 6: INTERFUND BALANCES AND ACTIVITY

The City has interfund receivables and payables at June 30, 2019 as follows:

Balances due to/from other funds		Interfund Receivables	Interfund Payables
GOVERNMENTAL FUNDS:			
Major Funds:			
General Fund		$ 625,125	$ 1,955,991
SPLOST V		-	2,453
Capital Projects Fund		-	73,889
Nonmajor Governmental Funds		3,528	339,594
INTERNAL SERVICE FUND		-	243,242
ENTERPRISE FUNDS:			
Gas Fund		136,048	-
Electric Fund		100,166	593,187
Water & Sewer Fund		2,309,996	-
Sanitation		33,494	-
Total		$ 3,208,357	$ 3,208,357
General Fund:			
Due from Capital Projects Fund		$ 43,364	
Due from Nonmajor Governmental Funds		338,519	
Due from Internal Service Fund		243,242	
Nonmajor Governmental Funds:			
Due from SPLOST V		2,453	
Due from Nonmajor Governmental Funds		1,075	
Enterprise Funds:			
Electric	Due from General	69,641	
	Due from Capital Projects Fund	30,525	
Water & Sewer	Due from General	1,817,921	
	Due from Electric Fund	492,075	
Gas	Due from General	34,936	
	Due from Electric Fund	101,112	
Sanitation	Due from General	33,494	
		$ 3,208,357	

The balances due to the General Fund from the Capital Projects fund, and Non-major Governmental , and due Non-major Governmental Funds from Splost V & internally, result solely from amounts due for expenses related to pending reimbursable grant expenditures.

The balances due the Water Fund from the Electric and General Fund results from pooled cash overdrafts covered by the Water Fund.

The remaining outstanding balances between funds results 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 final activities 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	$ 109,132
Electric Fund	588,317
Water and Sewer Fund	298,867
Total Customer Deposits	$ 996,316
MEAG Trust	
Generation Trust Account	$ 6,244,842
Flexible Operating Account (Intermediate Extended Maturity)	4,605,756
Flexible Operating Account (Intermediate)	1,860,193
Flexible Operating Account (Short-term)	12,413,667
Total MEAG Flexible Trust	$ 25,124,458

NOTE 8: LONG-TERM OBLIGATIONS

A. Compensated Absences and other Pension & Postemployment Benefits

Governmental activities:
Accumulated sick pay obligation as of June 30, 2019, amounted to $1,005,067. 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 as of June 30, 2019 amounted to $171,472. This amount is shown as a long-term liability on the entity-wide statements and individual fund statements, with an estimated portion reflected as a current liability.

The compensated absence, pension, and other postemployment benefit liabilities are normally liquidated by the fund from which the employee is paid.

B. Long-term liability activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Loan Payable	$ -	$ 85,050	$ -	$ 85,050	$ 85,050
Compensated Absences	923,545	1,005,067	923,545	1,005,067	150,760
Total	$ 923,545	$ 1,090,117	$ 923,545	$ 1,090,117	$ 235,810
Business Type activities:					
Compensated Absences	152,548	171,472	152,548	171,472	25,721
Total	$ 152,548	$ 171,472	$ 152,548	$ 171,472	$ 25,721

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 $165,622,247 as of June 30, 2019. 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 $0 and $308,404 as of June 30, 2019 and 2018, 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 $0 as of June 30, 2019 and 2018, 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 $18,879,616 and $17,567,530 as of June 30, 2019 and 2018, 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 $6,244,842and $5,922,142 as of June 30, 2019 and 2018, 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. These obligations, which extend through the year 2019, 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, 2019:

	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, June 30, 2018	$ 12,694	$ 18,767	$ 33,107	$ -
Current Year Additions	-	-	-	-
Balance, June 30, 2019	$ 12,694	$ 18,767	$ 33,107	$ -
Electric Fund				
Balance, June 30, 2018	$ 269,663	$ -	$ -	$ -
Current Year Additions	-	-	150,882	-
Balance, June 30, 2019	$ 269,663	$ -	$ 150,882	$ -
Water & Sewer Fund				
Balance, June 30, 2018	$ 2,413,862	$ 194,829	$ 7,050,458	$ 902,940
Current Year Additions	-	-	1,333,732	-
Balance, June 30, 2019	$ 2,413,862	$ 194,829	$ 8,384,190	$ 902,940
Sanitation Fund				
Balance, June 30, 2018	324,259	-	148,831	-
Current Year Additions	-	-	-	-
Balance, June 30, 2019	324,259	-	148,831	-

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, 2019 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, 2016, 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Plan

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, 2019.

For the year ended June 30, 2019, the City recognized a net pension expense of ($129,141). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits.

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The following schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2019:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2017*	$ 39,726,881	$ 34,556,553	$ 5,170,328
Changes for the year:			
Service cost	381,356	-	381,356
Interest	2,909,943	-	2,909,943
Differences between expected and actual experience	325,630	-	325,630
Contributions - Employer	-	1,033,469	(1,033,469)
Contributions - Employee	-	75,460	(75,460)
Net investment income	-	3,366,045	(3,366,045)
Benefit payments, including refunds of employee contributions	(2,618,003)	(2,618,003)	
Administrative expense	-	(63,552)	63,552
Other	193,030		193,030
Net changes	1,191,956	1,793,419	(601,463)
Balances at September 30, 2018**	$ 40,918,837	$ 36,349,972	$ 4,568,865

* Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the year ended June 30, 2018.

** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2019 are used to measure TPL as of September 30, 2018. The balances as of September 30, 2018 constitute measurements of the NPL for the year ended June 30, 2019.

At June 30, 2019, 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	$ 677,601	$ -
Differences between expected and actual experience	724,940	184,895
Changes in assumptions	-	407,422
Net difference between projected and actual earnings on plan investments	-	2,018,125
Total	$ 1,402,541	$ 2,610,442

$677,601 reported as deferred outflows of resources related to the plan results from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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
2020	$ -	$ 498,637
2021	$ -	$ 690,078
2022	$ -	$ 530,132
2023	$ -	$ 166,655

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, 2019. The following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Projected Salary Increases	2.75%
Investment Rate of Return	7.50%

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

The 7.50% long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimate of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.40%
International Equity	20%	7.40%
Real Estate	10%	5.10%
Global Fixed Income	5%	3.03%
Domestic Fixed Income	20%	1.75%
Cash	0%	-
Total	100%	

Changes In Assumptions
Amounts reported for the fiscal year ended June 30, 2019 and later will reflect the following assumption changes based on the actuarial study conducted in September 2018:

- The investment return assumption was decreased from 7.75% to 7.50%.
- The inflation assumption was decreased from 3.25% to 2.75%.
- The cost-of-living assumption was changed from 3.25% to 2.75%

Participants
The actuarial valuation as of January 1, 2019 was conducted based on the following information:

-Pensioners as of the valuation date (including 27 beneficiaries)		167
-Participants inactive during the year ended December 31, 2017 with vested rights		42
-Participants active during the year ended December 31, 2017 (including 6 elected officials)		159
Fully Vested	78	
Not Vested	81	

Discount Rate
The discount rates used to measure the total pension liability was 7.50%. 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.

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 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%), or 1% higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
City's net pension liability	$ 9,276,051	$ 4,568,865	$ 621,285

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,

	2018	2019
Health Claims Payable - July 1	$ 125,587	$ 148,391
Claims Incurred During the Year Ended June 30	2,395,220	2,040,876
	2,520,807	2,189,267
Claims Paid During the Year Ended June 30	(2,372,416)	(2,072,154)
Health Claims Payable - June 30	$ 148,391	$ 117,113

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,

	2018	2019
Worker's Compensation Claims Payable - July 1	$ 148,866	$ 144,526
Claims Incurred During the Year Ended June 30	312,749	241,665
	461,615	386,191
Claims Paid During the Year Ended June 30	(317,089)	(275,226)
Worker's Compensation Claims Payable - June 30	$ 144,526	$ 110,965

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, 2019:

	Current Operations	Enterprise Fund Overhead Allocations	Budgetary Basis
General Government	$ 1,709,278	1,871,371	$ 3,580,649
Public Safety	5,954,214	-	5,954,214
Public Works	2,428,025	-	2,428,025
Culture and Recreation	1,446,744	-	1,446,744
Housing and Development	1,177,531	-	1,177,531
Total	$ 12,715,792	$ 1,871,371	$ 14,587,163

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 $15,790 to the SGRC for the year ended June 30, 2019. 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 40% 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 2019, the City collected $311,892 in hotel/motel taxes. The City expended $249,353, which was 80% of the amount collected.

NOTE 21: INTERFUND TRANSFERS

The following is a list of transfers the City made during fiscal year 2019. 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 and Sanitation Fund are the transfer of assets purchased by the SPLOST Fund for the benefit of the Water and Sewer Fund and Sanitation Fund.

	Gas Fund	Electric Fund	Water and Sewer Fund	Sanitation Fund	Non-Major Governmental Funds	Capital Projects Fund	General Fund	Total
Transfers from/(to):								
General Fund	$ (3,845,481)	$ (520,394)	$ (743,622)	$ (25,000)	$ (198,000)	$ 1,509,302	$ -	$ (3,823,195)
SPLOST V	-	-	-	-	-	-	-	-
Capital Projects	(3,790,000)	(108,000)	(3,897,000)	(500,000)	-	-	(1,509,302)	(9,804,302)
Gas Fund	-	-	-	-	-	3,790,000	3,845,481	7,635,481
Electric Fund	-	-	-	-	-	108,000	520,394	628,394
Water & Sewer	-	-	-	-	120,403	3,897,000	743,622	4,761,025
Sanitation	-	-	-	-	-	500,000	25,000	525,000
Non-Major Governmental Funds	-	-	(120,403)	-	-	-	198,000	77,597
Total	$ (7,635,481)	$ (628,394)	$ (4,761,025)	$ (525,000)	$ (77,597)	$ 9,804,302	$ 3,823,195	$ -

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

Plan Description

Plan Administration

The City of Douglas Other Postemployment Benefits Plan (the OPEB plan) is a defined benefit postretirement healthcare and prescription drug plan. The OPEB plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent-multiple employer OPEB plan administered by the Georgia Municipal Association (GMA).

Plan Membership

As of January 1, 2016, the OPEB plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	19
Vested terminated members entitled to but not yet receiving benefits	-
Active members	177
Total Participants	196

Benefits Provided

The City provides postretirement healthcare benefits, in accordance with City statutes, to all employees who retire from the City after their normal retirement date in the pension plan. The benefit is provided for the retiree until they reach the age of eligibility for Medicare. There are two plan available, with a small contribution for retirees and a larger contribution for spouses.

City Contributions

The City has not elected to advance fund the OPEB plan, but rather maintains the OPEB plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publically available financial report that includes the financial statements and required supplementary information for GMEBS.

Total OPEB Liability

The total OPEB liability (TOL) was measured as of June 30, 2018. The total OPEB liability was determined from actuarial valuations using data as of January 1, 2016.

Actuarial Assumptions

The total OPEB liability was measured as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.25%	
Salary Increases:	3.75% to 8.75% including inflation	
Discount Rate:	3.58%	
Healthcare cost trend rates:	Medical	8.00% trended down to 5.00% by 2022
	Drug	8.00% trended down to 5.00% by 2022
Healthy mortality rates:	RP-2000 Combined Healthy Mortality Table with sex distinct rates, set forward two years for males and one year for females.	

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Schedule of Changes in Total OPEB Liability

Service costs	$ 383,432
Interest	313,242
Change in benefit terms	(348,663)
Differences between expected and actual experience	(737,967)
Changes of assumptions	682,009
Benefit payments, including refunds of member contributions	(413,018)
Net change in Total OPEB Liability	(120,965)
Total OPEB Liability, beginning	8,572,854
Total OPEB Liability, ending	$ 8,451,889

Notes to schedule:

Benefit Changes: There have been no benefit changes since GASB 75 implementation

Changes of Assumptions: The discount rate effective for June 30, 2016 was 3.58%, and effective for June 30, 2018 was 3.87%.

The total OPEB expense recognized by the City for the period ending June 30, 2019 was $618,771

Discount Rate

Determination of the Discount Rate

Since the City funds the OPEB plan on a "pay-as-you-go" basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality or another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax exempt general obligation bonds. Specifically, the chosen rate is 3.87%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2018.

Discount Rate Sensitivity
The following presents the TOL of the City as well as what the City's TOL would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate. Also, shown is the TOL as if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current healthcare trend rates:

	Discount Rate Sensitivity		
	1% Decrease	Current Rate	1% Increase
City's Total OPEB Liability	$ 7,873,590	$ 8,451,889	$ 9,086,229

	Healthcare Trend Rate Sensitivity		
	1% Decrease	Current Rate	1% Increase
City's Total OPEB Liability	$ 9,287,355	$ 8,451,889	$ 7,719,704

Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	$ 258,057	$ -
Differences between expected and actual experience	5,085	632,544
Changes in assumptions	584,580	340,875
Total	$ 847,722	$ 973,419

$413,018 reported as deferred outflows of resources related to the plan results from City contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. 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
2020	$ -	$ 75,152
2021	$ -	$ 75,152
2022	$ -	$ 75,152
2023	$ -	$ 75,152
2024	$ -	$ 75,152
2025	$ -	$ 7,994

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, 2018 were due on December 1, 2018. Liens were attached to property for unpaid taxes on January 31, 2019.

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, 2018 was $317,557,315.

Based on the 2018 City millage levy of 7.756, a property owner would pay $7.76 per $1,000 of assessed valuation.

Current real and personal tax collections of $2,369,656 for the fiscal year ended June 30, 2019 were 96.2% 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, 2019 were $243,443.

NOTE 24: TAX ABATEMENT AGREEMENTS

GASB Statement No. 77 requires each reporting government – in this case, the City – to disclose in its financial statements (i) the details of any tax abatement agreements entered into between it as the reporting government and any individual or entity pursuant to which the reporting government agreed to forego any tax revenues to which it is otherwise due; and (ii) the details of any tax abatement agreements entered into between any other governments and any individual or entity that reduce the reporting government's tax revenue.

For the City, the only entity that can provide tax abatements is the Douglas-Coffee County Industrial Authority (the EDA). The EDA was created by an amendment to the Constitution of the State of Georgia of 1945 (Ga. Laws 1957, page 568), and an act of the General Assembly of the State of Georgia (Ga. Laws 1959, page 2801). This constitutional amendment and act of the State legislature empowers the EDA to undertake projects for the development, expansion and promotion of industry, commerce, agriculture, natural resources and vocational training in the City of Douglas and Coffee County, and to lease such projects to private persons, firms or corporations. Property in the EDA's name as the result of its undertaking such projects results in the project property being exempt from property taxes.

As of result of all outstanding projects in the EDA's name, the amount of real property taxes abated for the 2018 tax year was $61,720, and the amount of personal property taxes abated for the 2018 tax year was $269,015.

NOTE 25: SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through December 23, 2019 (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 23, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2016	2017	2018	2019
Total Pension Liability					
Service Costs	$ 467,828	$ 479,525	$ 380,769	$ 379,056	$ 381,356
Interest	2,866,014	2,847,503	2,891,522	2,905,952	2,909,943
Differences between expected and actual experience	(646,841)	(483,633)	(739,578)	961,430	325,630
Changes of assumptions	-	-	-	(814,845)	193,030
Benefits payments, including refunds of employee contributions	(2,257,615)	(2,379,135)	(2,340,755)	(2,401,742)	(2,618,003)
Other	(607,483)	84,534	24,739	-	-
Net change in total pension liability	(178,097)	548,794	216,697	1,029,851	1,191,956
Total pension liability - beginning	38,109,636	37,931,539	38,480,333	38,697,030	39,726,881
Total pension liability - ending	$ 37,931,539	$ 38,480,333	$ 38,697,030	$ 39,726,881	$ 40,918,837
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,574,311	$ 1,505,317	$ 1,286,684	$ 1,243,636	$ 1,033,469
Contributions - Employee	86,080	83,091	79,874	81,099	75,460
Net Investment Income	3,058,666	365,102	3,186,345	4,591,097	3,366,045
Benefits payments, including refunds of employee contributions	(2,257,615)	(2,379,135)	(2,340,755)	(2,401,742)	(2,618,003)
Administrative Expense	(38,498)	(45,227)	(40,113)	(67,445)	(63,552)
Net change in fiduciary net position	2,422,944	(470,852)	2,172,035	3,446,645	1,793,419
Plan fiduciary net position - beginning	26,985,781	29,408,725	28,937,873	31,109,908	34,556,553
Plan fiduciary net position - ending	$ 29,408,725	$ 28,937,873	$ 31,109,908	$ 34,556,553	$ 36,349,972
City's Net Pension Liability	$ 8,522,814	$ 9,542,460	$ 7,587,122	$ 5,170,328	$ 4,568,865
Plan fiduciary net position as a percentage of the total pension liability	77.53%	75.20%	80.39%	86.99%	88.83%
Covered payroll	$ 7,141,650	$ 6,228,879	6,246,716	6,438,613	6,021,390
City's net pension liability as a percentage of covered payroll	119.34%	153.20%	121.46%	80.30%	75.88%

*** 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	2017	2018	2019
Actuarially determined contribution	$ 1,544,801	$ 1,307,898	$ 1,180,616	$ 1,039,158	$ 1,016,401
Contributions in relation to the actuarially determined contribution	1,413,086	1,330,633	1,191,212	1,050,946	1,016,401
Contribution deficiency (excess)	$ 131,715	$ (22,735)	$ (10,596)	$ (11,788)	$ -
Covered payroll	$ 7,141,650	$ 6,228,879	$ 6,246,716	$ 6,438,613	$ 6,021,390
Contributions as a percentage of covered payroll	19.79%	21.36%	19.07%	16.32%	16.88%

Notes to the Schedule

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2019, 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	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	2.75%
Retirement Age	65
Mortality	RP-2000 Healthy Mortality Table 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 CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS *

	2018	2019
Total Pension Liability		
Service Costs	$ 429,965	$ 383,432
Interest	255,968	313,242
Changes in benefit terms	-	(348,663)
Differences between expected and actual experience	7,118	(737,967)
Changes of assumptions	(477,228)	682,009
Benefits payments, including refunds of employee contributions	(388,647)	(413,018)
Other	-	-
Net change in total OPEB liability	(172,824)	(120,965)
Total OPEB liability - beginning	8,745,678	8,572,854
Total OPEB liability - ending	$ 8,572,854	$ 8,451,889
Plan Fiduciary Net Position		
Contributions - Employer	-	-
Contributions - Employee	388,647	413,018
Net Investment Income	-	-
Benefits payments, including refunds of employee contributions	(388,647)	(413,018)
Administrative Expense	-	-
Net change in fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	$ -	$ -
City's Total OPEB Liability	$ 8,572,854	$ 8,451,889
Covered employee payroll	6,127,660	6,438,613
City's net pension liability as a percentage of covered employee payroll	139.90%	131.27%

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

COMBINING NON-MAJOR FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds:

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

Community Development Block Grant – to account for grant activity related to C.D.B.G. received from the Georgia Department of Community Affairs.

Splost VI – to account for revenues and capital expenses related to the City's current SPLOST collections.

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.

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. The 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 non-major 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.

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

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 1,382,184	$ 1,192,598	$ 2,574,783
Investments	-	-	-
Due from Other Governments	4,123	-	4,123
Interfund Receivable	1,075	2,453	3,528
TOTAL ASSETS	$ 1,387,383	$ 1,195,051	$ 2,582,434
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts/Deposits Payable	2,820	-	2,820
Other Payables	1,340	1,944	3,284
Interfund Payables	1,075	338,519	339,594
Total Liabilities	5,235	340,463	345,698
Fund Balance:			
Assigned	1,382,148	-	1,382,148
Restricted for Capital Projects	-	854,588	854,588
Total Fund Balance	1,382,148	854,588	2,236,736
TOTAL LIABILITIES & FUND BALANCE	$ 1,387,383	$ 1,195,051	$ 2,582,434

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental Revenues	$ 699,847	$ 1,552,715	$ 2,252,561
Other Taxes	311,892	-	311,892
Investment Earnings	3	-	3
Fines and Forfeitures	3,735	-	3,735
Charges for Services or Materials	285,531	-	285,531
Other Revenues	8,225	-	8,225
Total Revenues	1,309,231	1,552,715	2,861,946
EXPENDITURES			
Current Operating:			
Culture & Recreation	292,408	-	292,408
Public Safety	24,169	-	24,169
Public Works	657,458	-	657,458
Housing & Development	120,899	-	120,899
Capital Outlay	-	927,715	927,715
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	1,094,934	927,715	2,022,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,298	625,000	839,298
OTHER FINANCING SOURCES (USES)			
Transfers from (to) Other Funds	(77,597)	-	(77,597)
Total Other Financing Sources (Uses)	(77,597)	-	(77,597)
NET CHANGE IN FUND BALANCES	136,701	625,000	761,701
FUND BALANCE - BEGINNING	1,245,448	229,589	1,475,037
FUND BALANCES - ENDING	$ 1,382,149	$ 854,589	$ 2,236,738

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Project Funds			Special Revenue Funds				
	Airport Improvement Fund	Community Development Block Grant	SPLOST VI Fund	Recreation Activity Fund	Forfeiture Fund	DCA Program Income Fund	Central Multipurpose Complex Fund	Main Street Program Fund
ASSETS								
Cash	$ 182,322	$ 2,469	$ 1,007,808	$ 136,878	$ 10,685	$ 61,367	$ -	$ 3,567
Investments	-	-	-	-	-	-	-	-
Due from Others	-	-	-	-	-	-	-	-
Interfund Receivables	2,453	-	-	-	-	1,075	-	-
TOTAL ASSETS	184,775	2,469	1,007,808	136,878	10,685	62,442	-	3,567
LIABILITIES AND FUND BALANCE								
Accounts Payable	-	-	-	820	-	-	-	-
Other Payables	-	1,944	-	-	-	-	-	-
Interfund Payables	338,519	-	-	-	-	-	-	-
Total Liabilities	338,519	1,944	-	820	-	-	-	-
Fund Balance								
Assigned	-	-	-	136,058	10,685	62,442	-	3,567
Restricted for Capital Projects	(153,744)	525	1,007,808	-	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	$ 184,775	$ 2,469	$ 1,007,808	$ 136,878	$ 10,685	$ 62,442	$ -	$ 3,567

CITY OF DOUGLAS, GEORGIA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2019

	Special Revenue Funds								
	Pave The Way	Various Nonmajor Projects Fund	Airport Rental Receipts Fund	Motel Tax Fund	DCA C.H.I.P Fund	Central Service Activity	H.E.A.T. Grant Fund	Park Improvement Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash	$ 5,023	$ 550,041	$ 314,809	$ 204,406	$ -	$ 95,408	$ -	$ -	$ 2,574,783
Investments	-	-	-	-	-	-	-	-	-
Due from Others	-	1,944	-	-	1,075	1,104	-	-	4,123
Interfund Receivables	-	-	-	-	-	-	-	-	3,528
TOTAL ASSETS	5,023	551,985	314,809	204,406	1,075	96,512	-	-	2,582,434
LIABILITIES AND FUND BALANCE									
Accounts/Deposits Payable	-	-	2,000	-	-	-	-	-	2,820
Other Payables	-	200	-	-	-	1,140	-	-	3,284
Interfund Payables	-	-	-	-	1,075	-	-	-	339,594
Total Liabilities	-	200	2,000	-	1,075	1,140	-	-	345,698
Fund Balance									
Assigned	5,023	551,785	312,809	204,406	-	95,372	-	-	1,382,148
Restricted for Capital Projects	-	-	-	-	-	-	-	-	854,588
TOTAL LIABILITIES & FUND BALANCE	$ 5,023	$ 551,985	$ 314,809	$ 204,406	$ 1,075	$ 96,512	$ -	$ -	$ 2,582,434

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Project Funds			Special Revenue Funds				
	Airport Improvement Fund	Community Development Block Grant	SPLOST VI Fund	Recreation Activity Fund	Forfeiture Fund	DCA Program Income Fund	Central Multi-Purpose Complex Fund	Main Street Program Fund
REVENUES								
Intergovernmental Revenues	$ 257,178	$ 428,871	$ 866,666	$ -	$ 975	$ -	$ -	$ 15,000
Other Taxes	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-		3,735	-	-	-
Charges for Services or Materials	-	-	-	192,709	-	-	-	-
Other Revenues/Reimbursements	-	-	-	-	-	-	-	-
Total Revenues	257,178	428,871	866,666	192,709	4,710	-	-	15,000
EXPENDITURES								
Current Operating:								
Culture & Recreation	-	-	-	160,510	-	-	-	-
Public Safety	-	-	-	-	7,725	-	-	-
Public Works	-	-	-	-	-	-	-	-
Housing & Development	-	-	-	-	-	-	-	-
Capital Outlay	499,326	428,346	42	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-		-	-	-	-
Total Expenditures	499,326	428,346	42	160,510	7,725	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,149)	525	866,624	32,199	(3,015)	-	-	15,000
Other Financing Sources (Uses)								
Transfers from (to) Other Funds	-	-	-	(25,000)	-	-	-	(15,000)
Net Change in Fund Balances	(242,149)	525	866,624	7,199	(3,015)	-	-	-
FUND BALANCES - BEGINNING OF YEAR	88,405	-	141,184	128,859	13,701	62,442	-	3,567
FUND BALANCES - END OF YEAR	$ (153,744)	$ 525	$ 1,007,808	$ 136,058	$ 10,686	$ 62,442	$ -	$ 3,567

CITY OF DOUGLAS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2019

	Special Revenue Funds								
	Pave The Way	Various Nonmajor Projects Fund	Airport Rental Receipts Fund	Motel Tax Fund	DCA C.H.I.P. Fund	Central Service Activity	H.E.A.T. Grant Fund	Park Improvement Fund	Total Nonmajor Governmental Funds
REVENUES									
Intergovernmental Revenues	$ -	$ 671,595	$ -	$ -	$ 1,075	$ -	$ 11,201	$ -	$ 2,252,561
Other Taxes	-	-	-	311,892	-	-	-	-	311,892
Investment Earnings	3	-	-	-	-	-	-	-	3
Fines and Forfeitures	-	-	-	-	-	-	-	-	3,735
Charges for Services or Materials	90	-	58,284	-	-	34,447	-	-	285,531
Other Revenues/Reimbursements	-	8,225	-	-	-	-	-	-	8,225
Total Revenues	93	679,820	58,284	311,892	1,075	34,447	11,201	-	2,861,946
EXPENDITURES									
Current Operating:									
Culture & Recreation	273	-	-	91,353	-	40,273	-	-	292,408
Public Safety	-	5,242	-	-	-	-	11,201	-	24,169
Public Works	-	657,458	-	-	-	-	-	-	657,458
Housing & Development	-	38,828	80,996	-	1,075	-	-	-	120,899
Capital Outlay	-	-	-	-	-	-	-	-	927,715
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	273	701,528	80,996	91,353	1,075	40,273	11,201	-	2,022,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180)	(21,708)	(22,711)	220,539	0	(5,826)	-	-	839,298
Other Financing Sources (Uses)									
Transfers from (to) Other Funds	-	120,403	-	(158,000)	-	-	-	-	(77,597)
Net Change in Fund Balances	(180)	98,695	(22,711)	62,539	0	(5,826)	-	-	761,701
FUND BALANCES - BEGINNING OF YEAR	5,203	453,091	335,520	141,867	-	101,198	-	-	1,475,037
FUND BALANCES - END OF YEAR	$ 5,023	$ 551,786	$ 312,809	$ 204,406	$ 0	$ 95,372	$ -	$ -	$ 2,236,738

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 642,985	$ 257,178	$ (385,807)
Investment Earnings	-	-	-
Other Revenues/Reimbursements	-	-	-
Total Revenues	642,985	257,178	(385,807)
Expenditures			
Housing and Development	642,985	499,326	143,659
Total Expenditures	642,985	499,326	143,659
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(242,148)	(242,148)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(242,148)	$ (242,148)
Fund Balances Beginning of Year		88,405	
Fund Balances End of Year		$(153,743)	

CITY OF DOUGLAS, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$2,475,000	$ 151,335	$ (2,323,665)
Investment Earnings	25,000	1,128	(23,872)
Total Revenues	2,500,000	152,463	(2,347,537)
Expenditures			
Housing and Development	2,500,000	301,010	2,198,990
Total Expenditures	2,500,000	301,010	2,198,990
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(148,547)	(148,547)
Other Financing Sources (Uses)			
Transfers from other funds	-	9,889,352	9,889,352
Net Changes in Fund Balance	$ -	9,740,805	$ 9,740,805
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ 9,740,805	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	$ 204,400	$ 192,709	$ (11,691)
Total Revenues	204,400	192,709	(11,691)
Expenditures			
Culture and Recreation	204,400	185,510	18,890
Total Expenditures	204,400	185,510	18,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	7,199	7,199
Other Financing Sources (Uses) Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	7,199	$ 7,199
Fund Balances Beginning of Year		128,859	
Fund Balances End of Year		$ 136,058	

CITY OF DOUGLAS, GEORGIA
FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Fines and Forfeitures	$ 8,000	$ 3,735	$ (4,265)
Intergovernmental Revenues	4,000	975	(3,025)
Total Revenues	12,000	4,710	(7,290)
Expenditures			
Public Safety	13,400	7,725	5,675
Total Expenditures	13,400	7,725	5,675
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,400)	(3,015)	(1,615)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ (1,400)	(3,015)	$ (1,615)
Fund Balances Beginning of Year		13,701	
Fund Balances End of Year		$ 10,686	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Other Revenues/Reimbursements	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures			
Housing and Development	-	-	-
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		62,442	
Fund Balances End of Year		$ 62,442	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures			
Culture and Recreation	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Prior year fund balance	-	-	-
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ -	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 30,000	$ 30,000	$ -
Investment Earnings	-	-	-
Total Revenues	30,000	30,000	-
Expenditures			
Culture and Recreation	30,000	-	30,000
Total Expenditures	30,000	-	30,000
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	30,000	30,000
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	(30,000)	(30,000)
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		3,567	
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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	$ 100	$ 3	$ (97)
Charges for Services	900	90	(810)
Total Revenues	1,000	93	(907)
Expenditures			
Culture and Recreation	1,000	273	727
Total Expenditures	1,000	273	727
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(180)	(180)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(180)	$ (180)
Fund Balances Beginning of Year		5,203	
Fund Balances End of Year		$ 5,023	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 815,000	$ 671,595	$ (143,405)
Other Revenues/Reimbursements	10,000	8,225	(1,775)
Charges for Services	-	-	-
Total Revenues	825,000	679,820	(145,180)
Expenditures			
Public Safety	10,000	5,242	4,758
Public Works	765,500	657,458	108,042
Housing and Development	49,500	38,828	10,672
Total Expenditures	825,000	701,528	10,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(21,708)	(21,708)
Other Financing Sources (Uses) Transfers from/(to) Other Funds	-	120,403	120,403
Net Changes in Fund Balance	$ -	98,695	$ 98,695
Fund Balances Beginning of Year		453,091	
Fund Balances End of Year		$ 551,786	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	$ 116,781	$ 58,284	$ (58,497)
Fines and Forfeitures	-	-	-
Total Revenues	116,781	58,284	(58,497)
Expenditures			
Housing and Development	116,781	80,996	35,785
Total Expenditures	116,781	80,996	35,785
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(22,712)	(22,712)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(22,712)	$ (22,712)
Fund Balances Beginning of Year		335,520	
Fund Balances End of Year		$ 312,808	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Other Taxes	$ 292,198	$ 311,892	$ 19,694
Investment Earnings	-	-	-
Total Revenues	292,198	311,892	19,694
Expenditures			
Culture and Recreation	292,198	91,353	200,845
Total Expenditures	292,198	91,353	200,845
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	220,539	220,539
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	(158,000)	(158,000)
Net Changes in Fund Balance	$ -	62,539	$ 62,539
Fund Balances Beginning of Year		141,867	
Fund Balances End of Year		$ 204,406	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 306,000	$ 1,075	$ (304,925)
Total Revenues	306,000	1,075	(304,925)
Expenditures			
Housing and Development	306,000	1,075	304,925
Total Expenditures	306,000	1,075	304,925
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		-	
Fund Balances End of Year		$ -	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Charges for Services	44,600	34,447	(10,153)
Total Revenues	44,600	34,447	(10,153)
Expenditures			
Culture and Recreation	44,600	40,273	4,327
Total Expenditures	44,600	40,273	4,327
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(5,826)	(5,826)
Other Financing Sources (Uses)			
Transfers from/(to) Other Funds	-	-	-
Net Changes in Fund Balance	$ -	(5,826)	$ (5,826)
Fund Balances Beginning of Year		101,198	
Fund Balances End of Year		$ 95,372	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 24,000	$ 11,201	$ (12,799)
Investment Earnings	-	-	-
Total Revenues	24,000	11,201	(12,799)
Expenditures			
Public Safety	24,000	11,201	12,799
Total Expenditures	24,000	11,201	12,799
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		-	
Fund Balances End of Year		$ -	

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, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental Revenues	$ 95,000	$ -	$ (95,000)
Investment Earnings	5,000	-	(5,000)
Total Revenues	100,000	-	(100,000)
Expenditures			
Culture and Recreation	100,000	-	100,000
Total Expenditures	100,000	-	100,000
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses)			
Prior Year Fund Balance	-	-	-
Net Changes in Fund Balance	$ -	-	$ -
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ -	

SUPPLEMENTAL FINANCIAL DATA

CITY OF DOUGLAS, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2012
FOR THE YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Years	Total	Estimated Percentage of Completion
1 Airport Improvements	$ 737,000	$ 737,000	$ 103,091	$ 605,603	$ 708,694	96.16%
2 Public Safety - Facility Improvements	45,000	45,000	45,000	-	45,000	100.00%
3 Public Works - Facility Improvements	90,000	90,000	92,725	-	92,725	103.03%
4 Recreation - Facility Improvements	400,000	417,974	243,950	937	244,887	58.59%
5 Renovations - Municipal Buildings	50,000	50,000	679	21,813	22,492	44.98%
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	9,069,997	1,111,817	10,181,814	53.04%
Total	$21,117,561	$21,735,535	$10,359,080	$ 1,740,170	$12,099,250	55.67%

CITY OF DOUGLAS, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2018
FOR THE YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Prior Years	Current Years	Total	Estimated Percentage of Completion
1 Airport Capital Improvements	$ 667,750	$ -	$ -	$ -	0.00%
2 Public Safety - Capital Outlay & Facility Improvements	1,950,000	-	-	-	0.00%
3 Recreation - Capital Outlay and Facility Improvements to include Land Acquisition	1,498,736	-	-	-	0.00%
4 Renovations - Municipal Buildings	100,000	-	-	-	0.00%
5 Road, Street, Storm Drainage & Bridge Projects	900,000	-	-	-	0.00%
6 Technology Equipment & Upgrades	280,000	-	-	-	0.00%
7 Water/Sewer System Capital Outlay & Improvements	1,970,000	-	42	42	0.00%
Total	$ 7,366,486	$ -	$ 42	$ 42	0.00%

CITY OF DOUGLAS, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT # 17q-y-034-2-5971
SOURCE & APPLICATION OF FUNDS SCHEDULE
FROM INCEPTION THROUGH JUNE 30, 2019

Total Program Funds Allocated to Recipient	$ 528,484
Less: Total Program Funds Drawn by Recipient	(428,871)
Funds Still Available from Program Resources	$ 99,613
Total Program Funds Drawn and Received by Recipient	$ 428,871
Less: Funds Applied and Expended to Program Costs	(428,871)
Total Program Funds Held by Recipient	$ -

PROGRAM ACTIVITY	CDBG ACTIVITY NUMBER	ORIGINAL APPROVED BUDGET	REVISED APPROVED BUDGET	COST TO DATE	AVAILABLE BALANCE
Contingencies	C-022-00	-	44,489	-	44,489
Water Facilities	E-03J-01	-	120,300	(103,938)	16,362
Street Improvements	E-03K-01	-	331,986	(314,933)	17,053
ED - Public Facilities and Imp	E-17B-00	496,775	-	-	-
Administration	A-21A-00	31,709	31,709	(10,000)	21,709
Total		$ 528,484	$ 528,484	$ (428,871)	$ 99,613

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.

Contents:

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 96

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the electric department sales 102

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 106

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 108

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 110

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)

	2010	2011	2012	2013	2014	2015*	2016	2017	2018**	2019
Governmental Activities:										
Net Investment in Capital Assets	$ 19,451,293	$ 20,376,663	$ 21,168,409	$ 21,897,267	$ 21,953,716	$ 22,611,871	$ 22,193,979	$ 22,056,095	$ 21,811,679	$ 23,138,874
Restricted	-	-	(35,241)	3,296,513	5,629,063	8,191,407	10,497,749	10,187,661	11,019,946	19,630,211
Unrestricted	4,296,706	3,179,288	3,107,032	2,321,894	4,523,771	(3,619,060)	(3,548,637)	(3,066,539)	(6,326,537)	(6,137,720)
Total Governmental Net Position	$ 23,747,999	$ 23,555,951	$ 24,240,200	$ 27,515,674	$ 32,106,550	$ 27,184,218	$ 29,143,091	$ 29,177,217	$ 26,505,085	$ 36,631,365
Business-type Activities										
Net Investment in Capital Assets	$ 16,451,492	$ 17,909,528	$ 18,214,332	$ 17,933,443	$ 17,615,877	$ 17,733,969	$ 17,759,151	$ 20,760,511	$ 21,516,940	$ 21,572,452
Restricted	478,630	-	-	-	-	-	-	-	-	-
Unrestricted	13,115,932	15,840,316	18,612,364	21,418,459	24,978,779	27,214,211	33,681,403	36,475,027	42,475,069	41,014,729
Total Business-type Activites	$ 30,046,054	$ 33,749,844	$ 36,826,696	$ 39,351,902	$ 42,594,656	$ 44,948,180	$ 51,440,554	$ 57,235,538	$ 63,992,009	$ 62,587,181
Primary Government:										
Net Investment in Capital Assets	$ 35,902,785	$ 38,286,191	$ 39,382,741	$ 39,830,710	$ 39,569,593	$ 40,345,840	$ 39,953,130	$ 42,816,606	$ 43,328,619	$ 44,711,326
Restricted	478,630	-	(35,241)	3,296,513	5,629,063	8,191,407	10,497,749	10,187,661	11,019,946	19,630,211
Unrestricted	17,412,638	19,019,604	21,719,396	23,740,353	29,502,550	23,595,151	30,132,766	33,408,488	36,148,532	34,877,009
Total Primary Government Net Position	$ 53,794,053	$ 57,305,795	$ 61,066,896	$ 66,867,576	$ 74,701,206	$ 72,132,398	$ 80,583,645	$ 86,412,755	$ 90,497,094	$ 99,218,546

* 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.

** During fiscal year 2018 the City implemented GASB Statement No. 75, thereby recording the impact of the City's Net OPEB Liability on unrestricted net position.

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

Expenditures	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
Governmental Activities:										
General Government	$ 5,567,977	$ 4,906,729	$ 4,860,549	$ 4,897,398	$ 3,691,642	$ 3,942,490	$ 1,845,067	$ 1,944,591	$ 1,730,174	$ 2,085,844
Public Safety	5,344,200	5,330,018	5,666,100	5,724,075	6,243,436	5,684,083	6,132,173	6,032,885	6,203,756	5,765,072
Public Works	-	-	-	-	2,337,109	2,268,249	2,143,414	2,179,744	2,370,453	1,708,410
Culture and Recreation	2,746,448	2,158,133	2,373,613	2,106,607	2,344,417	2,002,687	2,018,180	2,022,025	1,917,695	2,076,416
Housing and Development	956,541	919,714	1,151,026	1,833,263	1,478,537	1,316,644	1,542,590	1,649,935	1,448,172	1,453,675
Interest on Long-term Debt	48,151	31,376	46,987	18,123	20,879	4,566	3,586	2,750	-	-
Total Governmental Activities	14,663,317	13,345,970	14,098,275	14,579,466	16,116,020	15,218,719	13,685,010	13,831,930	13,670,250	13,089,417
Business-type Activities										
Natural Gas	3,717,559	4,284,721	3,940,444	4,151,613	4,966,924	4,538,215	3,843,441	4,626,789	4,371,181	4,562,458
Electric	17,470,126	19,766,003	21,013,941	22,259,348	22,523,339	23,404,010	22,283,959	26,232,879	23,848,426	24,345,301
Water and Sewer	4,915,268	4,989,444	5,285,780	5,779,348	6,323,375	6,706,690	6,633,710	6,736,962	6,566,638	6,937,324
Sanitation	2,042,638	2,314,328	2,432,334	2,563,170	2,625,493	2,693,431	2,849,021	2,821,278	2,672,203	3,178,351
Total Business-type Activites	28,145,591	31,354,496	32,672,499	34,753,479	36,439,131	37,342,346	35,610,131	40,417,908	37,458,448	39,023,434
Total Primary Government Expenses	$ 42,808,908	$ 44,700,466	$ 46,770,774	$ 49,332,945	$ 52,555,151	$ 52,561,065	$ 49,295,141	$ 54,249,838	$ 51,128,698	$ 52,112,851

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

Program Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Charges for Services:										
General Government	$ 2,009,465	$ 2,082,798	$ 2,237,270	$ 2,202,535	$ 2,264,622	$ 2,248,161	$ 444,310	$ 468,864	$ 469,292	$ 441,309
Public Safety	-	-	-	63,175	36,375	76,592	8,127	3,412	3,423	3,735
Culture and Recreation	917,801	526,158	476,377	804,150	865,318	780,410	753,448	774,348	748,987	728,521
Housing and Development	237,537	246,891	238,924	285,352	331,917	333,050	255,306	286,434	384,612	455,912
Operating Grants and Contributions	454,962	241,783	521,967	-	89,192	116,702	221,791	161,840	196,358	142,333
Capital Grants and Contributions	-	493,262	761,656	4,605,319	3,736,644	4,451,846	3,795,573	4,258,887	3,549,069	2,376,620
Total Governmental Activities										
Program Revenue	3,619,765	3,590,892	4,236,194	7,960,531	7,324,068	8,006,761	5,478,555	5,953,785	5,351,741	4,148,430
Business-type Activities:										
Charges for Services:										
Natural Gas	4,235,468	4,699,582	4,397,886	4,931,753	5,912,014	5,791,377	4,582,608	4,851,978	5,421,756	5,454,464
Electric	24,102,744	25,500,980	25,718,050	26,800,894	29,215,975	29,979,855	29,469,147	29,451,518	29,340,048	30,131,926
Water and Sewer	5,097,939	5,891,656	7,174,910	7,059,716	7,309,595	7,986,545	8,199,153	8,664,258	9,080,237	9,624,167
Sanitation	2,153,143	2,419,264	2,595,901	2,821,915	2,971,476	2,978,550	3,044,257	3,081,469	3,177,775	3,285,070
Total Business-type Activities Revenue	35,589,294	38,511,482	39,886,747	41,614,278	45,409,060	46,736,327	45,295,165	46,049,223	47,019,816	48,495,627
Total Primary Gov't Program Revenue	$ 39,209,059	$ 42,102,374	$ 44,122,941	$ 49,574,809	$ 52,733,128	$ 54,743,088	$ 50,773,720	$ 52,003,008	$ 52,371,557	$ 52,644,057
Net (Expense)/Revenue:										
Governmental Activities	$ (11,043,552)	$ (9,755,078)	$ (9,862,081)	$ (6,618,935)	$ (8,791,952)	$ (7,211,958)	$ (8,206,455)	$ (7,878,145)	$ (8,318,509)	$ (8,940,987)
Business-type Activities	7,443,703	7,156,986	7,214,248	6,860,799	8,969,929	9,393,981	9,685,034	5,631,315	9,561,368	9,472,193
Total Primary Government net expense	$ (3,599,849)	$ (2,598,092)	$ (2,647,833)	$ 241,864	$ 177,977	$ 2,182,023	$ 1,478,579	$ (2,246,830)	$ 1,242,859	$ 531,206

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

General Revenues & Other Changes in Net Position	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Taxes:										
Property	$ 2,663,198	$ 2,329,403	$ 2,277,014	$ 2,265,452	$ 2,863,239	$ 2,637,862	$ 2,631,167	$ 2,598,555	$ 2,629,328	$ 2,711,056
Sales and Use	1,869,547	1,741,974	1,776,986	1,724,358	1,621,353	1,714,134	1,699,057	1,676,486	1,722,778	1,817,173
Insurance Premium	-	-	-	**	597,807	625,104	667,821	723,380	770,283	830,713
Franchise	284,480	259,574	298,711	338,155	251,691	279,077	280,512	258,063	243,709	268,072
Other	1,605,390	1,396,826	1,714,758	1,450,309	921,957	679,177	687,325	741,832	774,424	723,015
Interest	29,577	7,545	16,479	3,825	5,490	8,328	19,846	42,928	99,224	176,435
Gain on Capital Asset Sales	(786)	33,212	14,313	106,401	54,368	110,021	28,666	49,458	44,405	44,810
Other Revenues/Reimbursements	153,374	253,498	224,219	348,253	271,268	301,783	385,004	390,983	412,715	431,177
Transfers in	3,673,851	3,540,998	4,223,850	4,427,963	4,719,997	4,578,642	3,765,930	1,430,586	3,460,496	12,065,286
Total Governmental Activities	10,278,631	9,563,030	10,546,330	10,664,716	11,307,170	10,934,128	10,165,328	7,912,271	10,157,362	19,067,737
Business-type Activities										
Interest/Investment Earnings	121,507	87,802	86,454	7,645	474,678	246,538	573,269	1,594,255	1,306,683	1,188,264
Gain on Capital Asset Sales	-	-	-	-	-	-	-	-	8,057	-
Transfers	(3,673,851)	(3,540,998)	(4,223,850)	(4,343,238)	(4,126,188)	(4,363,299)	(3,765,930)	(1,430,586)	(3,460,496)	(12,065,286)
Total Business-type Activities	(3,552,344)	(3,453,196)	(4,137,396)	(4,335,593)	(3,651,510)	(4,116,761)	(3,192,661)	163,669	(2,145,756)	(10,877,022)
Total Primary Government	6,726,287	6,109,834	6,408,934	6,329,123	7,655,660	6,817,367	6,972,667	8,075,940	8,011,606	8,190,715
Change in Net Position										
Governmental Activities	$ (764,921)	$ (192,048)	$ 684,249	$ 4,045,781	$ 2,515,218	$ 3,722,170	$ 1,958,873	$ 34,126	$ 1,838,853	$ 10,126,750
Business-type Activities	3,891,359	3,703,790	3,076,852	2,525,206	5,318,419	5,277,220	6,492,373	5,794,984	7,415,612	(1,404,829)
Total Primary Government	$ 3,126,438	$ 3,511,742	$ 3,761,101	$ 6,570,987	$ 7,833,637	$ 8,999,390	$ 8,451,246	$ 5,829,110	$ 9,254,465	$ 8,721,921

* 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	$ 115,968	$ 122,265	$ 158,024	$ 149,777	$ 226,920	$ 138,275	$ 111,685	$ 120,562	$ 106,679	$ 81,001
Restricted	141,906	172,311	176,644	197,378	220,970	215,790	221,761	254,126	252,950	237,580
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,844,839	2,277,514	2,308,313	2,743,022	4,602,802	5,384,028	5,416,096	5,724,486	5,909,831	5,166,216
Total General Fund	$ 3,102,713	$ 2,572,090	$ 2,642,981	$ 3,090,177	$ 5,050,692	$ 5,738,093	$ 5,749,542	$ 6,099,174	$ 6,269,460	$ 5,484,797
All other Governmental Funds:										
Special Revenue Funds:										
Assigned	$ 705,786	$ 734,820	$ 620,457	$ 565,439	$ 750,966	$ 852,021	$ 997,344	$ 870,684	$ 1,245,919	$ 1,382,147
Capital Project Funds:										
Restricted	89,506	(49,517)	37,158	3,423,686	5,629,063	7,975,617	10,275,988	10,048,796	10,766,996	19,392,631
Total All Other Governmental Funds	$ 795,292	$ 685,303	$ 657,615	$ 3,989,125	$ 6,380,029	$ 8,827,638	$ 11,273,332	$ 10,919,480	$ 12,012,915	$ 20,774,778

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

	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
Revenues										
Taxes	$ 5,524,407	$ 5,238,685	$ 5,183,573	$ 5,174,203	$ 5,665,473	$ 5,717,273	$ 5,874,994	$ 5,839,371	$ 6,066,860	$ 6,225,973
Intergovernmental	616,462	734,973	2,107,416	4,688,072	3,810,618	4,689,513	4,032,364	4,543,666	3,784,107	2,593,328
Licenses and Permits	321,204	317,318	322,917	332,563	348,218	349,014	346,721	358,068	363,816	348,035
Charges for Services	607,768	634,273	680,599	601,211	701,386	696,995	729,804	800,250	859,128	920,027
Fines and Forfeitures	277,575	352,059	307,296	321,874	482,964	427,098	318,790	316,825	333,243	288,761
Interest	29,577	7,617	17,013	5,246	7,556	8,328	19,846	42,928	99,228	176,435
Other Revenues/Reimbursements	2,797,454	2,908,310	2,861,769	2,897,853	2,607,229	2,381,041	490,971	513,724	540,387	524,975
Total Revenues	10,174,447	10,193,235	11,480,583	14,021,022	13,623,444	14,269,262	11,813,490	12,414,832	12,046,769	11,077,534
Expenditures										
General Government	5,151,613	4,458,597	4,785,943	4,243,261	3,274,436	3,213,242	1,434,958	1,509,733	1,655,273	1,709,278
Public Safety	5,057,932	5,636,830	5,506,688	5,464,136	5,972,200	5,803,259	6,418,782	6,058,021	6,508,332	5,978,383
Public Works	-	-	-	-	2,269,209	2,308,359	2,157,546	2,593,739	2,317,987	3,085,483
Culture and Recreation	2,427,061	2,223,901	2,075,319	1,836,708	1,870,524	1,614,534	1,573,308	1,556,401	1,591,320	1,739,152
Housing and Development	771,983	1,172,337	970,161	1,440,326	1,135,482	1,113,391	1,194,091	1,191,217	1,290,357	1,298,432
Capital Outlay	516,688	723,883	2,262,721	1,469,529	1,277,519	1,734,816	1,342,137	4,279,184	2,751,097	2,968,895
Debt Service:										
Principal	276,175	295,160	228,053	253,525	301,803	30,748	31,727	82,607	45,000	-
Interest	48,151	31,376	46,987	18,123	20,879	4,566	3,586	2,750	-	-
Total Expenditures	14,249,603	14,542,084	15,875,872	14,725,608	16,122,052	15,822,915	14,156,135	17,273,652	16,159,366	16,779,623
Other Financing Sources(Uses)										
Sale of Capital Assets	11,845	36,211	14,313	106,401	54,368	110,021	28,666	49,458	44,405	44,810
Transfers in (out)	3,673,851	3,540,898	4,056,635	4,427,963	6,795,662	4,578,642	4,771,122	4,805,142	5,331,913	13,549,900
Capital Lease Proceeds	196,304	131,125	367,544	-	-	-	-	-	-	85,050
Total Other Financing	3,882,000	3,708,234	4,438,492	4,534,364	6,850,030	4,688,663	4,799,788	4,854,600	5,376,318	13,679,760
Change in Fund Balance	$ (193,156)	$ (640,615)	$ 43,203	$ 3,829,778	$ 4,351,422	$ 3,135,010	$ 2,457,143	$ (4,220)	$ 1,263,721	$ 7,977,671
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	2.20%	0.26%	0.27%	0.53%	0.30%	0.00%

* 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 E*xpenditures* , and General Government *Other Revenues/Reimbursements* .

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	$ -	$ -	$ 6,171,186	$ 6,625,548	$ 5,626,554	$ 6,049,179	$ 5,765,021	$ 5,787,046	$ 5,811,293	$ 5,969,965
Commercial			17,506,239	17,315,141	18,954,310	18,565,533	18,332,699	18,356,392	18,259,584	18,502,040
Other Sales	-	-	1,159,696	781,582	1,120,406	1,934,188	2,253,879	2,210,089	2,209,942	2,231,265
Total	$ -	$ -	$ 24,837,121	$ 24,722,271	$ 25,701,270	$ 26,548,900	$ 26,351,599	$ 26,353,527	$ 26,280,819	$ 26,703,270
Transfers to General Fund*			$ 3,574,850	$ 3,574,850	$ 3,685,526	$ 3,574,850	$ 3,703,330	$ 3,614,850	$ 3,837,147	$ 3,845,481

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 sixth presentation of a CAFR, therefore not all prior year information is available.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential**										
Base Charge	-	-	-	-	10	10	$ 10.00	$ 10.00	$ 10.00	$ 10.00
Environmental Compliance Cost Recovery (per kWh)	-	-	-	-	0.01	0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Power Cost Adjustment (per kWh)	-	-	-	-	0.002	0.002	$ 0.006	$ 0.006	$ 0.006	$ 0.006
Summer (May 1 - Nov 1)										
First 750 kWh's (per kWh)	-	-	-	-	0.089	0.089	$ 0.089	$ 0.089	$ 0.089	$ 0.089
Next 750 kWh's (per kWh)	-	-	-	-	0.119	0.119	$ 0.119	$ 0.119	$ 0.101	$ 0.101
Over 1500 kWh's (per kWh)	-	-	-	-	0.127	0.127	$ 0.127	$ 0.127	$ 0.109	$ 0.109
Non-Summer (Nov 1 - May 1)										
First 750 kWh's (per kWh)	-	-	-	-	0.089	0.089	$ 0.089	$ 0.089	$ 0.089	N/A
Next 750 kWh's (per kWh)	-	-	-	-	0.081	0.081	$ 0.081	$ 0.081	$ 0.101	N/A
Over 1500 kWh's (per kWh)	-	-	-	-	0.077	0.077	$ 0.077	$ 0.077	$ 0.109	N/A
Commercial *****										
Base Charge	-	-	-	-	50	50	$ 50.00	$ 50.00	$ 50.00	$ 50.00
Demand Charge ($/billing kW)	-	-	-	-	2.75	2.75	$ 2.75	$ 2.75	$ 2.75	$ 2.75
1st Block										
First 200 hrs x Billing kW										
First 6000 kWh ($/kWh)	-	-	-	-	0.111	0.111	$ 0.111	$ 0.111	$ 0.111	$ 0.111
additional kWh's ($/kWh)	-	-	-	-	0.103	0.103	$ 0.103	$ 0.103	$ 0.103	$ 0.103
2nd Block										
Next 200 hrs x Billing kW	-	-	-	-	0.053	0.053	$ 0.053	$ 0.053	$ 0.053	$ 0.053
3rd Block										
In excess of 400 hrs x Billing kW	-	-	-	-	0.048	0.048	$ 0.048	$ 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 sixth presentation of CAFR, therefore not all prior year information is available

** Rates above do not include 8% 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

**** Beginning FY 2019, the City no longer uses differing seasonal billing rate schedules.

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

	June 30, 2019			June 30, 2010		
Taxpayer	Balance Remitted	Rank	Percentage of Total Revenue	Balance Remitted	Rank	Percentage of Total Revenue
P C C Airfoils	$ 2,307,571	1	7.88%	-	-	-
Southwire Company	$ 1,721,720	2	5.88%	-	-	-
Wal-Mart Dist Center	$ 968,419	3	3.31%	-	-	-
Coats & Clark	$ 741,876	4	2.53%	-	-	-
Elixer Extrusions LLC	$ 643,337	5	2.20%	-	-	-
Pilgrim's Pride - Hatchery	$ 558,001	6	1.91%	-	-	-
Optima Chemicals	$ 540,475	7	1.85%	-	-	-
Wal-Mart Store	$ 382,927	8	1.31%	-	-	-
Elixer Extrusions LLC, BLDG 2	$ 352,813	9	1.21%	-	-	-
Tri County Gin Inc.	$ 256,141	10	0.88%	-	-	-
Coffee Co. Cotton Gin	$ 250,713	11	0.86%	-	-	-
Southwire Company	$ 242,052	12	0.83%	-	-	-
Totals	$ 8,966,043		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 sixth 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*

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy			Collected in Subsequent Years	Total Collections to Date	
	Taxes Levied for the Fiscal Year	Collection Amount	Percentage of Levy		Amount	Percentage Levy
2010	$ -	$ -	-	$ -	$ -	-
2011	$ -	$ -	-	$ -	$ -	-
2012	$ -	$ -	-	$ -	$ -	-
2013	$ -	$ -	-	$ -	$ -	-
2014	$ 2,098,998	$ 2,002,748	95.41%	$ 87,053	$ 2,089,801	99.56%
2015	$ 2,116,616	$ 2,018,090	95.35%	$ 86,160	$ 2,104,250	99.42%
2016	$ 2,155,734	$ 2,045,986	94.91%	$ 89,309	$ 2,135,295	99.05%
2017	$ 2,130,473	$ 2,031,200	95.34%	$ 67,031	$ 2,098,231	98.49%
2018	$ 2,138,801	$ 2,048,361	95.77%	$ 33,019	$ 2,081,380	97.32%
2019	$ 2,312,312	$ 2,218,693	95.95%		$ 2,218,693	95.95%

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 sixth 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
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
2017	$ -	$ 45,000	$ -	$ -	$ -	$ -	$ 45,000	0.03%	$ 4
2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2019	$ -	$ 85,050	$ -	$ -	$ -	$ -	$ 85,050	0.05%	$ 7

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 sixth 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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	$ -	$ -	$ -	$ -	$ 30,073,910	$ 33,325,768	$ 33,825,655	$ 33,280,444	$ 33,280,444	$ 33,280,444
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ -	$ -	$ -	$ -	$ 30,073,910	$ 33,325,768	$ 33,825,655	$ 33,280,444	$ 33,280,444	$ 33,280,444
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	$ 317,557,315
Debt limit (10% of total assessed value)	31,755,732
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	$ 31,755,732

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 sixth presentation of a CAFR, therefore 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****
2010		11,589	$ 287,547	$ 24,536	15.5%
2011		11,684	$ 305,458	$ 10,219	13.4%
2012		11,780	$ 305,114	$ 10,322	11.7%
2013		11,876	$ 320,911	$ 27,374	10.5%
2014		11,974	$ 332,521	$ 28,016	11.0%
2015		12,072	$ 348,501	$ 28,868	6.4%
2016		12,171	$ 357,047	$ 29,336	5.9%
2017		12,271	$ 377,106	$ 30,732	4.9%
2018	*****	12,371	N/A	N/A	N/A
2019	*****	12,471	N/A	N/A	N/A

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.

** Extrapolated from County wide data available from the US Bureau of Economic Analysis.

*** County wide data available from the US Bureau of Economic Analysis.

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

***** 2018 and 2019 Calendar year data not yet available.

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

	Fiscal Year 2019			Fiscal Year 2010*		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Coffee County Board of Education	1,200	1	7.49%	-	-	-
Pilgrim's Pride	1,062	2	6.63%			
Coffee Regional Medical Center	904	3	5.64%	-	-	-
Wal-Mart Distribution	818	4	5.11%	-	-	-
Precision Cartparts Corporation	736	5	4.60%	-	-	-
Wiregrass Technical College	437	6	2.73%	-	-	-
Concerted Services, Inc.	388	7	2.42%	-	-	-
Coffee Correctional Facility	352	8	2.20%	-	-	-
Diamond Builders	300	9	1.87%	-	-	-
South Georgia State College	280	10	1.75%	-	-	-
Totals	6,477		40.44%	-		-

Source: Local employer provided information.

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

** County Wide Data

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Management	-	-	-	-	3	3	3	3	2	2
City Clerk	-	-	-	-	1	1	1	1	1	1
Financial Administration	-	-	-	-	5	5	4	5	5	5
Information Technology	-	-	-	-	1	1	1	1	1	1
Human Resources	-	-	-	-	2	2	2	2	2	2
Customer Service	-	-	-	-	8	7	7	5	4	4
Purchasing	-	-	-	-	3	3	3	3	3	3
Public Safety										
Police Administration	-	-	-	-	6	6	7	6	4	4
Police Patrol	-	-	-	-	29	30	32	32	31	31
Records Management	-	-	-	-	7	7	7	7	6	6
Professional Standards and Training	-	-	-	-	2	1	2	2	2	2
Fire	-	-	-	-	33	33	35	34	36	36
Animal Control	-	-	-	-	1	1	1	1	1	1
Public Works										
Highways and Streets	-	-	-	-	8	7	6	6	-	-
General Maintenance	-	-	-	-	9	9	10	10	7	7
Vehicle Maintenance	-	-	-	-	6	6	6	6	6	6
Water / Wastewater	-	-	-	-	37	10	10	10	6	4
Electric	-	-	-	-	13	14	13	11	15	15
Gas	-	-	-	-	8	9	8	8	6	6
Sanitation	-	-	-	-	11	12	11	11	-	-
Cemetary	-	-	-	-	1	1	1	1	1	1
Culture and Recreation										
Parks and Recreation Administration	-	-	-	-	3	3	3	3	3	3
Ceramics	-	-	-	-	1	1	1	1	1	1
Athletics	-	-	-	-	3	3	3	3	3	3
Special Activities	-	-	-	-	-	-	1	-	-	-

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Wellness Center	-	-	-	-	1	1	1	1	1	1
Park Maintenance	-	-	-	-	6	5	5	5	8	8
Housing and Development										
Inspections and Permits	-	-	-	-	1	1	1	1	1	1
Code Enforcement	-	-	-	-	1	2	2	2	2	2
Marketing	-	-	-	-	3	3	3	3	2	2
Mainstreet	-	-	-	-	1	1	1	1	1	-
Airport	-	-	-	-	2	2	2	2	2	2
Grants Administration	-	-	-	-	2	2	2	2	2	2
TOTALS	-	-	-	-	218	192 **	195	189	165 ***	162

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 fifth 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.

*** In fiscal year 2018 the City outsourced its public works operations, accounting for the significant change in full time employees between FY 2017 & FY 2018.

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

Function	2010	2011	2012	2013	2014	2015	2016		2017	2018	2019
Police											
Physical Arrests	-	-	-	-	1084	1121	426	*	660	726	862
Traffic Violations	-	-	-	-	5889	5853	2,946	*	4,962	4,955	3,979
911 Calls Answered	-	-	-	-	39074	34686	33,268		35,283	31,244	22,150
Fire											
Number of Calls Answered	-	-	-	-	690	496	520		251	562	548
Sanitation											
Residential Customers	-	-	-	-	4115	4142	4,067		4,131	4,111	4,299
Commercial Customers	-	-	-	-	883	896	950		905	908	1,006
Water											
Active Meters	-	-	-	-	5689	5695	5,693		5,704	5,772	5,668
Inactive Meters	-	-	-	-	691	689	694		674	664	638
Main Repairs	-	-	-	-	20	15	50		17	15	21
Average Daily Consumption (in thousands)	-	-	-	-	3500	3381	3,300		3,173	3,145	3,352
Electric											
Active Meters	-	-	-	-	5454	5462	5,484		5,483	5,569	5,493
Inactive Meters	-	-	-	-	362	378	386		311	204	246
Average Daily Consumption (in megawatts)	-	-	-	-	801	828	783		774	772	773
Gas											
Active Meters	-	-	-	-	1247	1208	1,224		1,175	1,170	1,129
Inactive Meters	-	-	-	-	543	558	535		525	49	507
Average Daily Consumption (MCF/day)	-	-	-	-	1850	2140	1,917		1,890	2,233	2,235

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 sixth 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	-	-	-	-	1	1	1	1	1	1
Patrol Units	-	-	-	-	30	30	31	31	31	31
Admin & Other Vehicles	-	-	-	-	11	15	16	16	16	16
Fire										
Stations	-	-	-	-	3	3	3	3	3	3
Fire Engines	-	-	-	-	3	3	3	3	3	3
Ladder Trucks	-	-	-	-	2	2	2	2	2	2
Rescue Trucks	-	-	-	-	1	1	1	1	2	2
Sanitation										
Vehicles	-	-	-	-	11	11	4	6	3	3
Collection Trucks	-	-	-	-	4	4	4	4	4	4
Highways and Streets										
Vehicles	-	-	-	-	19	19	13	10	12	12
Non-vehicle Rolling Stock	-	-	-	-	15	15	13	13	16	18
Streets (miles)	-	-	-	-	135	129	108	108	108	108
Streetlights	-	-	-	-	1438	1462	1,463	1,463	1,442	1,456
Traffic Signals	-	-	-	-	36	36	36	38	38	38
Water										
Vehicles	-	-	-	-	-	7.00	7.00	9	6	6
Water Mains (miles)	-	-	-	-	120	120	120	120	120	124
Fire Hydrants	-	-	-	-	780	780	1,028	1,028	1,031	1,042
Maximum Daily Capacity (MGD)	-	-	-	-	6	6	6	6	6	6
Sewer										
Vehicles	-	-	-	-	14	7	9	13	10	10
Sanitary Sewer (miles)	-	-	-	-	130	130	130	130	130	130
Max Daily Treatment Capacity (MGD)	-	-	-	-	6	6	6	6	6	6

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gas										
Vehicles	-	-	-	-	7	8	8	8	8	8
Gas Mains:										
Plastic	-	-	-	-	35	37	38	38	39	40
Steel	-	-	-	-	125	125	125	125	125	85
Electric										
Vehicles	-	-	-	-	11	11	11	12	12	12
Power Lines (miles)	-	-	-	-	126	165	130	133	135	135
Substations	-	-	-	-	4	4	3	3	3	3
Recreation										
Vehicles	-	-	-	-	19	18	20	18	18	18
Baseball/Softball Fields	-	-	-	-	16	16	16	16	16	16
Football Fields	-	-	-	-	1	1	1	1	1	1
Tennis Courts	-	-	-	-	12	14	12	12	12	12
Parks	-	-	-	-	12	12	12	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 sixth presentation of a CAFR, therefore not all prior year information is available.

REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

I. Schedule of Expenditures of Federal Awards and Related Notes

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

III. Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

IV. Schedule of Findings and Questioned Costs

CITY OF DOUGLAS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass-through Grantor/ Program or Cluster Title	CFDA Number	Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passthrough from Georgia Department of Community Affairs:			
Community Development Block Grants	14.218	17q-x-034-2-5971	428,871
National Highway Transportation Safety Administration			
Passthrough from Georgia Governor's Office of Highway Safety:			
State & Community Highway Safety	20.600	GA-2018-402PT-041	11,201
U.S. Department of Justice			
Direct Program:			
Bulletproof-Vest Partnership Program	16.607	-	975
U.S. Federal Aviation Administration			
Passthrough from Georgia Department of Transportation:			
Airport Improvement Program	20.106	AP018-9033-31(069)	167,167
U.S. Environmental Protection Agency			
Passthrough from Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund	66.458	CW2016036	113,400
Federal Emergency Management Agency			
Passthrough from Georgia Emergency Management Agency:			
Disaster Assistance	97.048	FEMA-DR-4338-DR-GA	134,126
Total Expenditures of Federal Awards			855,740

The accompanying notes are an integral part of this schedule.

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Douglas, Georgia and is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they are both measureable and available.

B. Indirect Cost Rate

The amounts expended include $0 claimed as an indirect cost recovery. The City of Douglas, Georgia has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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INDEPENDENT AUDITOR'S 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, 2019, 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 23, 2019.

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 the 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 the City of Douglas, Georgia, in a separate letter dated December 23, 2019.

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

Hurst and Hurst CPAs, LLC

Douglas, Georgia
December 23, 2019

HURST & HURST CPAs
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and City Council
City of Douglas, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Douglas, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Douglas, Georgia's major federal programs for the year ended June 30, 2019. The City of Douglas, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Douglas, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Douglas, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Douglas, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Douglas, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City of Douglas, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Douglas, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Douglas, Georgia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hurst & Hurst

Hurst and Hurst CPAs, LLC

Douglas, Georgia
December 23, 2019

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

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	_____Yes	__X__No
Significant deficiencies identified not considered to be material weaknesses?	_____Yes	__X__None Reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings required to be reported in accordance with Circular A-133, Section .510(a)?	_____Yes	__X__No

Identification of Major Programs:

CFDA Number	Name of Federal Program
14.218	U.S. Department of Housing and Urban Development Community Development Block Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee considered a low risk auditee?	_____Yes	__X__No

Section II – Financial Statement Findings

Current Year Findings:

- None

Summary of Prior Year Findings:

2018-1 Improper use of SPLOST funds

Criteria: According to the Official Code of Georgia Annotated (O.C.G.A) §48-8-121(a)(1) "...proceeds of the sales and use tax shall not in any manner be commingled with other funds..."

Condition: The City advanced SPLOST monies to cover expenditures on a project that is to be paid via a reimbursable grant that is recorded in a different special revenue fund.

Effect: Although the project is joint and will ultimately consume both SPLOST & other grant monies, the entity was in violation of the above referenced Georgia statute regarding the use of SPLOST funds by commingling SPLOST funds via the temporary use of SPLOST funds to cover expenses to be reimbursed by the grant.

Recommendation: The SPLOST fund should immediately reimburse the advanced monies. In the future, for projects that are to be jointly paid including SPLOST, the other funds should be deposited into the SPLOST fund prior to any disbursements on the joint project.

Management's Response: We agree with the above recommendation and have already transferred the referenced grant proceeds over to the SPLOST fund immediately upon receipt.

Followup: This issue was not noted during the current year audit procedures

2018-2 Improper use of Hotel/Motel Tax funds

Criteria: In relation to excise tax on rooms, lodgings, and accommodations, and according to the Official Code of Georgia Annotated (O.C.G.A. Section 48-13-51(a)(3) "...Amounts so expended shall be expended only through a contract or contracts with the state, a department of state government, a state authority, a convention and visitors bureau authority created by local Act of the General Assembly for a municipality, or a private sector nonprofit organization, or through a contract or contracts with some combination of such entities..."

Condition: The City is currently not expending the required portion (40%) of Hotel/Motel tax collections via any of the approved methods as noted above.

Effect: The City is in violation of the above referenced Georgia Statute.

Recommendation: The method of expending of Hotel/Motel tax funds should be immediately changed to be in compliance with the above referenced statute via one of the approved methods.

Management's Response: We agree with the above recommendation and are currently in discussions with an approved entity per the statute listed above for the future expenditure of these funds.

Followup: This issue was not noted during the current year audit procedures