

CITY OF DECATUR, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Prepared By:
Administrative Services Department

Russ Madison
Finance Director

CITY OF DECATUR, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal.....	i-xx
GFOA Certificate of Achievement.....	xxi
Principal Officials	xxii
Organizational Chart	xxiii
FINANCIAL SECTION	
Independent Auditor's Report.....	1-4
Management's Discussion and Analysis	5-19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20 and 21
Statement of Activities	22 and 23
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	27
ARPA Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	28
Statement of Net Position – Proprietary Funds.....	29
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds.....	31
Statement of Fiduciary Net Position – Fiduciary Funds.....	32
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	33
Notes to Financial Statements.....	34-88
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios.....	89
Schedule of City Contributions – Retirement Plan.....	90
Schedule of Pension Investment Returns – Retirement Plan	91
Schedule of Changes in the City's Total OPEB Liability and Related Ratios.....	92
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	93 and 94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	95 and 96

CITY OF DECATUR, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules (Continued):	
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Confiscated Drug Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Emergency Telephone System Fund	98
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Grant Fund	99
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Children and Youth Services Fund	100
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Tree Bank Fund	101
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Hotel/Motel Tax Fund	102
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Debt Service Fund	103
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – SPLOST Fund	104
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Capital Improvement Fund	105
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – 2010 URA Bonds Fund	106
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Cemetery Capital Improvement Fund	107
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – 2013 URA Bonds Fund	108
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Public Facilities Authority Fund	109
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Tax Allocation District Fund	110
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	111
Balance Sheet – Component Unit – Downtown Development Authority	112
Statement of Revenues, Expenditures, and Changes in Fund Balance –	
Component Unit – Downtown Development Authority	113
Balance Sheet – Component Unit – Decatur Tourism Board	114
Statement of Revenues, Expenditures, and Changes in Fund Balance –	
Component Unit – Decatur Tourism Board	115

CITY OF DECATUR, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Net Position by Component	116 and 117
Changes in Net Position	118-121
Governmental Activities Tax Revenues by Source	122
Fund Balances of Governmental Funds	123 and 124
Changes in Fund Balances of Governmental Funds	125 and 126
General Governmental Tax Revenues by Source	127
Assessed Value and Estimated Actual Value – All Taxable Property	128 and 129
Property Tax Rates – All Overlapping Governments	130
Principal Taxpayers	131
Property Tax Levies and Collections	132
Ratios of Outstanding Debt by Type	133
Ratios of General Bonded Debt Outstanding	134
Direct and Overlapping Governmental Activities Debt	135
Legal Debt Margin Information	136 and 137
Demographic and Economic Statistics	138
Principal Employers	139
Full-time Equivalent City Government Employees by Function	140 and 141
Operating Indicators by Function	142 and 143
Capital Asset Statistics by Function	144 and 145



City Manager's Office
509 North McDonough Street
P.O. Box 220
Decatur, Georgia 30031
404-370-4102 ■ Fax 678-553-6518
info@decaturga.com ■ www.decaturga.com

December 14, 2023

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

State law requires that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with these standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Decatur, Georgia (the "City") for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, City management staff 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's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Decatur's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, special revenue funds and debt service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established by function within an individual fund (e.g., at the department level in the General Fund).

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

PROFILE OF THE GOVERNMENT

The City of Decatur, first chartered as a municipality by the State of Georgia in 1823, provides a full range of municipal services. These services include public safety (police and fire protection, inspections, codes enforcement, etc.), public works (streets and sidewalk construction and maintenance, storm drainage construction and maintenance, facilities and grounds maintenance, refuse collection, street sweeping, etc.), parks and recreation, the operation of a municipal cemetery and community and economic development. In addition, the City of Decatur owns a 280-space parking facility and a 25,000 square foot conference center.

The City currently occupies a land area of approximately 4.7 square miles and serves an estimated population of 25,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Decatur operates under the commission-manager form of government. There are five City Commissioners, elected in nonpartisan elections, for overlapping four-year terms. Elections are held on the first Tuesday after the first Monday in November in odd-numbered years. In one election, three City Commissioners are elected – one at-large, one from District 1 (north) and one from District 2 (south). At the next election, two City Commissioners are elected - one from District 1 (north) and one from District 2 (south). At its organizational meeting in January of each year, the City Commission elects one of its members to be the Mayor/Chair of the City Commission. At that same meeting the City Commission also elects a Mayor pro tem/Vice-Chair. It is the responsibility of the Mayor to preside at all meetings of the City Commission. The Mayor has no veto power but retains the right to vote on all matters brought before the City Commission.

The City Commission is the legislative and policy-making arm of the City government. It is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, task forces and commissions, hiring the City Manager and appointing the City Attorney and municipal court judges. The City Commission appoints a professional administrator known as the City Manager who serves at its pleasure. The City Charter designates the City Manager as the Chief Executive Officer and the Chief Administrative Officer of the City. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the government and the appointment of all employees except that the appointment of department heads is subject to confirmation by the City Commission. All disciplinary action is the responsibility of the City Manager in accordance with the Personnel Rules and Regulations adopted by the City Commission. The current City Manager has served since January 2019.

The Georgia General Assembly first adopted the City Charter, under which the City operates, in 1909. In 1920, the General Assembly amended the Charter to provide for the Commission-Manager form of government. In 1977, acting under its home rule authority, the City recodified and revised its Charter to delete obsolete sections, to clarify meanings and to generally bring the Charter up to date. The Charter was updated again in 2001.

The annual budget serves as the foundation for the City's financial planning and control. All agencies are required to submit departmental budget requests to the City Manager or her designee by the end of February. These requests are the starting point for developing the proposed budget. The City also provides multiple opportunities for public involvement in the budgeting process ranging from informal meetings to an online forum.

The proposed budget is presented to the City Commission on the third Monday in May. The operating budget includes the proposed expenditures and the means for financing them. The City publishes the proposed budget in the official legal organ of the County, makes hard copies available to the residents of the City and posts the proposed budget on the City's website. Public hearings on the proposed budget are held during the month of June. The budget is then legally enacted through the passage of a resolution by the City Commission, normally on the third Monday in June but no later than June 30, the close of the fiscal year. Budgetary control is exercised at the departmental level. The City Manager is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Commission. Budget-to-actual comparisons are provided in this report for the General Fund. This comparison is presented on page 27 as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City of Decatur is the seat of DeKalb County, a large, urban county in the Atlanta metropolitan area. With its central location within the county and as the location of county offices and the court system, Decatur's is primarily a service economy. Legal, banking, medical, insurance, accounting, governmental and educational services are the mainstay of this economy. The essential nature of these services provides a solid basis for the City's economic well-being.

Real Estate Digest

The City's overall 2023 real estate property digest shows a growth rate of approximately 14.7% compared to the 2022 digest. Approximately 22% of this increase is due to growth from new construction, with 78% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2023 total millage rate was reduced from 13.17 mills to 12.47 mills, a decrease of .70 mills.

Real estate sales data for 2023 indicate that average home sales prices have increased over the past year. The average sales price of a single-family home in Decatur increased from \$822,400 in November 2022 to \$894,200 in November 2023, a 9% increase. The number of days a home was on the market increased from 18 days in 2022 to 23 days in 2023. The number of dwellings sold decreased from 224 in 2022 to 161 in 2023. The local real estate market continues to be strong and healthy but there are reasons to be cautious about the future. The current state of the market and its anticipated future trend present challenges to the City's affordable housing goals. Higher interest rates and limited inventory are the primary reasons for the decrease in the number of transactions. Furthermore, the lack of inventory is creating an imbalance of supply and demand, resulting in rising values.

Residential Activity

The residential housing market continues to be active. In-fill single-family dwellings remain highly desirable. We continue to issue permits for renovations to existing single-family dwellings and for some commercial properties. In fiscal year 2023, the City issued 2194 building permits which included 86 new dwelling units (single-family detached and attached townhouses) with a valuation of \$25,859,716, and 196 residential alteration/addition projects with a valuation of \$21,745,883. For reference, in fiscal year 2002, the City issued 722 building permits which included 31 new dwelling units (single-family detached and attached townhouses) with a valuation of \$10,266,964, and 78 residential alteration/addition projects with a valuation of \$7,642,428. The number of residential projects increased sharply from 109 in fiscal year 2022 to 281 in fiscal year 2023 in the number of permits issued. In fiscal year 2023, there were 17 residential tear-down projects which is an increase from 10 in the prior fiscal year. Overall, permit and inspection fees increased from \$624,614 in fiscal year 2022 to \$829,942 in fiscal year 2023. The numbers indicate a robust development environment.

A 32-unit attached townhouse development is in the final stages of construction on the corner of Church Street and Forkner Drive. The first three phases have been completed and residences are being occupied. The fourth phase is complete and the seven units are currently marketed for sale. Completion of all phases, including the last five units and full occupancy is anticipated in the second quarter of 2024.

In December, 2015, the City Commission approved an intergovernmental contract between the City and the Decatur Downtown Development Authority (DDDA) to facilitate development of a cottage court pilot project adjacent to the downtown commercial district. A cottage court is a development of smaller single-family homes that share common green space to provide a more affordable housing option for young professionals, empty nesters and service-sector employees in a targeted income range. The cottage court development is one of the missing middle housing types that is allowed by the Unified Development Ordinance.

The DDDA is facilitating the development of the pilot project, called Oak Cottage Court, to show that a market exists for smaller house options in the City of Decatur and to encourage private sector developers to consider cottage court developments. A parcel of land within walking distance of downtown Decatur was purchased and the DDDA worked with a designer to create a site plan and architectural design options in cooperation with the Historic Preservation Commission and the adjacent neighborhood. The plan has six dwellings with floor areas ranging from 470 square feet to 1,100 square feet. Significant interest in purchasing the residences has already been shown. The DDDA selected a non-profit affordable housing developer, Atlanta Neighborhood Development Partnership, as its development partner to carry out the construction of this prototype project. Groundbreaking started in August 2022. The cottages will be made available to eligible employees of the City of Decatur, City Schools of Decatur, and the Decatur Housing Authority through fee simple ownership, while the land will be held by the Decatur Land Trust for purposes of long-term affordability of workforce housing. Completion of Oak Cottage Court is expected in the first quarter of 2024.

A new residential development, New Talley Station, was approved in 2018 and is under construction on a 7.3 acre site formerly owned by AT&T near the Avondale MARTA Station. The development is subject to the mixed-use district regulating plan. The development includes 4.2 acres that will be occupied by 96 condominiums and 40 townhomes and 2.78 acres that was deeded to the Development Authority of the City of Decatur. The Development Authority will transfer the property to the City as a potential location for

a regional storm water detention pond and green space. The remaining .28 acre of the development site has been used to re-create a portion of New Street that once connected to Talley Street for better transportation connectivity in the vicinity of South Columbia Drive, College Avenue, Talley Street, and New Street. All 40 townhomes and one-third of the condominiums are complete with occupancy having started in the 2nd quarter 2022. The remainder of the condominium development phases are scheduled to be completed by third quarter of 2024.

Commercial Activity

Of the 2191 permits issued in fiscal year 2023, 61 were for commercial renovations with a valuation of \$37,827,404, showing a sharp increase from 16 in fiscal year 2022 with a valuation of \$2,323,125. Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur is 7.6%, less than the roughly 20% vacancy rate for the metropolitan Atlanta office market area. Office rents are around \$28 per square foot, which is a 1% increase from where they were a year ago. The Decatur submarket matches that of Atlanta as a whole, where average rents are also \$28 per square foot. The Callaway Redevelopment project at the corner of West Trinity Place and North McDonough Street includes a 34,000 square foot office building with ground floor retail, developed by AMLI and Cousins Properties. The co-working firm WeWork has leased all of the office space and provides workspace for more than 450 WeWork members. WeWork's Chapter 11 bankruptcy filing in November 2023 creates uncertainty about the future occupancy of this office space. In addition to the office space, the 4.7-acre, mixed-use development is home to 330 apartments and 19,000 square feet of retail and restaurant space. The residential space is over 90% leased and the retail and restaurant space is nearing full occupancy.

Nell Hodgson Woodruff School of Nursing at Emory University expanded their footprint and located the Emory Nursing Learning Center in downtown Decatur. The 70,000 square foot learning center occupies four floors at 250 E. Ponce de Leon Avenue. The \$20.6 million expansion includes a state-of-the-art simulation and skills lab. The learning center opened in September 2022 and is expected to reach full enrollment of 1,400 students by 2025. Created to address the significant nursing shortage in the United States, the innovative new facility will serve nursing students of all levels, from undergraduates to continuing education students and advanced practice nursing professionals.

The DDDA has engaged the national retail advisory firm, Retail Strategies, to assist with targeted, retail recruitment. A team of staff, elected and appointed officials attended the Retail Academy in Birmingham, Alabama in October 2022. Since the COVID-19 pandemic, restaurant and retail activity has slowed in all commercial districts. Nonetheless, new businesses, including restaurant, retail and service industries, continue to open. Based on recent reports from CoStar, the vacancy rate for available retail space in the City of Decatur is 3.8%, compared to 3.7% last year and on par with the current overall Atlanta retail market vacancy rate of 3.7%. Retail spaces remain vacant for an average of 4.2 months, suggesting that demand for leasable retail space remains steady.

The eastern edge of downtown Decatur has been established as the Old Depot District, which has elevated its presence as a location for commercial activity. Four restaurants, a coffee roaster, a neighborhood grocery market, a hair salon, an art gallery, several professional offices and co-working spaces, and a dog daycare have solidified the Old Depot District as an attractive destination for the Decatur community.

Most retailers and restaurants have remained in business but all express concerns about their long-term viability. Previously in 2020, the City provided upwards of \$1,000,000 to local, small businesses mostly through the federal CARES funding in addition to \$300,000 for local non-profit organizations. The City continues to partner with the DDDA and the Decatur Tourism Bureau and Visitor's Center to invest in placemaking strategies, marketing and promotions to help sustain the Decatur business community. In November 2022, in an effort to support local retail districts, the Development Authority established a commercial façade improvement grant program and provided nearly \$100,000 to 18 commercial property owners and retail business owners for masonry repairs, storefront reconstruction, exterior painting, awnings and canopies, window and door replacements, permanent exterior lighting, repair/replacement of gutters and down spouts, and sign design and installation. The DDDA approved a budget that continued to fund the commercial façade grant program, as well as fund a new marketing and digital connectivity grant program and a new commercial building improvement grant program for interior retail buildout projects.

The Oakhurst Business District continues to provide a strong local commercial center for the surrounding neighborhood. Turnover has been limited and some additional businesses have opened. The City's Fire Station Number 2, a 4,800 square foot LEED-certified building, is located in the business district and provides an institutional presence in the community. Tenant occupancy has remained stable at the historic Scottish Rite Hospital property. In February 2019, the Decatur Development Authority sold the Scottish Rite property to the Historic Scottish Rite Property Group. The DDA had purchased the property in 2014 as it was facing foreclosure. DDA's debt related to the 2014 purchase was retired upon the property sale.

Activity along the East College Avenue corridor remains substantial, including East Decatur Station, a 70,000 square foot mixed-use property that currently includes several restaurants, a small church, hair salon and a number of professional offices. This area is becoming a center of local artisanal manufacturing with the opening of a craft brewery, a coffee roaster, a glassblowing artist and a small batch whiskey distillery.

The 145-room Hampton Inn opened in downtown Decatur in 2019 adjacent to the Marriott Courtyard and the City-owned conference center. This hotel provides additional, much-needed hotel room inventory allowing the conference center to host larger, regional meetings while also contributing to the City's hotel/motel tax revenue. In September 2023, the city approved a new 7-story Hilton dual-brand hotel with 241 guestrooms, ground floor cafe and rooftop restaurant in downtown Decatur at the corner of Swanton Way and Commerce Drive. Rather than constructing its own parking facility, the hotel will encourage use of MARTA transit and utilize valet parking services to access three nearby office parking decks that offer nearly 1,000 parking spaces at off-peak times. The development will also include the construction of new downtown streetscapes along Swanton Way and Ponce de Leon Place that align with the Town Center Plan 2.0 recommendations. Construction is anticipated to begin in the second quarter of 2024.

Mixed-Use Activity

Development of mixed-use projects has provided a robust vitality to the City's central business district since the early 2000s. Occupancy of mid-rise residential developments continues to be strong. The American Planning Association (APA) recognized Downtown Decatur as a "Top 10 Great American Neighborhood" in October 2013 citing its emphasis on sustainability, transit and a well-designed pedestrian environment as well as for community engagement efforts and a long-term commitment to downtown revitalization.

The City's 2010 strategic plan calls for a mixture of housing types and the availability of rental apartments has consistently been identified as an underserved market. With the rebounding economy and the availability of financing, three developments containing rental apartment dwellings were completed between 2016 and 2018. All three show occupancy rates exceeding 90%, exceeding marketing projections and continuing the strong demand for housing in downtown Decatur.

Northwood Ravin has received its land disturbance permit for the development, Halo East Decatur, located at the corner of East College Avenue and New Street. This \$109 million mixed use development on 7.5 acres will include 372 residential units, approximately 16,000 square feet of retail space, a 1-acre public park, 545 parking spaces and 41 units of affordable, workforce housing, exceeding the 10% affordable housing required by the mandatory inclusionary housing ordinance. This property is currently valued at \$6 million. The valuation at completion is estimated near \$95 million. This project was approved for \$5.3 million in funding from the Tax Allocation District (TAD) No. 1 – East Decatur based on its qualifications under the City's TAD Financing Procedures and Policies that were adopted in June 2021.

A mixed-use project, known as Modera Decatur, broke ground in the third quarter of 2019 on the Bank of America site in downtown Decatur. This key gateway at Clairemont Avenue and Commerce Drive represents one of the last few large redevelopment properties available in downtown Decatur. The original 2.14-acre site contained a small two-story bank building and a large surface parking lot. The completed development includes 194 dwelling units, a new 4,500 square foot bank building, and, 25,000 square feet of street level retail surrounding a 386-space parking deck. The mixed-use project was delivered in the summer of 2023. The predevelopment site was appraised for \$2.4 million. The value for the completed project is approximately \$50 million.

In the East Decatur commercial district, the Decatur Downtown Development Authority partnered with the Metropolitan Atlanta Rapid Transit Authority (MARTA) to promote the redevelopment of an underutilized 7.6-acre surface parking lot. A master plan for the area was created with funding from the Atlanta Regional Commission's Livable Centers Initiative program. Columbia Residential, the affordable housing development arm of Columbia Ventures, was selected as the development partner for this project. The project includes 290 market rate rental apartments and 22,000 square feet of retail and commercial space, of which more than half has been leased to such uses as a credit union, fitness studio and restaurant. Columbia Residential was successful in obtaining tax credits for a 90-unit affordable, senior, independent-living component of the project. Construction has been completed and the dwelling units are occupied. Columbia Residential has secured low-income housing tax credits for a second senior, independent-living residential building, Decatur East Phase II, at the corner of E. Freeman Street and Sams Street, with 80 dwelling units of which 70 units will be set aside as affordable. Construction is scheduled to begin in the first quarter of 2024. The project also includes a parking deck with spaces for MARTA patrons, residents and retail and restaurant customers. The project incorporates a bicycle and pedestrian link in partnership with the PATH Foundation that connects with the Stone Mountain trail to the north of the project and the East Decatur Greenway to the south. In November 2020, this development received a Development of Excellence award from the Atlanta Regional Commission. There is one outparcel remaining that fronts onto E. College Avenue for future development of the master plan.

The Gateway Decatur development is a mixed-use development near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue. This 11-acre site includes a 65,000 square-foot Publix grocery store that opened in November 2021 and a 290-unit apartment complex developed by Toll Brothers completed in February 2023. The value of the development is \$133 million and the developer has invested an additional quarter-million dollars in public art that highlights the eastern gateway to the City.

Institutional Activity

Agnes Scott College, a four-year liberal arts college for women, remains financially healthy with an enrollment of approximately 1,100 students. Agnes Scott College has developed a Campus Master Plan that will shape the campus for at least the next ten years. Recently the college added SUMMIT, a 21st century college experience where every student, regardless of major, benefits from a curriculum focused on global learning and leadership development. In recognition of the college's strong relationship with the Decatur community, in 2022 The Princeton Review named Agnes Scott College as No. 1 in the country for Town-Gown Relations. One example of the partnership between Agnes Scott College and the City is the development of a joint Climate Resilience Plan. Columbia Theological Seminary, a Presbyterian graduate institution, remains financially strong with an enrollment of approximately 250 students. The seminary hired a new president in November 2022.

The City Schools of Decatur completed a number of major capital projects over the past decade in response to growing student enrollment. Enrollment has exhibited a slight decline, nearly plateauing since 2020, and capital projects have slowed. City Schools issued \$18 million in certificates of participation (COPs) to complete construction of Phase I of its capital plan. General obligation debt of \$75 million was approved in a referendum that was part of the November 2015 municipal elections. The bonds were sold in February 2016 and construction of Phase II is complete. Phase III included construction of a \$22.5 million new upper elementary school that was completed for occupancy in time for the start of school in August 2019. A strategic planning process was undertaken during 2022 and completed in early 2023. In June 2023, a new superintendent was hired to lead the system. The City Schools of Decatur have been honored with multiple awards for their sustainability initiatives, including the Energy Matters Award and the Energy Class Prize from the Department of Energy.

The Housing Authority of the City of Decatur, Georgia (Decatur Housing Authority or DHA) continues annual operations with 868 housing choice vouchers and 524 housing units in Decatur. In 2023, DHA continued its vibrant Resident Services Programs, including the STAR Afterschool Program, Senior Outings, and Excellence Awards. DHA awarded \$37,250 in scholarships during the Excellence Awards to 37 high school seniors bound for college, bringing the DHA investment in scholarships to \$663,000 for 545 students over the past 30 years. DHA continues to make progress on the two-phase affordable housing development located at Decatur Legacy Park as described elsewhere in this report.

The DHA purchased a site on W. Trinity Place and relocated their offices from downtown Decatur to a new office building in 2023. Their close proximity to the Beacon Municipal Complex and to three of DHA's residential communities will help them to better serve their residents.

The Task Force for Global Health, founded nearly 40 years ago to advance health equity, works with partners in more than 150 countries to eliminate diseases, ensure access to vaccines and essential medicines, and strengthen health systems to protect populations. Expertise includes neglected tropical diseases and other infectious diseases; vaccine safety, distribution and access; and health systems strengthening. The Task Force has expanded its Decatur headquarters in the downtown business district. The Task Force renovated its six-story, 90,000 square foot building that is home to approximately 180 employees and may accommodate up to 375 employees. In September 2022, the Task Force for Global Health announced the selection of a new president and chief executive officer.

The Wylde Center, a local non-profit created in 1997, operates five greenspaces in Decatur and Atlanta, including city-owned properties, and offers environmental education and community engagement programs. The Wylde Center embarked on its 25th Anniversary Capital Campaign with a goal of raising over \$2.8 million. As of this fall, it had secured 62% of the goal and was awarded \$250,000 from the Robert W. Woodruff Foundation.

With the relocation of DeKalb County Family and Child Services Department, the building it previously occupied on Sams Street has become the location for DeKalb County Planning and Sustainability Department, Geographical Information Services, county permitting services and related ancillary offices. The consolidation of these DeKalb County services into one building, its employees and visitors will bring even more vitality and will support future economic growth in the Avondale MARTA Station Area.

MAJOR ACTIVITIES

In October 2021, the City Commission adopted the third ten-year strategic plan for the City of Decatur, Destination 2030. At the end of the 18-month public participation process, the City completed three citywide plans, the 2020 Strategic Plan, the 2021 Comprehensive Development Plan, and the Livable Centers Initiative (LCI) update. The strategic plan supports the community-based vision that the City of Decatur will foster an equitable, thriving, and welcoming community for all today and in the future. There are six primary topic areas that reflect the themes that emerged from the planning process: Equity and Racial Justice, Climate Action, Civic Trust, Affordable Housing, Mobility, and Economic Growth. The plan identifies 60 specific action items to be accomplished by 2030 and provides the blueprint for how the City will prioritize its work program and allocate its assets over the ten year period through the Community Work Program Action Plan. The City has implemented an online, visualization dashboard system to track progress on the strategic plan goals. The Georgia Planning Association, the state chapter of the American Planning Association, awarded the City of Decatur and its planning consultants with the award for Outstanding Planning Process for the *Destination 2030: 2020 Strategic Plan*.

Prior to the strategic plan's identification of equity and racial justice as a community priority, the City initiated a series of conversations about race and equity. In 2020 and 2021, the City's Better Together Advisory Board in partnership with the City Commission hosted an Anti-Racism Speaker Series that featured local and national experts to generate awareness of equity concerns in the City and to hold the City and community accountable for meeting established goals and implementing policies to achieve the aspiration of being an inclusive, equitable and just city. The Anti-Racism Speaker Series continued in 2023. In 2019, the City formed an Employee Equity Team with specific goals that include educating employees about the Better Together Community Action Plan, addressing plan goals that are focused on the City organization, reviewing internal structures, processes, policies and outcomes through an equity lens, and recommending activities and professional development that will support and promote equity, inclusion and engagement

within all departments and throughout the organization. The team engaged with all departments on the development of a Racial Equity Action Plan (REAP) Assessment in June 2023 that spells out specific actions for how the City can become more equitable. One outcome of the assessment is the REAP professional development training series offered to all city employees.

In March 2023, the Parks and Recreation Master Plan (Recreatur) was adopted that creates a long-range, community-supported vision for how the City will move the parks and recreation system forward. The plan is data-driven and rooted in understanding the current conditions of the park system and city, coupled with planning for projected changes and expected future improvements. It provides recommendations for facilities, programs, services, improvements, and more, all with the mission of making Decatur more resilient, healthy, and thriving. Guided by the plan, the City's Active Living and Children and Youth Services divisions have merged into the new Parks and Recreation Department in an effort to improve service delivery to a similar and often shared customer base.

The Town Center Master Plan 2.0, adopted June 2023, is the first holistic and comprehensive look at the City's downtown since the original 1982 Town Center Plan. The primary objective of the plan is to build upon the goals of the 2020 Strategic Plan, with input from all stakeholders, and develop those goals into a "living" concept and a strategic implementation plan where downtown is the focal point. The plan supports the City's vision to focus on stimulating economic growth in the downtown area while addressing safety, noise, and the unhoused population; create visually aesthetic placemaking to enhance historic character and unique identity; balance land use patterns with human-centered design; and promote transportation enhancements and safety. The plan will guide and support downtown revitalization and redevelopment efforts, providing the foundation, detailed strategic implementation plan, and direction for years to come.

In late July 2020, the Boys & Girls Clubs of Metro Atlanta announced the closure of the Samuel L. Jones Boys and Girls Club facility in the City of Decatur. In September 2020, the City entered into an agreement to purchase the 5.4 acre property for \$4,940,000. In November 2020, the Urban Redevelopment Agency of the City of Decatur issued Series 2020C bonds in the amount of \$5,500,000 for the purchase of the property. The average annual debt service for 20 years will be about \$20,000 more than the savings derived from the refunding of the URA's Series 2010A and Series 2013A and 2013B bonds. The City closed on the purchase of the property in late December 2020. The facility re-opened in August 2022 as the Oakhurst Recreation Center including a renovated gym, dance studio, kitchen and rooms for recreation and other community activities.

In August 2017, the City purchased the 77-acre United Methodist Children's Home (UMCH) property located adjacent to the existing City limits. The UMCH occupied this property since 1873 and provided housing on the property to as many as 150 children at one time. In order to facilitate the purchase, the City worked with local members of the Georgia General Assembly to establish the City of Decatur Public Facilities Authority (PFA) as a conduit for acquiring and financing the acquisition of the property. In addition to issuing approximately \$29 million in revenue bonds, the City and the PFA were able to work with the Georgia Environmental Finance Authority to secure approximately \$11 million in funding from the Clean Water State Revolving Fund to purchase for preservation and protection 22 of the 77 acres in a conservation easement. A community-based master planning effort started in January 2018 to create a long-term vision for the property and identify uses, opportunities and partnerships to achieve that vision. The master plan, for what is now known as Decatur Legacy Park, was adopted by the City Commission on December 3, 2018. In early 2019 the City worked closely with members of the DeKalb County delegation in the State

General Assembly for approval of Senate Bill 89 to annex the Legacy Park properties as well as twenty other parcels between the City limits and the Legacy Park property.

A number of the recommendations from the Decatur Legacy Park Master Plan have been addressed over the past few years. The Decatur Youth Council participated in the planting of an orchard; the City worked with the City Schools of Decatur to create a cross-country course and hosted a regional cross-country meet; Trees Atlanta and the City are partners in a 5-year effort to remove invasive plants and restore the woodland areas of the park; the renovation of the historic dairy barn has been completed; an inclusive playground partially funded by a Community Development Block Grant was built; and, a plan for affordable housing on the property was adopted by the City Commission.

In response to the master plan's recommendation for a 'dedicated management entity' to focus on implementation of the master plan, financial management and ongoing operations of the park, in August 2020 the City Commission entered into a 3-year agreement with a local not for profit organization, the Decatur Legacy Project, Inc. (DLP), to manage these responsibilities. The agreement was renewed for an additional 3 years in May 2023. The DLP board membership includes the Mayor, Mayor pro tem, City Manager, an appointee of the City and seven community members. This balanced community representation will serve to promote and foster the partnership and accountability needed for a successful working relationship between the City and the DLP. Under the management of DLP, some of the vacant buildings are being leased to local non-profits including the Refugee Women's Network, Wild Nest Bird Rehab and the Frank Hamilton School.

The adopted Decatur Legacy Park Master Plan includes a recommendation for a track and athletic field. In August 2022, an intergovernmental agreement was executed between the City, Decatur Board of Education, and the Decatur Public Facilities Authority (PFA) to develop a track and field facility at Decatur Legacy Park. The City committed up to \$3,000,000 in American Rescue Plan Act (ARPA) funds and the Board of Education committed up to \$3 million in ESPLOST funds. A final design was approved in June 2023 and project completion is anticipated in late 2024.

The United States is facing an affordable housing crisis. In November 2018 the City hosted a housing summit to develop a shared understanding of Decatur's housing context, define the term 'affordability' and its application to the City of Decatur, and explore strategies for affordable and inclusive housing. In June 2019 the City Commission appointed a 25-member Affordable Housing Task Force to develop a report that identified the existing landscape of affordable housing in Decatur, the projected future needs, current programs and initiatives to create and preserve housing affordability and to recommend policy responses to ensure a vibrant mix of housing options. The final report to the City Commission was presented in February 2020. The report includes 23 recommendations from the Affordable Housing Task Force and was formally accepted by the City Commission.

In July 2020 the City Commission adopted a mandatory inclusionary housing ordinance that requires 10% affordable units be set aside in developments of five or more new residential units. This policy is consistent with a recommendation of the Affordable Housing Task Force report. Another recommendation from the Affordable Housing Task Force is to sustain the work of the Decatur Land Trust. The Land Trust exists to acquire, develop, manage, transfer, and steward land for permanent and sustainable housing affordability for qualified homebuyers. The Land Trust received its 501c3 status in 2022.

In early 2022, the City began public engagement to receive input to develop new housing policies for missing middle housing types which include duplexes, triplexes and quadplexes in single-family zoning districts. Draft policies that reintroduce these housing types as a permitted use in single-family zoning districts were presented in a public forum, followed by public hearings before the Planning Commission and City Commission for additional feedback. The policies were adopted by the City Commission in February 2023 with a June 30, 2023 effective date.

In May 2021, the City Commission committed \$438,100 in grant funds to Columbia Residential from the Tax Allocation District No. 1 – East Decatur to cover infrastructure costs in support of an affordable housing development, Decatur East Phase II. This development will provide 70 units of housing to low-income seniors. Closing for the financing of this project is anticipated in December 2023.

In November 2021, the City and the Decatur Housing Authority entered into an intergovernmental agreement for the development of the South Housing Village at Decatur Legacy Park which will include 132 affordable housing units. Under this agreement, the Decatur Housing Authority will serve as the developer of this project. In April 2022, the City purchased approximately 7 acres of the southeast corner of Decatur Legacy Park from the Public Facilities Authority in the amount of \$3,827,737 for this affordable housing development. The land acquisition was financed through the issuance of a Series 2022 Housing Authority Bond by the Decatur Housing Authority on behalf of the City in the total amount of \$4,060,000, an amount that included the “purchase price” and the costs of issuance. The \$3,827,737 was used to redeem the portion of the Series 2017 PFA bonds attributed to the 7 acres. At the same time as the property transaction, the PFA refinanced the remainder of the Series 2017 PFA bonds with the issuance of Series 2022 PFA Bonds in the amount of \$23,919,626. The City has committed \$3.7 million in American Rescue Plan Act funds for infrastructure costs related to this affordable housing development. The development will be completed in two phases, both for which the Decatur Housing Authority has been awarded low-income housing tax credits from the Georgia Department of Community Affairs. The ground lease and intergovernmental infrastructure funding and development agreement with the Decatur Housing Authority were approved in November 2023 and closing on the financing for Phase I is anticipated in January 2024.

On January 23, 2018 the City filed a petition for eminent domain in the Superior Court of DeKalb County to acquire thirteen residential lots adjacent to the existing Dearborn Park. Following a special master hearing, the Court accepted the special master’s award, which condemned the property and awarded the property owner \$2,180,000. Pursuant to condemnation procedure and the Court’s direction, the City paid the award into the Registry of the Court and took title to the property. The condemnation petition was tried to a jury verdict in May 2022. A verdict of \$1,400,000 was awarded to the condemnee, resulting in \$780,000 due to the City. Following an appeal of the verdict by the condemnee, the verdict was upheld by the Georgia Court of Appeals and a petition for writ of certiorari was denied by the Supreme Court of Georgia. No payment has been made by the condemnee, and the City has filed a legal complaint against the condemnee. The property will be used as unimproved greenspace.

In May 2021, the City Commission awarded the construction contract for the Clairemont/Commerce/Church Street Pedestrian Safety and Cycle Track Improvements. This project permanently reduces Church Street to two vehicle travel lanes with new sidewalks and one-way cycle tracks. It provides a connection to the Commerce Drive Cycle Track that was completed in 2020. It also includes intersection improvements at Clairemont/Commerce and Church/Commerce to improve pedestrian safety. Over 70% of this project is funded through the Georgia Department of Transportation. Matching funds are provided from the City’s

capital improvement fund and HOST proceeds. Construction started in December 2021 and was completed in late 2023.

Efforts to promote safety on city roads and sidewalks will continue with a \$200,000 Safe Streets for All grant from the Federal Highway Administration through the development of local road safety plan during 2024.

In conjunction with private and institutional construction projects in the central business district, the City has financed substantial capital improvements through the storm water utility over the past several years. The final improvement to the main downtown drainage system was completed in 2017. The City has completed a majority of the priority projects identified in the 2004 storm water master plan. For 2 years, Decatur residents worked with the City and its consultant team on a new Storm Water Master Plan addressing the infrastructure needs of Decatur's next two decades. The plan was adopted by the City Commission in December 2020 along with ordinances to address storm water management and financing. Design services are underway for the first four priority storm drainage projects identified in the 2020 Storm Water Master Plan.

The City owns a 25,000 square foot conference center and a 280-vehicle, three-level parking deck which were built in 1987 adjacent to a privately-owned 179-room hotel, also built in 1987. In 2011, the hotel property was sold to Noble Investment Group. At the same time as the hotel sale, the City entered into a long-term lease with the Decatur Downtown Development Authority (DDDA) for operation and management of the conference center and parking deck. The DDDA entered into a sub-lease with the Noble Investment Group for management and operation of the conference center, including significant capital renovations and upgrades. In October 2015 the hotel property was sold to Summit Hotel TRS 126, LLC, who retained existing management. Future hotel/motel tax collections for the upkeep and maintenance of the conference center are placed in a reserve account to be used by the management firm for maintenance of the facility. This will be the only public financial obligation for operation, maintenance and capital improvements for the conference center.

In February 2018 the City Commission passed a resolution requesting the Georgia General Assembly adopt local legislation increasing the hotel-motel tax rate from 7% to 8%, or from 7 cents per dollar to 8 cents per dollar. Local legislation was approved and signed by Governor Nathan Deal in June 2018. The increased tax rate went into effect in October 2018. A new hotel opened in downtown Decatur in April 2019 and the additional hotel-motel tax revenue is being recognized. As a result of a new State law, HB317, the City started collecting hotel-motel tax revenue in July 2021 from short-term vacation rentals such as Airbnb and VRBO. Over \$200,000 was collected from short-term vacation rental tax revenue in the past fiscal year.

There are restrictions on how the funds collected from an 8% hotel-motel tax can be distributed. Of the eight cents, three cents (37.5%) goes to the City's General Fund, which produces approximately the same amount of revenue as the previous hotel/motel tax. Three and one-half cents (43.75%) is required to go to the City's "Designated Marketing Organization," in this case, the Decatur Tourism Bureau, to continue with promotion of tourism, conventions and trade shows. For accounting purposes, the Decatur Tourism Bureau is treated as a component unit, similar to the Decatur Downtown Development Authority. One and one-half cents (18.75%) is required to go towards "Tourism Products Development" (TPD) which is specifically defined in O.C.G.A. § 48-13-50.2 (6) and includes capital and operating costs for meeting and convention facilities. The funds used for TPD must be allocated as part of the City's annual budget and are reported annually to the Georgia Department of Community Affairs in the "Hotel-Motel Tax Report." At this time, the TPD funds will be dedicated to the capital maintenance costs of the Decatur Conference Center.

The average occupancy rate of the two downtown hotels during fiscal year 2023 was 79%, compared to the US industry average that was closer to 66%.

The City's volume-based sanitation collection system continues to be highly successful. The pay-as-you-throw program provides an economic incentive to reduce waste and increase recycling. The City currently has reduced landfill deposits by approximately 42% from the benchmark fiscal year 1992. This is well in excess of the State of Georgia's goal of a 25% reduction. In addition, the City recycled 470 tons of glass during fiscal year 2023. This is a decrease of 5% from last year.

As of July 2018, the City of Decatur is the service provider for single-family residential commingled and glass recycling collection. The City of Decatur recycling program currently includes paper, plastics #1 and 2, glass, and metal. The material recovery facilities are accepting commingled recyclables that include plastics #1 and 2 and no glass. We continue to self-haul glass to Strategic Materials in College Park. Recycling markets continue to struggle to find markets for plastics #3-7 and there are some industry professionals saying in the future they will no longer accept commingled recycling that contains plastics #3-7. The markets for plastic materials are volatile and demand driven. In order to address the volatility in the recycling market for plastics #3-7, the City's Environmental Sustainability Board is working on a project to keep the recycling program sustainable, fiscally responsible and transparent. The program will include but not be limited to increased education for our residents on what items are acceptable in our program, reducing contamination, and providing options for hard to recycle materials. In November 2022, the Center for Hard to Recycle Materials (CHaRM) announced they will be opening their new Zero Waste Center just outside the City of Decatur near Columbia Drive and Memorial Drive. Live Thrive, the new Zero Waste Center, will offer the same vital recycling services as the first CHaRM facility, located in the City of Atlanta. Despite the increased operating costs and growing uncertainties in the recycling industry, staff continue to work diligently to control costs and provide quality service.

The City's environmental stewardship extends well beyond recycling. In coordination with the Environmental Sustainability Board, the City Commission adopted a clean energy plan in September 2022. This plan establishes clean energy targets for both municipal operations and the community, identifies potential pathways towards reaching those targets, and prioritizes the actions, programs, and policies needed to achieve community goals. The plan is intended to guide Decatur's energy transition and address the City's contributions to the climate crisis while also improving living conditions. Under this plan, Decatur will shift energy consumption away from fossil fuels in an economically sustainable and equitable way, ensuring that residents, business owners, worshippers, visitors, commuters, and all Decatur residents enjoy the benefits of this transition. The plan provides targeted, intermediate timelines to tackle the ambitious goal of shifting toward 100% clean and renewable energy: 1) All municipally owned buildings will be supplied by 100% clean and renewable Energy (fully electrified) by 2030. 2) By 2035, community buildings, which include commercial and residential buildings, will be supplied by 100% clean and renewable electricity. All municipal vehicles will be fully electrified by 2035. 3) By 2050, all other community uses, including transportation, will be supplied by 100% clean and renewable energy.

In 2022, the installation of a solar and battery system at the City's Public Works building was completed. This system includes an approximately 105 kW roof-mounted solar photovoltaic array and 323 kWh lithium-ion battery, which will reduce the facility's electricity costs during normal operations and increase resilience during grid disruptions. The Georgia Environmental Finance Authority's (GEFA) Solar Resiliency Program provided a grant in the amount of \$200,000 towards this project. Through Federal Community Project Funding, the City has been awarded \$750,000 from Congresswoman Nikema Williams to purchase and

install a solar array and battery energy storage system at the Decatur Recreation Center. Additionally, the City has been awarded \$500,000 from Senator Jon Ossoff to complete a clean energy project at the Decatur Police Department.

In 2023, the City of Decatur was selected for \$400,000 of funding through the United States Department of Energy's Energy Efficiency and Conservation Block Grant Program for a municipal and residential energy efficiency, electrification, and weatherization campaign. Also in 2023, the City was selected for \$100,000 of funding through the United States Forest Service's Urban and Community Forestry grant program to create a Downtown Decatur Canopy Management and Resilience Plan. Work on both projects is expected to begin in 2024.

In 2019 the City's Insurance Services Office (ISO) Fire Rating was renewed at the Class 2 level, a rating that is obtained by just 6% of all the Fire Departments in Georgia and 4% nationwide. The Police Department is certified through the Georgia Association of Chiefs of Police. The City has implemented a Smart911 system to assist residents and businesses with voluntarily providing additional information to emergency services staff. The system also includes a reverse emergency notification system that allows the City to send recorded telephone messages to residents and businesses regarding civil emergencies. The Police Department is overseeing the installation of speed detection cameras in 5 school zones to deter speeding in school zones. The cameras are expected to be operational in 2024.

Finance and budgeting staff have been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for every Annual Comprehensive Financial Report since 2005. Starting with the fourth quarter of fiscal year 2019, the Finance division has implemented quarterly financial reporting to the City Commission.

LONG-TERM FINANCIAL PLANNING

In September 2006 the voters approved issuance of \$33,245,000 in general obligation debt to finance major capital improvement projects for the City and for the City Schools of Decatur. In December 2006 Moody's Investors Service issued a rating of Aa3 and Standard & Poor's upgraded the City's rating to AA from A+ for the bonds. The bonds were issued in January 2007. In December 2010 the Urban Redevelopment Agency issued \$12.76 million in revenue bonds. At that time Moody's Investors Service upgraded the City's rating from Aa3 to Aa2 while Standard & Poor's upgraded the City's rating from AA to AA+. In July 2017 the City of Decatur Public Facilities Authority issued \$29.2 million in revenue bonds and Moody's Investors Service upgraded the City's rating from Aa2 to Aa1 and Standard & Poor's confirmed the City's rating at AA+.

In December 2010 the Urban Redevelopment Agency of the City of Decatur issued \$12,793,800 in Recovery Zone Economic Development Bonds to cover the cost of construction of improvements to Fire Station No. 1, the Decatur Recreation Center, and the Decatur Public Works facility. All of the projects are completed. The debt is being repaid using Special Purpose Local Option Sales Tax (SPLOST) proceeds.

In May 2013 the Urban Redevelopment Agency of the City of Decatur issued \$29,290,000 in revenue bonds to cover the cost of construction for redevelopment of the Beacon Municipal Center. Construction has been completed. Funding for the \$38,300,000 project came from a combination of bond proceeds, a transfer from the General Fund balance and HOST proceeds. The debt is being repaid using SPLOST proceeds.

Part of the redevelopment of the Beacon Municipal Center included construction of a one million cubic foot regional storm water management facility. The facility was designed to manage storm water from the downtown Decatur drainage basin and provides an option for private developers to purchase capacity in the retention facility in lieu of building individual facilities when properties are redeveloped. Currently, six redevelopment projects have purchased storm water capacity in the facility.

In October 2020, the Urban Redevelopment Agency of the City of Decatur closed on the Series 2020A and 2020B bonds which were used to refund outstanding Series 2010A and Series 2013A/2013B bonds, respectively. Favorable interest rates resulted in a savings to the City, which is responsible for the debt service payments, in the amount of \$7,119,000 over the next 24 years. At the same time, the City's bond ratings were affirmed by Standard & Poor's at AA+ and Moody's at Aa1.

On November 7, 2017, DeKalb County voters approved two referenda that restructured the former Homestead Option Sales Tax (HOST) and replaced it with a Special Purpose Local Option Sales Tax (SPLOST I), effective April 1, 2018. The new Equalized Homestead Option Sales Tax (EHOST) applies 100% of the proceeds from a 1% sales tax to fund homestead exemptions applied to DeKalb County's tax levy for general maintenance and operations and for support of the Fulton-DeKalb Hospital Authority. This is meant to equalize the benefit of the sales tax for DeKalb County taxpayers regardless of whether they live in a city or in an unincorporated area.

The SPLOST I provides funding for capital transportation, public safety and limited capital maintenance projects as well as allowing proceeds to cover debt service payments for municipalities that were using HOST proceeds for debt service. Collection of the EHOST and SPLOST I began in April 2018 and is expected to generate around \$20,500,000 over the six-year term of the tax. The City collected approximately \$4,405,000 in fiscal year 2023, which is about \$350,000 more than the previous year. Proceeds are being used to cover debt service payments for the URA 2010 and URA 2013 bond issues (now URA 2020A and 2020B series), to plan, design and build improvements to the Atlanta Avenue railroad crossing at its intersection with W. College Avenue and W. Howard Avenue; the South Columbia Drive multi-use path; and for other transportation related improvements. In September 2018 the City issued \$5,095,000 in sales tax anticipation bonds to fund the Atlanta Avenue improvements. Planning is nearing completion and construction is expected to start in 2024. The project scope has expanded to include the installation of permanent traffic calming measures and bike and pedestrian safety improvements along West Howard Avenue.

On November 7, 2023, DeKalb County voters approved a new Special Purpose Local Option Sales Tax (SPLOST II), effective April 1, 2024, upon the expiration of SPLOST I. SPLOST II provides funding for broader categories of capital projects compared to the more limited SPLOST I. Voters also approved the continuance of the levy of the equalized homestead option sales tax (EHOST) and continuance of the suspension of the homestead option sales tax (HOST). Collection of the EHOST and SPLOST II will commence April 2024 and SPLOST II is expected to generate over \$30,500,000 to Decatur over the six-year term of the tax. Proceeds will continue to be used to cover debt service payments for the URA 2010 and URA 2013 bond issues (now URA 2020A and 2020B series) in addition to a number of projects categorized as transportation, cultural or recreational facilities.

Also on November 7, 2023, City of Decatur voters approved new and additional City homestead exemptions to provide tax relief to residential property owners. Voter approval included an increase in the City's general homestead exemption (GH-1) from \$25,000 to \$40,000 of assessed value, an increase in the City's Age 65

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

In 2010 Decatur voters approved a referendum providing for the use of a Tax Allocation District (TAD) as a financing mechanism to pay for infrastructure improvements, parks, pedestrian and bicycling amenities and similar public improvements in a specifically designated district using revenues from increased property tax values from new development in the district. Typically, bonds are issued to fund public improvements and the increased tax revenues generated from new development and growth of the tax digest are pledged to pay for the bonds. The tax revenue generated by the base value will continue to flow into the general, school, capital improvement and DDA funds. Only the additional revenues generated by increased tax values will be used to help fund public improvements. Establishment of the district base value does not obligate the City, the City Schools of Decatur or DeKalb County to participate in the TAD.

In December 2015 the City Commission adopted a redevelopment plan and established the 2015 property values as the “base value” for the East Decatur TAD, the City’s first TAD. By setting the base value, any increase in the tax digest over the district’s base value can be used to pay for public improvements. With the start of the Avondale MARTA station redevelopment, it was essential to establish the base value for the district by the end of 2015 so that future new development and property value reevaluations could begin to be credited to the district. In 2021, the City Commission approved two TAD funding requests- Columbia Residential’s Decatur East Phase II and Northwood Ravin’s Halo East Decatur.

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

Other impacts on the City’s financial statements which are beyond local control have primarily occurred due to pronouncements of the Governmental Accounting Standards Board (GASB). Although GASB has no legal authority to impose financial obligations, it has adopted rules that, in effect, manufacture financial commitments for local governments.

In 2012 the City Commission contracted with the Center for State and Local Government Excellence for a review of the City of Decatur Employees’ Retirement System. The results of the study indicated that:

- the City consistently made its annual required contribution, which keeps the retirement plan on track to be fully funded over time;
- the plan amortizes its liabilities over a 20-year period which is more conservative than the typical 30-year amortization period that most pension plans use. The return on investment assumption for Decatur’s plan is 7.5% compared to 7.9% nationwide;

- the vesting period for both public safety and general employees is 10 years, which is somewhat higher than many state and local pension plans; and
- the plan does not provide automatic cost of living adjustments.

In addition, the Board of Trustees of the City of Decatur Employees' Retirement System reviewed an actuarial experience study that assesses actual plan performance against plan assumptions over the past seven years. The plan actuary made a number of recommendations to adjust the actuarial assumptions to more accurately reflect actual plan experience. These include lowering, over a five-year period, the long term anticipated rate of return on plan assets from 7.5% to 7%; updating the mortality assumptions from the RP-2000 projected to the 2020 (Scale AA) to the static RP 2014 table; lowering the rate of anticipated salary increases; and, modifying the anticipated employee retirement rates. These changes were adopted by the Board of Trustees effective with the funding of the plan for fiscal year beginning July 1, 2017 and to be implemented in a five-year phase-in period. Since that time, the recommended required annual contribution rate has fluctuated from 6.25% in 2017, 7.43% in 2018, 8.58% in 2019, 8.89% in 2020, 8.73% in 2021, 8.6% in 2022 and 9.26% in 2023. The GASB Nos. 67 and 68 report for June 30, 2023 reported a plan funded ratio of 80.3% of the total pension liability. This is a slight increase from the funded ratio of 78.2% from June 30, 2022.

Since 2006 the City has used the National Research Center to conduct a citizen survey every other year. One of the questions asks what impact the responder thinks the economy would have on family income in the next six months. The 2022 survey was conducted between March and May 2022. The following table summarizes the responses:

	2022	2020	2018	2016	2014	2012	2010	2008	2006
Very Positive	4%	4%	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	25%	12%	27%	28%	32%	19%	11%	11%	19%
Neutral	45%	38%	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	24%	33%	13%	12%	11%	19%	28%	32%	21%
Very Negative	2%	13%	1%	0%	0%	5%	9%	7%	4%

The percentage of respondents who anticipate the potential effect of the economy on family income will be negative rose from 14% in 2018 to 46% in 2020. In 2022, the response improved to 36% but remains above pre-pandemic levels.

A new question in the 2020 survey asked: Please rate how important, if at all, you think it is for the Decatur community to focus on the overall economic health of the City in the coming two years. It was repeated in 2022.

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

100% of the respondents to this question agree that focus on economic health of the City is of some importance in the next two years, with the overwhelming majority noting it is very important or essential.

Annexation

The issue of annexation for the City of Decatur is not new. From the turn of the 20th century through the late-1930's, the City annexed adjacent areas expanding the city limits from a small area directly surrounding the existing downtown Courthouse Square to the boundaries that exist today. Currently, City of Decatur and City Schools of Decatur staff have developed a set of metrics based on housing-type characteristics for the impact of any potential annexation area on student enrollment. Annexation of properties is considered on a case-by-case basis.

In 2020, the Decatur Board of Education negotiated future annexation terms with the DeKalb County school board. Such negotiations resulted in SB 293 that was passed by the Georgia General Assembly and signed into law in 2021. This bill provides conditions upon the expansion of the boundaries of the City of Decatur independent school system that are extended by annexation by the City. Subject the terms of the new law, the City limit boundaries may remain coextensive with the Decatur school system boundaries.

Conclusion

At the end of fiscal year 2023 the City is in a strong financial, economic and organizational position, with a sustained positive outlook. Historically, the City has employed conservative budgeting and financial policies and practices. This conservative approach has allowed the City to weather economic downturns, be prepared for unanticipated expenditures and have funds available for unique opportunities consistent with strategic plan goals. The City's long-term strategy of estimating expenses on the high-end and estimating revenues on the low-end, has resulted in the accumulation of a healthy fund balance. This fund balance has afforded the City opportunities to maintain service levels and to avoid cuts in staffing and salaries during economic downturns. The state of the community, in turn, is economically and socially sound with highly engaged community members. Tourism, restaurants and retail businesses are thriving; and special events, concerts and festivals have returned with the addition of a number of new activities representing diverse populations and cultures.

Over the past fiscal year, the City Commission has been unified in its support of the City's strategic plan vision and goals. All departments have benefitted from the clarity of purpose and have worked equitably, efficiently and effectively towards achieving many strategic plan goals. Significant capital projects have been completed and many more are in progress or in the planning phases including projects related to transportation/pedestrian safety, recreation and greenspace, climate change, and affordable housing. The City has been able to continue making investments in capital improvement projects and maintaining a high level of public services while reducing the millage rate over the past two years.

The City continues to support its most important asset, our employees, with competitive salaries and benefits in addition to an emphasis on employee engagement, recognition and meaningful work. A pay and compression study in early 2023 resulted in pay adjustments to reduce compression, guarantee of a living wage as determined by the MIT Living Wage calculator, an increase in all full-time salaries by at least 8.35%, and upward shifts of all pay ranges to ensure salaries are competitive for recruitment as well as for retention. Staffing in most departments has rebounded but the Police Department vacancy rate remains

around 20% as police agencies throughout the country struggle to fill vacancies. New and creative recruitment strategies undertaken by the City indicate progress is being made.

The City has elevated its commitment to equity and racial justice and recognizes that all of the other policy priorities influence and are influenced by issues of race and equity. The City's viability and health should be measured by more than its financial and economic condition, but also its racial condition. The City's leadership, engaged community, stable institutions and overall commitment to diversity, equity and inclusion position it for progress in addressing these challenges. The City is participating in the Georgia Municipal Association's Certified City of Diversity, Equity, Inclusion, and Belonging program that recognizes cities that adopt policies and practices that promote equity and inclusion with their municipal government and community.

During the past year, the City has celebrated its bicentennial which has included acknowledging the City's negative impacts on the Native Americans that once lived on this land and black Americans whose slave labor contributed to the community's early economy. The City is committed to honoring its history and being deliberate in creating its future.

Credit must be given to the City Commission for their unfailing support for maintaining the highest standards of professionalism and ethics in the management of the City and of its finances. The preparation of this report would not have been possible without the efficient and dedicated work of the entire staff of the Administrative Services Department, particularly Finance Director Russ Madison. We would like to express our appreciation to all members of the City staff who assisted in and contributed to the preparation of this report.

Respectfully Submitted,



Andrea Arnold
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Decatur
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2023

CITY COMMISSION

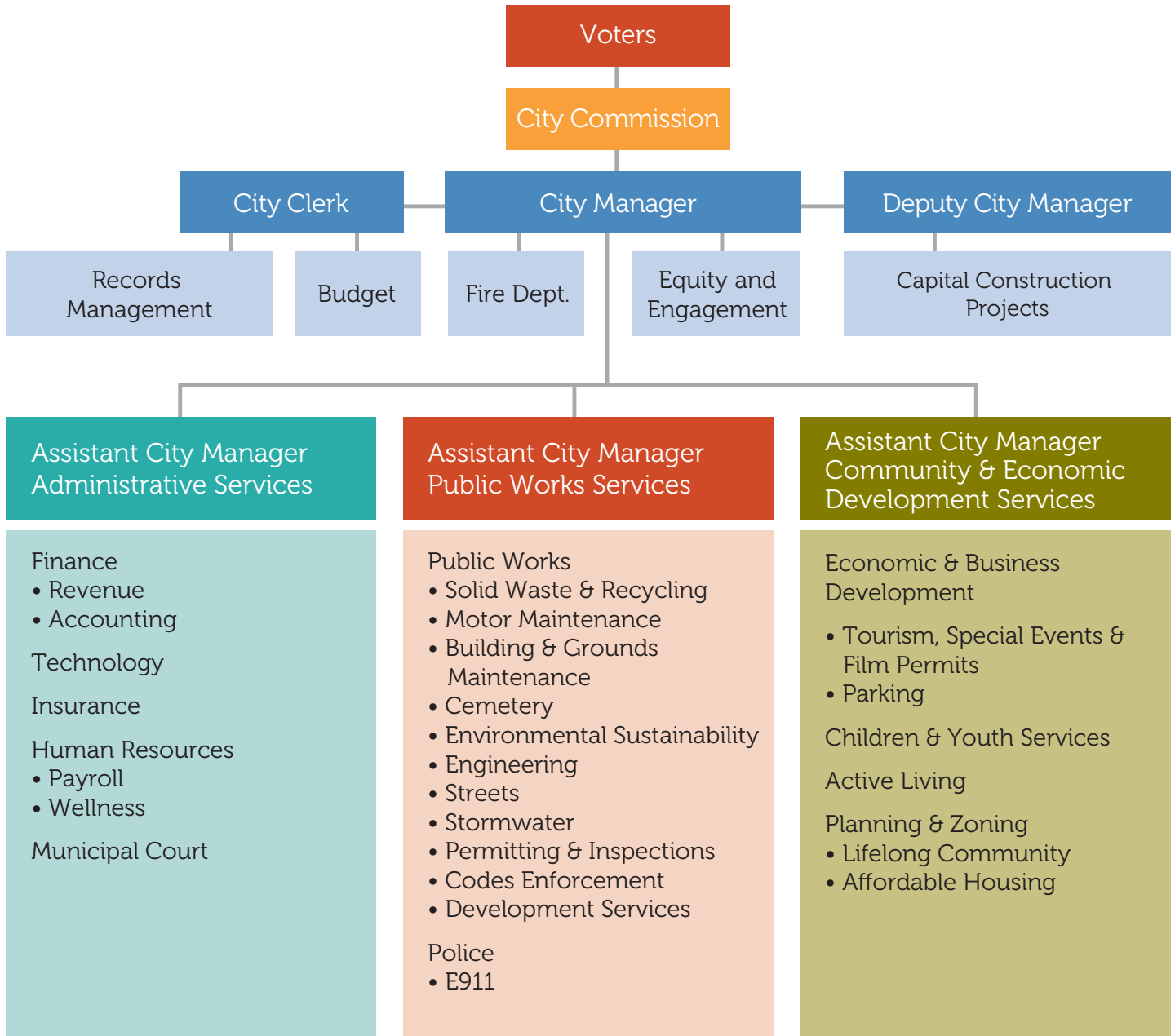
Patti Garrett	Mayor
Tony Powers	Mayor Pro-Tem
Kelly Walsh	Commissioner
Lesa Mayer	Commissioner
George Dusenbury	Commissioner

APPOINTED ADMINISTRATIVE OFFICIALS

Andrea Arnold	City Manager
David Junger	Deputy City Manager
Bryan Downs	City Attorney
Teresa de Castro	Assistant City Manager - Administrative Services
Linda Harris	Assistant City Manager - Community & Economic Development
Russ Madison	Finance Director



City Organization



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
Of the City Commission
City of Decatur, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Decatur, Georgia** (the "City") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Decatur, Georgia, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter - Change in Accounting Principle

As described in Notes 9 and 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Decatur's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Decatur's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 19), Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions – Retirement Plan, Schedule of Pension Investment Returns – Retirement Plan, and Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 89 through 92) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Decatur (the "City"), we offer readers of the City's financial statements this narrative analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage consideration of the information together with the letter of transmittal, financial statements and footnotes.

Overview of the Annual Comprehensive Financial Report

The audit report is presented in three sections:

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

Financial Highlights

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources (a deficit) at the close of the most recent fiscal year by \$38,695,412 (total net position). The deficits have been driven in recent years by the issuance of general obligation bonds for which the proceeds were transferred to the City Schools of Decatur (CSD); as well as the implementation of Governmental Accounting Standards Board (GASB) rules related to pensions and other postemployment benefits (OPEB). The City's total net position improved by \$11,723,281 over the prior years' deficit of \$50,418,693.
- The City had \$43,221,164 in expenses related to governmental activities and \$12,850,731 or 29.7% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were \$39,929,583 and \$33,193,515 or 83.1% of these revenues were from property taxes.
- The fund balance of the General Fund at June 30, 2023, was \$15,244,187 and represents 52.2% of General Fund expenditures.
- In 2017, the City of Decatur Public Facilities Authority (PFA) purchased a 77-acre property now known as Legacy Park. Two forms of financing were used to finance the purchase of the property: the PFA issued \$29,625,000 in revenue bonds and received a loan through the Georgia Environmental Finance Authority (GEFA) from the Clean Water State Revolving Fund for \$11,452,000.
- The City received a total of \$9,595,820 through fiscal year 2023 under the American Rescue Plan Act (ARPA) which can be used for governmental services.
- In February 2022, S&P affirmed the City's bond credit rating of AA+, and Moody's Investors Services affirmed its rating of the City of Aa1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of the City's finances in a manner similar to a private-sector business. These statements provide long-term and short-term information about the City's overall financial status. The statement of net position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the City's overall health, the reader needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and recreation. The business-type activities of the City include the conference center and parking deck, the stormwater utility and solid waste.

The government-wide financial statements include not only the City itself (known as the primary government), but two discretely presented component units: the Downtown Development Authority and the Decatur Tourism Board. Financial information for the component units is reported separately from the financial information of the primary government itself.

Government-wide financial statements can be found on pages 20 through 23 in this report.

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

Governmental funds. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, SPLOST Fund, Capital Improvement Fund, 2010 URA Bonds Fund, Debt Service Fund, and the American Rescue Plan Act Fund (ARPA) which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 24 through 28 of this report.

Proprietary funds. The City maintains three enterprise funds in the proprietary fund group. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Conference & Parking Deck activities, the Stormwater Utility and for Solid Waste functions.

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is like the accounting for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 through 88 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year the City's net position was a deficit (\$38,695,412), or \$11,723,281 better than the prior year.

City of Decatur Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022, Restated	2023	2022	2023	2022, Restated	2023
Assets						
Current assets	\$ 48,227	\$ 52,849	\$ 10,073	\$ 12,019	\$ 58,300	\$ 64,868
Capital assets	109,877	112,235	16,083	15,972	125,960	128,207
Other non-current assets	6,201	5,836	-	-	6,201	5,836
Total assets	<u>164,305</u>	<u>170,920</u>	<u>26,156</u>	<u>27,991</u>	<u>190,461</u>	<u>198,911</u>
Deferred outflows of resources						
	12,032	8,314	462	336	12,494	8,650
Liabilities						
Long-term liabilities	4,271,301	204,032	1,501	3,473	4,272,802	207,505
Other liabilities	16,014	23,423	3,358	1,466	19,372	24,889
Total liabilities	<u>4,287,315</u>	<u>227,455</u>	<u>4,859</u>	<u>4,939</u>	<u>4,292,174</u>	<u>232,394</u>
Deferred inflows of resources						
	17,091	13,832	49	29	17,140	13,861
Net Position						
Net investment in						
capital assets	23,480	29,061	15,965	15,881	39,445	44,942
Restricted	12,486	13,696	-	-	12,486	13,696
Unrestricted	(108,095)	(104,811)	5,745	7,477	(102,350)	(97,334)
Total net position	<u>\$ (72,129)</u>	<u>\$ (62,054)</u>	<u>\$ 21,710</u>	<u>\$ 23,358</u>	<u>\$ (50,419)</u>	<u>\$ (38,696)</u>

The largest portion of the City's net position, \$44,942,015 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services; consequently, these assets are not currently available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The remaining portions of the City's net position are a restricted amount of \$13,696,457 and an unrestricted deficit (\$97,333,884). The negative unrestricted net position results from two significant general obligation issuances on behalf of City Schools of Decatur (CSD). In 2007, the City incurred \$33,245,000 in long-term debt of which \$16,500,000 was transferred to CSD. In 2016, the City issued \$75 million in general obligation bonds, which was transferred to CSD in its entirety. With the transfer of title to CSD, neither the cash nor the capital assets related to the school portion of the bond issuances are reported on the City's statement of net position, thus resulting in a deficit in the unrestricted portion of net position and a deficit in the overall net position for governmental activities.

In fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which decreased total net position by \$20,027,761.

Changes in Net Position

At the conclusion of fiscal year 2023 the City's net position improved by \$11,723,281 which can be attributed to continued operating profits as can be seen on the next table.

City of Decatur Changes in Net Position						
(In Thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022, Restated	2023	Restated	2023	2022, Restated	2023
Revenues						
Program revenues:						
Charges for services	\$ 5,405	\$ 5,889	\$ 6,129	\$ 6,426	\$ 11,534	\$ 12,315
Operating grants & contributions	136	1,142	-	-	136	1,142
Capital grants & contributions	5,661	5,820	-	-	5,661	5,820
General revenues:						
Property taxes	32,685	33,193	-	-	32,685	33,193
Franchise taxes	1,644	1,658	-	-	1,644	1,658
Sales taxes	1,940	2,236	-	-	1,940	2,236
Other taxes	2,159	2,503	-	-	2,159	2,503
Investment earnings	95	339	-	-	95	339
Gain on sale of capital assets	57	-	-	-	57	-
Total revenues	<u>49,782</u>	<u>52,780</u>	<u>6,129</u>	<u>6,426</u>	<u>55,911</u>	<u>59,206</u>
Expenses						
General government	11,293	13,198	-	-	11,293	13,198
Public safety	11,075	10,970	-	-	11,075	10,970
Public works	7,525	8,323	-	-	7,525	8,323
Recreation	5,066	5,528	-	-	5,066	5,528
Interest on long-term debt	5,216	5,202	-	-	5,216	5,202
Conference center	-	-	259	305	259	305
Stormwater	-	-	865	1,193	865	1,193
Sanitation	-	-	2,435	2,764	2,435	2,764
Total expenses	<u>40,175</u>	<u>43,221</u>	<u>3,559</u>	<u>4,262</u>	<u>43,734</u>	<u>47,483</u>
Income before transfers	9,607	9,559	2,570	2,164	12,177	11,723
Transfers	564	516	(564)	(516)	-	-
Change in net position	10,171	10,075	2,006	1,648	12,177	11,723
Net position beginning of year	<u>(82,300)</u>	<u>(72,129)</u>	<u>19,704</u>	<u>21,710</u>	<u>(62,596)</u>	<u>(50,419)</u>
Net position end of year	<u>\$ (72,129)</u>	<u>\$ (62,054)</u>	<u>\$ 21,710</u>	<u>\$ 23,358</u>	<u>\$ (50,419)</u>	<u>\$ (38,696)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues

Governmental *charges for services* increased \$484,052 or 8.96%, primarily from increases in recreation and youth services as pandemic restrictions were lifted. *Capital grants and contributions* were consistent with prior years. Operating grants and contributions increased \$1,006,260 or 739% as the City recognized revenues from American Rescue Plan Act allotments. Property taxes, including real estate and personal property, increased slightly by \$508,329 or 1.56% as assessed values of property continue to increase. Sales taxes which are primarily hotel occupancy taxes increased \$295,615 or 15.23% as the travel industry continued to rebound from the effects of covid. Other taxes increased \$344,066 or 15.94% primarily from an increased state allotment of insurance premium taxes. Investment earnings increased \$244,207 or 257% as the federal reserve raised interest rates.

Revenues from business type activities increased \$297,453 or 4.85% primarily from ongoing implementation of the storm-water master plan rate schedule applicable to all property owners with impervious surface. Business type revenues are discussed in further detail on pages 13 and 14.

Expenses

General Government expenses increased \$1,904,635 or 16.87% as a result of increased expenditure of American Rescue Plan Act allotments, increases in budgeted expenditures and general inflationary trends. *Public safety* expenses remained consistent with the prior year and decreased less than 1%. *Public Works* expenses increased \$798,056 or 10.61% as a result of significant street resurfacing expenses and general inflationary trends. *Recreation* expenses increased \$462,151 or 9.12%, as services continued to increase since the pandemic. Interest on long term debt was consistent with the prior year and decreased slightly by less than 1%.

Expenses for business-type activities increased \$703,364 or 19.76%. Conference Center expenses increased \$46,313 or 17.9%. Stormwater expenses increased \$327,084 or 37.79%. Solid waste expenses increased \$329,967 or 13.55%. Business type expenditures are discussed in further detail on page 14.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of this section is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned and assigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year or for use during the fiscal year to balance cash flow needs. The table below compares total governmental fund revenues and expenditures for 2022 and 2023 (in thousands).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2022	2023	\$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	\$ 38,537	\$ 39,617	\$ 1,080	% 2.80
Licenses & permits	673	540	(133)	(19.76)
Intergovernmental	6,300	7,397	1,097	17.41
Fines & forfeitures	531	433	(98)	(18.46)
Charges for services	3,713	4,266	553	14.89
Investment income	132	509	377	285.61
Other revenues	246	317	71	28.86
Total revenues	<u>50,132</u>	<u>53,079</u>	<u>2,947</u>	<u>5.88</u>
Expenditures				
General government	11,419	13,571	2,152	18.85
Public safety	10,329	10,289	(40)	(0.39)
Public works	5,930	6,693	763	12.87
Recreation	3,930	4,366	436	11.09
Capital Outlay	2,430	5,403	2,973	122.35
Intergovernmental	306	205	(101)	(33.01)
Debt Service	17,021	13,070	(3,951)	(23.21)
Total expenditures	<u>51,365</u>	<u>53,597</u>	<u>2,232</u>	<u>4.35</u>
Excess (deficiency) of revenues over expenditures	(1,233)	(518)	715	(57.99)
Other financing sources (uses)				
Issuance of bonds	25,915	-	(25,915)	-
Bond premium	2,065	-	(2,065)	-
Payment to escrow agent	(23,461)	-	23,461	-
Proceeds from sale of capital assets	57	-	(57)	-
Transfers in	7,051	9,744	2,693	38.19
Transfers out	(6,487)	(9,228)	(2,741)	42.25
Total other financing sources (uses)	<u>5,140</u>	<u>516</u>	<u>(4,624)</u>	<u>(89.96)</u>
Net change in fund balances	3,907	(2)	(3,909)	(100.05)
Fund balances, beginning of year	<u>36,748</u>	<u>40,655</u>	<u>3,907</u>	<u>10.63</u>
Fund balances, end of year	<u>\$ 40,655</u>	<u>\$ 40,653</u>	<u>\$ (2)</u>	<u>% (0.00)</u>

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$40,653,606, almost identical to the prior year of \$40,655,492. Of the total amount, \$10,920,201, or 26.86%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$29,733,405 is comprised of the following classifications: \$1,211,635 is non-spendable which means it is not available for new spending because it is a non-cash asset such as inventory, prepaid items or advances; \$20,355,123 is restricted, which means it is legally restricted for specific purposes. The restricted fund balance is for 1) capital construction (\$12,645,103); 2) debt service (\$4,627,058); 3) law enforcement (\$22,290); 4) Public Safety-E911 (\$714,706); 5) Culture and recreation (\$250,996); and 6) Economic development (\$2,094,970). A committed amount of \$634,940 can be used only for specific purposes pursuant to a formal vote of the City Commission. Fund balance is committed for 1) tree preservation (\$19,269) and 2) Children and Youth Services

MANAGEMENT'S DISCUSSION AND ANALYSIS

(\$615,671). An assigned amount of \$7,531,707 is intended to be used for specific purposes as determined by the City Manager. Fund balance is assigned for 1) fiscal year 2024 operations (\$4,145,816); 2) greenspace acquisition (\$14,252); 3) cemetery operations (\$71,616); and 4) equipment purchases (\$3,300,023).

Total governmental revenues increased \$2,946,964 or 5.88%. Tax revenues increased \$1,078,879 or 2.80% primarily from increased assessed values of property. Licenses and permit revenues decreased \$133,138 or 19.76% as building activity has slowed with the impact of higher interest rates. Intergovernmental revenues increased \$1,097,281 or 17.41% primarily from increases in SPLOST revenues of \$297,343; increases in capital grants of \$453,990 and increases in recognition of ARPA allotments of \$519,040. Fines and forfeitures decreased \$97,760 or 18.46% due to less citations being issued because police staffing challenges. Charges for services increased \$553,480 or 14.89% as recreation and youth services continued to increase since the pandemic. Investment income increased \$377,181 or 285% as the federal reserve and banks have raised interest rates.

Total governmental expenditures increased \$6,292,390 or 13.3%. General government expenses increased \$2,152,462 or 18.85% as a result of increases of \$490,326 in expenditure of ARPA funding along with a \$1,515,805 increase in General Fund expenditures from special projects and from inflationary pressures. Public safety expenses were consistent with prior year expenditures. Public works expenses increased \$762,715 or 12.87% primarily from increases in road resurfacing projects. Recreation expenses increased \$435,930 or 11.09% and can be attributed to increased services as the economy recovered from the pandemic. Capital outlay expenditures increased \$2,973,177 or 122% as the city made significant property and vehicle purchases.

General Fund. This is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$15,244,187 while the total fund balance for all governmental funds was \$40,653,606. As a measure of the fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2023, unassigned General Fund balance of \$10,920,201 represents 37.4% of total General Fund expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table compares General Fund revenues and expenditures for 2022 and 2023 (in thousands).

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

	2022	2023	\$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	\$ 25,578	\$ 26,289	\$ 711	% 2.8
Licenses & permits	673	540	(133)	(19.8)
Intergovernmental	305	406	101	33.1
Fines & forfeitures	531	433	(98)	(18.5)
Charges for services	1,417	1,691	274	19.3
Investment income	16	203	187	1,168.8
Other revenues	184	244	60	32.6
Total revenues	<u>28,704</u>	<u>29,806</u>	<u>1,102</u>	<u>3.8</u>
Expenditures				
General government	10,237	11,753	1,516	14.8
Public safety	9,373	9,374	1	0.0
Public works	4,579	4,957	378	8.3
Recreation	2,317	2,566	249	10.7
Intergovernmental	200	100	(100)	(50.0)
Capital outlay	-	45	45	-
Debt service	-	434	434	-
Total expenditures	<u>26,706</u>	<u>29,229</u>	<u>2,523</u>	<u>9.4</u>
Excess (deficiency) of revenues over expenditures	1,998	577	(1,421)	(71.1)
Other financing sources (uses)				
Proceeds from sale of capital assets	57	-	(57)	-
Transfers in	1,302	1,393	91	7.0
Transfers out	(1,458)	(3,317)	(1,859)	127.5
Total other financing sources (uses)	<u>(99)</u>	<u>(1,924)</u>	<u>(1,825)</u>	<u>1,843.4</u>
Net change in fund balances	1,899	(1,347)	(3,246)	(170.9)
Fund balances, beginning of year	<u>14,692</u>	<u>16,591</u>	<u>1,899</u>	<u>12.9</u>
Fund balances, end of year	<u>\$ 16,591</u>	<u>\$ 15,244</u>	<u>\$ (1,347)</u>	<u>% (8.1)</u>

General Fund Revenues. Overall, General Fund revenues increased \$1,102,058 or 3.8%. Revenue from taxes increased approximately \$711,269 or 2.8%. The largest single source of revenue for the City's General Fund operations is real property tax which totaled \$20,189,455. The total real property tax revenue for the current fiscal year increased \$760,023 or 3.85% and can primarily be attributed to increases in assessed property values. Licenses and permits decreased \$133,138 or 19.8% as construction permits have fallen as interest rates have increased. Fines and forfeitures decreased \$97,760 or 18.5% because of fewer citations issued year over year. Charges for services increased \$273,649 or 19.3% as recreational programs continue to increase as the effects of the pandemic fade.

General Fund Expenditures. Overall, General Fund expenditure increased \$2,523,135 or 9.4%. General government expenses increased \$1,515,805 or 14.8%, primarily from significant contractual expenditures for park master plans and city bicentennial projects as well as inflationary pressures. Public safety expenses were consistent with prior years. Public works expenses increased \$377,853 or 8.3% as a result of inflationary pressures. Recreation expenses increased \$248,611 or 10.7% as recreational programs continue to increase as the effects of the pandemic fade. Debt service increased \$434,204 as a result of the implementation of GASBS 96 related to subscription based information technology arrangements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund salaries and compensation increased 7.08%, from \$12,062,373 for fiscal 2022 to \$12,770,888 for fiscal 2023. Health insurance costs decreased slightly from \$2,692,858 to \$2,534,021. It is important to note that health care costs for the City's partially self-insured plan fluctuate depending on the number and severity of claims. Professional services were consistent from 2022 to 2023, decreasing slightly from \$2,329,666 to \$2,326,431. Contractual service expenses increased \$884,280 or 43.2% with \$2,043,747 incurred in fiscal 2022 and \$2,928,027 incurred in fiscal 2023. Increases in contractual services were primarily related to city bicentennial projects and park master planning.

Transfers from other funds increased 7.0% from \$1,301,669 to \$1,393,770. The transfer includes the overhead costs charged to the solid waste and storm water funds for support services provided by the General Fund such as accounting, billing, and personnel services. The overhead costs are re-calculated each year. Also, the General Fund credits the Solid Waste Fund and Stormwater Fund for the fee offsets on behalf of low-income seniors. The General Fund also received distribution from the Hotel/Motel Tax fund. Transfers to other funds increased \$1,859,480 or 127.5%. Transfers were made to the E911 Fund (\$350,000); Capital Improvement Fund (\$2,500,000) and the East Decatur TAD Fund (\$467,480). After accounting for transfers in and out, the decrease in fund balance was \$1,347,046 and the ending fund balance is \$15,244,187.

Other Major Fund Activities

SPLOST Fund. The SPLOST Fund accounts for sales tax revenue collected and payments made for capital expenditures on projects included in the voter approved referendum as well as debt service related to financing of transportation projects in prior years. Collection of these sales taxes began in April 2018. Revenues for fiscal years 2023 and 2022 were \$4,247,516 and \$4,050,173, respectively. This fund issued bonds of \$5,095,000 in fiscal year 2018-2019 for the approved transportation projects and repayment of these bonds will be paid out of the related sales tax collections. Debt service on these bonds was \$957,020 and \$956,656 for fiscal year 2023 and 2022, respectively.

Capital Improvement Fund. The purpose of this fund is to provide for construction of major capital improvements and to purchase capital equipment items for operating departments. The Capital Improvement Fund's fund balance decreased by \$323,778 to \$5,872,930. Overall revenues increased \$922,543 or 13.91%. Tax revenues increased \$444,239 or 8.10% as assessed property values have increased. Intergovernmental revenue increased \$453,990 or 40.32% as current year revenues benefitted from a private and federal grant for bicycle path improvements. Expenditures for this fund increased \$2,758,314 or 59.85% from \$4,608,754 to \$7,367,068 as the City increased expenditures on pedestrian and bicycle transportation improvements as well as significant vehicle purchases including the new take-home car program.

2010 URA Bonds Fund. The purpose of this fund is to account for the proceeds from the issuance of the Series 2010 revenue bonds and the expenditures of those funds for major capital projects. The original 2010 bonds were refinanced in fiscal 2021. This fund received \$632,160 in fiscal 2023 and \$630,420 in fiscal 2022 of SPLOST funds to cover related debt service costs. This fund had an ending fund balance of \$488,416, an increase of \$59,677 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

American Rescue Plan Act (ARPA) Fund. The purpose of this fund is to account for the revenue and expenditures related to the American Rescue Plan Act grant provided to the City from the United States Department of Treasury. The City received a total \$9,595,820 under this act and expended \$44,353 and \$513,340 in fiscal 2022 and 2023, respectively, primarily for pandemic pay. At June 30, 2023, the City had \$8,988,074 in available funds remaining under this program.

Debt Service Fund. The Debt Service Fund's fund balance, all of which is restricted for the payment of debt service, decreased by \$234,680 to \$4,738,496 at June 30, 2023. The fund balance is used to cover cash flow needs for debt service payments for the general obligation bonds issued in 2007 and refunded in 2015 as well as the general obligation bonds issued in 2016 for the school system.

The activities of other nonmajor governmental funds can be found on pages 93 and 96.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains three enterprise funds that account for activities operated in a business fashion. Those funds include the Conference Center and Parking Deck Fund, the Stormwater Utility Fund and the Solid Waste Fund.

Conference and Parking Deck Fund. The City entered into a long-term management services agreement with the Downtown Development Authority (DDA) in 2011 for the operation of the conference center and parking deck. The DDA sublets the management and operation of the conference center and the DDA manages the parking deck through a contract with a parking management vendor. Hotel/motel tax collections for the upkeep and maintenance of the conference center are placed in a reserve account to be used by the conference center management company for maintenance of the facility. The transfers from the Hotel/Motel Tax Fund for 2022 and 2023 were \$249,150 and \$295,464 respectively, and will be placed in a reserve account with the DDA. The audit includes this amount in 'cost of sales and services.' There were no expenses out of this fund for maintenance and repairs to the conference center's parking deck. Depreciation expenses were modest at \$9,552 for 2022 and 2023 as the parking facility and conference become fully depreciated. A maintenance reserve account has also been created with revenue from the parking deck management contract. The revenue in this account, as managed by the DDA, is available for maintenance and repairs for the parking deck.

Stormwater Utility Fund. This fund accounts for the collection of fees for planning, repairs, maintenance and construction of the City's stormwater system based on a calculation of each property's impervious surface using a measurement of equivalent residential units or ERUs. The total net position of the Stormwater Utility Fund increased from \$19,790,294 to \$21,687,034. The City's capital investment in infrastructure represents \$15,225,809 of the fund's total net position. Operating revenues increased from \$3,233,668 in fiscal 2022 to \$3,539,567 in fiscal year 2023, primarily as additional construction is completed. Cost of sales and services were \$760,958 and \$439,041 for fiscal 2023 and 2022, respectively. For fiscal 2023 and 2022, the fund transferred \$462,250 and \$458,075, respectively, to the General Fund for indirect costs.

This fund ended the year with \$8,041,583 in cash available for operating and capital expenses.

Solid Waste Fund. This fund accounts for the collection of fees for residential and commercial sanitation services. Revenues in this fund for fiscal 2023 and 2022 were \$2,886,667 and \$2,895,113, respectively. In March 2020, the City Commission increased the single-family residential fee from \$290 to \$300. The increase in the single-family residential fee was recommended to cover actual cost increases and due to volatility in the recycling industry. Operating expenses for fiscal 2023 and 2022 were \$2,507,140 and \$2,228,411, respectively, an increase of \$278,729 or 12.5% as a result of inflationary pressures.

Total net position decreased \$239,055 to \$1,406,773. The Solid Waste Fund ended with a positive cash position with cash balances at June 30, 2023, of \$2,976,683. The Public Works staff continues to analyze costs and service charges to confirm that fees charged cover the cost of services delivered as well as developing alternative service delivery options to reduce costs.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is like that used for proprietary funds. The primary fiduciary fund is the Pension Trust Fund that holds assets to be used for paying pension obligations of City employees. The Pension Trust Fund had a net increase of \$2,622,888 to net position during fiscal year 2023 reflecting positive movement in the financial markets. The net position restricted for benefits remains healthy at \$50,361,976.

General Fund Budgetary Highlights

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, can be found on page 27. The original and final budgets anticipated reductions to total fund balance of \$3,698,000 and \$4,343,158, respectively. Actual revenues were \$14,967 better than the final budgeted amounts and total expenditures were \$2,991,255 less than the final budget. Part of the expenditure results can be attributed to salary savings from vacancies.

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, 2023, amounts to \$126,588,889 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixtures, improvements, machinery and equipment, vehicles, and infrastructure (roads, bridges and drainage culverts, etc.). The City has invested in capital assets through the continuing expenditure of bond proceeds for the Fire Station #1 renovation, cemetery improvements, sidewalk construction, streetscape improvements, Decatur Recreation Center renovation, Public Works facility renovation, and the Beacon Municipal Center capital project. The purchase of 77 acres of land and buildings produced the increase in capital assets in fiscal year 2018. In fiscal year 2021, the City purchased the former East Lake Boys and Girls Club for approximately \$5 million. Additional information on the City’s capital assets can be found in Note 7 on page 58 of this report. The following table summarizes the capital assets (net of depreciation) for governmental activities, business-type activities and the total for the primary government (in thousands).

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022, Restated	2023	2022, Restated	2023	2022, Restated	2023
Land	\$ 36,250	\$ 37,260	\$ 280	\$ 280	\$ 36,530	\$ 37,540
Construction in progress	2,195	4,016	480	701	2,675	4,717
Land improvements	2,523	2,584	-	-	2,523	2,584
Infrastructure	19,877	18,984	14,775	14,384	34,652	33,368
Building & improvements	45,973	43,874	39	30	46,012	43,904
Machinery & equipment	1,705	2,438	-	-	1,705	2,438
Vehicles	1,354	1,499	-	-	1,354	1,499
Furniture, fixtures, & equipment	-	-	509	539	509	539
Subscription assets	2,032	1,580	49	38	2,081	1,618
Total	\$ 111,909	\$ 112,235	\$ 16,132	\$ 15,972	\$ 128,041	\$ 128,207

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of \$159,790,437 including the bond issuance premium. State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's total assessed valuation for fiscal year 2023 is \$3,169,915,000 with a current debt limitation for the City of \$316,991,000, not including current debt outstanding. Current debt that applies to the debt limit totals \$96,165, which leaves the City a legal debt margin of \$225,799,000. The ratio of the City's outstanding general obligation bond debt to assessed valuation is 28.77%.

At June 30, 2023, the City had long-term debt for governmental activities in the amount of \$213,718,899 which was comprised of \$159,790,437 in bonds payable, and the remaining \$53,928,462 is comprised of financed purchases, notes payable, subscription liability, certificates of participation, claims and judgments, total OPEB liability, net pension liability and compensated absences. Long-term debt for business-type activities is \$1,640,497 and is comprised of financed purchases, subscription liability, net pension liability and compensated absences.

During fiscal 2021, The City refinanced certain 2010 series and 2013 series debt at substantial savings to the City.

Additional information on the City's long-term debt can be found in Note 10 on pages 63 through 73 of this report.

Pension and OPEB. The City sponsors a single-employer defined benefit pension plan for all of its full-time employees. Annually, an independent actuary engaged by the Board of Trustees of the retirement system calculates the amount of the annual contribution the City must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. The City normally fully funds the annually determined contribution to the retirement system as determined by the actuary. The City's contribution of \$1,077,978 and was in line with the actuarially determined contribution for the fiscal year ended June 30, 2023.

The provisions of GASB Statement No. 67 went into effect on July 1, 2013. This statement relates to the pension plan accounting and results in significant changes to the actuarial reporting and financial report footnotes.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, became effective July 1, 2014. GASB Statement No. 68 relates to employer accounting and results in changes to the accounting in the statements of net position and changes in net position for the pension trust fund. Net pension liability is included in the government-wide financial statements. The net pension liability is the difference between the total pension liability and plan fiduciary net position.

Essentially, the net pension liability is the plan's unfunded pension obligation which GASB has determined meets the definition of a liability and should be recognized in the basic financial statements. The GASB statement refers to plan accounting, not funding. As such, GASB Statement No. 68 significantly changed the City's accounting for pension amounts, but the City continues to use the actuarially determined contribution (ARC) to determine appropriate funding of the pension plan.

At June 30, 2023, City's total pension liability was \$62,729,033. The plan fiduciary net position was \$50,361,976 resulting in the City's net pension liability of \$12,367,057, a modest decrease over the net pension liability of \$13,348,730 at June 30, 2022. The plan fiduciary net position as a percentage of the total pension liability was 88.71%. According to the Center for State and Local Government Excellence, in 2015 only 38% of plans were over 80% funded. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. This evaluation used updated, conservative assumptions based on the results of a study that was completed in August 2015 taking into account seven years of data. It is important to note that the net pension liability is sensitive to changes in the discount rate. The discount rate of 7% is conservative. An increase in the rate by 1% results in a reduction of the liability of \$5.7 million.

The City also provides postretirement health and dental care benefits for certain retirees and their dependents. As of July 1, 2022, the most recent actuarial date, there were 97 retired or disabled employees and beneficiaries receiving these benefits, which are financed on a pay-as-you-go basis. Effective July 1, 2017, the City implemented GASB Statement No. 75 which significantly changed the accounting and reporting for OPEB. An independent actuarial analysis determined the City's total liability for these benefits or total OPEB obligation was \$25,930,953 which is a modest decrease over the prior year liability of \$27,613,870 primarily from changes in assumptions. This total amount was reported as a liability on the City's statement of net position. The City does not have a contract nor agreement with retirees to provide these benefits. Rather, the continuation of these benefits is contingent upon annual budget approval by the City Commission.

MANAGEMENT'S DISCUSSION AND ANALYSIS

These figures and additional information on the City's pension arrangements and OPEB can be found in Notes 12 and 13 in the notes to the financial statements.

Economic Factors

The City's overall 2023 real estate property digest shows a growth rate of approximately 14.7% compared to the 2022 digest. Approximately 22% of this increase is due to growth from new construction, with 78% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity.

In fiscal year 2023, the City issued 2,194 building permits which included 86 new dwelling units (single-family detached and attached townhouses) with a valuation of \$25,859,716, and 196 residential alteration/addition projects with a valuation of \$21,745,883. Of the 2,194 permits issued in fiscal year 2023, 61 were for commercial renovations with a valuation of \$37,827,404, showing a sharp increase from 16 in fiscal year 2022 with a valuation of \$2,323,125. Overall, permit and inspection fees increased from \$624,614 in fiscal year 2022 to \$829,942 in fiscal year 2023. The numbers indicate a robust development environment.

Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur is 7.6%, less than the roughly 20% vacancy rate for the metropolitan Atlanta office market area. Office rents are around \$28 per square foot, which is a 1% increase from where they were a year ago. In the fall of 2019, the Decatur Downtown Development Authority launched an office recruitment strategy. The marketing and recruitment activities related to this strategy have had a positive impact on office building occupancy. Nell Hodgson Woodruff School of Nursing at Emory University expanded their footprint and located the Emory Nursing Learning Center in downtown Decatur. The 70,000 square foot learning center occupies four floors at 250 E. Ponce de Leon Avenue. The \$20.6 million expansion includes a state-of-the-art simulation and skills lab. The learning center opened in September 2022 and is expected to reach full enrollment of 1,400 students by 2025. Created to address the significant nursing shortage in the United States, the innovative new facility serves nursing students of all levels, from undergraduates to continuing education students and advanced practice nursing professionals.

The Callaway Redevelopment project at the corner of West Trinity Place and North McDonough Street includes a 34,000 square foot office building with ground floor retail, developed by AMLI and Cousins Properties. The co-working firm WeWork has leased all of the office space and provides workspace for more than 450 WeWork members. WeWork's Chapter 11 bankruptcy filing in November 2023 creates uncertainty about the future occupancy of this office space. In addition to the office space, the 4.7 acre, mixed-use development is home to 330 apartments and 19,000 square feet of retail and restaurant space. The residential space is over 90% leased and the retail and restaurant space is nearing full occupancy.

The DDDA has engaged the national retail advisory firm, Retail Strategies, to assist with targeted, retail recruitment. A team of staff, elected and appointed officials attended the Retail Academy in Birmingham, Alabama in October 2022. Since the COVID-19 pandemic, restaurant and retail activity has slowed in all commercial districts. Nonetheless, new businesses, including restaurant, retail and service industries, continue to open. Based on recent reports from CoStar, the vacancy rate for available retail space in the City of Decatur is 3.8%, compared to 3.7% last year and on par with the current overall Atlanta retail market vacancy rate of 3.7%. Retail spaces remain vacant for an average of 4.2 months, suggesting that demand for leasable retail space remains steady.

A number of projects are recently completed or are underway that will add to the City's tax digest in the near future. A mixed-use project, known as Modera Decatur, broke ground in the third quarter of 2019 on the Bank of America site in downtown Decatur. This key gateway at Clairmont Avenue and Commerce Drive represents one of the last few large redevelopment properties available in downtown Decatur. The original 2.14 acre site contained a small two-story bank building and a large surface parking lot. The completed development includes 194 dwelling units, a new 4,500 square foot bank building, and, 25,000 square feet of street level retail surrounding a 386-space parking deck. The mixed-use project was delivered in the summer of 2023. The predevelopment site was appraised for \$2.4 million. The value for the completed project is approximately \$50 million.

The 145-room Hampton Inn opened in downtown Decatur in 2019 adjacent to the Marriott Courtyard and the City-owned conference center. This hotel provides additional, much-needed hotel room inventory allowing the conference center to host larger, regional meetings while also contributing to the City's hotel/motel tax revenue. In September 2023, the City approved a new 7-story Hilton dual-brand hotel with 241 guestrooms, ground floor cafe

MANAGEMENT'S DISCUSSION AND ANALYSIS

and rooftop restaurant in downtown Decatur at the corner of Swanton Way and Commerce Drive. Rather than constructing its own parking facility, the hotel will encourage use of MARTA transit and utilize valet parking services to access three nearby office parking decks that offer nearly 1,000 parking spaces at off-peak times. The development will also include the construction of new downtown streetscapes along Swanton Way and Ponce de Leon Place that align with the Town Center Plan 2.0 recommendations. Construction is anticipated to begin in the second quarter of 2024.

Gateway Decatur is a mixed-use development near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue. This 11-acre site includes a 65,000 square-foot Publix grocery store that opened in November 2021 and a 290-unit apartment complex developed by Toll Brothers completed in February 2023. The value of the development is \$133 million and the developer has invested an additional quarter-million dollars in public art that highlights the eastern gateway to the City.

In the East Decatur commercial district, the Decatur Downtown Development Authority partnered with the Metropolitan Atlanta Rapid Transit Authority (MARTA) to promote the redevelopment of an underutilized 7.6 acre surface parking lot. A master plan for the area was created with funding from the Atlanta Regional Commission's Livable Centers Initiative program. Columbia Residential, the affordable housing development arm of Columbia Ventures, was selected as the development partner for this project. The project includes 290 market rate rental apartments and 22,000 square feet of retail and commercial space, of which more than half has been leased to such uses as a credit union, fitness studio and restaurant. Columbia Residential was successful in obtaining tax credits for a 90-unit affordable, senior, independent-living component of the project. Construction has been completed and the dwelling units are occupied. Columbia Residential has secured low-income housing tax credits for a second senior, independent-living residential building, Decatur East Phase II, at the corner of E. Freeman Street and Sams Street, with 80 dwelling units of which 70 units will be set aside as affordable. Construction is scheduled to begin in the first quarter of 2024. The project also includes a parking deck with spaces for MARTA patrons, residents and retail and restaurant customers. The project incorporates a bicycle and pedestrian link in partnership with the PATH Foundation that connects with the Stone Mountain trail to the north of the project and the East Decatur Greenway to the south. In November 2020, this development received a Development of Excellence award from the Atlanta Regional Commission. There is one outparcel remaining that fronts onto E. College Avenue for future development of the master plan.

The East Decatur commercial district continues to see growth beyond the MARTA property, one of which is Northwood Ravin, which has received approval for the development, Halo East Decatur. Located at the corner of East College Avenue and New Street, this \$109 million mixed use development on 7.5 acres will include 372 residential units, approximately 16,000 square feet of retail space, a 1-acre publicly-accessible park, 545 parking spaces. Forty-one of the residential units will be permanently set aside as workforce housing, which exceeds the 10% required by the City's mandatory inclusionary housing ordinance. The predevelopment site was appraised for \$6 million and the valuation at completion is estimated near \$95 million. This project was approved for \$5.3 million in funding from the Tax Allocation District (TAD) No. 1, East Decatur, based on its qualifications under the TAD Financing Procedures and Policies that were adopted in June 2021. Groundbreaking is expected to occur Q1 2023.

The residential housing market in the City continues to be strong. One sizable development of note is a new residential development approved in 2018 is under construction on a 7.3 acre site formerly owned by AT&T near the Avondale MARTA Station. The development, named New Talley Station, will be occupied by 96 condominiums and 40 townhomes and 2.78 acres was deeded to the Development Authority of the City of Decatur. The Development Authority will transfer the property to the City as a potential location for a regional storm water detention pond and green space. The remaining .28 acre of the development site has been used to re-create a portion of New Street that once connected to Talley Street for better transportation connectivity in the vicinity of South Columbia Drive, College Avenue, Talley Street, and New Street. All 40 townhomes and one-third of the condominiums are complete with occupancy having started in the 2nd quarter 2022. The remainder of the condominium development phases are scheduled to be completed by third quarter of 2024.

According to the U.S. Census Bureau and Department of Labor, the unemployment rate for DeKalb County as of June 30, 2023, was 3.2%, a decrease of 0.2% year-over-year and overall aligned with steady state and nationwide employment rates. Unemployment rates are not available for the City but based on the variety of employers the City's rate is likely similar. Annual inflation in the Atlanta region of 4.6% as of June 2023 was lower than the two previous years according to the Bureau of Labor Statistics. Interest in downtown Decatur commercial space remains high with newer tenants representing smaller professional and service-oriented businesses. Residential living units in the central business district continue to add to the economic vitality of the district.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In February 2022, S&P affirmed the City's bond credit rating of AA+, and Moody's Investors Services affirmed its rating of the City of Aa1. The ratings agencies cited the city's financial policies, tax base growth, and proximity to Atlanta among other factors contributing to the affirmation. The strong bond credit rating ensures lower interest costs on outstanding debt. The fiscal year 2022-2023 audit report and the City's current and future practices continue to promote the financial policies and practices highlighted by the ratings agencies.

Next Year's Budget

At June 30, 2023, unassigned fund balance in the General Fund was \$10,920,201. During the budget drafting process, the City had estimated to deduct \$4,145,816 from fund balance in the 2024 fiscal year budget bringing the total fund balance to \$8,214,607 or 21% of budgeted expenditures, a use consistent with the City's fund balance policy which strives to maintain an unreserved, unassigned fund balance between twenty and thirty percent of the operating budget. The budget includes a recommendation to pay approximately 35 employees up to a living wage of \$18.93 an hour or \$39,374 annually. Additionally, the budget includes funding to implement recommendations from a compensation and compression study performed by Slavin Management Consultants. On July 2, full-time employees received a merit-based increase of at least 8.35%. The 2024 budget maintains the partially self-insured model for group health benefits. The 2024 fiscal year budget includes an increase for health insurance costs and enhancements were made to the plan based on employee feedback, including offering reduced bi-weekly contributions for employee-only coverage, adding a second vision network and decreasing individual deductibles. \$400,000 from the health insurance fund balance was used to offset the increased costs. The City's required contribution to the Employees' Retirement System increased from 9% to 9.3% of payroll based on actuarial funding requirements.

The budgeted projects and activities directly support the following 2020 strategic plan themes: Equity & Racial Justice, Climate Action, Civic Trust, Affordable Housing, Mobility and Economic Growth. Capital investments will be financed through the Capital Improvements Fund, the general obligation bond financing approved in September 2006, recovery zone economic development bonds issued in December 2010, revenue bonds issued in April and October 2013, and general obligation bonds issued in September 2018. The City uses a combination of pay-as-you-go and long-term financing to invest in capital infrastructure while spreading the overall debt burden over the useful life of capital projects.

Requests for Information

This report is designed to provide an overview of the City's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Manager, 509 North McDonough Street, Decatur, Georgia 30030. This report and other financial reports can be viewed on the City's website at www.decalurga.com/audit.

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
ASSETS					
Cash and cash equivalents	\$ 47,866,726	\$ 11,533,578	\$ 59,400,304	\$ 4,096,094	\$ 359,389
Taxes receivable, net	1,227,520	-	1,227,520	28,901	-
Other receivables	724,042	-	724,042	-	-
Accounts receivable, net of allowances	-	587,608	587,608	14,601	2,178
Due from primary government	-	-	-	604,871	130,889
Due from other governments	588,223	-	588,223	-	-
Internal balances	102,448	(102,448)	-	-	-
Prepaid items	1,091,332	-	1,091,332	9,776	-
Restricted:					
Investments	1,241,666	-	1,241,666	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	3,535,000	-	3,535,000	-	-
Lease receivable	2,218,979	-	2,218,979	-	-
Lease receivable - service concession arrangement	-	-	-	868,773	-
Fair value of hedging derivative	82,302	-	82,302	-	-
Capital assets:					
Non-depreciable	41,276,040	980,930	42,256,970	2,154,589	-
Depreciable, net of accumulated depreciation and amortization	70,959,279	14,990,845	85,950,124	672,727	33,720
Total assets	170,920,057	27,990,513	198,910,570	8,450,332	526,176
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	2,480,629	-	2,480,629	-	-
OPEB related items	2,466,413	-	2,466,413	-	-
Pension related items	3,367,271	336,179	3,703,450	-	-
Total deferred outflows of resources	8,314,313	336,179	8,650,492	-	-
LIABILITIES					
Accounts payable	2,023,951	193,315	2,217,266	34,953	60,956
Accrued liabilities	2,533,222	96,061	2,629,283	-	-
Unearned revenue	8,988,074	2,464,587	11,452,661	-	-
Due to component unit	191,146	544,614	735,760	-	-
Certificates of participation due within one year	180,000	-	180,000	-	-
Certificates of participation due in more than one year	1,700,000	-	1,700,000	-	-
Compensated absences due within one year	1,098,549	58,000	1,156,549	-	-
Compensated absences due in more than one year	193,861	10,236	204,097	-	-
Financed purchases due within one year	235,585	52,380	287,965	-	-
Financed purchases due in more than one year	555,616	-	555,616	-	-
Notes payable from direct borrowing due within one year	554,322	54,093	608,415	85,897	-
Notes payable from direct borrowing due in more than one year	10,623,852	304,566	10,928,418	1,473,085	-
Bonds payable due within one year	6,431,015	-	6,431,015	-	-
Bonds payable due in more than one year	153,359,422	-	153,359,422	-	-
Lease liability due within one year	-	-	-	50,570	-
Lease liability due in more than one year	-	-	-	21,948	-
Subscription liability due within one year	437,623	10,486	448,109	-	-
Subscription liability due in more than one year	1,173,658	28,122	1,201,780	-	-
Net pension liability due in more than one year	11,244,443	1,122,614	12,367,057	-	-
Total OPEB liability due within one year	750,000	-	750,000	-	-
Total OPEB liability due in more than one year	25,180,953	-	25,180,953	-	-
Total liabilities	227,455,292	4,939,074	232,394,366	1,666,453	60,956

Continued

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivative	82,302	-	82,302	-	-
OPEB related items	11,356,532	-	11,356,532	-	-
Pension related items	295,133	29,465	324,598	-	-
Lease arrangements	2,098,676	-	2,098,676	-	-
Deferred service concession arrangement receipts	-	-	-	1,022,440	-
Total deferred inflows of resources	13,832,643	29,465	13,862,108	1,022,440	-
NET POSITION					
Net investment in capital assets	29,061,228	15,880,787	44,942,015	1,285,774	33,720
Restricted for capital projects	6,813,600	-	6,813,600	-	-
Restricted for culture and recreation	250,996	-	250,996	-	-
Restricted for economic development	2,094,970	-	2,094,970	-	-
Restricted for law enforcement	22,290	-	22,290	-	-
Restricted for E911 services	720,681	-	720,681	-	-
Restricted for debt service	3,793,920	-	3,793,920	-	-
Restricted for tourism	-	-	-	-	431,500
Unrestricted	(104,811,250)	7,477,366	(97,333,884)	4,475,665	-
Total net position	\$ (62,053,565)	\$ 23,358,153	\$ (38,695,412)	\$ 5,761,439	\$ 465,220

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

CITY OF DECATUR, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 13,197,722	\$ 1,208,625	\$ 563,393	\$ -
Public safety	10,970,598	1,750,025	-	2
Public works	8,322,618	30,006	-	5,819,508
Recreation	5,527,785	2,900,205	487,718	-
Interest and fiscal charges on long-term debt	5,202,441	-	91,249	-
Total governmental activities	<u>43,221,164</u>	<u>5,888,861</u>	<u>1,142,360</u>	<u>5,819,510</u>
Business-type activities:				
Solid waste	2,764,510	2,886,667	-	-
Stormwater	1,192,577	3,539,567	-	-
Conference center & parking deck	305,016	-	-	-
Total business-type activities	<u>4,262,103</u>	<u>6,426,234</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 47,483,267</u>	<u>\$ 12,315,095</u>	<u>\$ 1,142,360</u>	<u>\$ 5,819,510</u>
Component units:				
Downtown Development Authority	\$ 1,367,923	\$ -	\$ -	\$ -
Decatur Tourism Board	795,870	15,107	-	-
Total component units	<u>\$ 2,163,793</u>	<u>\$ 15,107</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Franchise taxes
 Sales taxes
 Other taxes
 Unrestricted investment earnings
 Miscellaneous
 Gain on sale of capital assets
Transfers
 Total general revenues and transfers
 Change in net position
Net position, beginning of year, as restated
Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
\$ (11,425,704)	\$ -	\$ (11,425,704)	\$ -	\$ -
(9,220,571)	-	(9,220,571)	-	-
(2,473,104)	-	(2,473,104)	-	-
(2,139,862)	-	(2,139,862)	-	-
(5,111,192)	-	(5,111,192)	-	-
<u>(30,370,433)</u>	<u>-</u>	<u>(30,370,433)</u>	<u>-</u>	<u>-</u>
-	122,157	122,157	-	-
-	2,346,990	2,346,990	-	-
-	(305,016)	(305,016)	-	-
<u>-</u>	<u>2,164,131</u>	<u>2,164,131</u>	<u>-</u>	<u>-</u>
<u>\$ (30,370,433)</u>	<u>\$ 2,164,131</u>	<u>\$ (28,206,302)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (1,367,923)	\$ -
-	-	-	-	(780,763)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,367,923)</u>	<u>\$ (780,763)</u>
\$ 33,193,515	\$ -	\$ 33,193,515	\$ 991,183	\$ -
1,658,408	-	1,658,408	-	-
2,236,050	-	2,236,050	-	-
2,502,548	-	2,502,548	295,464	689,416
339,062	-	339,062	-	2,014
-	-	-	528,545	-
-	-	-	1,106,985	-
515,998	(515,998)	-	-	-
<u>40,445,581</u>	<u>(515,998)</u>	<u>39,929,583</u>	<u>2,922,177</u>	<u>691,430</u>
10,075,148	1,648,133	11,723,281	1,554,254	(89,333)
(72,128,713)	21,710,020	(50,418,693)	4,207,185	554,553
<u>\$ (62,053,565)</u>	<u>\$ 23,358,153</u>	<u>\$ (38,695,412)</u>	<u>\$ 5,761,439</u>	<u>\$ 465,220</u>

**CITY OF DECATUR, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	General	SPLOST	Capital	2010 URA	Debt	ARPA	Other	Total
	Fund	Fund	Improvement	Bond	Service		Governmental	Governmental
Cash and cash equivalents	\$ 15,433,907	\$ 8,830,297	\$ 4,854,253	\$ -	\$ 4,149,670	\$ 9,043,773	\$ 5,554,826	\$ 47,866,726
Taxes receivable, net	730,942	-	194,417	-	173,320	-	128,841	1,227,520
Other receivables	451,383	-	-	-	-	-	272,659	724,042
Lease receivable	-	-	-	2,218,979	-	-	-	2,218,979
Due from other funds	530,780	42,056	44,324	210,368	-	-	56,461	883,989
Due from other governments	-	395,014	149,701	-	-	-	-	544,715
Restricted investments	-	-	1,241,666	-	-	-	-	1,241,666
Prepaid expenditures	163,918	-	7,280	157,745	467,441	-	294,948	1,091,332
Other current assets	6,500	-	-	-	-	-	-	6,500
Total assets	\$ 17,317,430	\$ 9,267,367	\$ 6,491,641	\$ 2,587,092	\$ 4,790,431	\$ 9,043,773	\$ 6,307,735	\$ 55,805,469
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 1,176,932	\$ 190,241	\$ 437,471	\$ -	\$ 18,023	\$ -	\$ 201,284	\$ 2,023,951
Accrued liabilities	607,980	-	117,184	-	-	-	26,849	752,013
Due to component unit	60,258	-	-	-	-	-	130,888	191,146
Due to other funds	762	210,368	8,817	-	-	55,699	505,895	781,541
Unearned revenue- intergovernmental	-	-	-	-	-	8,988,074	-	8,988,074
Total liabilities	1,845,932	400,609	563,472	-	18,023	9,043,773	864,916	12,736,725
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	227,311	-	55,239	-	33,912	-	-	316,462
Leasing arrangements	-	-	-	2,098,676	-	-	-	2,098,676
Total deferred inflows of resources	227,311	-	55,239	2,098,676	33,912	-	-	2,415,138
FUND BALANCES								
Fund balances:								
Nonspendable:								
Prepays	163,918	-	7,280	157,745	467,441	-	294,948	1,091,332
Leasing arrangements	-	-	-	120,303	-	-	-	120,303
Restricted:								
Capital construction	-	8,866,758	2,565,627	-	-	-	1,212,718	12,645,103
Culture and recreation	-	-	-	-	-	-	250,996	250,996
Economic Development	-	-	-	-	-	-	2,094,970	2,094,970
Debt service	-	-	-	210,368	4,271,055	-	145,635	4,627,058
Law enforcement	-	-	-	-	-	-	22,290	22,290
E911 services	-	-	-	-	-	-	714,706	714,706
Committed:								
Tree preservation	-	-	-	-	-	-	19,269	19,269
Children and youth services	-	-	-	-	-	-	615,671	615,671
Assigned:								
Fiscal year 2024 operations	4,145,816	-	-	-	-	-	-	4,145,816
Greenspace acquisition	14,252	-	-	-	-	-	-	14,252
Cemetery operations	-	-	-	-	-	-	71,616	71,616
Equipment purchases	-	-	3,300,023	-	-	-	-	3,300,023
Unassigned	10,920,201	-	-	-	-	-	-	10,920,201
Total fund balances	15,244,187	8,866,758	5,872,930	488,416	4,738,496	-	5,442,819	40,653,606
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,317,430	\$ 9,267,367	\$ 6,491,641	\$ 2,587,092	\$ 4,790,431	\$ 9,043,773	\$ 6,307,735	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	112,235,319
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	316,462
Receivables of governmental activities arising from long term receivables and interest are not current financial resources and, therefore, are not reported in the governmental funds.	3,578,508
The fair market value of an effective hedging instrument is not a current financial resource used in governmental activities and, therefore, is not reported in the governmental funds.	82,302
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(175,844,083)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.	(82,302)
The net pension liability, total OPEB liability, and related deferred outflows and inflows of resources are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.	(42,993,377)
Net position of governmental activities	\$ (62,053,565)

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

**CITY OF DECATUR, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	SPLOST Fund	Capital Improvement Fund	2010 URA Bonds Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 26,289,258	\$ -	\$ 5,928,453	\$ -	\$ 5,823,001	\$ -	\$ 1,575,808	\$ 39,616,520
Licenses and permits	539,660	-	-	-	-	-	-	539,660
Intergovernmental	406,453	4,247,516	1,579,925	91,249	-	563,393	508,848	7,397,384
Fines and forfeitures	433,163	-	-	-	-	-	-	433,163
Charges for services	1,691,016	-	-	-	-	-	2,575,001	4,266,017
Investment income	203,199	157,503	44,402	90,023	-	-	14,263	509,390
Other revenues	243,568	-	-	-	-	-	73,436	317,004
Total revenues	<u>29,806,317</u>	<u>4,405,019</u>	<u>7,552,780</u>	<u>181,272</u>	<u>5,823,001</u>	<u>563,393</u>	<u>4,747,356</u>	<u>53,079,138</u>
Expenditures								
Current:								
General government	11,753,441	-	471,825	-	-	513,340	832,781	13,571,387
Public safety	9,374,195	-	29,904	-	-	-	885,379	10,289,478
Public works	4,956,716	-	1,735,783	-	-	-	-	6,692,499
Culture and recreation	2,566,099	-	-	-	-	-	1,799,744	4,365,843
Capital outlay	44,998	404,913	4,206,535	-	-	-	746,568	5,403,014
Intergovernmental	100,000	-	104,902	-	-	-	-	204,902
Debt service:								
Principal retirements	369,591	907,000	716,622	417,090	2,820,000	-	2,460,820	7,691,123
Interest expenditures	64,613	50,020	101,497	336,665	3,237,681	-	1,588,300	5,378,776
Total expenditures	<u>29,229,653</u>	<u>1,361,933</u>	<u>7,367,068</u>	<u>753,755</u>	<u>6,057,681</u>	<u>513,340</u>	<u>8,313,592</u>	<u>53,597,022</u>
Excess (deficiency) of revenues over expenditures	<u>576,664</u>	<u>3,043,086</u>	<u>185,712</u>	<u>(572,483)</u>	<u>(234,680)</u>	<u>50,053</u>	<u>(3,566,236)</u>	<u>(517,884)</u>
Other financing sources (uses):								
Transfers in	1,393,770	-	2,538,620	632,160	-	-	5,179,323	9,743,873
Transfers out	<u>(3,317,480)</u>	<u>(1,895,840)</u>	<u>(3,048,110)</u>	<u>-</u>	<u>-</u>	<u>(50,053)</u>	<u>(916,392)</u>	<u>(9,227,875)</u>
Total other financing sources (uses)	<u>(1,923,710)</u>	<u>(1,895,840)</u>	<u>(509,490)</u>	<u>632,160</u>	<u>-</u>	<u>(50,053)</u>	<u>4,262,931</u>	<u>515,998</u>
Net change in fund balances	<u>(1,347,046)</u>	<u>1,147,246</u>	<u>(323,778)</u>	<u>59,677</u>	<u>(234,680)</u>	<u>-</u>	<u>696,695</u>	<u>(1,886)</u>
Fund balances, beginning of year	<u>16,591,233</u>	<u>7,719,512</u>	<u>6,196,708</u>	<u>428,739</u>	<u>4,973,176</u>	<u>-</u>	<u>4,746,124</u>	<u>40,655,492</u>
Fund balances, end of year	<u>\$ 15,244,187</u>	<u>\$ 8,866,758</u>	<u>\$ 5,872,930</u>	<u>\$ 488,416</u>	<u>\$ 4,738,496</u>	<u>\$ -</u>	<u>\$ 5,442,819</u>	<u>\$ 40,653,606</u>

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

**CITY OF DECATUR, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds	\$	(1,886)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		326,395
In the governmental funds, payments received on long-term receivables are reported as intergovernmental revenues and issuances are recorded as expenditures. However, in the statement of activities, the long-term receivables are recorded in the year they are created and principal payments serve to reduce the long-term receivable. This is the net effect of these differences in the current year.		(272,825)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(25,999)
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.		8,344,464
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.		<u>1,704,999</u>
Change in net position - governmental activities	\$	<u><u>10,075,148</u></u>

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

**CITY OF DECATUR, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 25,752,940	\$ 26,109,750	\$ 26,289,258	\$ 179,508
Licenses and permits	859,400	868,700	539,660	(329,040)
Fines and forfeitures	647,000	497,000	433,163	(63,837)
Charges for services	1,517,350	1,624,550	1,691,016	66,466
Intergovernmental	340,500	362,300	406,453	44,153
Interest income	15,000	160,000	203,199	43,199
Other revenues	146,200	169,050	243,568	74,518
Total revenues	<u>29,278,390</u>	<u>29,791,350</u>	<u>29,806,317</u>	<u>14,967</u>
Expenditures				
Current:				
General government:				
Commission	371,730	394,960	326,750	68,210
Manager	898,790	1,006,000	923,047	82,953
Administrative services	4,482,230	4,641,718	4,641,718	-
Attorney	450,000	550,000	531,729	18,271
Community & economic development	2,284,140	1,980,000	1,842,716	137,284
Development and inspection	2,831,930	2,439,890	2,056,820	383,070
Accounting, collection and records	1,722,830	1,662,460	1,430,661	231,799
Total general government	<u>13,041,650</u>	<u>12,675,028</u>	<u>11,753,441</u>	<u>921,587</u>
Public safety:				
General management	1,528,950	1,633,750	1,424,671	209,079
Fire	4,127,770	4,058,400	3,976,364	82,036
Police	5,102,520	4,607,990	3,789,260	818,730
Pandemic management	40,000	185,500	183,900	1,600
Total public safety	<u>10,799,240</u>	<u>10,485,640</u>	<u>9,374,195</u>	<u>1,111,445</u>
Public works:				
Engineering	694,450	727,540	678,764	48,776
Motor maintenance	1,307,250	1,132,280	1,072,826	59,454
Buildings and grounds maintenance	2,945,220	3,058,410	2,753,866	304,544
Cemetery	515,810	507,190	451,260	55,930
Total public works	<u>5,462,730</u>	<u>5,425,420</u>	<u>4,956,716</u>	<u>468,704</u>
Recreation	3,156,740	3,054,820	2,566,099	488,721
Intergovernmental	100,000	100,000	100,000	-
Capital outlay:	-	45,000	44,998	2
Debt service:				
Principal	-	370,000	369,591	409
Interest	-	65,000	64,613	387
	-	435,000	434,204	796
Total expenditures	<u>32,560,360</u>	<u>32,220,908</u>	<u>29,229,653</u>	<u>2,991,255</u>
Excess (deficiency) of revenues over expenditures	<u>(3,281,970)</u>	<u>(2,429,558)</u>	<u>576,664</u>	<u>3,006,222</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	10,000	5,000	-	(5,000)
Transfers in	1,281,970	1,398,880	1,393,770	(5,110)
Transfers out	(1,708,000)	(3,317,480)	(3,317,480)	-
Total other financing sources (uses)	<u>(416,030)</u>	<u>(1,913,600)</u>	<u>(1,923,710)</u>	<u>(10,110)</u>
Net change in fund balances	<u>(3,698,000)</u>	<u>(4,343,158)</u>	<u>(1,347,046)</u>	<u>2,996,112</u>
Fund balances, beginning of year	<u>16,591,233</u>	<u>16,591,233</u>	<u>16,591,233</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12,893,233</u>	<u>\$ 12,248,075</u>	<u>\$ 15,244,187</u>	<u>\$ 2,996,112</u>

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

**CITY OF DECATUR, GEORGIA
 ARPA FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 563,393	\$ 973,360	\$ 563,393	\$ (409,967)
EXPENDITURES				
General government	513,341	518,360	513,340	5,020
Capital outlay	-	455,000	-	455,000
Total expenditures	513,341	973,360	513,340	460,020
Excess of revenues over expenditures	50,052	-	50,053	50,053
Other financing uses				
Transfers out	-	-	(50,053)	(50,053)
Total other financing uses	-	-	(50,053)	(50,053)
Net change in fund balances	50,052	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ 50,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

ASSETS	Business-type Activities - Enterprise Funds			Totals
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund Conference Center & Parking Deck Fund	
CURRENT ASSETS				
Cash	\$ 2,976,683	\$ 8,041,583	\$ 515,312	\$ 11,533,578
Accounts receivable, net of allowances	182,108	405,500	-	587,608
Due from other funds	-	-	60,815	60,815
Total current assets	<u>3,158,791</u>	<u>8,447,083</u>	<u>576,127</u>	<u>12,182,001</u>
NONCURRENT ASSETS				
Construction in progress	-	700,865	-	700,865
Land	-	85,205	194,860	280,065
Infrastructure	-	20,078,404	-	20,078,404
Buildings	-	-	8,605,815	8,605,815
Furniture, fixtures and equipment	3,574,190	429,462	340,382	4,344,034
SBITA assets	24,342	24,342	-	48,684
	<u>3,598,532</u>	<u>21,318,278</u>	<u>9,141,057</u>	<u>34,057,867</u>
Accumulated depreciation and amortization	<u>(3,104,703)</u>	<u>(6,073,165)</u>	<u>(8,908,224)</u>	<u>(18,086,092)</u>
Total capital assets	<u>493,829</u>	<u>15,245,113</u>	<u>232,833</u>	<u>15,971,775</u>
Total assets	<u>3,652,620</u>	<u>23,692,196</u>	<u>808,960</u>	<u>28,153,776</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	282,543	53,636	-	336,179
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	57,900	135,415	-	193,315
Accrued liabilities	21,932	74,129	-	96,061
Compensated absences payable	49,639	8,361	-	58,000
Financed purchases	52,380	-	-	52,380
Note payable	-	54,093	-	54,093
SBITA liability	5,243	5,243	-	10,486
Due to other funds	153,646	9,617	-	163,263
Due to component unit	-	-	544,614	544,614
Unearned revenue	1,196,559	1,268,028	-	2,464,587
Total current liabilities	<u>1,537,299</u>	<u>1,554,886</u>	<u>544,614</u>	<u>3,636,799</u>
NONCURRENT LIABILITIES				
Compensated absences	8,760	1,476	-	10,236
Note payable	-	304,566	-	304,566
SBITA liability	14,061	14,061	-	28,122
Net pension liability	943,506	179,108	-	1,122,614
Total noncurrent liabilities	<u>966,327</u>	<u>499,211</u>	<u>-</u>	<u>1,465,538</u>
Total liabilities	<u>2,503,626</u>	<u>2,054,097</u>	<u>544,614</u>	<u>5,102,337</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	24,764	4,701	-	29,465
NET POSITION				
Net investment in capital assets	422,145	15,225,809	232,833	15,880,787
Unrestricted	984,628	6,461,225	31,513	7,477,366
Total net position	<u>\$ 1,406,773</u>	<u>\$ 21,687,034</u>	<u>\$ 264,346</u>	<u>\$ 23,358,153</u>

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

**CITY OF DECATUR, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds			Totals
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund Conference Center & Parking Deck Fund	
OPERATING REVENUE				
Stormwater fees	\$ -	\$ 3,539,567	\$ -	\$ 3,539,567
Sanitation fees	2,879,879	-	-	2,879,879
Miscellaneous	6,788	-	-	6,788
Total operating revenues	<u>2,886,667</u>	<u>3,539,567</u>	<u>-</u>	<u>6,426,234</u>
OPERATING EXPENSES				
Cost of sales and services	2,507,140	760,958	295,464	3,563,562
Depreciation and amortization	252,012	430,738	9,552	692,302
Total operating expenses	<u>2,759,152</u>	<u>1,191,696</u>	<u>305,016</u>	<u>4,255,864</u>
Operating income (loss)	127,515	2,347,871	(305,016)	2,170,370
NON-OPERATING EXPENSES				
Interest	(5,358)	(881)	-	(6,239)
Total non-operating expenses	<u>(5,358)</u>	<u>(881)</u>	<u>-</u>	<u>(6,239)</u>
Income (loss) before transfers	<u>122,157</u>	<u>2,346,990</u>	<u>(305,016)</u>	<u>2,164,131</u>
Transfers in	-	12,000	295,464	307,464
Transfers out	(361,212)	(462,250)	-	(823,462)
Total transfers	<u>(361,212)</u>	<u>(450,250)</u>	<u>295,464</u>	<u>(515,998)</u>
Change in net position	(239,055)	1,896,740	(9,552)	1,648,133
Total net position, beginning	<u>1,645,828</u>	<u>19,790,294</u>	<u>273,898</u>	<u>21,710,020</u>
Total net position, ending	<u>\$ 1,406,773</u>	<u>\$ 21,687,034</u>	<u>\$ 264,346</u>	<u>\$ 23,358,153</u>

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

CITY OF DECATUR, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund	Totals
			Conference Center & Parking Deck Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,884,712	\$ 3,450,335	\$ -	\$ 6,335,047
Payments to suppliers	(981,694)	(541,637)	-	(1,523,331)
Payments to employees	(1,397,255)	(265,221)	-	(1,662,476)
Net cash provided by operating activities	<u>505,763</u>	<u>2,643,477</u>	<u>-</u>	<u>3,149,240</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	12,000	300,000	312,000
Transfers out to other funds	(361,212)	(462,250)	-	(823,462)
Repayment of advances from other funds	(43,964)	-	-	(43,964)
Net cash provided by (used in) non-capital financing activities	<u>(405,176)</u>	<u>(450,250)</u>	<u>300,000</u>	<u>(555,426)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(261,242)	(271,489)	-	(532,731)
Principal paid on financed purchases	(65,779)	-	-	(65,779)
Principal paid on note payable	-	(54,093)	-	(54,093)
Principal paid on SBITA	(5,039)	(5,038)	-	(10,077)
Interest paid on financed purchases and SBITA	(5,358)	(881)	-	(6,239)
Net cash used in capital and related financing activities	<u>(337,418)</u>	<u>(331,501)</u>	<u>-</u>	<u>(668,919)</u>
Net increase (decrease) in cash	(236,831)	1,861,726	300,000	1,924,895
Cash, beginning of year	3,213,514	6,179,857	215,312	9,608,683
Cash, end of year	<u>\$ 2,976,683</u>	<u>\$ 8,041,583</u>	<u>\$ 515,312</u>	<u>\$ 11,533,578</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 127,515	\$ 2,347,871	\$ (305,016)	\$ 2,170,370
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	252,012	430,738	9,552	692,302
Change in assets and liabilities:				
(Increase) Decrease in fees receivable	2,628	(82,653)	-	(80,025)
Decrease in prepaids	-	3,219	-	3,219
Decrease in due from other funds	-	30,637	-	30,637
Decrease in deferred outflows for pension items	120,161	5,663	-	125,824
Decrease in accounts payable	(13,531)	(139,758)	-	(153,289)
Increase in accrued liabilities	8,011	2,545	-	10,556
Increase (Decrease) in compensated absences payable	(29,793)	2,647	-	(27,146)
Decrease in unearned revenue	(4,583)	(6,579)	-	(11,162)
Increase in due to component unit	-	-	295,464	295,464
Increase in due to other funds	54,874	9,617	-	64,491
Increase in net pension liability	6,153	41,080	-	47,233
Decrease in deferred inflows for pension items	(17,684)	(1,550)	-	(19,234)
Net cash provided by operating activities	<u>\$ 505,763</u>	<u>\$ 2,643,477</u>	<u>\$ -</u>	<u>\$ 3,149,240</u>

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

CITY OF DECATUR, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

ASSETS	Pension Trust Fund	Custodial Fund
Cash	\$ 412,001	\$ 3,083,424
Taxes receivable	-	1,620,617
Investments:		
Mutual funds invested in equity securities	26,567,049	-
Mutual funds invested in fixed income securities	23,382,926	-
Total assets	<u>50,361,976</u>	<u>4,704,041</u>
LIABILITIES		
Accounts payable	-	166,722
Due to others	-	2,916,702
Uncollected taxes	-	1,620,617
Total liabilities	<u>-</u>	<u>4,704,041</u>
NET POSITION		
Net position restricted for pension benefits	<u>\$ 50,361,976</u>	<u>\$ -</u>

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

CITY OF DECATUR, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ADDITIONS	Pension Trust Fund	Custodial Fund
Contributions		
Plan member contributions	\$ 1,085,423	\$ -
Employer contributions	1,077,978	-
Taxes	-	52,895,837
Total additions	<u>2,163,401</u>	<u>52,895,837</u>
Investment earnings		
Net increase in fair value of investments	3,433,767	-
Interest and dividends	<u>1,073,994</u>	<u>-</u>
Total investment earnings	4,507,761	-
Less investment expense	<u>289,137</u>	<u>-</u>
Net investment earnings	<u>4,218,624</u>	<u>-</u>
Total additions	<u>6,382,025</u>	<u>52,895,837</u>
DEDUCTIONS		
Benefit payments	3,724,388	-
Administrative fees	34,749	-
Taxes and fees paid to other governments	<u>-</u>	<u>52,895,837</u>
Total deductions	<u>3,759,137</u>	<u>52,895,837</u>
Change in net position	2,622,888	-
NET POSITION		
Beginning of year	<u>47,739,088</u>	<u>-</u>
End of year	<u>\$ 50,361,976</u>	<u>\$ -</u>

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

CITY OF DECATUR, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Decatur, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City operates under a commission/manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, and general and administrative services. Additionally, the City owns and contracts for management of a parking deck and convention center for the benefit of the downtown Decatur area.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Decatur Downtown Development Authority (the “DDA”) has been included as a discretely presented component unit in the accompanying financial statements. The City appoints all members of its board and has the ability to impose its will on the DDA by removing those board members and appointing, hiring, reassigning or dismissing those persons responsible for the day-to-day operations of the DDA. Financial information with regard to the DDA can be obtained from the DDA’s administrative offices at 509 North McDonough Street, Decatur, Georgia 30030. Separate financial statements for the Downtown Development Authority are not prepared.

The Decatur Tourism Board (the “DTB”) has been included as a discretely presented component unit in the accompanying financial statements. The Board does not have the power to levy taxes or issue bonded debt and a financial benefit or burden relationship exists as the City has assumed the obligation to provide financial support to the DTB in the form of hotel/motel occupancy taxes collected on lodgings in the City. Financial information with regard to the DTB can be obtained from the DTB’s administrative offices at 509 North McDonough Street, Decatur, Georgia 30030. Separate financial statements for the Decatur Tourism Board are not prepared.

The Urban Redevelopment Agency of the City of Decatur (the “URA”) has been included as a blended component unit in the accompanying financial statements. All members of the City Commission serve on the Commission for the URA. Although it is legally separate from the City, its sole purpose is to finance construction and acquisitions of the City. The debt and assets of the URA have been reported as a form of the City’s debt and assets and all debt service activity is reported as debt service activity of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The City of Decatur Public Facilities Authority (the "PFA") has been included as a blended component unit in the accompanying financial statements. The City appoints all members of its board and has the ability to impose its will on the PFA by removing those board members at will. Although it is legally separate from the City, its sole purpose is to finance the purchase and maintenance of buildings, facilities, equipment, and services for the citizens of the City. The debt and assets of the PFA have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of intergovernmental revenues which the City considers to be available if they are collected within six (6) months of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease payments, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right-to-use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

The **SPLOST Fund** accounts for the special purpose local option sales tax revenue collected and payments made for capital project expenditures on projects included in the voter approved referendum.

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

The **2010 URA Bond Fund** accounts for the proceeds from the issuance of Recovery Zone Economic Development Bonds and the expenditures of those funds for major capital projects.

The **Debt Service Fund** accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The **American Rescue Plan Act (ARPA) Fund** accounts for the revenue and expenditures related to the American Rescue Plan Act grant provided to the City from the United States Department of the Treasury.

The City reports the following major proprietary funds:

The **Solid Waste Fund** accounts for the collection of fees for garbage collection, disposal and recycling programs and related expenses.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City also reports the following fund types:

The **Special Revenue funds** are used to account for specific revenues, such as confiscations/forfeitures, emergency telephone system charges, hotel/motel tax revenues and various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Capital Projects funds** are used to account for the expenditures of proceeds from the issuance of general obligation and revenue bonds as well as for receipts and expenditures of funds for cemetery projects throughout the City.

The **Pension Trust Fund** accounts for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the City at rates determined by actuarial computations.

The **Custodial fund** is accounted for on the accrual basis of accounting, and is used to account for property taxes that the City holds and remits to the City Schools of Decatur in a fiduciary capacity.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments

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

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

The City's nonparticipating interest-earning investment contracts are recorded at cost. All remaining investments are recorded at fair value. Increases or decreases in the fair value of the City's investments during the year are recognized as a component of investment income.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements. In accounting for these prepaid items, the City utilizes the consumption method whereby items are recorded as expenditures when they are consumed.

I. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), right-to-use lease assets, and right-to-use subscription assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has reported infrastructure assets consistent with the retroactive reporting requirements of GASB Statement No. 34. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated and amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Machinery and equipment	3-20
Vehicles	5
Land improvements	15-20
Infrastructure	15-50
Buildings and improvements	30-50
Right-to-use lease buildings	3-4
Right-to-use subscription assets	4-5

J. Leases

Lessee

The City of Decatur Downtown Development Authority (the “DDA”) is a lessee for a noncancelable lease of a building. The DDA recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Leases (Continued)

Lessee (continued)

At the commencement of a lease, the DDA initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the DDA determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The DDA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the DDA generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the DDA is reasonably certain to exercise.

The DDA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable building lease. The City recognizes a lease receivable and deferred inflows of resources at both the fund level and government-wide level of reporting.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Leases (Continued)

Lessor (continued)

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

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

K. Subscription-Based Information Technology Arrangements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Subscription Based Information Technology Arrangements (Continued)

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

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City's deferred charge on refunding qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Outflows/Inflows of Resources (Continued)

The statement of net position reports the *accumulated increase in the fair value of the hedging derivative* as a deferred inflow of resources. As the derivative qualifies as an effective hedge, the change in fair value which occurs each fiscal year is deferred and thus the asset and deferred inflow are adjusted.

The statement of net position also reports the *deferred service concession arrangement receipts* as a deferred inflow of resources. This balance includes the effect of deferring the recognition of revenue from the present value of installment payments to be received by the Decatur Downtown Development Authority under the conference center facilities service concession arrangement. The balance of the deferred inflow of resources as of June 30, 2023 will be recognized as revenue on a straight-line basis and increase net position over the remaining life of the contract.

The City also reports as deferred inflows of resources items that arise from the revenue recognition of property taxes and intergovernmental revenues. The first item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The second item, *deferred revenue*, which is reported in both the governmental funds balance sheet and the government-wide statement of net position, pertains to intergovernmental revenues received by the City before time requirements are met and thus will be recognized as inflows (revenue) in future periods once those requirements are met.

The City also reports as deferred inflows of resources items that arise from leases, where the City is a lessor. Lease-related amounts are recognized at the inception of leases in which the City is a lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Outflows/Inflows of Resources (Continued)

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

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are reported as expenses in the periods in which they are incurred.

In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts, as well as the initiation of leasing arrangements as lessee, as other financing sources. Bond issuance costs are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Equity

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

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City Commission. Approval of a resolution after a formal vote of the City Commission is required to establish a commitment of fund balance. Similarly, the City Commission may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through the adoption of a resolution, the City Commission has expressly delegated to the City Manager the authority to assign fund balances for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. The City intends to maintain an unassigned fund balance in the General Fund between twenty and thirty percent of the operating budget or an amount equal to 3-4 months’ operating expenditures.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Equity (Continued)

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

P. Pensions

The City of Decatur Employees' Retirement System uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when due as deductions from the employees' payroll. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the Plan and City procedures for termination.

Q. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “receivables of governmental activities arising from long-term receivables and interest are not current financial resources and, therefore, are not reported in the governmental funds.” The details of this \$3,578,508 difference are as follows:

Installment sale receivable	\$ 3,535,000
Accrued interest receivable	43,508
	3,578,508
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 3,578,508

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$175,844,083 difference are as follows:

Financed purchases payable	\$ (791,201)
SBITA liability	(1,611,281)
Certificates of participation	(1,880,000)
Accrued interest payable	(1,781,209)
Notes payable	(11,178,174)
Bonds payable	(151,336,824)
Bond premium	(8,453,613)
Deferred charges from bond refunding	2,480,629
Compensated absences	(1,292,410)
	(175,844,083)
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (175,844,083)

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (Continued)

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another element of that reconciliation explains that “the net pension liability, total OPEB liability, and related deferred inflows and outflows of resources are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this (\$42,993,377) difference are as follows:

Deferred outflows of resources - pension related items	\$ 3,367,271
Deferred inflows of resources - pension related items	(295,133)
Deferred outflows of resources - OPEB related items	2,466,413
Deferred inflows of resources - OPEB related items	(11,356,532)
Total OPEB liability	(25,930,953)
Net pension liability	<u>(11,244,443)</u>
Net adjustment to decrease <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (42,993,377)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$326,395 difference are as follows:

Capital outlay	\$ 5,292,074
Depreciation and amortization expense	<u>(4,965,679)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 326,395</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$8,344,464 difference are as follows:

Principal retirements	\$ 7,691,123
Amortization of premiums	811,040
Amortization of deferred charges from refunding	(157,699)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 8,344,464

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,704,999 difference are as follows:

Compensated absences	\$ (73,359)
Accrued interest	(477,006)
Pension expense	(616,015)
OPEB expense	2,871,379
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 1,704,999

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation explains that “In the governmental funds, payments received on long-term receivables are reported as intergovernmental revenues and issuances are recorded as expenditures. However, in the statement of activities, the long-term receivables are recorded in the year they are created and principal payments serve to reduce the long-term receivable. This is the net effect of these differences in the current year.” The details of this \$272,825 difference are as follows:

Principal payments received	\$ (260,000)
Change in accrued interest	<u>(12,825)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (272,825)</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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

1. In accordance with the Fiscal Control Ordinance of the City, the City Manager submits a proposed operating budget to the City Commissioners. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Commissioners, the City publishes the proposed budget in the official legal organ, other community newspapers and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the City Commission.
5. Budgetary control is exercised at the department level. The City Manager is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Commissioners. Budget amounts shown in these financial statements reflect amendments approved by the City Commissioners. Such amendments resulted in no supplemental appropriations.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

The table below summarizes the City's cash and cash equivalents and investments by type as of June 30, 2023:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Deposits with financial institutions	---	\$ 57,840,900
Guaranteed Investment Contract	June 1, 2028	1,241,666
Georgia Fund 1 - cash equivalents	28 days	<u>5,054,829</u>
Total		<u>\$ 64,137,395</u>

As report in the Statement of Net Position:

Cash and cash equivalents	\$ 59,400,304
Restricted:	
Investments	1,241,666
Cash - Fiduciary Funds	<u>3,495,425</u>
Total	<u>\$ 64,137,395</u>

Credit risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs.

The interest rate swap agreement that is more fully described in Note 10 is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

The City's Guaranteed Investment Contract is a nonparticipating interest-earning investment contact and, accordingly, is recorded at cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Primary Government (Continued)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the City had deposits with four (4) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had certificates of deposit with another financial institution that were collateralized by pledged securities, as defined above, such that all of the City's deposits with financial institutions as of June 30, 2023 were insured and/or collateralized as required by State statutes.

Interest rate risk: With regard to its investments (aside from those held in the Pension Trust Fund), the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Pension Trust Fund

The Pension Trust Fund's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Board of Trustees of the Employees' Retirement System of the City of Decatur. The Pension Trust Fund is authorized to invest in cash and cash equivalents (including money market funds and stable value funds), fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper or similar fixed income contracts), and domestic equities.

As of June 30, 2023, the Pension Trust Fund had \$49,949,975 invested in the following types of investments:

Investment	Fair Value
Mutual funds invested in equities	\$ 26,567,049
Mutual funds invested in fixed income	23,382,926
Total	<u>\$ 49,949,975</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Fund (Continued)

Credit risk: The Pension Trust Fund's investment policy adopts the following asset allocation mix to achieve the lowest level of risk while obtaining the average annual return benchmark (8.25%): Cash and Cash Equivalents targeted at 1% but with an acceptable range between 0.25% and 2%; Fixed Income targeted at 49% but with an acceptable range between 40% and 50%; Domestic Equities targeted at 50% but with an acceptable range between 50% and 60% (at historical cost); and Foreign Equities targeted at 0% but with an acceptable range between 0% and 5% (at historical cost). At June 30, 2023, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2023, the Pension Trust Fund did not have any debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of plan fiduciary net position.

Interest rate risk: The Pension Trust Fund holds assets to collateralize the pension promises. The projected benefits extend out over 50+ years. The investment policy considers the duration of the assets and liabilities when managing interest rate risk in the bond portfolio. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees of the Employees' Retirement System of the City of Decatur.

As of June 30, 2023, the Pension Trust Fund had \$49,949,975 invested in the following investments as categorized by interest rate risk:

Investment	Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	\$ 26,567,049	n/a
Mutual funds invested in fixed income	23,382,926	5.2
Total	\$ 49,949,975	

Rate of Return: For the year ended June 30, 2023, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 9.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Fund (Continued)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2023, the Pension Trust Fund did not have any deposits with financial institutions which were uninsured or under collateralized, as defined by State statutes.

Fair Value Measurements: The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2023:

<u>Investment</u>	<u>Level 1</u>
Mutual funds invested in equities	\$ 26,567,049
Mutual funds invested in fixed income	<u>23,382,926</u>
Total investments	<u>\$ 49,949,975</u>

The mutual fund securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The tax levy is divided into two billings. The first billing is mailed April 1 which is considered the levy date, and the second billing is mailed no later than October 20. The billings are considered due upon receipt by the taxpayer; however, the actual due dates are June 1 and December 20. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred inflows of resources (unavailable revenues) when assessed. Revenues are recognized when available.

Enterprise fund solid waste fees and stormwater fees are billed annually on April 1 for the calendar year and are due June 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (Continued)

Receivables at June 30, 2023, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental Funds	<u>General</u>	<u>SPLOST</u>	<u>Capital Improvement</u>	<u>2010 URA Bond</u>
Receivables:				
Taxes	\$ 766,697	\$ -	\$ 203,517	\$ -
Lease receivable		-	-	2,218,979
Due from other governments	-	395,014	149,701	-
Other	451,383	-	-	-
Less allowance for uncollectible	(35,755)	-	(9,100)	-
Net total receivable	<u>\$ 1,182,325</u>	<u>\$ 395,014</u>	<u>\$ 344,118</u>	<u>\$ 2,218,979</u>
		<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental</u>
Receivables:				
Taxes		\$ 183,368	\$ 128,841	\$ 1,282,423
Lease receivable		-	-	2,218,979
Due from other governments		-	-	544,715
Other		-	272,659	724,042
Less allowance for uncollectible		(10,048)	-	(54,903)
Net total receivable		<u>\$ 173,320</u>	<u>\$ 401,500</u>	<u>\$ 4,715,256</u>
		<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Receivables:				
Accounts		\$ 300,145	\$ 519,601	\$ 819,746
Less allowance for uncollectible		(118,037)	(114,101)	(232,138)
Net total receivable		<u>\$ 182,108</u>	<u>\$ 405,500</u>	<u>\$ 587,608</u>

Installment Sale Receivable – Governmental Activities: The City has entered into an installment sale with the City's School District. The agreement executed between the City and the School District called for the City to construct a central administration facility for the School District who, in turn, would be responsible for paying to the City amounts equal to the debt service requirements on the URA Revenue Bonds, Series 2013B. During the year ended June 30, 2021, the Series 2013B bonds were partially refunded with the URA Revenue Bonds, Series 2020B, resulting in a decrease of future interest payments to be received by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (Continued)

Installment Sale Receivable – Governmental Activities (Continued):

Future payments to be received by the City under the installment sale are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 280,000	\$ 87,015	\$ 367,015
2025	285,000	78,615	363,615
2026	295,000	70,065	365,065
2027	300,000	61,215	361,215
2028	315,000	52,215	367,215
2029-2033	1,700,000	129,295	1,829,295
2034	360,000	6,480	366,480
Total	<u>\$ 3,535,000</u>	<u>\$ 484,900</u>	<u>\$ 4,019,900</u>

NOTE 6. LEASES RECEIVABLE

Lease Receivable – Governmental Activities: The City has entered into a lease agreement with the City’s School District, whereby the School District leases a portion of the City’s Public Works building to provide the School District with space for its Facilities and Maintenance Department. The City receives annual payments in the amount of \$121,605 through June 30, 2026; \$145,926 through June 30, 2036; and \$170,247 through June 30, 2046. Payments to be received by the City subsequent to this initial term will consist of utility costs, a proportionate share of operating expenses for the respective fiscal years, and a “capital maintenance assessment” comprised of a proportional share (based on occupancy) of the cost of any capital improvements made to the Public Works building during the respective fiscal year. The total amount of lease revenue, including the amortization of deferred inflows and interest revenue, recognized during the fiscal year ended June 30, 2023 was \$122,829. At June 30, 2023, the City’s receivable for lease payments was \$2,218,979. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the initial lease term that ends on June 30, 2046.

Lease Receivable – Service Concession Arrangement - Decatur Downtown Development Authority (DDA): In May of 2011 the DDA entered into an agreement with a third party for the operation of the City’s Conference Center that qualifies for reporting as a service concession arrangement under GASB Statement No. 94. Under the terms of the agreement, the third-party operator was required to make monthly rental payments until construction of the leasehold improvements was completed and subsequently the operator would receive rental forgiveness in the amount of the leasehold improvements made. As of June 30, 2023, the balance of the lease receivable is \$868,773 and consists of the total rent to be received under the terms of the agreement, reduced for the dollar amount of leasehold improvements made. The deferred inflows of resources related to this service concession arrangement are being recognized as revenue on a straight-line basis. Upon the termination of the lease (May 1, 2035), the Conference Center will be returned to the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	Restated Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 36,250,041	\$ 1,010,157	\$ -	\$ 37,260,198
Construction in progress	2,194,806	2,903,965	(1,082,929)	4,015,842
Total	<u>38,444,847</u>	<u>3,914,122</u>	<u>(1,082,929)</u>	<u>41,276,040</u>
Capital assets, being depreciated:				
Land improvements	4,004,116	-	145,430	4,149,546
Infrastructure	42,871,895	-	286,656	43,158,551
Buildings and improvements	67,319,662	-	247,843	67,567,505
Machinery and equipment	8,239,539	630,666	403,000	9,273,205
Vehicles	7,648,447	747,286	-	8,395,733
Total	<u>130,083,659</u>	<u>1,377,952</u>	<u>1,082,929</u>	<u>132,544,540</u>
Less accumulated depreciation for:				
Land improvements	(1,481,454)	(84,172)	-	(1,565,626)
Infrastructure	(22,995,349)	(1,179,186)	-	(24,174,535)
Buildings and improvements	(21,346,309)	(2,346,814)	-	(23,693,123)
Machinery and equipment	(6,534,473)	(300,983)	-	(6,835,456)
Vehicles	(6,293,861)	(602,999)	-	(6,896,860)
Total	<u>(58,651,446)</u>	<u>(4,514,154)</u>	<u>-</u>	<u>(63,165,600)</u>
Total capital assets, being depreciated, net	<u>71,432,213</u>	<u>(3,136,202)</u>	<u>1,082,929</u>	<u>69,378,940</u>
Governmental activities capital assets, net excluding subscription assets	<u>\$ 109,877,060</u>	<u>\$ 777,920</u>	<u>\$ -</u>	<u>110,654,980</u>
Subscription assets, net (Note 9)				<u>1,580,339</u>
Total capital assets, net as reported in the statement of net position				<u>\$ 112,235,319</u>

Beginning land balances were restated by \$2,165,143 due to an erroneous disposal recorded in the prior year. See Note 20 for more information.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:		
General government	\$	337,152
Public safety		1,527,858
Public works		1,386,704
Recreation		<u>1,262,440</u>
Total depreciation expense - governmental activities	\$	<u><u>4,514,154</u></u>

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 280,065	\$ -	\$ -	\$ 280,065
Construction in progress	479,516	221,349	-	700,865
Total	<u>759,581</u>	<u>221,349</u>	<u>-</u>	<u>980,930</u>
Capital assets, being depreciated:				
Infrastructure	20,078,404	-	-	20,078,404
Buildings	8,605,815	-	-	8,605,815
Furniture, fixtures, and equipment	4,032,652	311,382	-	4,344,034
Total	<u>32,716,871</u>	<u>311,382</u>	<u>-</u>	<u>33,028,253</u>
Less accumulated depreciation for:				
Infrastructure	(5,303,406)	(390,813)	-	(5,694,219)
Buildings	(8,567,064)	(9,090)	-	(8,576,154)
Furniture, fixtures, and equipment	(3,523,320)	(281,581)	-	(3,804,901)
Total	<u>(17,393,790)</u>	<u>(681,484)</u>	<u>-</u>	<u>(18,075,274)</u>
Total capital assets, being depreciated, net	<u>15,323,081</u>	<u>(370,102)</u>	<u>-</u>	<u>14,952,979</u>
Business-type activities capital assets, net excluding subscription assets	<u>\$ 16,082,662</u>	<u>\$ (148,753)</u>	<u>\$ -</u>	<u>15,933,909</u>
Subscription assets, net (Note 9)				<u>37,866</u>
Total capital assets, net as reported in the statement of net position				<u><u>\$ 15,971,775</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (Continued)

Primary Government (Continued)

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

Business-Type Activities		
Solid Waste	\$	246,603
Stormwater		425,329
Conference Center and Parking Deck		9,552
Total depreciation expense - business-type activities	\$	681,484

Component Units

Capital asset activity for the Decatur Downtown Development Authority for the fiscal year ended June 30, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	\$ 2,273,979	\$ -	\$ (119,390)	\$ 2,154,589
Total	2,273,979	-	(119,390)	2,154,589
Capital assets, being depreciated:				
Buildings	138,128	-	(138,128)	-
Leasehold Improvements	1,139,834	-	-	1,139,834
Total	1,277,962	-	(138,128)	1,139,834
Less accumulated depreciation for:				
Buildings	(39,368)	(2,763)	42,131	-
Leasehold Improvements	(487,592)	(47,494)	-	(535,086)
Total	(526,960)	(50,257)	42,131	(535,086)
Total capital assets, being depreciated, net	751,002	(50,257)	(95,997)	604,748
Decatur Downtown Development Authority capital assets, net excluding lease assets	\$ 3,024,981	\$ (50,257)	\$ (215,387)	2,759,337
Lease assets, net (Note 8)				67,979
Total capital assets, net as reported in the statement of net position				\$ 2,827,316

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LEASE ASSETS

A summary of lease asset activity for the year ended June 30, 2023, is as follows:

Decatur Downtown Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets:				
Building	\$ 163,949	\$ -	\$ -	\$ 163,949
Total	163,949	-	-	163,949
Less accumulated amortization for:				
Buildings	(47,985)	(47,985)	-	(95,970)
Total	(47,985)	(47,985)	-	(95,970)
Total lease assets, net	\$ 115,964	\$ (47,985)	\$ -	\$ 67,979

NOTE 9. RIGHT-TO-USE SUBSCRIPTION ASSETS

A summary of the City's subscription asset activity for governmental activities for the year ended June 30, 2023, is as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription assets:				
Software and licenses	\$ 2,031,864	\$ -	\$ -	\$ 2,031,864
Total	2,031,864	-	-	2,031,864
Less accumulated amortization for:				
Software and licenses	-	(451,525)	-	(451,525)
Total	-	(451,525)	-	(451,525)
Total lease assets, net	\$ 2,031,864	\$ (451,525)	\$ -	\$ 1,580,339

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

Governmental activities:	
General government	\$ 142,309
Public safety	199,779
Public works	30,099
Recreation	79,338
Total subscription amortization expense - governmental activities	\$ 451,525

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RIGHT-TO-USE SUBSCRIPTION ASSETS (CONTINUED)

A summary of the City's subscription asset activity for governmental activities for the year ended June 30, 2023, is as follows:

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription assets:				
Software and licenses	\$ 48,684	\$ -	\$ -	\$ 48,684
Total	48,684	-	-	48,684
Less accumulated amortization for:				
Software and licenses	-	(10,818)	-	(10,818)
Total	-	(10,818)	-	(10,818)
Total lease assets, net	\$ 48,684	\$ (10,818)	\$ -	\$ 37,866

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

Business-type activities:		
Solid Waste		\$ 5,409
Stormwater		5,409
Total subscription amortization expense - business-type activities		\$ 10,818

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT

Primary Government

Long-term liability activity for the City's governmental activities for the year ended June 30, 2023, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 156,824,000	\$ -	\$ (6,202,000)	\$ 150,622,000	\$ 6,397,000
Direct placement bonds	746,914	-	(32,090)	714,824	34,015
Plus: premium	<u>9,264,653</u>	<u>-</u>	<u>(811,040)</u>	<u>8,453,613</u>	<u>-</u>
Total bonds payable	166,835,567	-	(7,045,130)	159,790,437	6,431,015
Financed purchases from direct borrowings	1,110,651	-	(319,450)	791,201	235,585
Notes payable from direct borrowings	11,720,174	-	(542,000)	11,178,174	554,322
Subscription liability	2,031,864	-	(420,583)	1,611,281	437,623
Certificates of participation	2,055,000	-	(175,000)	1,880,000	180,000
Total OPEB liability	27,613,870	2,349,684	(4,032,601)	25,930,953	750,000
Net pension liability	12,273,349	4,778,737	(5,807,643)	11,244,443	-
Compensated absences	<u>1,219,051</u>	<u>720,049</u>	<u>(646,690)</u>	<u>1,292,410</u>	<u>1,098,549</u>
Governmental activities long-term liabilities	<u>\$ 224,859,526</u>	<u>\$ 7,848,470</u>	<u>\$ (18,989,097)</u>	<u>\$ 213,718,899</u>	<u>\$ 9,687,094</u>

Beginning bonds payable balances were restated by \$4,060,000 due to the omission of bonds payable in the prior year. See Note 20 for more information. Additionally, the beginning balance of the City's subscription liability has been updated to reflect the implementation of GASB Statement No. 96.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Long-term liability activity for the City's business-type activities for the year ended June 30, 2023, was as follows:

	Restated Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Business-Type Activities					
Financed purchases from					
direct borrowings	\$ 118,159	\$ -	\$ (65,779)	\$ 52,380	\$ 52,380
Subscription liability	48,685	-	(10,077)	38,608	10,486
Note payable	412,752	-	(54,093)	358,659	54,093
Net pension liability	1,075,381	621,615	(574,382)	1,122,614	-
Compensated absences	95,382	29,657	(56,803)	68,236	58,000
Governmental activities					
Long-term liabilities	<u>\$ 1,750,359</u>	<u>\$ 651,272</u>	<u>\$ (761,134)</u>	<u>\$ 1,640,497</u>	<u>\$ 174,959</u>

During the fiscal year ended June 30, 2023, the City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. As such, the beginning balance of the subscription liability has been updated to reflect this implementation.

For governmental funds, compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability are liquidated by the Stormwater Utility Fund and the Solid Waste Fund.

General Obligation Bonds. In April 2015, the City issued \$29,895,000 of City of Decatur 2015 Obligation Refunding Bonds. The proceeds from the bonds were used to refund \$29,345,000 of the Series 2007 Bonds and to pay the costs of issuance. The bonds bear interest at rates ranging from 2% – 3.25% and mature on January 1, 2037. General obligation bonds are direct obligations and pledge the full faith and credit of the government. As of June 30, 2023, the outstanding principal amount is \$24,285,000.

In February 2016 the City issued General Obligation Bonds (City Schools of Decatur Projects), Series 2016 in the amount of \$69,755,000. The proceeds from the bonds, combined with an original issue premium in the amount of \$6,224,013, were used to disburse \$75,000,000 to the City of Decatur Board of Education to be used for various capital projects. The bonds are payable from the levy of taxes on all property in the City subject to general obligation school bond taxation. Interest rates range from 3% to 5% and payments are due semi-annually on February 1 and August 1, beginning on August 1, 2016. The bonds mature August 1, 2042. As of June 30, 2023, the outstanding principal amount is \$62,495,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

In September 2018, the City issued \$5,095,000 of City of Decatur 2018 General Obligation Bonds. The proceeds of the bonds were used to finance various capital projects at the City. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The bonds bear interest at 2.68% and mature on April 1, 2024. As of June 30, 2023, the outstanding principal amount is \$932,000.

Revenue Bonds. In September 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued \$9,370,000 of Refunding Revenue Bonds Series 2020A. The proceeds of the refunding bonds are for the purpose of refunding all of the outstanding Series 2010A bonds, and covering related issuance costs. The refunding bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. The City defeased \$10,115,000 of the Series 2010A bonds by placing the proceeds of the refunding issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refunding resulted in a decrease of total debt service payments of approximately \$2,024,656, for an economic gain of \$1,800,565. Interest rates range from 2.0% to 5.0% with semi-annual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2038. As of June 30, 2023, the outstanding principal amount is \$8,180,000.

In September 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued Refunding Revenue Bonds Series 2020B, in the amount of \$25,250,000. The proceeds of the refunding bonds are for the purpose of refunding a portion of the outstanding Series 2013A and Series 2013B bonds, and covering related issuance costs. The refunding bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. The City defeased \$19,650,000 of the Series 2013A bonds and \$3,420,000 of the Series 2013B bonds by placing the proceeds of the refunding issuances in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refundings resulted in a decrease of total debt service payments of approximately \$5,621,799 for an economic gain of \$4,539,959. Interest rates range from 3.0% to 5.0% with semi-annual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2044. As of June 30, 2023, the outstanding principal amount is \$24,580,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

In November 2020, the Urban Redevelopment Agency of the City of Decatur (URA) issued revenue bonds Series 2020C in the amount of \$5,500,000. The proceeds of these bonds will be used to finance the acquisition of certain property for redevelopment, recreational improvements to property owned by the City of Decatur, and to pay issuance costs associated with the bonds. The interest rate at issuance through October 2035 is 1.96%, after which the interest rate will be reset using the 1-year FHLB Des Moines Fixed-Rate Advance rate plus 40 basis points, not to exceed 6.96%. Annual principal payments commence October 1, 2021 through the maturity date of October 1, 2040, with interest due semi-annually on April 1 and October 1. As of June 30, 2023, the outstanding principal balance on these bonds is \$5,075,000.

In March 2022, the Decatur Housing Authority (the "Housing Authority"), a related organization, issued \$4,060,000 in Series 2022 Revenue Bonds (the "Series 2022 Bonds"), the proceeds of which were provided to the City in order to purchase seven (7) acres of land from the Decatur Public Facilities Authority, a blended component unit, for a low-income housing development. The City entered into an intergovernmental agreement with the Housing Authority whereby the City is required to make payments to the Housing Authority sufficient to cover debt service on the Series 2022 Bonds. Semi-annual interest payments commenced on February 1, 2023, and principal is due annually beginning February 1, 2023 through June 30, 2028. Interest on the Series 2022 Bonds is fixed at 1.82%. As of June 30, 2023, the outstanding principal balance on these bonds is \$3,220,000.

In August 2022, the Public Facilities Authority of the City of Decatur (PFA) issued \$21,855,000 of Refunding Revenue Bonds Series 2022. The proceeds of the refunding bonds are for the purpose of refunding all of the outstanding Series 2017 bond and paying the costs of issuing the bonds. The refunding bonds are special limited obligations of the PFA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the PFA in amounts sufficient to pay the principal and interest of the bonds. Interest rates range from 3.0% to 5.0% with semi-annual payments of principal and interest commencing February 1, 2028 through the maturity date of February 1, 2042. The City defeased \$27,135,000 of the Series 2017 bonds by placing the proceeds of the refunding issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. The advanced refunding resulted in a decrease of total debt service payments of \$1,625,193, for an economic gain of \$1,172,668. As of June 30, 2023, the outstanding principal amount is \$21,855,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

The City's total debt service requirements to maturity on these outstanding bond issues are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,397,000	4,917,158	\$ 11,314,158
2025	5,800,000	4,665,685	10,465,685
2026	6,135,000	4,434,959	10,569,959
2027	6,395,000	4,202,836	10,597,836
2028	6,180,000	3,946,818	10,126,818
2029-2033	37,635,000	15,331,169	52,966,169
2034-2038	41,325,000	8,886,410	50,211,410
2039-2043	32,585,000	3,579,618	36,164,618
2044-2048	8,170,000	458,190	8,628,190
Total	<u>\$ 150,622,000</u>	<u>\$ 50,422,843</u>	<u>\$ 201,044,843</u>

Revenue Bonds from Direct Placement. In December 2010, the Urban Redevelopment Agency of the City of Decatur (URA) issued Series 2010B Bond as a direct placement in the amount of \$1,000,000. The proceeds from the bonds were used to pay for the costs of acquiring, constructing, equipping, and renovating of a fire station, a public works facility, and a recreation center as well as the issuance costs. The bonds are special limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest of the bonds. The interest rate is 6% and payments are due semi-annually on July 1 and January 1, beginning July 1, 2011. The bonds mature January 1, 2037. As of June 30, 2023, the outstanding principal amount is \$714,824.

The City's total debt service requirements to maturity on its outstanding direct placement bonds are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,015	\$ 42,889	\$ 76,904
2025	36,056	40,849	76,905
2026	38,219	38,685	76,904
2027	40,512	36,392	76,904
2028	42,943	33,961	76,904
2029-2033	256,598	127,924	384,522
2034-2038	266,481	41,136	307,617
Total	<u>\$ 714,824</u>	<u>\$ 361,836</u>	<u>\$ 1,076,660</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Financed purchases from direct borrowings. In November 2019, the City entered into a financed purchase agreement in the amount of \$1,143,520 to finance a fire truck. Annual principal and interest payments are required until maturity on November 26, 2026 at an interest rate of 2.47%. At June 30, 2023, the total amount of principal outstanding was \$677,241.

In September 2019, the City entered into a financed purchase agreement in the amount of \$195,000 to finance the purchase of a fire rescue pumper truck. Annual principal and interest payments are required until maturity on September 26, 2024 at an interest rate of 3.26%. At June 30, 2023, the total amount of principal outstanding was \$81,772.

In January 2019, the City entered into a financed purchase agreement in the amount of \$393,656 to finance the purchase of a grapple truck and a refuse truck. The grapple truck is recorded under governmental activities, and the refuse truck is recorded under the Solid Waste Fund, at 38% and 62% of the total amount, respectively. Annual principal and interest payments are required until maturity on January 4, 2024 at an interest rate of 3.71%. At June 30, 2023, the total amount of principal outstanding for governmental activities and business-type activities was \$32,188 and \$52,380, respectively.

Debt service requirements as of June 30, 2023 for governmental activities' financed purchases from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	\$ 235,585	\$ 20,586	\$ 256,171
2025	208,737	14,052	222,789
2026	171,326	8,568	179,894
2027	175,553	4,336	179,889
Total	\$ 791,201	\$ 47,542	\$ 838,743

Debt service requirements as of June 30, 2023 for business-type activities' financed purchases from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	\$ 52,380	\$ 1,943	\$ 54,323
Total	\$ 52,380	\$ 1,943	\$ 54,323

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Notes Payable from direct borrowings. In August 2017, the Public Facilities Authority issued a note payable to the Georgia Environmental Finance Authority (GEFA) from the Clean Water State Revolving Fund in the amount of \$11,452,000. Interest on the note payable accrues at 1.70%. Principal and interest on the note will be due monthly until maturity in September 2047. As of June 30, 2023, the outstanding principal amount is \$9,693,849.

In June 2019, the City issued a note payable to BB&T in the amount of \$2,333,960. Interest on the note payable accrued at 3.08%. Principal and interest on the note will be due monthly until maturity in June 2029. As of June 30, 2023, the outstanding principal amount is \$1,484,325.

In March 2020, the Decatur Housing Authority (DHA) loaned the City \$500,000 to assist in storm water infrastructure repairs on DHA-owned property. The City will not repay DHA directly but recognize a reduction in the liability rather than bill DHA for its annual storm water fees. The note does not carry interest. As of June 30, 2023, the outstanding principal amount is \$358,659.

Debt service requirements as of June 30, 2023 for notes payable from direct borrowings associated with governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 554,322	\$ 207,986	\$ 762,308
2025	566,949	195,359	762,308
2026	579,889	182,419	762,308
2027	593,150	169,158	762,308
2028	606,741	155,567	762,308
2029-2033	2,098,991	613,630	2,712,621
2034-2038	1,994,922	442,970	2,437,892
2039-2043	2,171,775	266,117	2,437,892
2044-2048	2,011,435	75,474	2,086,909
Total	\$ 11,178,174	\$ 2,308,680	\$ 13,486,854

Debt service requirements as of June 30, 2023 for notes payable from direct borrowings associated with business-type activities are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>
2024	\$ 54,093
2025	54,093
2026	54,093
2027	54,093
2028	54,093
2029-2030	88,194
Total	\$ 358,659

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

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

Debt service requirements as of June 30, 2023 for the City's SBITA liability for governmental activities is as follows:

	Principal	Interest	Total
2024	\$ 437,623	\$ 56,481	\$ 494,104
2025	455,452	38,652	494,104
2026	474,008	20,096	494,104
2027	244,198	2,857	247,055
Total	\$ 1,611,281	\$ 118,086	\$ 1,729,367

Debt service requirements as of June 30, 2023 for the City's SBITA liability for business-type activities is as follows:

	Principal	Interest	Total
2024	\$ 10,486	\$ 1,354	\$ 11,840
2025	10,913	927	11,840
2026	11,358	482	11,840
2027	5,851	69	5,920
Total	\$ 38,608	\$ 2,832	\$ 41,440

Certificates of Participation. In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$1,320,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Certificates of Participation (Continued)

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (2) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2023, the floating rate being paid by the City is .40% and the market value of this agreement is \$82,302, a decrease of \$63,605 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2023 based on the derivative contract and it is reported as a non-current asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

In July 2005, the City issued Certificates of Participation, Series 2005, in the principal amount of \$2,810,000 with principal and interest payments beginning January 1, 2006 through January 1, 2026 at an interest rate of 3.91%. Proceeds were used to acquire, construct, install and equip certain renovations and additions to its City Hall. In February 2015, the City negotiated an interest rate reduction from 3.91% to 2.60%. This rate reduction did not change the outstanding balance of the certificates of participation or the future maturities with regard to principal payments.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Certificates of Participation (Continued).

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

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2024	\$ 180,000	\$ 77,260	\$ 257,260
2025	185,000	72,580	257,580
2026	195,000	67,770	262,770
2027	1,320,000	188,100	1,508,100
Total	\$ 1,880,000	\$ 405,710	\$ 2,285,710

Decatur Downtown Development Authority

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 1,641,792	\$ -	\$ (82,810)	\$ 1,558,982	\$ 85,897
Lease liability	119,610	-	(47,092)	72,518	50,570
Decatur DDA					
Long-term liabilities	\$ 1,761,402	\$ -	\$ (129,902)	\$ 1,631,500	\$ 136,467

Notes Payable from direct borrowings. In July 2017, the Decatur DDA entered into a note payable with DeKalb County in the amount of \$224,896 to reimburse DeKalb County for the DDA's portion of a joint sewer expansion project. Principal is due annually with no interest bearing on the note. As of June 30, 2023, the outstanding principal amount is \$89,958.

In January 2019, the Decatur DDA issued a note payable to Redhead Properties, LLC to purchase land at 252 S. Columbia Drive in the amount of \$1,710,000. Interest accrues monthly at a rate .42% (or 5% annually) with monthly payments of \$11,285 until maturity in February 2039. As of June 30, 2023, the outstanding principal amount is \$1,469,024.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (Continued)

Decatur Downtown Development Authority (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending June 30,			
2024	\$ 85,897	\$ 72,011	\$ 157,908
2025	89,141	68,767	157,908
2026	92,551	65,357	157,908
2027	96,135	31,773	127,908
2028	77,413	58,005	135,418
2029-2033	450,687	226,404	677,091
2034-2038	578,393	98,698	677,091
2039	88,765	1,675	90,440
Total	<u>\$ 1,558,982</u>	<u>\$ 622,690</u>	<u>\$ 315,816</u>

During the fiscal year ended June 30, 2021, the Decatur DDA entered into a five-year lease agreement as lessee for the acquisition and use of a certain building to be used for the City of Decatur's Visitor Center. An initial lease liability was recorded in the amount of \$163,949. As of June 30, 2023, the value of the lease liability was \$72,518. The DDA is required to make monthly principal and interest payments of \$4,179 through November 30, 2022; \$4,304 from December 2022 through November 30, 2023; and \$4,434 from December 2023 through November 30, 2024. The lease has an interest rate of 4%.

Future principal and interest payments to be made on this lease, to maturity, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending June 30,			
2024	\$ 50,570	\$ 1,988	\$ 52,558
2025	21,948	220	22,168
Total	<u>\$ 72,518</u>	<u>\$ 2,208</u>	<u>\$ 74,726</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from primary government and component units:

Receivable	Payable	Amount
Component unit - Downtown Development Authority	Primary government - General Fund	\$ 60,258
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	544,614
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	130,888
Total		\$ 735,760

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Utility Fund	\$ 9,617
General Fund	Capital Improvement Fund	8,817
General Fund	Nonmajor governmental funds	403,024
General Fund	Solid Waste Fund	109,322
SPLOST Fund	Nonmajor governmental funds	42,056
Capital Improvement Fund	Solid Waste Fund	44,324
2010 URA Bond Fund	SPLOST Fund	210,368
Nonmajor governmental funds	General Fund	762
Nonmajor governmental funds	ARPA Fund	55,699
Nonmajor enterprise funds	Nonmajor governmental funds	60,815
Total		\$ 944,804

All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made.

Amounts due between the SPLOST Fund and the nonmajor governmental funds represent supplemental funding for SPLOST projects that had not been transferred as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 590,928
General Fund	Stormwater Utility Fund	441,630
General Fund	Solid Waste Fund	361,212
		<u>\$ 1,393,770</u>
Capital Improvement Fund	General Fund	\$ 2,500,000
Capital Improvement Fund	Nonmajor governmental funds	18,000
Capital Improvement Fund	Stormwater Utility Fund	20,620
		<u>\$ 2,538,620</u>
2010 URA Bond Fund	SPLOST Fund	<u>\$ 632,160</u>
Nonmajor governmental funds	Capital Improvement Fund	\$ 3,048,110
Nonmajor governmental funds	ARPA Fund	50,053
Nonmajor governmental funds	General Fund	817,480
Nonmajor governmental funds	SPLOST Fund	1,263,680
		<u>\$ 5,179,323</u>
Stormwater Utility Fund	Nonmajor governmental funds	<u>\$ 12,000</u>
Nonmajor Enterprise Funds	Nonmajor governmental funds	<u>\$ 295,464</u>

Transfers are used to (1) move unrestricted revenues collected in various funds to finance various programs of the City accounted for in the General Fund in accordance with budgetary authorizations, (2) move cash to nonmajor governmental funds to cover operations, (3) move Hotel/Motel taxes between funds for expending in accordance with State law, (4) to provide funding to the 2010 URA Bonds Fund, the 2013 URA Bonds Fund, and the Capital Improvement Fund for construction and other capital asset acquisition and project costs paid, and (5) to repay portions of the 2010 and 2013 URA Bonds from the SPLOST Fund in accordance with the voter approved referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS

Plan Administration

All of the City's full-time regular employees are covered by the City's single-employer defined benefit pension plan (the "Plan") which is administered by the Decatur Employees' Retirement System. The Plan was established in 1947 by the Decatur City Commission. The Board of Trustees of the Plan consists of seven members (the City Manager, the City Clerk, one City Commissioner appointed by the City Commission, one Participant who is either a Firefighter or a Police Officer, one Participant who is a General Employee, one private citizen of the City appointed by the other members of the Board and one private citizen appointed by the City Commission) and has the authority to establish and amend the Plan.

The Plan is contributory in nature with contributions coming from both the City and its covered employees. All eligible employees become participants in the Plan upon employment, while elected officials are not covered. Employees become fully vested after 10 years of service. The Plan does not issue a separate financial statement.

Plan Membership

As of July 1, 2022, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	118
Terminated vested participants not yet receiving benefits	15
Active participants	190
	323

Benefits

The Plan provides retirement, disability, and death benefits. Retirement benefits for general plan members are calculated as 1% of the member's average basic compensation plus 1.65% of average compensation in excess of \$500 times years of credited service. Retirement benefits for public safety employees are calculated as average compensation times credited service up to thirty (30) years times the following percentages:

Years of Benefit Service	Percent
10 - 14	2.00%
15 - 19	2.25%
20 - 24	2.50%
25 - 29	2.75%
30	3.00%

General plan members with 10 years of continuous service are eligible to retire at age 65. Public safety plan members with 10 years of continuous service are eligible to retire at age 60. General plan members may retire at age 60 after 15 years of service (or at any age as long as age plus service equals 80).

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS (Continued)

Benefits (Continued)

Public safety plan members may retire at age 55 after 15 years of service (or at any age as long as age plus service equals 75). All plan members are eligible for non-duty disability benefits at the date determined to be permanently disabled provided he or she is at least age 50 and has completed 10 years of continuous service. For duty-related disability benefits, all members are eligible upon the date determined to be permanently disabled. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction.

A monthly death benefit is payable to a spouse of a married member should he or she die either (i) while employed but eligible for early retirement or (ii) after termination of employment on or after eligibility for early retirement, provided he or she has deferred commencement of benefits and has left all member contributions in the system.

If a member terminates employment prior to completing ten years of continuous service, he or she shall be entitled to a refund of his or her accumulated contributions with interest.

Employee Contributions

The authority to establish and amend contribution requirements rests with the Board of Trustees. Currently, Plan members are required to contribute to the Plan in the following manner:

Public Safety Employees	14% of compensation
General Employees	4% of compensation up to \$2,000 plus 8% of compensation in excess of \$2,000

Plan members who were active employees on July 1, 1997, and elected not to have the Unreduced Early Retirement Option are required to contribute to the Plan in the following manner:

Public Safety Employees	9% of compensation
General Employees	2% of compensation up to \$2,000 plus 6% of compensation in excess of \$2,000

Employee contributions are made on a pre-tax basis as permitted under Section 414(h) of the Internal Revenue Code. Public Safety employees consist of firefighters and police officers.

City Contributions

The City contribution is determined by the actuary as necessary to keep the Plan in compliance with the funding requirements of the State of Georgia. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, the City's contributions were \$1,077,978, which was 9.03% of covered payroll.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS (Continued)

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that same date.

Actuarial assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.5%
Salary increases		3.75% - 7.75%
Investment rate of return	7.0%, including inflation, net of investment expense	

Mortality rates for public safety employees were based upon the Pub-2010 Safety Amount-Weighted mortality table, with future generational mortality improvement projected according to Scale MP-2021. Mortality rates for general employees were based on the Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the most recent experience study for the four years ended March 15, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic fixed income securities	50.0%	2.20%
Domestic equities	50.0%	6.92%
Total	100.0%	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS (Continued)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	<u>\$ 61,087,818</u>	<u>\$ 47,739,088</u>	<u>\$ 13,348,730</u>
Changes for the year:			
Service cost	1,045,217	-	1,045,217
Interest	4,218,959	-	4,218,959
Differences between expected and actual experience	16,643	-	16,643
Assumption changes	84,784	-	84,784
Contributions - employer	-	1,077,978	(1,077,978)
Contributions - employee	-	1,085,423	(1,085,423)
Net investment income	-	4,218,624	(4,218,624)
Benefit payments, including refunds of employee contributions	(3,724,388)	(3,724,388)	-
Administrative expense	-	(34,749)	34,749
Net changes	<u>1,641,215</u>	<u>2,622,888</u>	<u>(981,673)</u>
Balances at June 30, 2023	<u>\$ 62,729,033</u>	<u>\$ 50,361,976</u>	<u>\$ 12,367,057</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS (Continued)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$ 19,806,099	\$ 12,367,057	\$ 6,159,253

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$1,847,816. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 441,796	\$ 324,598
Differences resulting from changes in actuarial assumptions	911,661	-
Net difference between projected and actual earnings on pension plan investments	2,349,993	-
Total	\$ 3,703,450	\$ 324,598

NOTES TO FINANCIAL STATEMENTS

NOTE 12. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Year ending June 30:	
2024	\$ 1,060,176
2025	351,193
2026	2,133,747
2027	<u>(166,264)</u>
Total	<u><u>\$ 3,378,852</u></u>

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits

The City of Decatur Other Postretirement Benefits Plan (the "OPEB Plan") is a single-employer defined benefit postretirement health care, dental and vision plan, or other postemployment benefit (OPEB) plan. The City Commission has the authority to establish and amend the OPEB Plan. The City has not elected to advance fund the plan, but rather maintains the plan on a "pay-as-you go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The OPEB Plan does not issue a separate report. Eligible retirees and former employees are offered a different health and prescription drug plan than active employees and the same vision and dental coverage as active employees. The City pays approximately 80% of the total costs of healthcare for eligible employees and retirees.

Eligible participants for Other Postemployment Benefits include:

1. The City allows all retirees to enroll in the OPEB plan upon onset of retirement from the City.
2. Surviving spouses/beneficiaries are allowed enrollment into the plan if the employee had elected coverage for the dependents before onset of electing retirement.
3. Employees retiring under the City's disability retirement benefit are allowed to enroll upon onset of retirement from the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

As of July 1, 2022, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	97
Active participants	175
	<u>272</u>

City Contributions

The City contribution is determined by the actuary as necessary to keep the Plan in compliance with the funding requirements of the State of Georgia; however, the City has elected to fund the plan on a pay-as-you go basis. For the year ended June 30, 2023, the City contributed \$826,298 for the pay as you go benefits for the plan.

Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	4.13%
Healthcare Cost Trend Rate:	7.00% - 4.50%, ultimate trend in 2031
Inflation rate:	2.75%
Salary increase:	0.5% plus merit increases ranging from 0.50% to 4.50%, plus inflation

Mortality rates were based on the SOA Pub-2010 Weighted Mortality using the MP-2021 projection scale for healthy participants and SOA-Pub 2010 Disabled Retiree Mortality using the MP-2021 projection scale for disabled participants.

If an active employee does not enroll in the City's health insurance program, they are assumed not to participate in the OPEB plan as a retiree. If an active employee is enrolled in the City's health insurance program, they are assumed to receive benefits as a retiree.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 4.13%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – which was 4.13% as determined by the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023.

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended June 30, 2023, were as follows:

	Total OPEB Liability
Balances at June 30, 2021	\$ 27,613,870
Changes for the year:	
Service cost	1,188,400
Interest	1,161,284
Differences between expected and actual experience	(3,062,976)
Assumption changes	(143,327)
Benefit payments	(826,298)
Net changes	(1,682,917)
Balances at June 30, 2022	\$ 25,930,953

The required schedule of changes in the City's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 29,929,750	\$ 25,930,953	\$ 22,721,671

NOTES TO FINANCIAL STATEMENTS

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	1% Decrease (7.0% decreasing to 4.5%)	1% Decrease (8.0% decreasing to 5.5%)
Total OPEB liability	\$ 22,042,973	\$ 25,930,953	\$ 30,869,377

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized negative OPEB expense of \$2,045,081. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 545,293	\$ 5,312,092
Changes in assumptions	1,921,120	6,044,440
Total	<u>\$ 2,466,413</u>	<u>\$ 11,356,532</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (2,739,851)
2025	(1,840,541)
2026	(1,840,544)
2027	<u>(2,469,183)</u>
Total	<u>\$ (8,890,119)</u>

NOTE 14. DEFINED CONTRIBUTION PENSION PLAN

The City of Decatur's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and VantageTrust for all full time employees. Plan provisions and contribution requirements are established and may be amended by the City Commission. At June 30, 2023, there were 52 active plan members, 42 of whom were making contributions to the plan.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the year ended June 30, 2023, were \$308,793. The City Commission has approved discretionary employer contributions for employees in five positions. Total employer contributions for the year ended June 30, 2023, were \$64,519.

The Decatur Downtown Development Authority's Internal Revenue Code Section 401(a) Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by MissionSquare and VantageTrust for all full-time employees. Plan provisions and contribution requirements are established and may be amended by the Downtown Development Authority's Board. At June 30, 2023, there was one plan member. Total employer contributions for the year ended June 30, 2023, were \$8,931.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by DeKalb County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from: Atlanta Regional Commission, 229 Peachtree St. NE, Suite 100, Atlanta, Georgia 30303 or online at <https://atlantaregional.org/about-arc/comprehensive-annual-financial-report>.

NOTE 16. RELATED ORGANIZATIONS

The City's mayor is responsible for appointing all board members of the Decatur Housing Authority. However, the City has no further accountability for the authority.

NOTE 17. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In response to these risks, the City has purchased commercial insurance for all property and liability coverage. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

Workers' Compensation Insurance

The City is partially self-insured for workers' compensation claims. The City pays annual aggregate claims up to \$1,000,000 over a two-year period. After the claims reach this amount, a private insurance carrier pays the remaining claims. In addition to the biennial aggregate limit, individual limits for City payments are \$300,000 per claim. After the individual limits are met, the private insurance carrier covers the claims. The City has entered into a contract with a third party to administer the program. This activity is recorded in the General Fund.

The following describes the activity related to these claims based on actual claims presented after year-end and historical experience:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2023	\$ -	\$ 7,000	\$ 7,000	\$ -
2022	\$ 12,097	\$ 25,620	\$ 37,717	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 17. RISK MANAGEMENT (Continued)

Health Insurance

The City is partially self-insured for employee medical claims. The City pays approximately 80% of the premium equivalent rates for each employee. The annual out-of-pocket maximum for employees is \$3,000 per individual; \$6,000 per family for in-network services. Each employee's portion of the medical premium cost is deducted from that employee's paycheck. Employees may opt out of the group health insurance coverage if they certify that they have alternate coverage.

The City is responsible for aggregate claims equivalent to \$9,924 per year per participating employee or approximately \$2,381,600. If the total claims reach this amount, a private insurance carrier will pay the remaining claims. In addition to the aggregate limit, the City's self-insurance is limited to \$85,000 per individual per plan year. After an individual's claims reach this amount, the private insurance carrier will pay any additional medical claims. This activity is recorded in the General Fund and the ending claims payable liability is included in the accrued liabilities reported by the General Fund as of June 30, 2023.

The following describes the activity related to these claims based on actual claims presented after year-end and historical experience.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2023	\$ 317,894	\$ 3,678,888	\$ 3,677,044	\$ 319,738
2022	194,942	2,166,310	2,043,358	317,894

NOTE 18. COMMITMENTS AND CONTINGENCIES

Litigation

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

Contractual Commitments

For the fiscal year ended June 30, 2023, contractual commitments on uncompleted contracts were \$913,844.

NOTES TO FINANCIAL STATEMENTS

NOTE 18. COMMITMENTS AND CONTINGENCIES (Continued)

Grant Contingencies

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

NOTE 19. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$1,575,808 for the year ended June 30, 2023. Of this amount 100% was expended. Expenditures of the tax were used to promote tourism, conventions, and trade shows as well as to operate, maintain, and market a conference center facility as required by O.C.G.A. 48-13-51.

NOTE 20. RESTATEMENT

During the fiscal year ended June 30, 2023, the City determined that a restatement of beginning net position of governmental activities was required to correct an error reported in the prior year's financial statements. During the fiscal year ended June 30, 2022, the City entered into an intergovernmental agreement with the Decatur Housing Authority related to the issuance of bonds in the amount of \$4,060,000. As a part of the agreement, the City sold to the City of Decatur Public Facilities Authority (a blended component unit of the City) a parcel of land with a cost basis of \$2,165,143. The City did not report the issuance of this intergovernmental agreement and erroneously reported a decrease in the land balance for governmental activities in the financial statements as of and for the fiscal year ended June 30, 2022.

A summary of the restatement associated with this correction of an error is as follows:

Governmental Activities

Beginning net position, as previously reported	\$ (70,233,856)
Correction of error	<u>(1,894,857)</u>
Beginning net position, as restated	<u><u>\$ (72,128,713)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 1,045,217	\$ 1,033,341	\$ 1,110,184	\$ 1,063,766	\$ 1,006,350
Interest on total pension liability	4,218,959	4,044,841	3,980,475	3,709,335	3,651,487
Differences between expected and actual experience	16,643	187,407	(811,492)	1,580,193	(588,010)
Changes in actuarial assumptions	84,784	846,463	135,189	1,409,418	-
Changes in benefit terms	-	-	-	(732,235)	-
Benefit payments, including refunds of employee contributions	(3,724,388)	(3,548,670)	(3,287,331)	(3,119,588)	(3,482,149)
Net change in total pension liability	<u>1,641,215</u>	<u>2,563,382</u>	<u>1,127,025</u>	<u>3,910,889</u>	<u>587,678</u>
Total pension liability - beginning	<u>61,087,818</u>	<u>58,524,436</u>	<u>57,397,411</u>	<u>53,486,522</u>	<u>52,898,844</u>
Total pension liability - ending (a)	<u>\$ 62,729,033</u>	<u>\$ 61,087,818</u>	<u>\$ 58,524,436</u>	<u>\$ 57,397,411</u>	<u>\$ 53,486,522</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,077,978	\$ 1,056,175	\$ 1,034,423	\$ 1,007,751	\$ 945,300
Contributions - employee	1,085,423	1,102,101	1,118,406	1,129,135	1,099,074
Net investment income (loss)	4,218,624	(6,611,681)	11,385,323	2,495,788	3,115,789
Benefit payments, including refunds of member contributions	(3,724,388)	(3,548,670)	(3,287,331)	(3,119,588)	(3,482,149)
Administrative expenses	(34,749)	(36,361)	(48,674)	(32,499)	(109,897)
Net change in plan fiduciary net position	<u>2,622,888</u>	<u>(8,038,436)</u>	<u>10,202,147</u>	<u>1,480,587</u>	<u>1,568,117</u>
Plan fiduciary net position - beginning	<u>47,739,088</u>	<u>55,777,524</u>	<u>45,575,377</u>	<u>44,094,790</u>	<u>42,526,673</u>
Plan fiduciary net position - ending (b)	<u>\$ 50,361,976</u>	<u>\$ 47,739,088</u>	<u>\$ 55,777,524</u>	<u>\$ 45,575,377</u>	<u>\$ 44,094,790</u>
City's net pension liability - ending (a) - (b)	<u>\$ 12,367,057</u>	<u>\$ 13,348,730</u>	<u>\$ 2,746,912</u>	<u>\$ 11,822,034</u>	<u>\$ 9,391,732</u>
Plan fiduciary net position as a percentage of the total pension liability	80.28%	78.15%	95.31%	79.40%	82.44%
Covered payroll	\$ 11,937,554	\$ 11,858,381	\$ 11,947,032	\$ 12,359,976	\$ 11,185,643
City's net pension liability as a percentage of covered payroll	103.60%	112.57%	22.99%	95.65%	83.96%
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,022,483	\$ 952,885	\$ 938,166	\$ 895,868	\$ 889,392
Interest on total pension liability	3,427,102	3,317,074	3,164,496	3,036,569	2,861,732
Differences between expected and actual experience	820,485	-	849,742	(12,910)	611,982
Changes in actuarial assumptions	1,101,020	-	2,744,933	-	-
Benefit payments, including refunds of employee contributions	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Net change in total pension liability	<u>3,554,361</u>	<u>1,551,241</u>	<u>5,378,908</u>	<u>1,725,710</u>	<u>2,480,083</u>
Total pension liability - beginning	<u>49,344,483</u>	<u>47,793,242</u>	<u>42,414,334</u>	<u>40,688,624</u>	<u>38,208,541</u>
Total pension liability - ending (a)	<u>\$ 52,898,844</u>	<u>\$ 49,344,483</u>	<u>\$ 47,793,242</u>	<u>\$ 42,414,334</u>	<u>\$ 40,688,624</u>
Plan fiduciary net position					
Contributions - employer	\$ 880,322	\$ 859,173	\$ 941,003	\$ 904,872	\$ 892,161
Contributions - employee	1,040,763	989,242	1,006,352	974,037	970,477
Net investment income	3,312,134	3,606,939	87,025	1,780,322	5,379,030
Benefit payments, including refunds of member contributions	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)	(1,883,023)
Administrative expenses	(39,816)	(46,743)	(54,408)	(46,989)	(47,909)
Net change in plan fiduciary net position	<u>2,376,674</u>	<u>2,689,893</u>	<u>(338,457)</u>	<u>1,418,425</u>	<u>5,310,736</u>
Plan fiduciary net position - beginning	<u>40,149,999</u>	<u>37,460,106</u>	<u>37,798,563</u>	<u>36,380,138</u>	<u>31,069,402</u>
Plan fiduciary net position - ending (b)	<u>\$ 42,526,673</u>	<u>\$ 40,149,999</u>	<u>\$ 37,460,106</u>	<u>\$ 37,798,563</u>	<u>\$ 36,380,138</u>
City's net pension liability - ending (a) - (b)	<u>\$ 10,372,171</u>	<u>\$ 9,194,484</u>	<u>\$ 10,333,136</u>	<u>\$ 4,615,771</u>	<u>\$ 4,308,486</u>
Plan fiduciary net position as a percentage of the total pension liability	80.39%	81.37%	78.38%	89.12%	89.41%
Covered payroll	\$ 11,691,803	\$ 11,696,251	\$ 10,892,115	\$ 10,315,075	\$ 10,159,477
City's net pension liability as a percentage of covered payroll	88.71%	78.61%	94.87%	44.75%	42.41%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,077,961	\$ 1,060,221	\$ 1,135,892	\$ 1,142,582	\$ 959,243
Contributions in relation to the actuarially determined contribution	1,077,978	1,056,175	1,034,423	1,007,751	945,300
Contribution deficiency (excess)	<u>\$ (17)</u>	<u>\$ 4,046</u>	<u>\$ 101,469</u>	<u>\$ 134,831</u>	<u>\$ 13,943</u>
Covered payroll	\$ 11,937,554	\$ 11,858,381	\$ 11,947,032	\$ 12,359,976	\$ 11,185,643
Contributions as a percentage of covered payroll	9.03%	8.91%	8.66%	8.15%	8.45%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 868,373	\$ 680,251	\$ 672,425	\$ 861,769	\$ 839,456
Contributions in relation to the actuarially determined contribution	880,322	859,173	941,003	904,872	892,161
Contribution deficiency (excess)	<u>\$ (11,949)</u>	<u>\$ (178,922)</u>	<u>\$ (268,578)</u>	<u>\$ (43,103)</u>	<u>\$ (52,705)</u>
Covered payroll	\$ 11,691,803	\$ 11,696,251	\$ 10,892,115	\$ 10,315,075	\$ 10,159,477
Contributions as a percentage of covered payroll	7.53%	7.35%	8.64%	8.77%	8.78%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date

June 30, 2022

Cost Method

Entry age cost method with 5 year phase-in of discount rate assumption changes.

Actuarial Asset Valuation Method

20% write up method

Assumed Rate of Return on Investments

7.00% net of investment expenses

Projected Salary Increases

3.00%-7.00% (including 2.50% for inflation) with merit increases ranging from 0.5% to 4.5%

Cost-of-living Adjustment

N/A

Amortization Method

Level dollar for unfunded liability

Remaining Amortization Period

20 years (closed)

**CITY OF DECATUR, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREMENT PLAN
 SCHEDULE OF PENSION INVESTMENT RETURNS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	9.48%	(11.94%)	5.7%	5.8%	7.7%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	8.5%	14.9%	0.1%	4.6%	17.4%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability			
Service cost	\$ 1,188,400	\$ 2,046,086	\$ 1,696,284
Interest on total OPEB liability	1,161,284	834,570	853,256
Differences between expected and actual experience	(3,062,976)	(2,072,877)	1,090,588
Changes of assumptions and other inputs	(143,327)	(8,894,668)	2,681,273
Benefit payments	<u>(826,298)</u>	<u>(718,838)</u>	<u>(561,962)</u>
Net change in total OPEB liability	(1,682,917)	(8,805,727)	5,759,439
Total OPEB liability - beginning	27,613,870	36,419,597	30,660,158
Total OPEB liability - ending	<u>\$ 25,930,953</u>	<u>\$ 27,613,870</u>	<u>\$ 36,419,597</u>
Covered-employee payroll	\$ 14,593,525	\$ 9,841,019	\$ 11,765,194
City's total OPEB liability as a percentage of covered-employee payroll	177.69%	280.60%	309.55%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 1,609,711	\$ 1,541,662	\$ 1,704,797
Interest on total OPEB liability	1,207,802	1,297,300	1,426,178
Differences between expected and actual experience	(7,398,970)	(2,956,105)	-
Changes of assumptions and other inputs	2,902,424	1,782,465	(8,521,132)
Benefit payments	<u>(914,922)</u>	<u>(775,665)</u>	<u>(749,348)</u>
Net change in total OPEB liability	(2,593,955)	889,657	(6,139,505)
Total OPEB liability - beginning	33,254,113	32,364,456	38,503,961
Total OPEB liability - ending	<u>\$ 30,660,158</u>	<u>\$ 33,254,113</u>	<u>\$ 32,364,456</u>
Covered-employee payroll	\$ 8,973,157	\$ 13,326,662	\$ 10,296,426
City's total OPEB liability as a percentage of covered-employee payroll	341.69%	249.53%	314.33%

Notes to the Schedule:

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

The City is not accumulating assets in a trust fund that meets the criteria GASB Statement No. 75 for payment of future OPEB benefits.

CITY OF DECATUR, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Confiscated Drug Fund – To account for the use of confiscated drug money by the City's Police Department. These revenues are restricted by State law to be expended on investigations and other police department activity.

Emergency Telephone System Fund – To account for emergency services which are provided to all City taxpayers. Financing is provided through user fees and charges. The charges from the telephone providers are restricted by State law O.C.G.A. 46-5-134.

Grant Fund – To account for grants received and the expenditures related to the grants. These revenues are restricted by the external resource providers from whom the City has received the funds.

Children and Youth Services Fund – To account for charges for the City's after school program and the expenditures incurred in operating the program. The City Commission has committed all revenues generated by the after school programs to be used for the operation of the program.

Tree Bank Fund – To account for the monies collected from the City's Tree Bank fees. The City Commission has committed all revenues to be expended for the operation of the program.

Hotel/Motel Tax Fund – To account for the 7% lodging tax levied in the City. The tax revenues are restricted by O.C.G.A. 48-13-51.

Cemetery Capital Improvement Fund – To account for the financing and expenditure activity of a capital nature occurring within the cemetery. Financing is provided by one-half of the proceeds from cemetery lot sales. This fund is intended to provide for the capital needs of the cemetery into perpetuity.

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

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

Tax Allocation District Fund – To account for collections of funds for improvements within special tax districts.

**CITY OF DECATUR, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					
	Confiscated Drug Fund	Emergency Telephone System Fund	Grant Fund	Children and Youth Services Fund	Tree Bank Fund	Hotel/Motel Tax Fund
ASSETS						
Cash and cash equivalents	\$ 22,278	\$ 651,265	\$ 250,996	\$ 759,713	\$ 87,947	\$ 261,092
Taxes receivable	-	-	-	-	-	128,841
Other receivables	-	116,296	-	75,529	-	-
Due from other funds	12	-	-	-	-	-
Prepaid items	-	5,975	-	-	-	-
				-		
Total assets	<u>\$ 22,290</u>	<u>\$ 773,536</u>	<u>\$ 250,996</u>	<u>\$ 835,242</u>	<u>\$ 87,947</u>	<u>\$ 389,933</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 40,783	\$ 68,678	\$ -
Accrued expenditures	-	3,830	-	23,019	-	-
Due to component unit	-	-	-	-	-	130,888
Due to other funds	-	49,025	-	155,769	-	259,045
Total liabilities	-	52,855	-	219,571	68,678	389,933
FUND BALANCES						
Nonspendable:						
Prepaid items	-	5,975	-	-	-	-
Restricted:						
Capital construction	-	-	-	-	-	-
Culture and recreation	-	-	250,996	-	-	-
Economic Development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Law enforcement	22,290	-	-	-	-	-
E911 services	-	714,706	-	-	-	-
Committed:						
Tree preservation	-	-	-	-	19,269	-
Children and youth services	-	-	-	615,671	-	-
Assigned:						
Cemetery operations	-	-	-	-	-	-
Total fund balance	<u>22,290</u>	<u>720,681</u>	<u>250,996</u>	<u>615,671</u>	<u>19,269</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 22,290</u>	<u>\$ 773,536</u>	<u>\$ 250,996</u>	<u>\$ 835,242</u>	<u>\$ 87,947</u>	<u>\$ 389,933</u>

Capital Project Funds

Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	TAD Fund	Total Nonmajor Governmental Funds
\$ 80,545	\$ 118,808	\$ 1,227,212	\$ 2,094,970	\$ 5,554,826
-	-	-	-	128,841
-	68,883	11,951	-	272,659
750	-	55,699	-	56,461
-	288,973	-	-	294,948
<u>\$ 81,295</u>	<u>\$ 476,664</u>	<u>\$ 1,294,862</u>	<u>\$ 2,094,970</u>	<u>\$ 6,307,735</u>
\$ 9,679	\$ -	\$ 82,144	\$ -	\$ 201,284
-	-	-	-	26,849
-	-	-	-	130,888
-	42,056	-	-	505,895
<u>9,679</u>	<u>42,056</u>	<u>82,144</u>	<u>-</u>	<u>864,916</u>
-	288,973	-	-	294,948
-	-	1,212,718	-	1,212,718
-	-	-	-	250,996
-	-	-	2,094,970	2,094,970
-	145,635	-	-	145,635
-	-	-	-	22,290
-	-	-	-	714,706
-	-	-	-	-
-	-	-	-	19,269
-	-	-	-	615,671
<u>71,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,616</u>
<u>71,616</u>	<u>434,608</u>	<u>1,212,718</u>	<u>2,094,970</u>	<u>5,442,819</u>
<u>\$ 81,295</u>	<u>\$ 476,664</u>	<u>\$ 1,294,862</u>	<u>\$ 2,094,970</u>	<u>\$ 6,307,735</u>

CITY OF DECATUR, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Confiscated Drug Fund	Emergency Telephone System Fund	Grant Fund	Children and Youth Services Fund	Tree Bank Fund	Hotel/Motel Tax Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575,808
Intergovernmental	-	-	-	75,000	-	-
Charges for services	-	709,911	-	1,858,830	6,260	-
Interest	-	-	-	-	-	-
Other revenues	2	-	-	-	-	-
Total revenues	<u>2</u>	<u>709,911</u>	<u>-</u>	<u>1,933,830</u>	<u>6,260</u>	<u>1,575,808</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	35,500	689,416
Public safety	-	885,379	-	-	-	-
Culture and recreation	-	-	43,500	1,756,244	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	22,954	-	28,036	-	-
Interest	-	4,013	-	4,901	-	-
Total expenditures	<u>-</u>	<u>912,346</u>	<u>43,500</u>	<u>1,789,181</u>	<u>35,500</u>	<u>689,416</u>
Excess (deficiency) of revenues over expenditures	<u>2</u>	<u>(202,435)</u>	<u>(43,500)</u>	<u>144,649</u>	<u>(29,240)</u>	<u>886,392</u>
Other financing sources (uses):						
Transfers in	-	350,000	-	-	-	-
Transfers out	-	-	-	-	-	(886,392)
Total other financing sources (uses)	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(886,392)</u>
Net change in fund balances	2	147,565	(43,500)	144,649	(29,240)	-
FUND BALANCES, beginning of year	<u>22,288</u>	<u>573,116</u>	<u>294,496</u>	<u>471,022</u>	<u>48,509</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 22,290</u>	<u>\$ 720,681</u>	<u>\$ 250,996</u>	<u>\$ 615,671</u>	<u>\$ 19,269</u>	<u>\$ -</u>

Capital Project Funds

Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	Tax Allocation District Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,575,808
-	362,665	50,053	21,130	508,848
-	-	-	-	2,575,001
-	-	14,263	-	14,263
26,800	-	46,634	-	73,436
<u>26,800</u>	<u>362,665</u>	<u>110,950</u>	<u>21,130</u>	<u>4,747,356</u>
33,107	3,489	71,269	-	832,781
-	-	-	-	885,379
-	-	-	-	1,799,744
-	253,190	493,378	-	746,568
-	1,250,000	1,159,830	-	2,460,820
-	713,118	866,268	-	1,588,300
<u>33,107</u>	<u>2,219,797</u>	<u>2,590,745</u>	<u>-</u>	<u>8,313,592</u>
<u>(6,307)</u>	<u>(1,857,132)</u>	<u>(2,479,795)</u>	<u>21,130</u>	<u>(3,566,236)</u>
-	1,934,420	2,300,053	594,850	5,179,323
<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(916,392)</u>
<u>(30,000)</u>	<u>1,934,420</u>	<u>2,300,053</u>	<u>594,850</u>	<u>4,262,931</u>
<u>(36,307)</u>	<u>77,288</u>	<u>(179,742)</u>	<u>615,980</u>	<u>696,695</u>
<u>107,923</u>	<u>357,320</u>	<u>1,392,460</u>	<u>1,478,990</u>	<u>4,746,124</u>
<u>\$ 71,616</u>	<u>\$ 434,608</u>	<u>\$ 1,212,718</u>	<u>\$ 2,094,970</u>	<u>\$ 5,442,819</u>

**CITY OF DECATUR, GEORGIA
CONFISCATED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 2	\$ 2
EXPENDITURES				
Public safety	50	50	-	50
Net change in fund balances	(50)	(50)	2	52
FUND BALANCES, beginning of year	<u>22,288</u>	<u>22,288</u>	<u>22,288</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 22,238</u>	<u>\$ 22,238</u>	<u>\$ 22,290</u>	<u>\$ 52</u>

**CITY OF DECATUR, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 630,000	\$ 625,000	\$ 709,911	\$ 84,911
EXPENDITURES				
Current:				
Public safety	1,183,099	1,153,593	885,379	268,214
Total public safety	1,183,099	1,153,593	885,379	268,214
Debt service:				
Principal	21,502	44,457	22,954	21,503
Interest	3,759	7,772	4,013	3,759
Total debt service	25,261	52,229	26,967	25,262
Total expenditures	1,208,360	1,205,822	912,346	293,476
Deficiency of revenues over expenditures	(578,360)	(580,822)	(202,435)	378,387
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	350,000	-
Net change in fund balances	(228,360)	(230,822)	147,565	378,387
FUND BALANCES, beginning of year	573,116	573,116	573,116	-
FUND BALANCES, end of year	<u>\$ 344,756</u>	<u>\$ 342,294</u>	<u>\$ 720,681</u>	<u>\$ 378,387</u>

**CITY OF DECATUR, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Culture and recreation	200,000	43,500	43,500	-
Net change in fund balances	(200,000)	(43,500)	(43,500)	-
FUND BALANCES, beginning of year	294,496	294,496	294,496	-
FUND BALANCES, end of year	<u>\$ 94,496</u>	<u>\$ 250,996</u>	<u>\$ 250,996</u>	<u>\$ -</u>

**CITY OF DECATUR, GEORGIA
CHILDREN AND YOUTH SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 2,241,480	\$ 1,791,490	\$ 1,858,830	\$ 67,340
Total revenues	2,241,480	1,791,490	1,933,830	142,340
EXPENDITURES				
Current:				
Recreation	2,386,857	1,921,853	1,756,244	165,609
Total recreation	2,386,857	1,921,853	1,756,244	165,609
Debt service:				
Principal	26,262	54,298	28,036	26,262
Interest	4,591	9,492	4,901	4,591
Total debt service	30,853	63,790	32,937	30,853
Total expenditures	2,417,710	1,985,643	1,789,181	196,462
Excess (deficiency) of revenues over expenditures	(176,230)	(194,153)	144,649	338,802
OTHER FINANCING SOURCES				
Transfer in	200,000	-	-	-
Net change in fund balances	23,770	(194,153)	144,649	338,802
FUND BALANCES, beginning of year	471,022	471,022	471,022	-
FUND BALANCES, end of year	\$ 494,792	\$ 276,869	\$ 615,671	\$ 338,802

**CITY OF DECATUR, GEORGIA
 TREE BANK FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 600	\$ 5,180	\$ 6,260	\$ 1,080
EXPENDITURES				
General government	-	35,500	35,500	-
Net change in fund balances	600	(30,320)	(29,240)	1,080
FUND BALANCES, beginning of year	<u>48,509</u>	<u>48,509</u>	<u>48,509</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 49,109</u>	<u>\$ 18,189</u>	<u>\$ 19,269</u>	<u>\$ 1,080</u>

**CITY OF DECATUR, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,200,000	\$ 1,575,808	\$ 1,575,808	\$ -
EXPENDITURES				
General government	525,000	689,416	689,416	-
Excess of revenues over expenditures	675,000	886,392	886,392	-
OTHER FINANCING USES				
Transfers out	(675,000)	(886,392)	(886,392)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DECATUR, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,775,000	\$ 5,825,000	\$ 5,823,001	\$ (1,999)
Total revenues	<u>5,775,000</u>	<u>5,825,000</u>	<u>5,823,001</u>	<u>(1,999)</u>
EXPENDITURES				
Debt service:				
Principal retirements	2,820,000	2,820,000	2,820,000	-
Interest and fiscal charges	<u>3,237,790</u>	<u>3,237,790</u>	<u>3,237,681</u>	<u>109</u>
Total expenditures	<u>6,057,790</u>	<u>6,057,790</u>	<u>6,057,681</u>	<u>109</u>
Net change in fund balances	(282,790)	(232,790)	(234,680)	(1,890)
FUND BALANCES, beginning of year	<u>4,973,176</u>	<u>4,973,176</u>	<u>4,973,176</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,690,386</u>	<u>\$ 4,740,386</u>	<u>\$ 4,738,496</u>	<u>\$ (1,890)</u>

**CITY OF DECATUR, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,800,000	\$ 4,000,000	\$ 4,247,516	\$ 247,516
Interest	-	-	157,503	157,503
Total revenues	<u>3,800,000</u>	<u>4,000,000</u>	<u>4,405,019</u>	<u>405,019</u>
EXPENDITURES				
Capital outlay	4,330,000	949,300	404,913	544,387
Debt service:				
Principal retirements	907,000	907,000	907,000	-
Interest and fiscal charges	49,290	50,020	50,020	-
Total expenditures	<u>5,286,290</u>	<u>1,906,320</u>	<u>1,361,933</u>	<u>544,387</u>
Excess (deficiency) of revenues over expenditures	(1,486,290)	2,093,680	3,043,086	949,406
OTHER FINANCING USES				
Transfers out	(1,895,840)	(1,895,840)	(1,895,840)	-
Total other financing uses	<u>(1,895,840)</u>	<u>(1,895,840)</u>	<u>(1,895,840)</u>	<u>-</u>
Net change in fund balances	(3,382,130)	197,840	1,147,246	949,406
FUND BALANCES, beginning of year	<u>7,719,512</u>	<u>7,719,512</u>	<u>7,719,512</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,337,382</u>	<u>\$ 7,917,352</u>	<u>\$ 8,866,758</u>	<u>\$ 949,406</u>

**CITY OF DECATUR, GEORGIA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,800,000	\$ 5,900,000	\$ 5,928,453	\$ 28,453
Intergovernmental	3,575,990	2,569,260	1,579,925	(989,335)
Interest	-	-	44,402	44,402
	<u>9,375,990</u>	<u>8,469,260</u>	<u>7,552,780</u>	<u>(916,480)</u>
Total revenues				
EXPENDITURES				
General government	1,232,400	1,055,300	471,825	583,475
Public safety	49,300	35,000	29,904	5,096
Public works	1,960,000	1,740,000	1,735,783	4,217
Capital outlay	9,400,000	5,237,960	4,206,535	1,031,425
Intergovernmental	105,000	105,900	104,902	998
Debt service:				
Principal retirements	1,297,000	932,000	716,622	215,378
Interest and fiscal charges	245,250	217,750	101,497	116,253
	<u>14,288,950</u>	<u>9,323,910</u>	<u>7,367,068</u>	<u>1,956,842</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(4,912,960)	(854,650)	185,712	1,040,362
OTHER FINANCING SOURCES (USES)				
Financed purchases	2,300,000	800,000	-	(800,000)
Transfers in	768,000	2,518,000	2,538,620	20,620
Transfers out	(2,356,000)	(3,048,110)	(3,048,110)	-
	<u>712,000</u>	<u>269,890</u>	<u>(509,490)</u>	<u>(779,380)</u>
Total other financing sources (uses)				
Net change in fund balances	(4,200,960)	(584,760)	(323,778)	260,982
FUND BALANCES, beginning of year	<u>6,196,708</u>	<u>6,196,708</u>	<u>6,196,708</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,995,748</u>	<u>\$ 5,611,948</u>	<u>\$ 5,872,930</u>	<u>\$ 260,982</u>

**CITY OF DECATUR, GEORGIA
2010 URA BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 121,600	\$ 121,600	\$ 91,249	\$ (30,351)
Interest	-	-	90,023	90,023
Total revenues	<u>121,600</u>	<u>121,600</u>	<u>181,272</u>	<u>59,672</u>
EXPENDITURES				
Debt service:				
Principal retirements	417,090	417,090	417,090	-
Interest and fiscal charges	<u>336,670</u>	<u>336,670</u>	<u>336,665</u>	<u>5</u>
Total expenditures	<u>753,760</u>	<u>753,760</u>	<u>753,755</u>	<u>5</u>
Deficiency of revenues over expenditures	(632,160)	(632,160)	(572,483)	59,677
OTHER FINANCING SOURCES				
Transfers in	<u>632,160</u>	<u>632,160</u>	<u>632,160</u>	<u>-</u>
Total other financing sources	<u>632,160</u>	<u>632,160</u>	<u>632,160</u>	<u>-</u>
Net change in fund balances	-	-	59,677	59,677
FUND BALANCES, beginning of year	<u>428,739</u>	<u>428,739</u>	<u>428,739</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 428,739</u>	<u>\$ 428,739</u>	<u>\$ 488,416</u>	<u>\$ 59,677</u>

**CITY OF DECATUR, GEORGIA
CEMETERY CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 30,000	\$ 25,000	\$ 26,800	\$ 1,800
EXPENDITURES				
General government	80,000	34,000	33,107	893
Deficiency of revenues over expenditures	(50,000)	(9,000)	(6,307)	2,693
OTHER FINANCING USES				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing uses	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	(80,000)	(39,000)	(36,307)	2,693
FUND BALANCES, beginning of year	107,923	107,923	107,923	-
FUND BALANCES, end of year	\$ 27,923	\$ 68,923	\$ 71,616	\$ 2,693

**CITY OF DECATUR, GEORGIA
2013 URA BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 362,670	\$ -	\$ 362,665	\$ 362,665
EXPENDITURES				
General services	-	3,500	3,489	11
Capital outlay	-	254,000	253,190	810
Debt service:				
Principal retirements	1,015,000	1,250,000	1,250,000	-
Interest and fiscal charges	611,350	713,350	713,118	232
Total expenditures	1,626,350	2,220,850	2,219,797	1,053
Deficiency of revenues over expenditures	(1,263,680)	(2,220,850)	(1,857,132)	363,718
OTHER FINANCING SOURCES				
Transfers in	1,263,680	1,934,420	1,934,420	-
Total other financing sources	1,263,680	1,934,420	1,934,420	-
Net change in fund balances	-	(286,430)	77,288	363,718
FUND BALANCES, beginning of year	357,320	357,320	357,320	-
FUND BALANCES, end of year	\$ 357,320	\$ 70,890	\$ 434,608	\$ 363,718

**CITY OF DECATUR, GEORGIA
PUBLIC FACILITIES AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 209,000	\$ -	\$ 50,053	\$ 50,053
Interest	-	1,500	14,263	12,763
Miscellaneous	-	-	46,634	46,634
Total revenues	<u>209,000</u>	<u>1,500</u>	<u>110,950</u>	<u>109,450</u>
EXPENDITURES				
General government	338,000	188,290	71,269	117,021
Capital outlay	639,000	494,000	493,378	622
Debt service:				
Principal retirements	1,159,840	1,159,840	1,159,830	10
Interest and fiscal charges	866,270	866,270	866,268	2
Total expenditures	<u>3,003,110</u>	<u>2,708,400</u>	<u>2,590,745</u>	<u>117,655</u>
Deficiency of revenues over expenditures	(2,794,110)	(2,706,900)	(2,479,795)	227,105
OTHER FINANCING SOURCES				
Transfers in	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,300,053</u>	<u>50,053</u>
Total other financing sources	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,300,053</u>	<u>50,053</u>
Net change in fund balances	(544,110)	(456,900)	(179,742)	277,158
FUND BALANCES, beginning of year	<u>1,392,460</u>	<u>1,392,460</u>	<u>1,392,460</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 848,350</u>	<u>\$ 935,560</u>	<u>\$ 1,212,718</u>	<u>\$ 277,158</u>

**CITY OF DECATUR, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 21,130	\$ 3,130
Excess of revenues over expenditures	18,000	18,000	21,130	3,130
OTHER FINANCING SOURCES				
Transfers in	594,850	594,850	594,850	-
Net change in fund balances	612,850	612,850	615,980	3,130
FUND BALANCES, beginning of year	1,478,990	1,478,990	1,478,990	-
FUND BALANCES, end of year	<u>\$ 2,091,840</u>	<u>\$ 2,091,840</u>	<u>\$ 2,094,970</u>	<u>\$ 3,130</u>

**CITY OF DECATUR, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
SPLOST:						
Repayment of 2010 Series Urban Redevelopment Bonds	\$ 4,600,000	\$ 4,600,000	\$ 2,796,797	\$ 632,160	\$ 3,428,957	74.54 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	8,900,000	5,328,594	1,263,680	6,592,274	74.07
Street intersection improvements	5,920,000	5,920,000	4,149,159	1,361,933	5,511,092	93.09
Pedestrian, Bicycle & Traffic Improvements	1,109,218	1,109,218	-	-	-	-
 Total SPLOST	 <u>\$ 20,529,218</u>	 <u>\$ 20,529,218</u>	 <u>\$ 12,274,550</u>	 <u>\$ 3,257,773</u>	 <u>\$ 15,532,323</u>	

COMPONENT UNITS

**CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2023**

ASSETS

Cash	\$	4,096,094
Taxes receivables		28,901
Other receivables, net of allowance		14,601
Prepaid		9,776
Due from primary government		<u>604,871</u>
 Total assets	 \$	 <u><u>4,754,243</u></u>

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCE**

LIABILITIES

Accounts payable	\$	<u>34,953</u>
 Total liabilities		 <u>34,953</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues - property taxes		<u>24,135</u>
---------------------------------------	--	---------------

FUND BALANCE

Nonspendable - prepaid		9,776
Unassigned		<u>4,685,379</u>
 Total fund balance		 <u>4,695,155</u>

Total liabilities, deferred inflows of resources, and fund balance	\$	<u><u>4,754,243</u></u>
---	----	-------------------------

**CITY OF DECATUR, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES

Taxes	\$ 1,283,046
Miscellaneous	<u>442,506</u>
Total revenues	<u>1,725,552</u>

EXPENDITURES

Downtown development	1,191,888
Debt service:	
Principal retirement	129,902
Interest and fiscal charges	<u>77,794</u>
Total expenditures	<u>1,399,584</u>

Net change in fund balance	325,968
----------------------------	---------

OTHER FINANCING SOURCES

Proceeds from sale of capital assets	<u>1,322,373</u>
Total other financing sources	<u>1,322,373</u>

Net change in fund balance	1,648,341
----------------------------	-----------

FUND BALANCE, beginning of year	<u>3,046,814</u>
--	------------------

FUND BALANCE, end of year	<u><u>\$ 4,695,155</u></u>
----------------------------------	----------------------------

**CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2023**

ASSETS

Cash	\$ 359,389
Accounts receivable	2,178
Due from primary government	<u>130,889</u>
 Total assets	 <u><u>\$ 492,456</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued liabilities	<u>\$ 60,956</u>
 Total liabilities	 <u>60,956</u>

FUND BALANCE

Restricted for promotion of tourism	<u>431,500</u>
 Total fund balance	 <u>431,500</u>
 Total liabilities and fund balance	 <u><u>\$ 492,456</u></u>

**CITY OF DECATUR, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - DECATUR TOURISM BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES

Taxes	\$	689,416
Charges for services		15,107
Interest		2,014
		706,537
Total revenues		706,537

EXPENDITURES

Tourism		826,103
		826,103
Total expenditures		826,103

Net change in fund balance		(119,566)
----------------------------	--	-----------

FUND BALANCE, beginning of year		551,066
--	--	---------

FUND BALANCE, end of year	\$	431,500
----------------------------------	----	---------

STATISTICAL SECTION

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

Page

Financial Trends..... 116

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity 127

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

Debt Capacity 133

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information 138

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information 140

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 29,061	\$ 23,480	\$ 21,802	\$ 21,600
Restricted	13,696	12,486	10,252	6,483
Unrestricted	<u>(104,811)</u>	<u>(108,095)</u>	<u>(112,608)</u>	<u>(116,601)</u>
Total governmental activities net position	<u>\$ (62,054)</u>	<u>\$ (72,129) (4)</u>	<u>\$ (80,554)</u>	<u>\$ (88,518)</u>
Business-type activities				
Net investment in capital assets	\$ 15,881	\$ 15,965	\$ 16,057	\$ 15,018
Unrestricted	<u>7,477</u>	<u>5,746</u>	<u>3,647</u>	<u>3,707</u>
Total business-type activities net position	<u>\$ 23,358</u>	<u>\$ 21,711</u>	<u>\$ 19,704</u>	<u>\$ 18,725</u>
Primary government				
Net investment in capital assets	\$ 44,942	\$ 39,445	\$ 37,859	\$ 36,617
Restricted	13,696	12,486	10,252	6,483
Unrestricted	<u>(97,334)</u>	<u>(102,349)</u>	<u>(108,961)</u>	<u>(112,893)</u>
Total primary government net position	<u>\$ (38,696)</u>	<u>\$ (50,418) (4)</u>	<u>\$ (60,850)</u>	<u>\$ (69,793)</u>

NOTES:

(1) During 2015, capital assets were transferred from governmental to business-type activities.

(2) During 2016, the City issued General Obligation Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were passed through to the City Schools of Decatur in the amount of \$75,000,000.

(3) During 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as of July 1, 2017.

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

2019	2018	2017	2016	2015	2014
\$ 17,811	\$ 13,343	\$ 13,369	\$ 10,030	\$ 8,347 (1)	\$ 20,161
11,064	12,058	6,664	5,969	5,233	310
<u>(123,577) (3)</u>	<u>(122,076) (3)</u>	<u>(99,455)</u>	<u>(98,095) (2)</u>	<u>(22,540)</u>	<u>(17,724)</u>
<u>\$ (94,702)</u>	<u>\$ (96,675)</u>	<u>\$ (79,422)</u>	<u>\$ (82,096)</u>	<u>\$ (8,960)</u>	<u>\$ 2,747</u>
\$ 15,269	\$ 16,155	\$ 16,221	\$ 15,116	\$ 15,399 (1)	\$ 6,093
1,870	1,135	(339)	(396)	(404)	(395)
<u>\$ 17,139</u>	<u>\$ 17,290</u>	<u>\$ 15,882</u>	<u>\$ 14,720</u>	<u>\$ 14,995</u>	<u>\$ 5,698</u>
\$ 33,081	\$ 29,498	\$ 29,590	\$ 25,146	\$ 23,746	\$ 26,254
11,064	12,058	6,664	5,969	5,233	310
<u>(121,706) (3)</u>	<u>(120,941) (3)</u>	<u>(99,794)</u>	<u>(98,491)</u>	<u>(22,944)</u>	<u>(18,119)</u>
<u>\$ (77,561)</u>	<u>\$ (79,385)</u>	<u>\$ (63,540)</u>	<u>\$ (67,376)</u>	<u>\$ 6,035</u>	<u>\$ 8,445</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
General government	\$ 13,198	\$ 11,293	\$ 13,685	\$ 10,672
Public safety	10,971	11,075	10,305	11,400
Public works	8,323	7,525	7,903	5,537
Recreation	5,528	5,066	3,840	5,313
Interest on long-term debt	5,202	5,216	4,652	6,109
Total governmental activities expenses	<u>43,222</u>	<u>40,175</u>	<u>40,385</u>	<u>39,031</u>
Business-type activities:				
Conference center	305	259	142	187
Stormwater	1,192	865	832	932
Solid waste	2,764	2,435	2,336	2,429
Total business-type activities expenses	<u>4,261</u>	<u>3,559</u>	<u>3,310</u>	<u>3,548</u>
Total primary government expenses	<u>\$ 47,483</u>	<u>\$ 43,734</u>	<u>\$ 43,695</u>	<u>\$ 42,579</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,209	\$ 1,119	\$ 2,010	\$ 1,484
Public safety	1,750	1,754	1,216	2,157
Public works	30	-	-	8
Recreation	2,900	2,532	648	2,025
Operating grants and contributions	1,142	136	338	284
Capital grants and contributions	5,820	5,661	7,051	4,579
Total governmental activities program revenues	<u>12,851</u>	<u>11,202</u>	<u>11,263</u>	<u>10,537</u>
Business-type activities:				
Charges for services:				
Conference center	-	-	-	-
Stormwater	3,539	3,233	1,927	1,395
Solid waste	2,887	2,895	2,891	2,901
Total business-type activities program revenues	<u>6,426</u>	<u>6,128</u>	<u>4,818</u>	<u>4,296</u>
Total primary government program revenues	<u>\$ 19,277</u>	<u>\$ 17,330</u>	<u>\$ 16,081</u>	<u>\$ 14,833</u>

	2019	2018	2017	2016	2015	2014
\$	11,662	\$ 12,288	\$ 11,913	\$ 10,601	\$ 10,642	\$ 9,244
	12,102	12,521	12,592	12,311	10,959	10,804
	5,687	6,190	4,759	4,678	4,007	3,993
	6,050	5,640	4,966	4,556	4,248	3,934
	6,322	6,084	5,099	3,989	3,038	3,522
	<u>41,823</u>	<u>42,723</u>	<u>39,329</u>	<u>36,135</u>	<u>32,894</u>	<u>31,497</u>
	417	481	479	497	491	485
	1,278	760	1,036	803	838	909
	2,196	2,515	2,603	2,424	2,153	2,170
	<u>3,891</u>	<u>3,756</u>	<u>4,118</u>	<u>3,724</u>	<u>3,482</u>	<u>3,564</u>
\$	<u>45,714</u>	<u>46,479</u>	<u>43,447</u>	<u>39,859</u>	<u>36,376</u>	<u>35,061</u>
\$	1,098	\$ 1,787	\$ 2,031	\$ 1,470	\$ 2,258	\$ 2,258
	2,453	2,403	2,396	2,333	2,724	2,371
	98	91	71	112	92	102
	2,936	2,873	2,643	2,446	2,267	1,930
	306	297	306	423	440	456
	3,760	3,324	3,341	1,713	991	393
	<u>10,651</u>	<u>10,775</u>	<u>10,788</u>	<u>8,497</u>	<u>8,772</u>	<u>7,510</u>
	-	-	-	-	5	-
	1,318	1,290	2,108	1,123	1,076	975
	2,762	2,745	2,716	2,337	2,287	2,327
	<u>4,080</u>	<u>4,035</u>	<u>4,824</u>	<u>3,460</u>	<u>3,368</u>	<u>3,302</u>
\$	<u>14,731</u>	<u>14,810</u>	<u>15,612</u>	<u>11,957</u>	<u>12,140</u>	<u>10,812</u>

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

	2023	2022	2021	2020
Net (expense)/revenue				
Governmental activities	\$ (30,371)	\$ (28,973)	\$ (29,122)	\$ (28,494)
Business-type activities	2,165	2,569	1,508	748
Total primary government net expense	<u>\$ (28,206)</u>	<u>\$ (26,404)</u>	<u>\$ (27,614)</u>	<u>\$ (27,746)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 33,194	\$ 32,685	\$ 31,409	\$ 29,836
Franchise taxes	1,658	1,644	1,569	1,682
Sales taxes	2,236	1,940	1,125	1,361
Other taxes	2,503	2,159	2,081	2,057
Unrestricted investment earnings	339	95	330	555
Gain on sale of capital assets	-	1,952	-	11
Miscellaneous	-	-	40	11
Transfers	516	564	530	(837)
Special item	-	-	-	-
Total governmental activities	<u>40,446</u>	<u>41,039</u>	<u>37,084</u>	<u>34,676</u>
Business-type activities:				
Gain on sale of capital assets	-	-	-	-
Transfers	(516)	(564)	(530)	837
Total business-type activities	<u>(516)</u>	<u>(564)</u>	<u>(530)</u>	<u>837</u>
Total primary government	<u>\$ 39,930</u>	<u>\$ 40,475</u>	<u>\$ 36,554</u>	<u>\$ 35,513</u>
Change in Net Position				
Governmental activities	\$ 10,075	\$ 12,066	\$ 7,962	\$ 6,182
Business-type activities	1,649	2,005	978	1,585
Total primary government	<u>\$ 11,724</u>	<u>\$ 14,071</u>	<u>\$ 8,940</u>	<u>\$ 7,768</u>

NOTES: (1) During 2015, capital assets were transferred from governmental to business-type activities.

(2) During 2016, the City issued GO Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were used to make a \$75,000,000 payment to the City Schools of Decatur to be used on capital projects for the schools.

2019	2018	2017	2016	2015	2014
\$ (31,172)	\$ (31,948)	\$ (28,541)	\$ (27,638)	\$ (24,122)	\$ (23,987)
189	279	706	(264)	(114)	(262)
<u>\$ (30,983)</u>	<u>\$ (31,669)</u>	<u>\$ (27,835)</u>	<u>\$ (27,902)</u>	<u>\$ (24,236)</u>	<u>\$ (24,249)</u>
\$ 27,237	\$ 24,717	\$ 22,151	\$ 20,149	\$ 17,720	\$ 15,058
1,670	1,647	1,704	1,623	1,564	1,451
1,336	7,100	5,504	5,001	5,675	4,944
1,949	1,869	1,777	1,676	1,560	1,500
564	496	479	1,921	21	42
1	4	-	-	21	3
53	18	55	98	178	116
338	242	(456)	12	(9,819) (1)	350
-	-	-	(75,979) (2)	-	-
<u>33,148</u>	<u>36,093</u>	<u>31,214</u>	<u>(45,499)</u>	<u>16,920</u>	<u>23,464</u>
-	-	-	-	-	9
(338)	(242)	456	(12)	9,819 (1)	(350)
<u>(338)</u>	<u>(242)</u>	<u>456</u>	<u>(12)</u>	<u>9,819</u>	<u>(341)</u>
<u>\$ 32,810</u>	<u>\$ 35,851</u>	<u>\$ 31,670</u>	<u>\$ (45,511)</u>	<u>\$ 26,739</u>	<u>\$ 23,123</u>
\$ 1,976	\$ 4,145	\$ 2,673	\$ (73,137)	\$ (7,202)	\$ (523)
(149)	37	1,162	(276)	9,705	(603)
<u>\$ 1,827</u>	<u>\$ 4,182</u>	<u>\$ 3,835</u>	<u>\$ (73,413)</u>	<u>\$ 2,503</u>	<u>\$ (1,126)</u>

CITY OF DECATUR, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Sales Tax</u>	<u>Insurance Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2014	\$ 15,058	\$ 1,451	\$ 4,944	\$ 997	\$ 502	\$ 22,952
2015	17,720	1,564	5,675	1,046	513	26,518
2016	20,149	1,623	5,001	1,114	562	28,449
2017	22,151	1,704	5,504	1,223	554	31,136
2018	24,717	1,647	7,100	1,305	564	35,333
2019	27,237	1,670	1,336 (1)	1,407	541	32,191
2020	29,836	1,682	1,361	1,495	562	34,936
2021	31,409	1,569	1,125	1,577	504	36,184
2022	32,685	1,644	1,940	1,628	531	38,428
2023	33,194	1,658	2,236	2,013	490	39,591

NOTE: (1) The decrease is the result of the fact that the City will no longer receive Homestead Option Sales Taxes (HOST) from DeKalb County.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General fund				
Prepays	\$ 164	\$ 144	\$ 86	\$ 36
Long-term receivable	-	-	-	400
Assigned:				
Greenspace acquisition	14	13	13	13
Next fiscal year operations	4,146	3,884	2,289	2,289
Unassigned	<u>10,920</u>	<u>12,551</u>	<u>12,304</u>	<u>9,822</u>
Total general fund	<u>\$ 15,244</u>	<u>\$ 16,592</u>	<u>\$ 14,692</u>	<u>\$ 12,560</u>
All other governmental funds				
Nonspendable - prepaids				
Prepays	\$ 927	\$ 985	\$ 961	\$ 1,241
Advances	120	-	-	260
Assets held for resale	-	-	-	-
Restricted:				
Capital construction	12,645	11,722	10,874	10,195
Culture and recreation	251	250	-	-
Economic development	2,095	1,479	916	-
Equipment purchases	-	-	-	-
Debt service	4,627	4,810	4,961	4,097
Law enforcement	22	22	22	15
E911 services	715	567	541	553
Tourism	-	-	-	-
Committed:				
Tree preservation	19	49	57	63
Children and youth services	616	463	190	865
Assigned:				
Development activities	-	-	-	-
Cemetery operations	72	108	124	130
Equipment purchases	3,300	3,610	3,337	4,036
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 25,409</u>	<u>\$ 24,065</u>	<u>\$ 21,983</u>	<u>\$ 21,455</u>

NOTES: (1) The increase from 2018 to 2019 is the result of the issuance of SPLOST Bonds, which will be used to fund capital projects in future periods.

2019	2018	2017	2016	2015	2014
\$ 29	\$ 3	\$ 25	\$ 43	\$ 60	\$ 15
-	-	-	-	-	-
13	13	13	13	12	12
2,316	1,481	1,180	1,224	-	-
8,338	9,034	8,498	7,140	7,137	5,475
<u>\$ 10,696</u>	<u>\$ 10,531</u>	<u>\$ 9,716</u>	<u>\$ 8,420</u>	<u>\$ 7,209</u>	<u>\$ 5,502</u>
\$ 1,297	\$ 1,364	\$ 1,690	\$ 1,096	\$ 35	\$ 54
-	-	585	549	337	476
-	-	-	6,335	5,089	5,089
14,989 (1)	11,278	6,099	5,865	5,108	11,038
-	-	-	-	-	-
-	-	-	-	-	-
1,010	740	193	227	265	495
4,048	3,543	4,023	5,377	7,496	7,317
15	16	12	14	14	10
526	425	333	268	175	156
-	-	-	-	5	25
63	62	194	168	143	164
1,309	1,369	1,193	1,131	953	796
-	-	-	324	193	-
144	168	173	203	167	151
471	376	129	987	1,049	892
-	-	(117)	(25)	(1,163)	(420)
<u>\$ 23,872</u>	<u>\$ 19,341</u>	<u>\$ 14,507</u>	<u>\$ 22,519</u>	<u>\$ 19,866</u>	<u>\$ 26,243</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
Taxes	\$ 39,617	\$ 38,538	\$ 36,263	\$ 34,800
Licenses and permits	540	673	1,459	810
Intergovernmental	7,397	6,300	8,124	5,578
Fines and forfeitures	433	531	252	853
Charges for services	4,266	3,713	1,590	3,278
Interest income	509	132	23	119
Other revenues	317	246	259	553
Total revenues	<u>53,079</u>	<u>50,133</u>	<u>47,970</u>	<u>45,993</u>
Expenditures				
General government	13,571	11,419	13,609	10,294
Public safety	10,289	10,330	9,169	9,884
Public works	6,692	5,930	6,315	4,105
Recreation	4,366	3,930	2,698	4,177
Capital outlay	5,403	2,430	6,847	6,104
Intergovernmental	205	306	332	111
Debt service				
Principal retirements	7,691	10,790	6,294	5,567
Interest and fiscal charges	5,379	5,772	6,006	6,817
Cost of issuance	-	458	769	-
Total expenditures	<u>53,596</u>	<u>51,365</u>	<u>52,039</u>	<u>47,059</u>
Excess (deficiency) of revenues over expenditures	(517)	(1,232)	(4,069)	(1,066)
Other financing sources (uses)				
Proceeds from financed purchases	-	-	-	1,339
Proceeds from notes payables	-	-	-	-
Issuance of long-term debt	-	21,855	40,120	-
Premium on bond issuance	-	2,065	2,208	-
Refunding deposit with escrow agent	-	(23,461)	(36,127)	-
Proceeds from sale of capital assets	-	4,117	-	11
Transfers in	9,744	7,051	6,903	5,803
Transfers out	(9,228)	(6,487)	(6,373)	(6,641)
Total other financing sources (uses)	<u>516</u>	<u>5,140</u>	<u>6,731</u>	<u>512</u>
Net change in fund balances	<u>\$ (1)</u>	<u>\$ 3,908</u>	<u>\$ 2,662</u>	<u>\$ (554)</u>
Debt service as a percentage of noncapital expenditures	27.06%	34.76%	27.18%	30.05%

NOTES: (1) In 2016 the City issued GO Bonds, Series 2016, the proceeds of which (when combined with the original issuance premium) were used to make a \$75,000,000 payment to the City Schools for capital projects.

(2) In 2017 the City retired the URA Bonds, Series 2013C pursuant to the sale of the Callaway Building in August of 2016. The bonds required a single principal payment equal to the entire amount of the bond (\$5,120,000).

	2019	2018	2017	2016	2015	2014
\$	32,160	\$ 35,261	\$ 31,176	\$ 28,397	\$ 26,500	\$ 22,994
	606	1,218	1,472	653	1,429	1,482
	4,907	4,613	4,418	3,123	1,621	1,014
	855	859	805	707	1,341	1,171
	4,592	4,417	4,307	4,175	3,661	3,328
	128	36	10	1,260	21	43
	267	212	346	851	838	632
	<u>43,515</u>	<u>46,616</u>	<u>42,534</u>	<u>39,166</u>	<u>35,411</u>	<u>30,664</u>
	10,914	11,257	11,086	9,232	9,313	8,432
	10,082	9,749	9,498	9,790	9,379	9,347
	4,313	3,850	3,445	3,557	3,013	3,171
	4,811	4,051	3,901	3,599	3,413	3,093
	4,676	42,672	6,050	2,468	9,375	32,103
	-	-	-	75,000 (1)	-	-
	4,982	4,456	9,130	3,870	2,032	1,367
	6,868	6,376	5,682	3,107	3,734	3,297
	89	766	-	979	608	168
	<u>46,735</u>	<u>83,177</u>	<u>48,792</u>	<u>111,602</u>	<u>40,867</u>	<u>60,978</u>
	(3,220)	(36,561)	(6,258)	(72,436)	(5,456)	(30,314)
	150	450	-	173	-	1,030
	2,334	-	-	-	-	-
	5,095	41,077	-	69,755	29,895	5,120
	-	434	-	6,224	2,337	-
	-	-	-	-	(31,624)	-
	-	5	2	30	25	8
	6,745	4,375	4,184	3,714	3,621	10,981
	<u>(6,407)</u>	<u>(4,133)</u>	<u>(4,640)</u>	<u>(3,596)</u>	<u>(3,467)</u>	<u>(10,631)</u>
	<u>7,917</u>	<u>42,208</u>	<u>(454)</u>	<u>76,300</u>	<u>787</u>	<u>6,508</u>
\$	<u>4,697</u>	<u>\$ 5,647</u>	<u>\$ (6,712)</u>	<u>\$ 3,864</u>	<u>\$ (4,669)</u>	<u>\$ (23,806)</u>
	26.68%	26.68%	34.62% (2)	0	18.38%	16.19%

CITY OF DECATUR, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Insurance Tax	Other Taxes	Total
2014	\$ 15,100	\$ 1,451	\$ 4,944	\$ 997	\$ 502	\$ 22,994
2015	17,701	1,564	5,675	1,046	514	26,500
2016	20,098	1,623	5,001	1,114	561	28,397
2017	22,193	1,704	5,504	1,223	553	31,177
2018	24,647	1,647	7,100	1,305	563	35,262
2019	27,207	1,670	1,336	1,407	541	32,161
2020	29,700	1,682	1,361 (1)	1,495	561	34,799
2021	31,488	1,569	1,125	1,577	504	36,263
2022	32,795	1,644	1,940	1,628	531	38,538
2023	33,220	1,658	2,236	2,013	490	39,617

NOTE: (1) The decrease is the result of the fact that the City will no longer receive Homestead Option Sales Tax (HOST) from DeKalb County.

CITY OF DECATUR, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property	Public Utility	Motor Vehicle
	Residential	Commercial			
2014	\$ 1,104,202	\$ 190,813	\$ 21,507	\$ 15,153	\$ 47,331
2015	1,370,510	210,898	23,124	15,236	28,417
2016	1,417,946	243,143	22,447	15,708	21,299
2017	1,545,077	279,030	25,729	16,522	18,785
2018	1,658,748	344,392	26,234	16,258	10,600
2019	1,785,021	345,720	24,168	15,852	8,059
2020	1,837,812	469,170	24,686	16,053	5,984
2021	1,932,865	502,192	23,116	18,840	4,597
2022	2,070,624	624,479	24,362	19,369	4,279
2023	2,359,336	760,193	24,301	22,070	4,014

Source: DeKalb County, Georgia Board of Tax Assessors

Source: City of Decatur Revenue Division

Less:					
Tax Exempt	Total Taxable	Total Direct	Estimated Actual	Assessed Value	as a Percentage
Real Property	Assessed Value	Tax Rate	Taxable Value	of Actual Value	
\$ 98,373	\$ 1,280,633	1.262	\$ 2,561,266	50.00%	
131,095	1,517,090	1.162	3,034,180	50.00%	
132,877	1,587,666	1.279	3,175,332	50.00%	
104,883	1,780,260	1.311	3,560,520	50.00%	
109,049	1,947,183	1.324	3,894,366	50.00%	
111,280	2,067,540	1.354	4,135,080	50.00%	
118,288	2,235,417	1.354	4,473,826	50.00%	
129,588	2,352,022	1.354	4,704,044	50.00%	
126,525	2,616,588	1.279	5,233,176	50.00%	
126,757	3,043,157	1.121	6,086,314	50.00%	

CITY OF DECATUR, GEORGIA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per \$1000 of Assessed Value)
LAST TEN YEARS

Calendar Year	City of Decatur, Georgia			DeKalb County	School District	Downtown Development Authority	State	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage		Operating Millage	Operating Millage		
2014	1.120	0.142	1.262	0.96	2.050	0.038	0.01	4.318
2015	1.070	0.092	1.162	1.19	1.866	0.038	0.01	4.263
2016	1.030	0.249	1.279	1.10	1.866	0.038	0.00	4.287
2017	1.030	0.281	1.311	1.00	1.866	0.038	0.00	4.211
2018	1.052	0.272	1.324	1.08	1.866	0.038	0.00	4.306
2019	1.096	0.258	1.354	1.03	2.025	0.038	0.00	4.451
2020	1.096	0.258	1.354	1.04	2.025	0.038	0.00	4.456
2021	1.108	0.246	1.354	0.95	2.100	0.038	0.00	4.442
2022	1.059	0.200	1.279	0.91	2.100	0.038	0.00	4.322
2023	1.009	0.203	1.212	1.01	2.030	0.035	0.00	4.287

Source: City of Decatur Tax Department and DeKalb County

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
TB DECATUR LLC	\$ 41,265,673	1	1.36 %			
AMCO 120 WEST TRINITY LLC	40,725,000	2	1.34			
MARTA	36,682,950	3	1.21			
DECATUR PROPERTIES I LLC	28,398,900	4	0.93			
PENLER ARLO LP	24,514,425	5	0.81			
AP WEST COURT LLC	24,514,425	6	0.81			
TYCON ONE INC	19,750,000	7	0.65			
DTC PARTNERS LLC	15,608,804	8	0.51	\$ 14,740,100	1	1.15 %
SPRINGDALE FINANCIAL GROUP LLC	15,438,423	9	0.51			
RS DECATUR OFFICE LLC	13,000,000	10	0.43	4,425,000	10	0.35
N G One West Court LLC				11,470,550	2	0.90
RREF II DB DRI LLC				10,672,050	3	0.83
Noble I Decatur LLC				9,345,139	4	0.73
SNH Medical Office Properties				9,126,090	5	0.71
Parmenter Clairemont LLC				8,957,950	6	0.70
Bellsouth Telecom/AT&T Georgia				8,790,617	7	0.69
Georgia Power Company				6,153,921	8	0.48
Ashton Park Trace Apartments				4,529,800	9	0.35
	<u>\$ 259,898,600</u>		<u>8.56 %</u>	<u>\$ 88,211,217</u>		<u>6.89 %</u>

Source: City of Decatur Revenue Division

CITY OF DECATUR, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(amounts expressed in thousands)

Tax Year*	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 36,499	\$ 17,139	47.0%	\$ 19,356	\$ 36,495	99.99%
2014	40,749	17,539	43.0%	23,076	40,615	99.67%
2015	44,385	19,783	44.6%	24,405	44,188	99.56%
2016	50,512	22,412	44.4%	27,869	50,281	99.54%
2017	51,969	22,572	43.4%	29,363	51,935	99.93%
2018	56,914	24,585	43.2%	31,925	56,510	99.29%
2019	65,047	27,005	41.5%	37,845	64,850	99.70%
2020	68,530	28,907	42.2%	39,603	68,510	99.97%
2021	73,517	32,045	43.6%	41,416	73,461	99.92%
2022	80,165	35,822	44.7%	44,199	80,021	99.82%

NOTES: (1) Includes all taxes levied for the General Fund, Board of Education Fund, Debt Service Fund, Capital Projects Fund and the Decatur Downtown Development Authority Fund.

*Taxes are billed twice a year in April and October for the calendar year. The billing in April is an estimated billing based on the prior years assessed values. The ten year presentation above is for completed tax years only.

CITY OF DECATUR, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Note Payable	Financed Purchases	Subscription Liability	Notes Payable	Financed Purchases	Subscription Liability				
2014	\$ 31,370	\$ 51,039	\$ 3,225	\$ 5,590	\$ 1,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,523	11.06%	\$ 4,606
2015	33,502	49,854	3,095	5,520	963	-	-	-	-	-	92,934	10.49%	4,560
2016	108,752 (2)	48,654	2,965	3,692	793	-	-	-	-	-	164,856	17.45%	7,508
2017	107,553	42,311	2,830	1,852	425	-	-	-	-	-	154,971	15.24%	6,793
2018	106,168	71,106	2,685	11,240	510	-	-	-	-	-	191,709	18.14%	8,044
2019	108,000	69,226	2,535	13,275	510	-	-	301	-	-	193,847	15.68%	7,533
2020	104,410	67,284	2,380	12,768	1,734	-	500	242	-	-	189,318	15.29%	7,368
2021	103,413	69,587	2,220	12,250	1,427	-	467	182	-	-	189,546	13.86%	7,604
2022	100,704	62,072	2,055	11,720	1,111	-	413	118	-	-	178,193	12.85%	7,253
2023	96,165	63,625	1,880	11,178	791	1,611 (3)	413	118	39 (3)	-	175,781	11.46%	7,223

- (1) See the Demographic and Economic Statistics for personal income and population data.
(2) The City issued \$69,755,000 of general obligation bonds for school construction projects.
(3) The City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* effective for FY23.

CITY OF DECATUR, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	\$ 31,370	\$ 969	\$ 30,401	1.00%	\$ 1,514
2015	33,502	1,160	32,342	1.02%	1,587
2016	108,752 (3)	2,255	106,497	2.99%	4,850
2017	107,553	2,700 (4)	104,853	2.69%	4,596
2018	106,168	1,658	104,510	2.53%	4,385
2019	108,000	2,067	105,933	2.56%	4,117
2020	104,410	2,250	102,160	2.28%	3,976
2021	103,413	4,285	99,128	2.11%	3,976
2022	100,704	4,502	96,202	2.05%	3,916
2023	96,165	3,794	92,371	1.77%	3,795

(1) See the Schedule of Assessed Value and Estimated Actual Value - All Taxable Property for property value data.

(2) See the Demographic and Economic Statistics for population data.

(3) The City issued \$69,755,000 of general obligation bonds for school construction projects.

(4) Amount is calculated as the total fund balance of the Debt Service Fund minus the receivable from the City Schools of Decatur (balance of \$1,800,000 as of June 30, 2017).

CITY OF DECATUR, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2023
(amounts expressed in thousands)

	Net General Obligation Debt Outstanding	Percentage Applicable to City of Decatur (1)	Amount Applicable to City of Decatur
Overlapping General Obligation Debt:			
DeKalb County			
General obligation debt	\$ 101,345	7.809%	\$ 7,914
Certificates of participation	7,180	7.809%	561
Notes payable	8,978	7.809%	701
Financed purchases	2,460	7.809%	192
Fulton DeKalb Hospital Authority	31,870	7.809%	2,489
Total overlapping debt	<u>151,833</u>		<u>11,857</u>
City direct debt:			
General obligation debt	96,165	100.000%	96,165
Revenue bonds	63,625	100.000%	63,625
Financed purchases	791	100.000%	791
Subscription liability	1,611	100.000%	1,611
Notes payable	11,178	100.000%	11,178
Certificates of participation	1,880	100.000%	1,880
	<u>175,250</u>		<u>175,250</u>
Total direct and overlapping debt	<u>\$ 327,083</u>		<u>\$ 187,107</u>

Source: Assessed value data used to estimate applicable percentages provided by the DeKalb County Finance Department. Debt outstanding data provided by DeKalb County Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Decatur, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

**CITY OF DECATUR, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year			
	2023	2022	2021	2020
Debt limit	\$ 316,991	\$ 274,311	\$ 248,161	\$ 235,371
Total net debt applicable to limit	<u>92,371</u>	<u>96,202</u>	<u>99,128</u>	<u>102,160</u>
Legal debt margin	<u>\$ 224,620</u>	<u>\$ 178,109</u>	<u>\$ 149,033</u>	<u>\$ 133,211</u>
Assessed Value	\$ 3,043,157			
Add back: exempt real property	<u>126,757</u>			
Total assessed value	3,169,914			
Debt limit (10% of total assessed value)	316,991			
Debt applicable to limit:				
General obligation bonds	96,165			
Less: Amount set aside for repayment of general obligation debt	<u>(3,794)</u>			
Total net debt applicable to limit	<u>92,371</u>			
Legal debt margin	<u>\$ 224,620</u>			
Total net debt applicable to the limit as a percentage of debt limit	29.14%			

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 217,882	\$ 205,623	\$ 188,514	\$ 172,054	\$ 164,819	\$ 137,901
<u>105,933</u>	<u>102,110</u>	<u>104,853</u>	<u>106,497</u>	<u>32,342</u>	<u>30,401</u>
<u>\$ 111,949</u>	<u>\$ 103,513</u>	<u>\$ 83,661</u>	<u>\$ 65,557</u>	<u>\$ 132,477</u>	<u>\$ 107,500</u>

CITY OF DECATUR, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income (in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Percentage of Population Age 25 and Older with Greater than 12 Years of Formal Schooling (3)	School Enrollment (2)	Unemployment Rate (4)
2014	20,086	\$ 836,220	\$ 41,632	38.0	95%	4,157	7.8%
2015	20,380	886,061	43,477	37.6	96%	4,521	6.0%
2016	21,957	944,854	43,032	35.9	95%	4,661	5.4%
2017	22,813	1,016,821	44,572	35.5	95%	5,229	5.6%
2018	23,832	1,056,878	44,347	35.2	95%	5,518	5.6%
2019	25,732	1,236,242	48,043	35.5	95%	5,700	4.9%
2020	25,696	1,237,802	48,171	35.8	95%	5,821	10.0%
2021	24,928	1,367,750	54,868	36.8	96%	5,700	2.2%
2022	24,569	1,386,281	56,424	37.9	95%	5,620	3.4%
2023	24,338	1,533,805	63,021	38.6	96%	5,700	3.2%

(1) Source: U.S. Census (available every tenth year)

(2) Source: Provided by City of Decatur School Board

(3) Source: U.S. Census and Department of Community Affairs

(4) Source: U.S. Census and Department of Labor

**CITY OF DECATUR, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
DeKalb County Government	1,338	1	N/A %	1,637	1	N/A %
The City Schools of Decatur (education)	902	2	N/A	673	2	N/A
Emory University Health Systems	873	3	N/A	137	6	N/A
Agnes Scott College (education)	401	4	N/A	396	3	N/A
KW Commercial Decatur	250	5	N/A			N/A
City of Decatur	213	6	N/A	205	5	N/A
USPS	170	7	N/A			N/A
Task Force for Global Health	140	8	N/A			N/A
Columbia Theological Seminary	100	9	N/A	93	9	N/A
CPlace Decatur, SNF, LLC	95	10	N/A			N/A
DeVry University				123	7	N/A
Decatur Hospital				229	4	N/A
CCP Games				103	8	N/A
Art Institute of Atlanta - Decatur				52	10	N/A
	4,482		N/A %	3,648		N/A %

Source: Various City departments
N/A - Information not available

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

Function	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General government	42	33	32	32	31
Public safety					
Police					
Officers	47	47	47	47	47
Civilians	15	13	13	13	13
Fire					
Firefighters and officers	40	39	39	39	38
Highways and streets					
Engineering	16	22	20	20	20
Maintenance	39	37	35	37	35
Sanitation	18	18	18	16	15
Culture and recreation	25	25	26	26	26
Total	<u>242</u>	<u>234</u>	<u>230</u>	<u>230</u>	<u>225</u>

Source: City of Decatur department records

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
31	39	32	31	31
48	37	39	42	42
13	11	12	11	13
37	36	37	39	39
14	29	17	18	17
29	28	31	27	29
16	14	14	14	14
20	21	23	21	20
<u>208</u>	<u>215</u>	<u>205</u>	<u>203</u>	<u>205</u>

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

Function	2023	2022	2021	2020	2019
Police					
Physical arrests	600	513	392	635	768
Parking violations	6,193	6,495	81	3,631	4,328
Traffic violations (1)	2,436	3,075	2,755	8,984	11,045
Fire					
Number of calls answered	4,218	3,736	3,260	3,579	4,099
Inspections	617	897	950	293	811
Highways and streets					
Street resurfacing (miles)	1.00	1.02	0.98	1.08	2.23
Potholes repaired	105	70	135	120	45
Sanitation					
Refuse collected (tons/day)	16.12	14.8	14.80	15.00	15.50
Recyclables collected (tons/day)	9.84	8.4	9.87	10.00	9.20
Culture and recreation					
Athletic field permits issued	12	8	8 (3)	30	19
Community center admissions (4)	120,000	(5) 3,390	2,508	39,750	59,750

Source: City of Decatur Departments

N/A - Information not available

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

(2) The number of permits issued decreased due to construction at athletic field facilities.

(3) Limited due to COVID-19 pandemic.

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

(5) Addition of Oakhurst Recreation Center.

2018	2017	2016	2015	2014
775	652	622	1,132	1,252
3,567	4,975	5,469	4,915	6,364
7,256	8,417	6,572	9,070	13,591
3,629	3,654	3,313	3,483	3,331
255	336	858	896	941
1.65	0.96	1.00	2.55	1.43
33	37	66	30	33
18.10	16.50	18.20	20.13	20.01
12.56	13.30	14.50	19.70	20.07
26 (2)	44 (2)	304	280	248
58,580	52,904	49,213	47,549	37,236

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

Function	2023	2022	2021	2020	2019
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	41	41	38	38	38
Fire stations	2	2	2	2	2
Sanitation					
Collection trucks	13	13	12	11	11
Highways and streets					
Streets (miles)	71	70.7	127	127	127
Culture and recreation					
Parks acreage	197 **	207	193	193	193
Parks	21	22	22	22	22
Swimming pools	5	5	5	5	5
Tennis courts	9	9	9	9	9
Community centers	5	5	5	3	3

Source: Various City departments

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

* Increase in 2016 was a correction based on pre-existing but undercounted City-owned park lands

** Increase due to correction from parks & rec master planning process

2018	2017	2016	2015	2014
1	1	1	1	1
37	41	41	41	43
2	2	2	2	2
11	10	10	10	10
121	75	75	62	62
193	116	116 *	56.5	56.5
22	21	21	14	14
4	3	3	3	3
9	9	9	9	9
3	2	2	2	2