NEW ISSUE – BOOK ENTRY ONLY

RATINGS
Moody's: Aa1
S&P: AA+
See "RATINGS" herein

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, and assuming compliance by the City with certain covenants, interest on the Bonds is exempt from present State of Georgia income taxation, and is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See "LEGAL MATTERS – Tax Exemption" herein.

$18,395,000
CITY OF DECATUR, GEORGIA
General Obligation Refunding Bonds,
Series 2025

Dated: Date of Issuance **Due: August 1, as shown on inside front cover**

The City of Decatur, Georgia General Obligation Refunding Bonds, Series 2025 (the "Bonds") are being issued in fully registered form and in denominations of $5,000, or any integral multiple thereof, by the City of Decatur, Georgia (the "City"), a municipal corporation of the State of Georgia, for the purpose of (a) refunding the City's General Obligation Bonds (City Schools of Decatur Project), Series 2016 maturing August 1, 2026 through August 1, 2032 outstanding in the aggregate principal amount of $19,225,000 (the "Refunded Bonds") in order to achieve debt service savings and (b) paying the costs of issuing the Bonds. See "PLAN OF FINANCING" herein.

The Bonds are direct and general obligations of the City. The principal and interest on the Bonds are payable from a direct ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the City subject to taxation for general obligation bond purposes. See "THE BONDS – Security and Sources of Payment for the Bonds" and "CITY AD VALOREM TAXATION" herein.

Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each such date, an "Interest Payment Date"), commencing February 1, 2026, by Regions Bank, as Paying Agent and Bond Registrar (the "Paying Agent") to the person in whose name the Bonds are registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (each such date a "Record Date"). The Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "THE BONDS – Description" herein. The Bonds are not subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption" herein.

The Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). Payment of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners (as such terms are defined herein) of the Bonds, all as described herein. Purchasers of beneficial ownership interests in the Bonds will not receive physical certificates representing their ownership interests in the Bonds. See "THE BONDS – Book-Entry Only System" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and to approval of the legality of the Bonds and certain other matters by Murray Barnes Finister LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the City by Wilson, Morton & Downs, LLC, Decatur, Georgia and for the City by Murray Barnes Finister LLP, Atlanta, Georgia, Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, serves as financial advisor to the City. A final judgment confirming and validating the Bonds and the security therefor is a condition to the issuance of the Bonds. The Bonds are expected to be available for delivery through DTC under the DTC FAST system of registration on or about December 18, 2025.

Dated: November 17, 2025

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NOS.

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Number[1]
2026	$2,585,000	5.000%	2.580%	243109HN8
2027	2,345,000	5.000	2.470	243109HP3
2028	2,460,000	5.000	2.460	243109HQ1
2029	2,575,000	5.000	2.440	243109HR9
2030	2,705,000	3.000	2.410	243109HS7
2031	2,790,000	5.000	2.470	243109HT5
2032	2,935,000	5.000	2.560	243109HU2

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2025 CUSIP Global Services. All rights reserved. CUSIP numbers are included herein solely for convenience of reference. None of the City, the Underwriter nor their respective agents are responsible for the selection of CUSIP numbers or take responsibility for the accuracy of such data. CUSIP numbers are subject to change after issuance in certain circumstances.

CITY OF DECATUR, GEORGIA

City Commission

Patti M. Garrett, Mayor – District 2
Tony Powers, Mayor Pro Tem – At-Large
Kelly Walsh – District 1
George Dusenbury – District 1
Lesa Mayer – District 2

City Staff Officials

Andrea T. Arnold, City Manager
David Junger, Deputy City Manager
Russ Madison, Finance Director

COUNSEL TO THE CITY

Wilson, Morton & Downs, LLC
Decatur, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Murray Barnes Finister LLP
Atlanta, Georgia

FINANCIAL ADVISOR

Davenport & Company LLC
Atlanta, Georgia

INDEPENDENT AUDITORS

Mauldin & Jenkins, LLC
Atlanta, Georgia

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Information contained herein has been obtained from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation of, the Underwriter. Expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained in such Acts.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that the information herein is correct as of any time subsequent to the date hereof.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "SEC") or with any state securities agency. The Bonds have not been approved or disapproved by the SEC or any state securities agency, nor has the SEC or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: finpressllc.com. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

$18,395,000
CITY OF DECATUR, GEORGIA
General Obligation Refunding Bonds,
Series 2025

INTRODUCTION

General

This Official Statement, including the cover page and Appendices, is furnished in connection with the offering of $18,395,000 in aggregate principal amount of City of Decatur, Georgia General Obligation Refunding Bonds, Series 2025 (the "Bonds"). Capitalized terms used in this Official Statement and not otherwise defined herein are defined in Appendix B – "SUMMARIES OF THE PRINCIPAL DOCUMENTS."

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement, including the Appendices hereto.

The City

The City of Decatur, Georgia (the "City") is a municipal corporation of the State of Georgia and the county seat of DeKalb County, Georgia (the "County"). See "THE CITY" herein.

Purpose of the Bonds

The City is issuing the Bonds, the proceeds of which will be applied for the purpose of (a) refunding the City's General Obligation Bonds (City Schools of Decatur Project), Series 2016 maturing August 1, 2026 through August 1, 2032 outstanding in the aggregate principal amount of $19,225,000 (the "Refunded Bonds") in order to achieve debt service savings and (b) paying the costs of issuing the Bonds. For more complete information, see "PLAN OF FINANCING" herein.

Security and Sources of Payment for the Bonds

The Bonds are direct and general obligations of the City. The principal of and interest on the Bonds are payable first from an ad valorem tax, unlimited as to rate or amount, which may be levied upon all taxable property within the territorial limits of the City subject to taxation for general obligation bond purposes. See "THE BONDS – Security and Sources of Payment for the Bonds" and "CITY AD VALOREM TAXATION."

Description of the Bonds

Denominations. The Bonds are issuable in denominations of $5,000 and any integral multiple thereof.

Book-Entry Bonds. Each of the Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. Purchases of beneficial interests in the Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such

beneficial interests are exchangeable for one or more fully registered certificates of like principal amount and maturity in authorized denominations. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, transfers and exchanges shall be made in accordance with rules established by DTC. For more complete information, see "BOOK-ENTRY ONLY SYSTEM" in Appendix E hereto.

Payments. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each such date, an "Interest Payment Date"), commencing February 1, 2026, by Regions Bank, Atlanta, Georgia, as Paying Agent, to the owners thereof as shown on the registration books maintained by Regions Bank, Atlanta, Georgia, as Bond Registrar. Principal of the Bonds will be payable at the times and in the amounts shown on the inside front cover of this Official Statement. The Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein.

Redemption. The Bonds are not subject to redemption prior to their stated maturity. See "THE BONDS – Redemption" herein.

For a more complete description of the Bonds, see "THE BONDS" herein.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Bonds is exempt from present State of Georgia income taxation, is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See "LEGAL MATTERS – Tax Exemption" herein and Appendix B hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the City and its authorization and issuance of the Bonds are subject to the approving opinion of Murray Barnes Finister LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters for the City will be subject to the approval of Wilson, Morton & Downs LLC, Decatur, Georgia and for the City by Murray Barnes Finister LLP, Atlanta, Georgia, Disclosure Counsel.

Regions Bank will act as Paying Agent and Bond Registrar for the Bonds. The designated corporate trust office of the Paying Agent is 1180 West Peachtree Street, Suite 1200, Atlanta, Georgia 30309, Attention: Corporate Trust Services.

Davenport & Company LLC, Atlanta, Georgia, serves as financial advisor to the City in connection with the issuance of the Bonds.

Legal Authority

The Bonds are being issued in accordance with the Constitution of the State of Georgia and laws of the State of Georgia. The issuance of the Bonds was authorized by a resolution adopted by the City Commission of the City on November 17, 2025 (the "Bond Resolution").

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued and received by the City, subject to prior sale, to withdrawal or modification of the offer without notice. The Bonds are expected to be delivered through DTC in New York, New York, on or about December 18, 2025.

Continuing Disclosure

The City has covenanted in a Continuing Disclosure Certificate with respect to the Bonds (the "Continuing Disclosure Certificate") for the benefit of the beneficial owners of the Bonds to provide certain financial information and operating data relating to the City (the "Annual Report") by not later than 195 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2026, and to provide notices of certain enumerated events within 10 business days of their occurrence (the "Events Notices"). The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access ("EMMA") system of the MSRB). The Events Notices will be filed by the City with the MSRB (through EMMA) in an electronic format as prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report or the Events Notices is contained in the Continuing Disclosure Certificate, the form of which is attached in Appendix D hereto. These covenants have been made in order to assist the original purchaser of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

The City has entered into previous continuing disclosure agreements with respect to the Rule (the "Prior Undertakings"). There have been occurrences over the last five years during which the City omitted certain required information from its annual reports required by certain of the Prior Undertakings, as follows:

Although the City included most of the required information in its Annual Reports required under its Prior Undertakings for fiscal years 2020 through 2024 (as a part of the City's Annual Comprehensive Financial Report), the City did not include (a) General Fund tax revenues by source (the Annual Reports included Governmental Fund tax revenues by source) and (b) with respect to its principal taxpayers, the taxes levied for each principal taxpayer and the related percentage of the total tax levy for the relevant year (the Annual Reports did include, as required, assessed valuation and percentage of total assessed valuation for each of the principal taxpayers). In addition, with respect specifically to the City of Decatur, Georgia General Obligation Bonds (City Schools of Decatur Projects), Series 2016 (the "Series 2016 Bonds"), the City failed to timely file the required operating and financial data related to the School System for the fiscal years 2020 through 2024. Lastly, for fiscal year 2021, the City's annual audited financial statements were not linked to the CUSIP numbers for the Series 2016 Bonds or for the City's General Obligation Refunding Bonds, Series 2015 (the "Series 2015 Bonds") as required by the Prior Undertaking for the Series 2016 Bonds and the Series 2015 Bonds, respectively.

Remediation of the foregoing omissions has been made. The filings required under the Prior Undertakings are current as of the date hereof. The City maintains policies and procedures with respect to its tax-exempt debt, including procedures related to the timely assemblage and submission of its annual reports and additional continuing disclosure information. The City has updated its procedures to include the information described above in its Comprehensive Annual Financial Reports. Going forward, the City expects to comply fully with its obligations under the Continuing Disclosure Certificates and the Prior Undertakings.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the City, the Bonds, the Bond Resolution and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Contract and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing and handling, from City of Decatur, 509 North McDonough Street, Decatur, Georgia 30030; telephone: (404) 370-4102. During the period of the offering of the Bonds, copies of such documents are available, upon request and upon payment to the Financial Advisor of a charge for copying, mailing and handling, from Davenport & Company LLC, 901 East Cary Street, Suite 1100, Richmond, Virginia 23219, telephone (804) 697-2900.

THE BONDS

Description

The Bonds will be dated as of their date of issuance and will mature in the principal amounts on the dates, and will bear interest at the rates per annum, set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be initially payable on February 1, 2026 and thereafter on each February 1 and August 1 (each, an "Interest Payment Date"). The Bonds shall bear interest from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issue). Record Date is defined in the Bond Resolution as the fifteenth calendar day of the month next preceding each Interest Payment Date.

When in book-entry form, payment of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants and Indirect Participants and thereafter to Beneficial Owners of the Bonds. See "– Book-Entry System of Registration." When not in book-entry form, principal of and interest on the Bonds is payable in the manner provided in the Bond Resolution.

The Bonds are issuable as fully registered bonds without coupons in authorized denominations of $5,000 and any integral multiple thereof and shall be transferable to subsequent owners as provided in the Bond Resolution. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form, and purchasers will not receive certificates representing interests in the Bonds so purchased. If the book-entry system is discontinued, Bonds will be delivered as described in the Bond Resolution, and beneficial owners will become the registered owners of the Bonds. See "APPENDIX D – Book-Entry Only System" herein.

Security and Sources of Payment for the Bonds

The Bonds are direct and general obligations of the City. The principal and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the City subject to taxation for general obligation bond purposes. The City Commission has autonomous power to set the millage rate and to levy ad valorem taxes. See "CITY AD VALOREM TAXATION."

Article IX, Section V, Paragraph VI of the Georgia Constitution requires the City place the ad valorem taxes levied to pay its general obligation bonds in a sinking fund to be used exclusively for paying the principal of and interest on such general obligation bonds. It also requires that the City keep such moneys separate and apart from all other revenues collected by the City.

Enforcement of Remedies

The realization of value from the pledge of the taxing power of the City to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent applicable to the Bonds or the City.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, school district, authority, division, instrumentality, political subdivision, or public body corporate of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, city council or other governmental officer, governing body, or organization shall be empowered to cause or

authorize the filing by or on behalf of any municipality created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Redemption

The Bonds are not subject to redemption prior to maturity.

Registration Provisions; Transfer and Exchange

The Bonds will be issued in fully registered form. Ownership of the Bonds will be registered on the registration books of the City maintained by the Bond Registrar. When in book-entry form, ownership of the Bonds may be registered as transferred and Bonds may be exchanged in accordance with the rules of DTC. See " APPENDIX D– Book-Entry Only System." When not in book-entry form, ownership of any Bond may be registered as transferred and Bonds may be exchanged in the manner provided in the Bond Resolution.

Authority for Issuance

Article IX, Section V, Paragraph III of the Georgia Constitution provides that the governing authority of any county may provide for the refunding of outstanding bonded indebtedness without the necessity of a referendum being held therefor, provided that neither the term of the original debt is extended nor the interest rate of the original debt is increased. It further provides that principal amount of any debt issued in connection with such refunding may exceed the principal amount of the debt being refunded in order to reduce the total principal and interest payment requirements over the remaining term of the original issue. Both the Refunded Bonds and the Bonds have been structured to comply with this provision of the Georgia Constitution. Therefore, a referendum is not required in connection with the authorization and issuance of the Bonds. The Bonds were authorized to be issued pursuant to the Bond Resolution.

PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Bonds are summarized below:

Sources of Funds:	
Principal Amount of Bonds	$18,395,000.00
Original Issue Premium	1,387,003.65
Total Sources of Funds	$19,782,003.65
Uses of Funds:	
Refunding	$19,537,188.75
Costs of Issuance[(1)]	244,814.90
Total Uses of Funds	$19,782,003.65

(1) Includes Underwriter's discount, rating agency fees, initial Bond Registrar's and Paying Agent's fees, printing costs, validation court costs, financial advisor fees, legal fees, accountant's fees and other costs of issuance.

The Refunding

The proceeds of the Bonds will be used to refund the Refunded Bonds and to pay the costs of issuing the Bonds. The Refunded Bonds will be called and redeemed on the date that the Bonds are issued. The portion of the proceeds of the Bonds that will be used to refund the Refunded Bonds will be deposited into the sinking fund created under the resolution pursuant to which the Refunded Bonds were issued (the "2016 Sinking Fund") and applied to redeem the Refunded Bonds. The owners of the Bonds will not have a lien on or be entitled to the money in the 2016 Sinking Fund.

PRINCIPAL AND INTEREST REQUIREMENTS

The following are the principal and interest payment requirements with respect to the Bonds for the bond years ending August 1 shown below.

Bond Year Ended August 1	Principal	Interest	Total Debt Service
2026	$ 2,585,000	$ 536,222.08	$ 3,121,222.08
2027	2,345,000	736,400.00	3,081,400.00
2028	2,460,000	619,150.00	3,079,150.00
2029	2,575,000	496,150.00	3,071,150.00
2030	2,705,000	367,400.00	3,072,400.00
2031	2,790,000	286,250.00	3,076,250.00
2032	2,935,000	146,750.00	3,081,750.00
	$18,395,000	$3,188,322.08	$21,583,322.08

THE CITY

Introduction

The City is a municipal corporation created and existing under the laws of the State of Georgia and was originally created by an Act of the General Assembly of the State of Georgia in 1823 and named in honor of Stephen Decatur, a popular early American naval hero. The City is located approximately six miles east of the City of Atlanta's central business district and is centrally located in the County. The City currently occupies a land area of approximately 4.7 square miles and serves a July 2024 estimated population of 24,482.

The County occupies an area of 268 square miles, and includes 12 municipalities, including the City. In addition, a small portion of the City of Atlanta is located within the County limits. The City is the County seat. The County ranks fourth in population among counties in Georgia with a July 2024 estimated population of 770,307.

City Administration and Officials

The affairs of the City are conducted by a City Commission, which consists of five City Commissioners. Under the City's charter, all corporate, legislative, and other powers are vested in the City Commission. The City Commissioners serve four-year terms of office. To be eligible for the office of City Commissioner, a person must meet the requirements of a qualified voter of the City, must not be ineligible for public office under Georgia law, and must have been a bona fide resident of the ward from which he or she seeks election for not less than one year immediately preceding his or her election. Each City Commissioner must continue to reside within the City or ward from which elected, respectively, during his or her term of office. No person is eligible to be a City Commissioner who has been convicted of a crime involving moral turpitude, unless such person's citizenship rights have been restored.

The City is divided into two election districts. Two City Commissioners are elected from each district, and one City Commissioner is elected from the City at large. The City Commission elects one of its members annually to serve as Mayor for a term of one year. The Mayor can serve successive one-year terms. The Mayor is recognized as the head of the City government for all ceremonial purposes and serves as the chair of all meetings of the City Commission. The Mayor has no veto power and has the same power to vote as all other City Commissioners.

The members of the City Commission serve overlapping four-year terms. Certain other information concerning the City Commission members is set forth below:

Name and Office Held	District	Years in Office	Principal Occupation
Patricia M. Garrett, *Mayor*	2	16	Nutrition Consultant (retired)
Tony Powers, *Mayor Pro Tem*	At-Large	10	Owner, Intown Ace Hardware
Kelly Walsh	1	8	Realtor
George Dusenbury	1	6	Southeast Vice President for The Trust for Public Land
Lesa Mayer	2	6	Senior Risk Advisor, Truist Bank

Under the City's Charter, the City Manager, who is appointed by and serves for an indefinite term at the pleasure of the City Commission, is the chief executive officer and the chief administrative officer of the City, and is responsible to the City Commission for the proper administration of all affairs of the City.

Andrea T. Arnold, City Manager, has worked for the City since 1997, has served as the City Manager since January 2019 and is responsible for the day-to-day operations of the City. Ms. Arnold began as an Assistant to the City Manager, became the director of Administrative Services in 1999, and was appointed as Assistant City Manager in 2004. Prior to her employment with the City, she worked for the Atlanta Regional Commission. She received a B.A. in political science and urban studies from Furman University and a Master's degree in public administration from the University of Georgia.

David Junger, Deputy City Manager, has worked for the City since 1990, has served as the Deputy City Manager since 2023, and presently is responsible for the City's capital improvement and construction management programs. Mr. Junger joined the City's police department in 1990, rising through the ranks to become deputy police chief. In 2006, he took a new position as Assistant City Manager—Public Works and in 2023 became Deputy City Manager. He has a B.S. in Criminal Justice from Georgia State University. Mr. Junger has been a member of the International City/County Management Association since 2006

Russ Madison, Finance Director, has worked for the City since 2008 and was appointed Finance Director in 2018. He also serves as the Chair of the City's Technology Committee. Prior to being named Finance Director, Mr. Madison served as the City's Revenue and Technology Director. Prior to the joining the City, Mr. Madison worked for the Georgia Secretary of State. He received a B.A. in political science from Emory University and a Master's Degree in Public Administration from the University of Georgia.

City Services

The City provides a full range of services to its residents. Police and fire protection services, funded from general fund revenues, are provided to City residents. Emergency 911 services are provided through a combination of fees and general fund revenues. Garbage collection and recycling services are funded by solid waste fees. The City transports the garbage it collects to the DeKalb County Landfill, which is owned by the County. The City owns and maintains a public cemetery that is funded through general fund revenues and some fees. The City also provides to its residents recreational and cultural activities, municipal court services and code enforcement. The City's public works department acquires, constructs, and maintains roads and infrastructure, the costs of which are financed by general fund revenues. The City also provides planning and building inspection services to its residents, the cost of which is financed by permit fees and general fund revenues. Water and sewer are provided to residents by the County; electric services are provided to residents through Georgia Power, and natural gas is provided to residents by a variety of natural gas marketers.

City Facilities

The City police department has one police station, 46 sworn police officers, 16 full-time employees and 54 part-time civilian employees which includes 48 school crossing guards, and 61 vehicles and maintains a 24-hour uniformed patrol. The City fire department has two fire stations, 18 vehicles, including six pumpers of 1,500 gallons per minute, 40 full-time firefighters and 15 part-time firefighters. The National Board of Fire Underwriters' fire insurance rating for the City is Class 2. The City maintains approximately 61 miles of streets. The City public works function has 66 vehicles, 73 full-time employees and 16 part-time employees. The City owns and maintains

22 parks containing approximately 193 acres, four swimming pools, nine tennis courts, and various cultural and recreational facilities. The public cemetery is approximately 45 acres in area and also serves as a passive green space.

Decatur City Schools

The Board of Education of the City of Decatur, a body corporate and politic created and existing under the laws of the State of Georgia, has supervision, direction and control of the public school system operating under the informal name "City Schools of Decatur" (the "Decatur City Schools"). The boundaries of the Decatur City Schools are coextensive with the territorial limits of the City. Decatur City Schools is a governmental charter school system that operates pursuant to a charter granted by the Georgia State Board of Education. Decatur City Schools operates 10 school facilities with an enrollment of approximately 5,127 as of August 2025. Decatur City Schools employed 885 teachers, support and administrative staff as of October 2025.

Demographic Information

The following information is provided to give prospective investors an overview of the general demographic and economic conditions in the City and the County. These statistics have not been adjusted to reflect economic trends.

Population. Set forth below is the population of the City for the census years 1990 through 2020 and an estimate as of July 1, 2024 (the most recent information available).

Year	City	County
2024	24,482	770,307
2020	24,928	764,382
2010	19,335	691,893
2000	18,205	665,865
1990	17,336	545,837

Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020 U.S. Census, and U.S. Census Bureau Quick Facts as of July 2024.

Population By Age; Median Age. The median age of the City's population estimated as of 2023 is 39.6 years. The following table presents the percent of population by age for the City based on an average of information collected for calendar year 2023 (the most recent information available).

Under 19 Years	20 to 34 Years	35 to 54 Years	55 to 64 Years	65 Years and Over
31.6%	12.4%	30.1%	11.3%	14.7%

Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program.

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Population by Race. The following table presents estimated percent of population by race for the City based on an average of information collected for calendar year 2023 (the most recent information available).

White[(1)]	Black or African American[(1)]	American Indian & Alaska Native Persons[(1)]	Asian[(1)]	Native Hawaiian and Other Pacific Islander[(1)]	Some Other Race	Two or More Races	Hispanic or Latino[(2)]
67.8%	12.8%	0.3%	5.5%	0.0%	0.6%	13.0%	9.7%

(1) Includes persons reporting only one race.
(2) Hispanics may be of any race, so also are included in applicable race categories.
Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program

Educational Attainment. The following table presents the estimated percent of level of educational attainment of the population 25 years and over for the City based on an average of information collected for calendar year 2023 (the most recent information available).

Less than 9th grade	0.8%
9th to 12 grade, no diploma	3.2
High school graduate (including equivalency)	7.5
Some college, no degree	8.3
Associate degree	2.9
Bachelor's degree	33.8
Graduate or professional degree	43.5
	100.0%
Percent high school graduate or higher	96.0%
Percent bachelor's degree or higher	77.3

Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the City. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the City.

Per Capita Personal Income. Set forth below is per capita income data for the County, the State and the United States for the years 2019 through 2023, the most current data available. Comparable information for the City is not available. Dollars are not adjusted for inflation.

Year	County	State of Georgia	United States
2023	$67,811	$59,882	$69,810
2022	64,669	57,290	66,244
2021	62,228	56,088	64,460
2020	56,200	51,463	59,123
2019	52,623	48,530	55,566

Source: United States Department of Commerce, Bureau of Economic Analysis.

Total Personal Income. The following table reflects the estimated total personal income figures (in thousands) for the County, the State and the United States for calendar years 2019 through 2023, the most current data available. Comparable information for the City is not available. Dollars are not adjusted for inflation.

Year	County	State of Georgia	United States[(1)]
2023	$51,739,230	$660,447,470	$23,380,269,000
2022	49,263,304	625,219,288	22,077,232,000
2021	47,238,074	605,211,514	21,403,979,000
2020	42,964,153	552,316,257	19,600,945,000
2019	40,079,396	516,504,169	18,349,584,000

(1) Rounded.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Mean and Median Income. The following table reflects the median and mean household incomes for the City, the County, the State and the United States for calendar year 2023 (the most recent information available).

	City	County	State	United States
Median Household Income	$140,480	$ 77,683	$ 74,664	$ 78,538
Mean Household Income	193,625	115,757	103,618	110,491

Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program.

Poverty Levels. The following table reflects an estimate of the percentage of all people with incomes lower than the poverty level in the City (based on an average of information collected for calendar year 2023) and the County, the State and the United States for calendar year 2023 (the most recent information available).

City	County	State	United States
5.2%	13.5%	13.5%	12.4%

Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program.

Household Income Distribution. The following table shows the estimated percentage of household income distribution of the City based on an average of information collected for calendar year 2023 (the most recent information available).

Less than $10,000	2.4%
$10,000 to $14,999	2.6
$15,000 to $24,999	5.3
$25,000 to $34,999	3.7
$35,000 to $49,999	6.6
$50,000 to $74,999	7.9
$75,000 to $99,999	6.6
$100,000 to $149,999	17.4
$150,000 to $199,999	10.0
$200,000 or more	37.5
	100.0%

Source: U.S. Census Bureau, 2023 American Community Survey, 5-Year Estimates Program.

Median Home Values. The following table sets forth the median home value for the calendar years 2019 through 2023 (the most recent information available) in the City (based on an average of information collected for each of such calendar years) and the County, the State and the United States.

Year	City	County	State	United States
2023	$655,900	$331,400	$272,900	$303,400
2022	654,400	301,100	245,900	281,900
2021	583,900	255,600	206,700	244,900
2020	547,300	235,300	190,200	229,800
2019	521,900	215,600	176,000	217,500

Source: City: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.

Building Permits Summary. The number of building permits issued in the City during calendar years 2020 through 2024 and through October 31, 2025 are set forth in the following table. Permits issued include permits issued for both commercial and residential new construction and renovations. The value of the permits are based on estimates reported by the builder, which is then compared by the City's building official to the values provided by the International Code Council's Standard Building Valuation Data.

Calendar Year	Number of Permits	Value of Permits
2025[(1)]	1,716	$323,493,460
2024	2,263	237,171,538
2023	2,508	119,763,578
2022	2,084	227,865,388
2021	2,345	259,135,435
2020	2,379	468,649,270

(1) Through October 31, 2025.
Source: City of Decatur City Manager's Office.

Banking Deposits. Set forth below is information concerning the total number of banking institutions (each branch office of a bank holding FDIC-insured deposits is counted as a separate banking institution) located in and the total value of banking deposits (in thousands of dollars) held within the City and the County for the past five fiscal years ended June 30.

	City		County	
Fiscal Year	Number of Institutions	Total Deposits	Number of Institutions	Total Deposits
2025	10	$2,970,818	26	$16,064,565
2024	10	2,693,145	26	16,378,882
2023	10	2,802,073	25	16,626,577
2022	10	3,054,831	25	17,772,880
2021	11	3,213,913	25	16,644,637

Source: Federal Deposit Insurance Corporation.

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Labor Statistics. The following table reflects the total civilian labor force in the City and the County and the unemployment rates in the City, the County, the State and the United States for the calendar years 2020 through 2024 and for August 2025 (the most recent information available).

	2025[(1)]	2024	2023	2022	2021	2020
City Labor Force	11,770	11,825	11,713	11,573	11,411	11,453
City Unemployment Rate	3.5%	3.3%	3.2%	2.9%	3.4%	5.6%
County Labor Force		404,279	400,022	394,786	391,403	391,304
County Unemployment Rate	3.7%	3.7%	3.5%	3.3%	4.7%	8.0%
State Unemployment Rate	3.6	3.5	3.3	3.2	3.9	6.5
United States Unemployment Rate	4.5	4.0	3.6	3.6	5.3	8.1

(1) For City, County and State, preliminary as of August 2025; United States, final as of August 2025. Other unemployment rates in the table reflect annual averages.

Source: U.S. Bureau of Labor Statistics.

Largest Employers. Set forth below are the 10 largest employers located in the City for the fiscal year ended June 30, 2024, their type of business and estimated number of employees. There can be no assurance that any employer listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability of the financial condition of the companies listed.

Employer	Industry	Number of Employees
DeKalb County Government	Local Government	1,341
Emory University Health System	Healthcare	872
City Schools of Decatur	Education	849
Agnes Scott College	Higher Education	398
City of Decatur	Local Government	254[(1)]
U.S. Postal Service	Federal Government	170
KW Commercial Decatur	Real Estate	150
Task Force for Global Health	Nonprofit	140
Columbia Theological Seminary	Higher Education	100
CPlace Decatur, SNF, LLC	Healthcare	96

(1) This represents the number of full-time and part-time employees on payroll at June 30, 2024.

Source: City of Decatur.

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Industry Mix. The following table sets forth an estimate of the industry mix within the County, based upon the average number of employees employed in the indicated industry covered by the State Trust Fund (unemployment insurance) for the first quarter of 2025 (the most current information available). The estimates include persons employed on a job site in the County regardless of where they reside. Comparable information for the City is not available.

INDUSTRY	Average Number of Establishments	Average Monthly Employment
Goods-Producing	**1,724**	**22,445**
Agriculture, Forestry, Fishing & Hunting	16	212
Mining	6	76
Construction	1,075	9,566
Manufacturing	627	12,591
Service-Providing	**19,127**	**238,968**
Utilities	31	1,306
Wholesale Trade	1,049	10,866
Retail Trade	2,263	32,260
Transportation and Warehousing	559	11,622
Information	741	7,785
Finance and Insurance	1,024	16,999
Real Estate and Rental and Leasing	1,181	5,486
Professional Scientific & Technical Svc	3,856	21,807
Management of Companies and Enterprises	112	4,166
Admin., Support, Waste Mgmt, Remediation	1,382	19,391
Education Services	391	23,153
Health Care and Social Assistance	2,702	49,880
Arts, Entertainment, and Recreation	394	3,183
Accommodation and Food Services	1,772	23,241
Other Services (except Public Admin.)	1,670	7,823
Unclassified - industry not assigned	**2,299**	**869**
Total – Private Sector	**23,150**	**262,282**
Total – Government	**395**	**46,714**
Federal Government	59	13,758
State Government	107	8,708
Local Government	229	24,248
ALL INDUSTRIES	**23,545**	**308,997**

(1) These data use the North American Industrial Classification System (NAICS) categories (as opposed to Standing Industrial Classification (SIC) Categories).

(2) Figures may not sum accurately due to rounding as all figures presented represent annually prepared averages.

Source: Georgia Department of Labor**.**

Employees and Employee Relations

As of June 30, 2024, the City employed 254 full-time and part-time employees. The City's management believes that it enjoys an excellent relationship with its employees. The City has never experienced a major disruption of services due to a strike or employee action. No employees of the City belong to labor organizations or other collective bargaining groups, and the City has no knowledge of any union organizing efforts.

Employee Benefits

Pension Plan. 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 City Commission. The Board of Trustees of the Plan 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, although elected officials are not covered. Employees become fully vested after 10 years of service. Normal cost of the Plan is funded by the City on a current basis. The City has consistently made its actuarially determined annual required contribution towards the Plan.

For the fiscal year ended June 30, 2024, the City contributions to the Plan equaled 10.54% of covered payroll. The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. As of June 30, 2024, the City's net pension liability was $8,184,476. Note 12 to the audited financial statements of the City included as Appendix A contains a detailed description of the Plan.

Deferred Compensation Plan. In addition, the City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all full-time City employees and permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of a trust created by the City for the benefit of the participants. The City has adopted the provisions of GASB Statement 32 which requires the removal of plan assets and liabilities from the financial statements of the City. Reference is made to Note 14 of the City's audited financial statements included as Appendix A for description of the deferred compensation plan.

Post-Employment Benefits. Through the City of Decatur Other Post-Retirement Benefits Plan (the "OPEB Plan"), the City provides post-retirement healthcare, dental and vision benefits. The City Commission sets contribution rates, benefits and funding policy, which it has the authority to change at any time. 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 premiums for eligible employees and retirees. All City employees are entitled to enroll in the OPEB Plan and surviving spouses/beneficiaries of participants are also enrolled in the OPEB plan. As of July 1, 2023, the most recent actuarial valuation date, there were 93 retired members and beneficiaries and 179 active members in the OPEB Plan.

The OPEB Plan's assets may be used only for payment of benefits to members of the OPEB Plan. The cost of these benefits is recognized as expenditures as claims and premiums are paid. The City currently funds and intends to continue to fund these benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2024, the City contributed $837,118 to the OPEB Plan to fund current benefits. Based on the most recent actuarial valuation dated July 1, 2023, as of June 30, 2024, the City's OPEB liability was $28,412,983. See Note 13 to the audited financial statements of the City attached as Appendix A for additional information concerning the OPEB Plan.

Other Employee Benefits. City employees accrue vacation and sick leave in different amounts, depending upon the period of time the City has employed them. Vacation leave is earned at the rate of 11 days during the first three years of service, 14 days per year after three years of service, and 17 days per year after 15 years of service for the remainder of employment. The City pays accrued vacation leave upon termination of employment up to the amount accrued on the date of separation and has reflected a liability for accumulated vacation pay in its financial statements. Vacation leave may accumulate to a maximum of the leave earned in three calendar years. On December 31 of each year, accumulated vacation leave is reduced to an amount equal to the leave earned in two calendar years. Sick leave is earned at the rate of 10 hours per month and is allowed to accumulate up to 140 days. The City does not pay accrued sick leave upon termination of employment and has not reflected accumulated sick leave for employees as a liability in the City's financial statements.

CITY DEBT STRUCTURE

Summary of City Debt by Category and Estimated Overlapping Debt

In addition to the City's debt obligations, property owners in the City are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the City overlaps such entities. Set forth below is information concerning debt of the City, prior to the issuance of the Bonds, and including the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the City and of other overlapping governmental entities as of June 30, 2025 (unless otherwise indicated). Reference is made to Note 10 to the audited financial statements of the City included as Appendix A for further discussion of these and other commitments and contingent liabilities of the City.

Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant the completeness or accuracy of the estimates set forth below. No central reporting entity collects or makes available this information and all the amounts presented are based on information supplied by others or collected from publicly available sources.

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Category of Debt	Amount of Outstanding Debt	% Applicable to City of Decatur[1]	Amount of Debt Applicable to City of Decatur
Direct:			
General Obligation Bonds[2]	$ 78,125,000	100.00%	$ 78,125,000
General Obligation Sales Tax Bonds[2]	8,250,000	100.00	8,250,000
Intergovernmental Contracts[3]	68,753,887	100.00	68,753,887
Capital Leases[4]	2,191,382	100.00	2,191,382
Certificates of Participation[4]	1,515,000	100.00	1,515,000
Total Direct Debt	158,835,269		158,835,269
Overlapping Entities:			
Decatur City Schools[7]			
Certificates of Participation[4]	20,150,000	100.00%	20,150,000
Capital Leases[4]	5,121,972	100.00	5,121,972
Total School System Overlapping Debt	25,271,972		25,271,972
The County[5]			
General Obligation Bonds[2]	79,325,000	6.107%	4,844,378
Certificates of Participation[4]	2,680,000	6.107	163,668
Intergovernmental Contracts[3][6]	72,670,000	6.107	4,437,957
Capital Leases[4]	9,176,000	6.107	560,378
Total County Overlapping Debt	163,851,000		10,006,381
Total Overlapping Debt	189,122,972		35,278,353
Total Direct and Overlapping Debt	$347,958,241		$194,113,622

[1] The percentage of overlapping debt applicable to the City's taxpayers is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is included within the City's boundaries and divided by the County's total taxable assessed value.

[2] General obligation bonds or notes are general obligations of the issuer to which its full faith and credit and taxing powers are pledged and constitute debt for purposes of the constitutional debt limit. No millage limitation applies to the tax levy to pay debt service on the City's or County's general obligation bonds. City's general obligation debt is as of October 2025 (unaudited).

[3] Represents contractual obligations of the governmental entity under intergovernmental contracts to which its full faith and taxing power are pledged. Intergovernmental contractual obligations do not constitute debt for purposes of the constitutional debt limit. Decatur City Schools expects to enter into an intergovernmental agreement to which its full faith and credit are pledged in the approximate amount of $30 million prior to calendar year end.

[4] Capital leases (included in the category of financial purchases from direct borrowings and notes payable from direct borrowings in the audited financial statements of the City attached hereto as Appendix A) and the certificates of participation ("COPs") do not constitute general obligations of the governmental entity to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the governmental entity to pay the payments under capital leases or COPs payments due in each year. The governmental entity's obligations under the capital leases and the COPs are from year to year only and do not constitute mandatory payment obligations of the governmental entity in any year in which funds are not appropriated by the governmental entity to pay the capital lease payments or COPs payments due in such year. The governmental entity's obligations under the capital leases and the COPs do not constitute debt of the governmental entity for purposes of the constitutional debt limit. County capital leases are as of December 31, 2024 (unaudited).

[5] 6.107% of the County's debt has been included based upon the value of the City's 2025 gross tax digest as compared to the County's 2025 gross tax digest.

[6] Includes revenue bonds issued by the Hospital Authority, a portion of the debt service of which is payable by the County pursuant to an intergovernmental contract between the County and the Hospital Authority. The revenue bonds issued by the Hospital Authority and supported by the County were outstanding in the aggregate principal amount of $23,810,000 (unaudited). The County's tax pledge supporting these bonds is limited to 7 mills.

[7] Decatur City Schools anticipates incurring a contractual obligation in the approximate amount of $35 million in December 2025, which is not reflected in the above table.

Proposed Debt

Over the next five years, the City may issue debt to refund existing bonds to realize debt service savings and to fund projects that align with the City's overall strategic goals. The City is from time to time presented with opportunities that will further the City's strategic goals, and any debt issuance resulting from those opportunities would be in accordance with the City's debt and other financial policies.

Limitations on City Debt

General Obligation Debt. The Constitution of the State of Georgia provides that the City may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the City.

As computed in the table below, based upon the 2025 assessed value of all taxable property located in the City, the City could incur (upon necessary voter approval) approximately $350,756,091 million in additional long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin

Net General Obligation Bond Digest	$3,508,424,668
Debt Limit (10% of 2025 Assessed Value)	350,842,466
Amount of Debt Applicable to Debt Limit	
General Obligation Bonds	78,125,000
General Obligation Sales Tax Bonds	8,250,000
Total	86,375,000
Legal Debt Margin	$350,756,091

Other Obligations. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation and intergovernmental obligations are not subject to the constitutional limitations described above. However, lease and installment purchase obligations are subject to a similar statutory limitation.

Georgia law provides that no lease or installment purchase contract subject to annual appropriation may be delivered if the principal portion of such contract, when added to the amount of debt subject to the debt limitation described above, exceeds 10 percent of the assessed value of all taxable property within the City. Georgia law also provides that no lease or installment purchase contract subject to annual appropriation with respect to real property may be developed and executed or renewed, refinanced, or restructured if the lesser of either of the following is exceeded:

(a) the average annual payments on the aggregate of all such outstanding contracts exceed 7.5 percent of the governmental fund revenues of the City for the calendar year preceding the delivery of such contract plus any available special City one percent sales and use tax proceeds collected; or

(b) the outstanding principal balance on the aggregate of all such outstanding contracts exceeds $25 million.

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Tax Supported Debt Ratios

The following table sets forth certain debt ratios prior to the issuance of the Bonds.

	Direct Tax Supported Debt	Overlapping Tax Supported Debt[(1)]	Overall Tax Supported Debt
Per Capita Debt[(2)]	$6,487.84	$1,440.99	$7,928.83
Percentage of Net M&O Tax Digest[(3)]	4.93%	1.09%	6.02%
Percentage of Fair Market Value[(4)]	2.26%	0.50%	2.76%
Per Capita Debt as Percentage of Per Capita Income[(5)]	9.57%	2.13%	11.70%

(1) Includes the County's contingent obligations under intergovernmental contracts (including those related to the Hospital Authority).
(2) Based on 2024 population figure of 24,482.
(3) Based on 2025 net maintenance and operations digest of $3,222,241,684.
(4) Based on 2025 estimated City actual value of $7,036,135,928.
(5) Based on 2023 County per capita personal income figure of $67,811.

CITY FINANCIAL INFORMATION

Accounting System and Policies

The accounting practices and policies of the City conform to generally accepted accounting principles as applied to governments. The City's accounting system is organized and operated on a fund basis. The City's funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The City's primary fund is the General Fund, which contains all City revenues except those which are specifically allocated for other purposes. The City may appropriate money from the General Fund for all ordinary City expenses. The City also maintains several other funds to account for specific activities or to attain certain objectives.

The funds of the City are grouped into three broad categories:

Governmental Funds – This category includes the following major governmental funds: the General Fund, Sales and Use Tax (SPLOST) Fund, Capital Improvement Fund, 2010 URA Bonds Fund, Debt Service Fund and American Recovery Act Fund. The General Fund is the general operating fund of the City and is used to account for all revenues and expenditures of the City not otherwise accounted for in other funds. The Capital Improvement Fund accounts for the revenues and expenditures related to the City's acquisition or construction of major capital facilities.

Proprietary Funds – This category includes the Enterprise Funds. The Enterprise Funds account for City operations that are self-supporting, principally through user charges for services rendered to the general public. The City has two major Enterprise Funds: the Stormwater Utility Fund and the Solid Waste Fund.

Fiduciary Funds – This category includes the Pension Trust Fund and the Agency Funds. These funds account for assets held by the City in a trustee capacity, or an agent for other governmental entities and individuals.

Reference is made to Note 1 of the financial statements of the City included as Appendix A for a detailed discussion on of the City's significant accounting policies.

Five Year General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balances of the City's General Fund for the past five years. Information in the following table has been extracted from the audited financial statements of the City for the years ended June 30, 2021 through 2024. Although the information was taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the City for the periods shown. The information presented for the fiscal year ended June 30, 2025 has been prepared by the staff of the City without audit and in the opinion of the staff of the City, includes all adjustments necessary for a fair statement of the operating results of the City, all of which adjustments are of a normal recurring nature**.** For more complete information, reference is made to the audited financial statements of the City for the year ended June 30, 2024, which are included in this Official Statement as Appendix A and for the years ended June 30, 2021 through 2023, copies of which are available from the City upon request.

	Fiscal Years Ended June 30,				
	2025[1]	2024	2023	2022	2021
Revenues					
Taxes	$33,083,696	$28,174,932	$26,289,258	$25,577,989	$24,222,421
Licenses and permits	1,584,146	1,788,765	539,660	672,798	1,459,222
Intergovernmental	528,240	698,279	406,453	304,790	408,360
Fines and forfeitures	644,597	550,359	433,163	530,923	251,574
Charges for services	4,735,899	4,274,351	1,691,016	1,417,367	763,396
Investment income	340,857	399,585	203,199	16,131	5,050
Contributions	1,554	16,065	—	500	10
Other revenues	28,644	93,278	243,568	183,761	164,706
Total Revenues	40,947,633	35,995,614	29,806,317	28,704,259	27,274,739
Expenditures					
Current					
General government	14,804,995	13,717,231	11,753,441	10,237,636	9,750,869
Public safety	11,643,452	10,668,098	9,374,195	9,372,531	8,166,872
Public works	5,826,032	5,366,387	4,956,716	4,578,863	4,559,410
Culture and recreation	5,693,071	5,773,565	2,566,099	2,317,488	1,572,569
Capital outlay	—	—	44,998	—	
Intergovernmental	100,000	100,000	100,000	200,000	225,000
Debt Service					
Principal retirements	433,393	416,427	369,591	—	—
Interest expenditures	36,784	53,750	64,613	—	—
Total Expenditures	38,537,727	36,095,458	29,229,653	26,706,518	24,274,720
Excess (deficiency) of revenues over expenditures	2,409,906	(99,844)	576,664	1,997,741	3,000,019
Other financing sources (uses)					
Sale of capital assets	1,492	22,262	—	57,415	—
Transfers in	1,577,732	2,153,637	1,393,770	1,301,669	905,546
Transfers out	(1,732,020)	(2,309,286)	(3,317,480)	(1,458,000)	(1,773,000)
Total other financing sources (uses)	(152,796)	(133,387)	(1,923,710)	(98,916)	(867,454)
Net change in fund balances	2,257,110	(233,231)	(1,347,046)	1,898,825	2,132,565
Fund balance, beginning of year	15,010,956	15,244,187	16,591,233	14,692,408	12,559,843
Fund balances, end of year	$17,268,066	$15,010,956	$15,244,187	$16,591,233	$14,692,408

[1] Unaudited.

Management's Comments Concerning Material Trends in Revenues and Expenditures

For a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024, see "Management's Discussion and Analysis," included in Appendix A to this Official Statement. The Management's Discussion and Analysis is not a required part of the basic financial statements of the City but is supplementary information required by the Governmental Accounting Standards Board that has not been audited by the City's auditor.

Budgetary Process and Budget

The City adopts an appropriated operating budget for its General Fund each year. The operating budget contains proposed expenditures and the means for financing them. The City is not legally required to stay within the budget, but under Georgia law it must meet certain minimum expenditure requirements for allotted state funds. Georgia law requires the budget of the City to reflect all anticipated revenues from each source, to designate all of such anticipated revenues among the several funds or accounts of the City, and to not leave any anticipated revenues undesignated. Except as otherwise described below, Georgia law requires all amounts allocated to each fund or account and any existing balance in each fund or account to be intended for expenditure within the budget year for the purposes of that fund or account. Georgia law allows no fund or account in the nature of a "surplus" or "unobligated surplus" fund or account. The City is permitted, however, under Georgia law to establish a single reserve fund or reserve account intended to cover unanticipated expenditures, provided that the budget for any year must not allocate to such reserve fund or reserve account any amounts which, when combined with the existing balance in such fund or account, exceed 15 percent of that year's total budget. The City is permitted under Georgia law to also establish one or more capital accumulation funds or accounts, and the City may allocate amounts to such capital accumulation funds or accounts for expenditure in future budget years only if the purpose for which such amounts will be expended and the anticipated date of expenditure of such amounts are clearly and specifically identified. The stated purpose of the provisions of Georgia law described above is to prohibit local governments from accumulating surplus funds through taxation without accounting to the taxpayers for how such funds will be expended.

Set forth below is a summary of the City's budget for its General Fund for the fiscal year ending June 30, 2026. No adjustments to the General Fund budget have been made since its adoption, and while actual results may vary, management does not expect material deviation from budget.

Budget for the Fiscal Year Ending June 30, 2026
(Modified Accrual Basis)

REVENUES	
Taxes	$34,600,070
Licenses and Permits	1,414,700
Fines and Forfeitures	760,000
Interest Income	355,000
Charges for Services	5,535,150
Intergovernmental	678,430
Contributions	165,000
Miscellaneous	25,500
Transfers	147,220
Total Revenues	$43,681,070
EXPENDITURES	
Personnel Services	$25,861,460
Other Services and Charges	13,327,430
Supplies	5,361,290
Lease Payments	661,500
Total Expenditures	$45,211,680
Excess (deficiency) of revenues over (under) expenditures	($1,530,610)

Capital Improvement Program

The City develops and updates a five-year capital improvement program annually. The fiscal year 2026 through fiscal year 2030 capital improvement program (the "Current CIP") totals approximately $51 million to be funded from the Capital Improvement Fund (for which the City currently levies one mill), accumulated EHOST proceeds, Sales and Use Tax proceeds, general resources and expected State and federal grants. The Current CIP is detailed below.

Capital Improvement Program Sources						
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Capital Improvements Fund	$ 6,120,540	$5,858,000	$2,841,490	$2,849,800	$2,309,000	$19,978,830
SPLOST I Fund	4,500,000	0	0	0	0	4,500,000
SPLOST II Fund	8,330,000	3,000,000	3,000,000	0	0	14,330,000
URA 2013 Fund	118,000	0	0	0	0	118,000
PFA Fund	1,203,500	40,000	0	0	0	1,243,500
ARPA Fund	1,116,380	0	0	0	0	1,116,380
Cemetery Capital Improvements Fund	20,000	20,000	20,000	20,000	20,000	100,000
Solid Waste Fund	331,700	296,700	296,700	194,500	78,000	1,197,600
Stormwater Fund	6,068,910	175,000	125,000	0	0	6,368,910
E911 Fund	0	72,000	72,000	62,000	0	206,000
School Zone Camera Fund	2,297,460	0	0	0	0	2,297,460
Total	$30,106,490	$9,461,700	$6,355,190	$3,126,300	$2,407,000	$51,456,680

Capital Improvement Program Uses						
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Citywide	$274,800	$573,800	$309,800	$309,800	$0	$1,468,200
Facilities Upkeep	2,044,500	1,363,160	0	0	0	3,407,660
City Manager's Office	20,000	325,000	75,000	0	0	420,000
Community & Economic Development	40,000	40,000	30,000	0	0	110,000
Administrative Services	325,000	0	0	0	0	325,000
Fire	269,030	816,230	524,500	697,500	577,500	2,884,760
Parks & Recreation	523,000	140,000	35,000	85,000	52,000	835,000
Police	640,300	880,700	418,000	418,000	358,000	2,715,000
Public Works	1,484,110	1,649,310	1,379,390	1,319,500	1,321,500	7,153,810
HOST	499,800	69,800	69,800	20,000	0	659,400
Cemetery	20,000	20,000	20,000	20,000	20,000	100,000
Solid Waste	331,700	296,700	296,700	194,500	78,000	1,197,600
Storm Water	6,068,910	175,000	125,000	0	0	6,368,910
E911	0	72,000	72,000	62,000	0	206,000
School Zone Cameras	2,297,460	0	0	0	0	2,297,460
SPLOST I	4,500,000	0	0	0	0	4,500,000
SPLOST II	8,330,000	3,000,000	3,000,000	0	0	14,330,000
PFA	1,203,500	40,000	0	0	0	1,243,500
ARPA	1,116,380	0	0	0	0	1,116,380
2013 URA	118,000	0	0	0	0	118,000
Total	$30,106,490	$9,461,700	$6,355,190	$3,126,300	$2,407,000	$51,456,680

Investment of Other Moneys

Section 36-80-3 of the Official Code of Georgia Annotated provides that the governing body of the City may invest and reinvest money subject to its control and jurisdiction in:

(1) obligations of the United States and of its agencies and instrumentalities,

(2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities, and

(3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Section 36-83-4 of the Official Code of Georgia Annotated provides that the governing body of the City may invest and reinvest money subject to its control and jurisdiction in:

(1) obligations of the State of Georgia or other states,

(2) obligations issued by the United States government,

(3) obligations fully insured or guaranteed by the United States government or a United States government agency,

(4) obligations of any corporation of the United States government,

(5) prime banker's acceptances,

(6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated,

(7) repurchase agreements, and

(8) obligations of other political subdivisions of the State of Georgia.

Section 45-8-14 of the Official Code of Georgia Annotated provides that the governing body of the City, shall designate one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations as depositories of moneys belonging to the City. Section 45-8-12 of the Official Code of Georgia Annotated prohibits the City from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, with a face value of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Section 45-8-11 of the Official Code of Georgia Annotated allows the City Manager of the City, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The City presently deposits its general funds with Wells Fargo Bank, National Association. The City may, in its discretion, but subject to the provisions of Georgia law described in the above paragraph, deposit these funds with other financial institutions.

CITY AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the City is ad valorem property taxes. Ad valorem property taxes (real property only) accounted for an annual average of approximately 67% of City general fund revenues for the years ended June 30, 2020 through 2024 and are budgeted to account for 62% of general fund revenues for the year ending June 30, 2025. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied on the assessed value of real and personal property within the City limits. There are, however, certain classes of property which are exempt from taxation, including the following: (a) public property, (b) places of burial, (c) places of religious worship, (d) property owned by religious groups and used only for single-family residences, (e) property of nonprofit hospitals used in connection with patient care, the delivery of healthcare services or training or educating physicians, nurses and other health care personnel, (f) buildings erected for and used as a college, incorporated academy or other seminary of learning, (g) funds or property held or used as endowment by colleges, nonprofit hospitals, incorporated academies or other seminaries of learning when the funds or property are not invested in real estate, (h) real and personal property of public libraries

and literary associations, (i) all books, philosophical apparatus, paintings and statuary of any company or association which are kept in a public hall and which are not held as merchandise or for purposes of sale or gain, (j) certain air or water pollution control property, (k) property of a nonprofit home for the aged used in connection with the provision of residential or health care services for the aged, (l) property of any nonprofit home for the mentally disabled used in connection with the provision of residential or healthcare services for the mentally disabled, (m) property which is owned by and used exclusively as the headquarters, post home or similar facility of a veterans organization, (n) property which is owned by and used exclusively by any veterans organization organized for the purpose of refurbishing and operating historic military aircraft, (o) property that is owned by a historical fraternal benefit association and which is used exclusively for charitable, fraternal and benevolent purposes, (p) certain qualified farm products and harvested agricultural products, (q) personal property used within the home, (r) certain other personal property including personal property valued at less than $7,500 and (s) certain fertilizers.

Cities and counties are not permitted under Georgia law to reduce or abate a company's property taxes. When a community wants to offer economic incentives to a company in order to create or retain jobs, the company's property is transferred to a development authority and leased back to the company. The development authority's fee ownership interest in the property becomes "public property" exempt from ad valorem taxation as described above. The company may or may not be taxed on the value of its leasehold interest. The City does not have control over the willingness of the development authorities in the County or the City to accept title to property in order to provide economic incentives. Therefore, property could be removed from the City's digest without the City's consent.

For purposes of reducing the burden of ad valorem taxation on property owned and occupied by a taxpayer as his or her legal residence, Georgia general law grants several types of homestead exemptions. The City offers additional homestead exemptions. These include general exemptions based on ownership and occupancy as well as exemptions based on age, income and disability.

The City and the County are authorized by law to exempt from ad valorem taxation, including all such taxes levied for educational purposes and for state purposes, all or any combination of the following types of tangible personal property (a) (i) inventories of goods in the process of manufacture or production, (ii) inventory of finished goods manufactured or produced in Georgia held by the manufacturer or producer for a period not to exceed 12 months, (iii) inventory of finished goods which, on January 1, are stored in a warehouse, dock or wharf and which are destined for shipment to a final destination outside of Georgia and inventory of finished goods which are shipped into Georgia from outside of Georgia and stored for the transshipment to a final destination outside of Georgia for a period not to exceed 12 months and (iv) stock in trade of a fulfillment center which, on January 1, are stored in a fulfillment center and which are made available to remote purchasers who may make such purchases by electronic, Internet, telephonic or other remote means and where such stock in trade of a fulfillment center will be shipped from the fulfillment center and delivered to the purchaser at a location other than the location of the fulfillment center for a period not to exceed 12 months (the "Level 1 Freeport Exemption") and (b) goods, wares and merchandise of every character and kind constitution business inventory which would not otherwise qualify for the Level 1 Freeport Exemption (the "Level 2 Freeport Exemption"). Both the Level 1 Freeport Exemption and the Level 2 Freeport Exemption must be approved by the voters and exempt either 20%, 40%, 60%, 80% or 100% of the property. The Level 2 Freeport Exemption may be granted either in lieu of or in addition to Level 1 Freeport Exemption. Once approved by the voters, the Level 1 Freeport Exemption and the Level 2 Freeport Exemption remain in effect until they are repealed by the voters. The County has approved items (i) – (iii) of the Level 1 Freeport Exemption at a 100% level.

On November 5, 2024, a constitutional amendment created a statewide floating exemption that restricts annual assessed value increases on homesteaded property by an inflationary rate based on the Consumer Price Index beginning on January 1, 2025. This amendment applies to all ad valorem taxes levied on behalf of the State, any county, consolidated government, municipality, or local school district, except for ad valorem taxes levied to pay interest on and to retire bonded indebtedness unless a local government was to opt out of the homestead exemption. This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. A local government may opt out of the homestead exemption by adopting and filing a resolution with the Georgia Secretary of State by March 1, 2025, after conducting three public hearings and placing an advertisement in the local newspaper and on the local government's website. The City opted out in February 2025.

Motor Vehicles

Georgia law eliminated the ad valorem taxation of new vehicles and replaced it with a one-time title tax (the "Title Tax") that is levied whenever the title to a vehicle is registered to a new owner (except if a transfer is made between immediate family members). The Title Tax is based upon the fair market value of the vehicle and is levied at a rate of 7.0% in 2025. The rate may be adjusted in future years; provided, however, the rate may not exceed 9%. The revenues are shared among the State and local governments by formula. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax in the City has decreased, and the City expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all municipalities to use the fair market value finally determined for county ad valorem tax purposes in determining the fair market value of property within their respective tax jurisdictions for purposes of municipal ad valorem property taxation. Georgia law requires the County to furnish without charge to the City the final determinations of the fair market value of property within the City as soon as such information is available.

Generally, Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40% of its fair market value, and to be taxed on a levy made by each tax jurisdiction according to 40% of the property's fair market value. The City is an exception to that law, and assesses taxable tangible property at 50% of its fair market value and taxes on a levy based on 50% of the property's fair market value. Georgia law further requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75% of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their "current uses" (as opposed to fair market value). The City currently has no properties classified for agricultural or timber taxes.

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property within DeKalb County to the DeKalb County Board of Tax Assessors. Motor vehicles and property owned by public utilities within the County which is included on the certified list is based on the prior year values. The Tax Commissioner of DeKalb County is required to present the tax returns of the County to the DeKalb County Board of Tax Assessors. The DeKalb County Board of Tax Assessors must complete its revision and assessment of returns by August 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the County.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the City which bills these taxes to the utilities.

Annual Tax Levy

General. The City determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its corporate limits, will produce the necessary amount of property tax revenues. The City then levies its ad valorem property taxes.

In addition to all other ad valorem taxes levied by the City, Georgia law allows the City to levy and collect an annual ad valorem property tax of not more than one mill for the purpose of repairing and maintaining any City-owned cemetery.

Rollback Procedural Requirements. The General Assembly of the State of Georgia enacted a law known as "The Property Taxpayer's Bill of Rights" (the "Taxpayer's Act"). One of the purposes of the Taxpayer's Act was to prevent indirect tax increases resulting from increases to existing property values due purely to inflation. The Taxpayer's Act requires that each taxing jurisdiction located within the State (including local governments, such as the City), roll back (or reduce) the millage rate in each year to offset any inflationary increases in the tax digest of such taxing jurisdiction that have occurred since the last tax year. Any local government or taxing jurisdiction that elects to set the millage rate higher than the rollback rate must follow certain requirements to notify the public of such increase, including three public hearings, the publication of a notice of the increase in the local newspaper and the publication of a press release to explain the intent of the increase in taxes.

Property Tax Collections

The City bills and collects its own property taxes, with the exception of taxes on motor vehicles, which are billed and collected by the County on behalf of the City. Based on the assessed value as of January 1, the City sends bills for real estate property taxes and fees in two installments. The first installment is mailed by April 1 and due on June 1 and the second installment is mailed by October 20 and is due on December 20. A penalty of 5% is applied to unpaid taxes for every 120 days of delinquency, not to exceed 20%. In addition, annualized interest at the applicable bank prime rate plus three percent is applied monthly to unpaid taxes after the applicable due dates.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien becomes enforceable on December 20 of each year. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the City Clerk may issue an execution for nonpayment of taxes to the Mayor. The Mayor may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Police Chief at City Hall on the first Tuesday of the month after the required notices are given.

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History of Tax Digest

Set forth below is information concerning the assessed value (50% of fair market value) of taxable property by category within the City for the past five calendar years.

	2025	2024	2023	2022	2021
Commercial	$ 739,279,948[(1)]	$ 722,713,267[(1)]	$ 712,726,499	$ 622,661,346	$ 504,404,793
Historical	6,387,301	6,313,701	5,719,101	4,128,901	4,093,750
Industrial	28,311,855	26,199,424	41,747,174	26,160,313	16,787,257
Residential	2,721,252,542	2,532,745,103	2,359,336,473	2,070,643,198	1,932,886,664
Utility	20,020,588	17,465,228	22,070,080	19,368,901	18,840,180
Motor Vehicle	2,815,730	3,558,900	4,014,460	4,279,180	4,596,510
Gross Digest	3,518,067,964	3,308,995,623	3,145,613,787	2,747,241,839	2,481,609,154
Bond Exemptions	9,643,296	6,407,969	2,545,466	1,530,464	1,393,021
Net Bond Digest	3,508,424,668	3,302,587,654	3,143,068,321	2,745,711,375	2,480.216.133
Maintenance & Operation Exemptions	293,826,280	279,427,619	166,401,116	37,668,077	178,373,101
Net M&O Digest	$3,222,241,684	$3,029,568,004	$2,979,212,671	$2,709,573,762	$2,303,236,053
Estimated Actual Value	$7,036,135,928	$6,617,991,246	$6,291,227,574	$5,494,483,678	$4,963,218,308

(1) Includes Brownfield property.
Source: Georgia Department of Revenue and City of Decatur.

Millage Rate History

Set forth in the table below is the millage rate history for the City for the most recent five calendar years.

	2025	2024	2023	2022	2021
City – Maintenance & Operations	11.150	10.990	10.440	10.970	11.460
City – Bonds	1.820	1.980	2.030	2.200	2.460
County – Maintenance & Operations	11.027	9.496	9.209	8.988	9.108
County – Bonds	0.000	0.000	0.000	0.305	0.000
School Operations	20.300	20.300	20.300	21.000	21.000
Decatur Special Service District – M&O	0.036	0.038	0.041	0.038	0.041
Hospital	0.611	0.506	0.379	0.476	0.356
Total	44.944	43.310	42.399	43.977	44.425

Source: Georgia Department of Revenue, Local Government Services Division.

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Property Tax Levies and Collections

Set forth below is information concerning property tax levies and collections of the City for the years indicated. 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 year's assessed values. See "CITY AD VALOREM PROPERTY TAXATION – Property Tax Collections." (Amounts expressed in thousands).

		Collected within the Fiscal Year of the Levy[2]			Total Collections to Date	
Tax Year	Total Tax Levy For Tax Year[1]	Amount	Percentage of Levy	Collection in Subsequent Years[3]	Amount	Percentage of Levy
2024	$94,714	$39,638	41.9%	54,769%	$94,406	99.68%
2023	84,510	37,948	44.9	45,879	83,827	99.19
2022	80,165	35,822	44.7	44,343	80,165	100.00
2021	73,251	32,045	43.7	41,206	73,251	100.00
2020	68,483	28,907	42.2	39,576	68,483	100.00

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

(2) The City levies its taxes (including those for Decatur City Schools) on a fiscal year basis and bills two installments of taxes in each calendar year (April and October). The first installment of taxes (April) billed for each fiscal year is levied and collected within the fiscal year of the levy and is based on the assessed values of property for the preceding calendar year. The second installment (October) is billed and collected in arrears in the same calendar but the next succeeding fiscal year. For example, for fiscal year 2023, the City bills its first installment in April 2023 (based on calendar year 2022 assessed values) and the second installment in October 2023 (based on calendar year 2023 assessed values).

(3) Represents collections of taxes billed in October of each year, which collections occur in the fiscal year of the City following the fiscal year in which the initial billing occurs.

Source: City of Decatur.

Principal Taxpayers

Set forth below are the 10 principal taxpayers in the City for the fiscal year ended June 30, 2025, ranked by highest total assessed value. No independent investigation has been made, and consequently no representation can be made, as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City.

Taxpayer	Business	Taxes Levied[1]	Percentage of Total Levy[2]	Taxable Assessed Value	Percentage of Taxable Assessed Value[3]
Amco 120 West Trinity LLC	Real Estate Developers	$ 1,900,843	1.79%	$ 56,722658	1.68%
MARTA	Public transportation	1,604,160	1.51	46,966,378	1.39
Decatur Properties I LLC	Developers/Apartments	1,245,457	1.17	37,126,440	1.10
MCREF III Decatur Apartments	Developers/Apartments	1,103,256	1.04	32,980,803	0.97
TB Decatur LLC	Developers/Apartments	990,015	0.93	29,500,000	0.87
Penler Arlo LP	Developers/Condos	803,509	0.76	23,937,000	0.71
Tycon One Inc.	Developers/Apartments	728,490	0.76	21,793,500	0.64
AP West Court LLC	Developers/Office Bldgs.	641,869	0.60	19,070,000	0.56
DTC Partners LLC	Real Estate Developers	509,785	0.48	17,063,400	0.50
NR East Decatur Property O LLC	Mixed-Use Development	479,112	0.45	14,980,000	0.44
TOTAL		$10,006,496	9.43%	$300,140,179	8.87%

(1) Includes stormwater charges and reflects levies reduced due to temporary under-appeal values.

(2) Based on City-wide calendar year 2025 tax levy of $106,141,032.

(3) Based on calendar year 2025 net maintenance and operations digest of $3,224,241,684.

Note: Amounts may not add precisely due to rounding.

Source: City of Decatur.

BONDHOLDER'S RISKS

General

Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Cybersecurity

Despite the implementation of network security measures by the City, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the City's ability to provide services and collect revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the City, no assurances can be given that the City's measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the City.

Secondary Market

There is no guarantee that a secondary market for the Bonds will be maintained. Thus, owners of Bonds should be prepared to hold their Bonds to maturity.

Changes in Law

Various federal and State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes and the operation of the City. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of ad valorem property taxes.

No Trustee

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the applicable Resolution on behalf of the Bondholders, and therefore the Bondholders should be prepared to enforce such provisions themselves if the need to do so ever arises.

LEGAL MATTERS

Pending Litigation

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its City Attorney, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have material adverse effect upon the financial position or results of operations of the City.

There is no litigation now pending or, to the knowledge of the City, threatened against the City which (a) restrains or enjoins the issuance or delivery of the Bonds, the levy of an ad valorem tax or the use of the proceeds of the Bonds or the imposition and collection of the Sales and Use Tax or (b) questions or contests the validity of the Bonds, the proceedings and authority under which they are to be issued or the security for the Bonds. Neither the creation, organization, nor existence of the City, nor the title of the present members or other officials of the City to their respective offices, is being contested or questioned.

Tax Exemption

General. Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel, which will be delivered contemporaneously with the delivery of the Bonds in substantially the form attached to this Official Statement as Appendix C. Copies of such opinion will be available at the time of the initial delivery of the Bonds.

Federal Tax Matters. In the opinion of Murray Barnes Finister LLP, Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, and assuming compliance by the City with certain tax covenants, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. No opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on, or the ownership of, the Bonds.

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In concluding that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (a) rely as to certain factual matters upon certificates and certified public proceedings of officials, including officials of the City and representations of the City with respect to the use and investment of proceeds of and the Bonds and the facilities financed by the Bonds without undertaking to verify the same by independent investigation; and (b) assume the continued compliance by the City with its covenants relating to the use of the proceeds of the Bonds and compliance with other requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, the arbitrage rebate requirements contained in Section 148 of the Code as applicable to the Bonds. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Original Issue Premium. An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Bonds.

Disclaimer. The foregoing is a general discussion of certain federal income tax consequences and original issue premium and does not purport to deal with all tax questions that may be relevant to particular investors or circumstances, including purchases of the Bonds in the secondary market. Holders of the Bonds should consult their own tax advisors with respect to these issues and with respect to the state and local tax consequences of original issue premium.

State Tax Matters. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from present state income taxation within the State of Georgia. Interest on the Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Purchasers of the Bonds should consult their own tax advisors regarding the tax-exempt status of interest on the Bonds in a particular state or local jurisdiction other than the State of Georgia.

Changes in Federal and State Tax Law. Current and future legislative proposals, if enacted by Congress, could cause interest on the Bonds to be subject, directly or indirectly, to Federal income taxation or to be subject to State of Georgia income taxation or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds or could cause interest on the Bonds to be subject, directly or indirectly, to Federal income taxation or to be subject to State of Georgia income taxation. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinion expressed by Bond Counsel is based upon the U.S. Constitution and the Constitution of the State of Georgia, implemented by statutes enacted thereunder, and as interpreted by judicial, regulatory, and other administrative authorities existing as of the date of issuance and delivery of the Bonds. Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation or proposed, pending, or threatened administrative actions or litigation. Potential purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, administrative action, or litigation of the type referred to or characterized above as part of their investment decision and thereafter, as appropriate.

Validation Proceedings

The City will cause proceedings to be instituted in the Superior Court of DeKalb County, Georgia to validate the Bonds and the security therefor. A final judgment confirming and validating the Bonds and the security therefor is a condition to the issuance of the Bonds. Under Georgia law, a judgment of validation is final and conclusive with respect to the validity of the Bonds and the security therefor.

Closing Certificates

The City will deliver to the winning bidder for the Bonds a certificate that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Bonds, the levy and collection of an ad valorem tax to pay the Bonds, the imposition and collection of the Sales and Use Tax or on the financial condition of the City. In addition, the City will deliver to the winning bidder a certificate that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Ratings

Moody's Investors Service, Inc. and S&P Global Ratings, a division of Standard& Poor's Financial Services LLC, have assigned ratings of "Aa1" and "AA+," respectively, to the Bonds. The ratings reflect only the respective views of the rating agencies, and any desired explanation of the significance of each rating should be obtained from the rating agency furnishing such rating, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that either or both of such ratings will remain unchanged for any given period of time or that they will not be revised

downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the liquidity and market price of the Bonds.

Sale at Competitive Bidding

The Bonds were sold pursuant to a competitive sale on November 17, 2025 in accordance with the City's Notice of Sale dated November 10, 2025. The interest rates shown on the inside cover page of this Official Statement are the interest rates on the Bonds resulting from the award of the Bonds by means of a competitive bidding process. The prices shown on the inside cover page of this Official Statement were furnished by FHN Financial Capital Markets, Memphis, Tennessee, the successful bidder. The Bonds were purchased at a purchase price of $19,765,448.15 (par, plus original issue premium of $1,387,003.65 and less an underwriting discount of $16,555.50). All other information concerning the nature and terms of any re-offering should be obtained from the successful bidder for the Bonds.

Financial Advisor

The City has employed Davenport & Company LLC, Atlanta, Georgia, as its financial advisor in connection with the issuance of the Bonds and the execution and delivery of the Contract. Davenport & Company LLC, Atlanta, Georgia, is an independent financial advisor and is not engaged in the business of underwriting, trading or distributing municipal or public securities. Davenport & Company LLC has not conducted a detailed investigation of the affairs of the City to determine the completeness or accuracy of this Official Statement. Because of its limited participation, Davenport & Company LLC has not independently verified any of the data contained in this Official Statement and has no responsibility for the accuracy or completeness thereof.

Financial Statements

The basic financial statements of the City as of June 30, 2024, and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon dated November 24, 2024, which appears in Appendix A. The consent of Mauldin & Jenkins, LLC for the inclusion of such report has not been requested. Mauldin & Jenkins, LLC has not been engaged to perform and has not performed, since the date of its report included in Appendix A, any procedures on the basic financial statements addressed in that report. Mauldin & Jenkins, LLC also has not performed any procedures relating to this Official Statement.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use in connection with the offering of the Bonds, have been duly authorized and approved by the City.

CITY OF DECATUR, GEORGIA

By: /s/ Patti M. Garrett
Patti M. Garrett, Mayor

APPENDIX A

FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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CITY OF DECATUR, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

Prepared By:
Administrative Services Department

Russ Madison
Finance Director

CITY OF DECATUR, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

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November 25, 2024

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, 2024.

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, 2024 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, 2024, 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. A Charter review process is scheduled for 2025.

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 the City Manager's 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 2024 real estate property digest shows a growth rate of approximately 5.75% compared to the 2023 digest. Approximately 31% of this increase is due to growth from new construction, with 69% of the increase attributable to revaluation of existing properties. The increase was consistent with local real estate sales reports and construction permitting activity. The 2024 total millage rate was increased from 12.47 mills to 12.97 mills, an increase of .50 mills.

Real estate sales data for 2024 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 $895,367 in November 2023 to $932,473 in November 2024, a 4% increase. The number of days a home was on the market decreased from 23 days in 2023 to 20 days in 2024. The number of dwellings sold increased from 160 in 2023 to 164 in 2024. The local real estate market continues to be strong and healthy but there are reasons to be cautious about the future. Recent trends indicate a slight cooling demand compared to the postpandemic boom, though prices continue to hold steady due to limited inventory. The current state of the market and its anticipated future trend present challenges to the City's affordable housing goals. The lack of inventory is creating an imbalance of supply and demand, resulting in rising values. Decatur's

overall appeal as a walkable and safe community with a vibrant cultural, retail and dining scene ensures that demand for housing remains strong.

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 2024, the City issued 2,054 building permits with $282,075,577 in total valuation, which included 36 new dwelling units (single-family detached and attached townhouses) with a valuation of $13,305,114, and 200 residential alteration/addition projects with a valuation of $21,477,302. For reference, 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. The number of residential projects slightly decreased from 282 in fiscal year 2023 to 236 in fiscal year 2024 in the number of permits issued, however the valuation remained similar. In fiscal year 2024, there were 15 residential tear-down projects which is a small decrease from 17 in the prior fiscal year. Overall, total permit and inspection fees increased from $888,572 in fiscal year 2023 to $1,964,246 in fiscal year 2024. The numbers indicate a stable and 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 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 2026.

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 facilitated 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 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 and the project was completed in the first quarter of 2024. The six dwellings with floor areas ranging from 528 square feet to 1,582 square feet, were first made available to eligible employees of the City of Decatur, City Schools of Decatur, and the Decatur Housing Authority through fee simple ownership, prior to extending the opportunity to the general public who met income qualifications. Five of the six cottages have sold, with the last cottage expected to sell the first quarter of 2025. The land will be held by the Decatur Land Trust for purposes of long-term affordability of workforce housing.

As intended, the pilot project known as Oak Cottage Court has made a positive impact on private sector developers, including the construction of a new cottage court of six dwellings located on Forkner Drive. The project broke ground in the first quarter of 2024 and is expected to be completed in first quarter of 2025. The Decatur Land Trust will be a partner in the project, as one of the cottage dwellings will be designated as an inclusionary unit through deed restriction and made available for fee simple ownership to households earning no more than 120% area median income of the Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area.

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 planned location for a regional stormwater detention pond and green space. The remaining .28 acre of the development site has been used to recreate a portion of New Street to connect 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 two-thirds 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 fourth quarter of 2025.

Commercial Activity

Of the 2,054 permits issued in fiscal year 2024, 46 were for commercial renovations with a valuation of $19,076,650, showing a decrease from 61 in fiscal year 2023 with a valuation of $37,827,404. There were 13 permits issued for commercial new construction with a valuation of $133,503,022, a large increase from just two commercial new construction permits in fiscal year 2023 with a valuation of $1,826,183. Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur submarket is 6.8%, a decrease from 7.6% in fiscal year 2023, and less than the roughly 16% vacancy rate for the metropolitan Atlanta office market area. Office rents are around $29 per square foot, which matches that of Atlanta as a whole, where average rents are also $29 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 created uncertainty about the future occupancy of this office space, however WeWork retained their Decatur location for its high performance. 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 serves nursing students of all levels, from undergraduates to continuing

education students and advanced practice nursing professionals, which has added an influx of student visitors to support transit, local retail and restaurants, as well as longer stays in local hotels.

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 3.9%, compared to 3.8% last year and generally on par with the current overall Atlanta retail market vacancy rate of 3.7%.

The COVID-19 pandemic left many retailers and restaurants stressed with 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 in the annual amount of $100,000. Since its inception, the commercial façade improvement grant program has assisted 33 commercial property owners and retail business owners totaling $178,058 in investment 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. In 2023, the Development Authority also established a commercial buildout improvement grant program in the amount of $75,000 annually and a marketing and digital connectivity grant program in the amount of $25,000 annually. The two new grant programs have assisted an additional 22 business owners totaling $98,445 of investments in retail interior buildout projects and business marketing plans.

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.

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 2025 with completion expected the fourth quarter of 2026.

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.

A mixed-use project, known as Modera Decatur, was completed in the summer of 2023 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 3.9 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 predevelopment site was appraised for $3.9 million. The appraised value in 2024 for the completed project is approximately $90 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 low-income housing 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 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 began the first quarter of 2024 with completion anticipated by second quarter of 2025. 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 land immediately surrounding the Avondale MARTA Station has been transformed from surface parking lots and a bus terminal into a transit oriented development with an appraised value of approximately $51 million.

Adjacent to the transit oriented development, Northwood Ravin 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 new public street and streetscapes, 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 $6.8 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. Halo East Decatur is anticipated to be completed in third quarter of 2026.

The Gateway Decatur development is a mixed-use development near the corner of N. Arcadia Avenue and E. Ponce de Leon Avenue, also near the Avondale MARTA Station. 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 $47 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. A recent accomplishment includes a $1 million federal grant award to train physician assistants and clinical mental health counselors in maternal and pediatric care. 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. 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 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 (CSD) in Georgia have recently achieved notable accomplishments, highlighting their commitment to academic excellence. CSD ranked first statewide for average ACT scores (24.6) and second for SAT scores (1169) among Georgia public school districts in 2024. These averages significantly exceeded both state and national levels, reflecting a substantial year-over-year improvement. The district achieved a 95.25% graduation rate for the Class of 2024, ranking second in the metro Atlanta region. This rate outpaces the state average of 85.4%. These accomplishments underscore CSD's dedication to fostering academic growth, personal development, and college readiness. The district's efforts have consistently positioned it as a leader in education within Georgia and beyond.

The Housing Authority of the City of Decatur, Georgia (Decatur Housing Authority or DHA) continues annual operations with 1,043 housing choice vouchers and 524 housing units in Decatur. In 2024, DHA continued its vibrant Resident Services Programs, including the STAR Afterschool Program, Senior Outings, and Excellence Awards. DHA awarded $48,950 in scholarships during the Excellence Awards to 38 high school seniors bound for college, bringing the DHA investment in scholarships to $711,950 for 583 students over the past 33 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 allows them to better serve their residents. After almost 13 years with the authority, the executive director retired in November 2024 and a new executive director has been hired.

The Task Force for Global Health, founded 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 in downtown Decatur that is home to nearly 200 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 72% of the goal including funding from the Robert W. Woodruff Foundation. $1,300,000 of the capital campaign goal is earmarked for the Oakhurst Garden in Decatur.

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. A new DeKalb County government CEO, Lorraine Cochran-Johnson, was elected in 2024 with her term commencing January 2025.

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 has taken significant steps in promoting equity and inclusion, striving to create a welcoming environment for all. Through various initiatives, such as professional development opportunities through workshops with the Racial Equity Institute and community conversations, the city has implemented programs and practices that align with the City's commitment to building a more just, equitable, and inclusive community. 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. The Anti-Racism Speaker Series continued in 2023 and 2024. Additionally, 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 identifies specific actions for how the City can become more equitable. A couple of outcomes of the assessment include a REAP professional development training series offered to all city employee and the development and implementation of an equitable decision-making framework.

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. In 2023, the department was awarded just over $2 million in State grant funding for improvements to the teen recreation area at Ebster Park. In 2024, the department developed a financial sustainability strategy by using the beneficiary of service model and assigning cost recovery goals for each service category based on current performance, analysis insights and budget projects.

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 reopened 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, Frank Hamilton School, Paint Love, and Global Spokes. Trellis Horticulture Therapy Alliance will begin leasing the Nickerson building in December 2024.

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 $3.5 million in American Rescue Plan Act (ARPA) funds and the Board of Education committed up to $3.5 million in ESPLOST funds. A final design was approved in June 2023 and project completion is anticipated at the end of 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 and its first executive director was hired in 2024.

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. Construction on this development is underway.

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 serves 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. Construction on Phase I is underway and the closing on the financing for Phase II is anticipated in December 2024.

Preservation of existing affordable housing is just as important as the creation of new housing to make an impact on the sheer numbers of attainable housing units within the City. The City was recently selected to participate in the Atlanta Regional Commission's Community Development Assistance Program (CDAP) to research and identify strategies to preserve naturally occurring affordable housing (NOAH). Through a partnership with the Georgia Conservancy, the study will focus on identifying policies and strategies that incentivize the preservation of this limited existing housing stock. Using this information, the City plans to work with local organizations and NOAH property owners and residents to find collaborative ways to maintain affordable dwellings amid challenging market pressures and limited space for new development.

Even as the City works to preserve and expand affordable housing, the number of unhoused individuals continues to grow, especially noticeable in or near the downtown Square. A new full-time position dedicated to addressing the complex challenges associated with a growing homeless population has been approved and will be filled in early 2025. The County's leadership will be critical to the success of these efforts because the issue must be addressed at a scope broader than the City.

In response to the concerns identified by the City Commissioners, a downtown ambassador program that started in the summer of 2024 provides specialized safety, public information, cleaning and other services in partnership with the Downtown Development Authority (DDA) and Decatur Tourism Bureau. Ambassadors are responsible for cleaning services such as litter removal, graffiti abatement, pressure washing and landscape maintenance.

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. The kickoff and planning meetings started in 2024 and will continue into 2025.

In conjunction with private and institutional construction projects in the central business district, the City has financed substantial capital improvements through the stormwater 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 Stormwater Master Plan. For 2 years, Decatur residents worked with the City and its consultant team on a new Stormwater 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 stormwater management and financing. Design services are underway for the first four priority storm drainage projects identified in the 2020 Stormwater 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 $250,000 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 2024 was 79%, compared to the U.S. industry average that was closer to 64%.

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 40% 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 408 tons of glass during fiscal year 2024. This is a decrease of 13% 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 June 2024, the Center for Hard to Recycle Materials (CHaRM) opened their new Zero Waste Center just outside the City of Decatur near Columbia Drive and Memorial Drive. Live Thrive, the new Zero Waste Center, offers 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 percent 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. With an equal match from the City, this $1,000,000 project will include a solar array,

battery energy storage system, and direct current (DC) fast electric vehicle charger to lower energy costs for the facility, ensure resilient operations, and support the electrification of Decatur's police fleet.
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 2024, the City of Decatur was selected for a $500,000 award through the United States Department of Energy's Energy Future Grant program, which will fund the creation of implementation blueprints for clean energy innovations for the City and partners City of Atlanta and City of Savannah, supporting our collective efforts to achieve established clean energy goals and deliver community benefits. Additionally, $250,000 of funding for the community was secured by the City through a coalition application to the Solar for All program administered by the Environmental Protection Agency. This funding will be used in 2025 to install rooftop solar arrays and home battery storage for approximately 15 low-income households in Decatur.

In June 2023, the City of Decatur was named one of 10 All-America Cities by the National Civic League. Decatur showed the power of involving youth in identifying and addressing community challenges and creating thriving communities. Decatur's presentation focused on the Decatur Youth Council, participation in UNICEF's Child Friendly Cities Initiative, the inclusive playground at Decatur Legacy Park, and other youth-inspired initiatives. Decatur first received recognition as an All-America City in 2018 for its equity and inclusion efforts through the creation of the Better Together Community Action Plan; the Police department's intentional focus on community engagement and training; and the "I Am Decatur" project coordinated by resident Beate Sass.

The All-America City award recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses and nonprofit and government leaders. By celebrating the best in local innovation, civic engagement and cross-sector collaboration, the All-America City award highlights the potential within every community to address challenging issues and create real change.

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 has overseen the installation of speed detection cameras in 5 school zones to deter speeding in school zones. The cameras went into operation in November 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. 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 stormwater management facility. The facility was designed to manage stormwater 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 stormwater 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 one percent 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 has generated over $22,000,000 over the six-year term of the tax. The City collected approximately $3,145,000 in fiscal year 2024, which included just nine months due to the start of SPLOST II in April 2024. Proceeds

are 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 2025. 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 commenced 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. The City Commission has approved a plan to transform the downtown Decatur square including the removal of the gazebo, the addition of a performance venue and installation of public restrooms. Other improvements will proceed east across the MARTA plaza with the addition of a welcome center pavilion, shade structures, outdoor seating, and a child-centric hillside play structure. Construction is expected in 2025 and 2026, with the goal of completion prior to the 2026 World Cup soccer tournament so that residents and visitors may attend concerts, view matches and participate in other activities throughout the entire World Cup experience.

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. The City's new and expanded homestead exemptions went into effect in 2024 and provide over $2.5 million in property tax relief to residential homeowners. 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.

From time to time State legislation poses challenges to the City's ability to control its financial future and meet its service commitments. In 2024, HB 581 was approved by the State legislature and passed by referendum in November 2024. This legislation limits the increase in the taxable value of residential homestead properties to the increase in inflation, otherwise known as a floating homestead exemption where the amount of the exemption is the difference between the increase in the assessed value and the increase in the rate of inflation. The legislation allows for an additional sales tax solely for the purpose of tax relief, but the sales tax may only be implemented if no cities in the county, nor the county, opt-out of the floating homestead exemption. All indications are that some cities within DeKalb County will be opting out. Some concerns with this policy include the shift of the tax burden to non-homestead properties, likely commercial properties, the tax inequities among similar properties, upward pressure on the 18-mill cap on the City millage rate, and the administrative challenges with the tax billing if the school system and city do not make the same election.

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 percent compared to 7.9 percent 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 several 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, 9.26% in 2023, and 9.27% in 2024. The GASB Statement Nos. 67 and 68 report for June 30, 2024 reported a plan funded ratio of 87.07% of the total pension liability. This is an increase from the funded ratio of 80.3% from June 30, 2023. The improvement was due to strong asset performance and liability experience during 2023.

Since 2006 the City has used the National Research Center at Polco 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 2024 survey was conducted between February and March 2024. The following table summarizes the responses:

	2024	2022	2020	2018	2016	2014	2012	2010	2008	2006
Very Positive	9%	4%	4%	9%	4%	7%	4%	4%	3%	5%
Somewhat Positive	27%	25%	12%	27%	28%	32%	19%	11%	11%	19%
Neutral	47%	45%	38%	50%	56%	50%	53%	48%	46%	51%
Somewhat Negative	15%	24%	33%	13%	12%	11%	19%	28%	32%	21%
Very Negative	2%	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 decreased from 46% in 2020 to 26% in 2022. In 2024, the response improved again to 17% which tracks with responses received before the pandemic.

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 and 2024.

	2024	2022	2020
Essential	47%	39%	49%
Very important	42%	47%	44%
Somewhat important	11%	13%	7%
Not important at all	1%	0%	0%

Ninety-nine percent 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 2024, 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.

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. Due to budget constraints, including the impact of the pay increases on the fund balance, a two-week pay adjustment was included in the fiscal year 2024-2025 budget in lieu of pay increase. Staffing in most departments has rebounded; the Police Department vacancy rate remains around 20% but staffing has improved with additional police officers. New and creative recruitment and retention strategies are making a positive impact on staffing levels citywide.

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's commitment to these values was on display when the statue of Congressman John Lewis was unveiled on the Decatur square in August 2024 at the location of a former Confederate monument. 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, 2023

Executive Director/CEO

CITY OF DECATUR, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2024

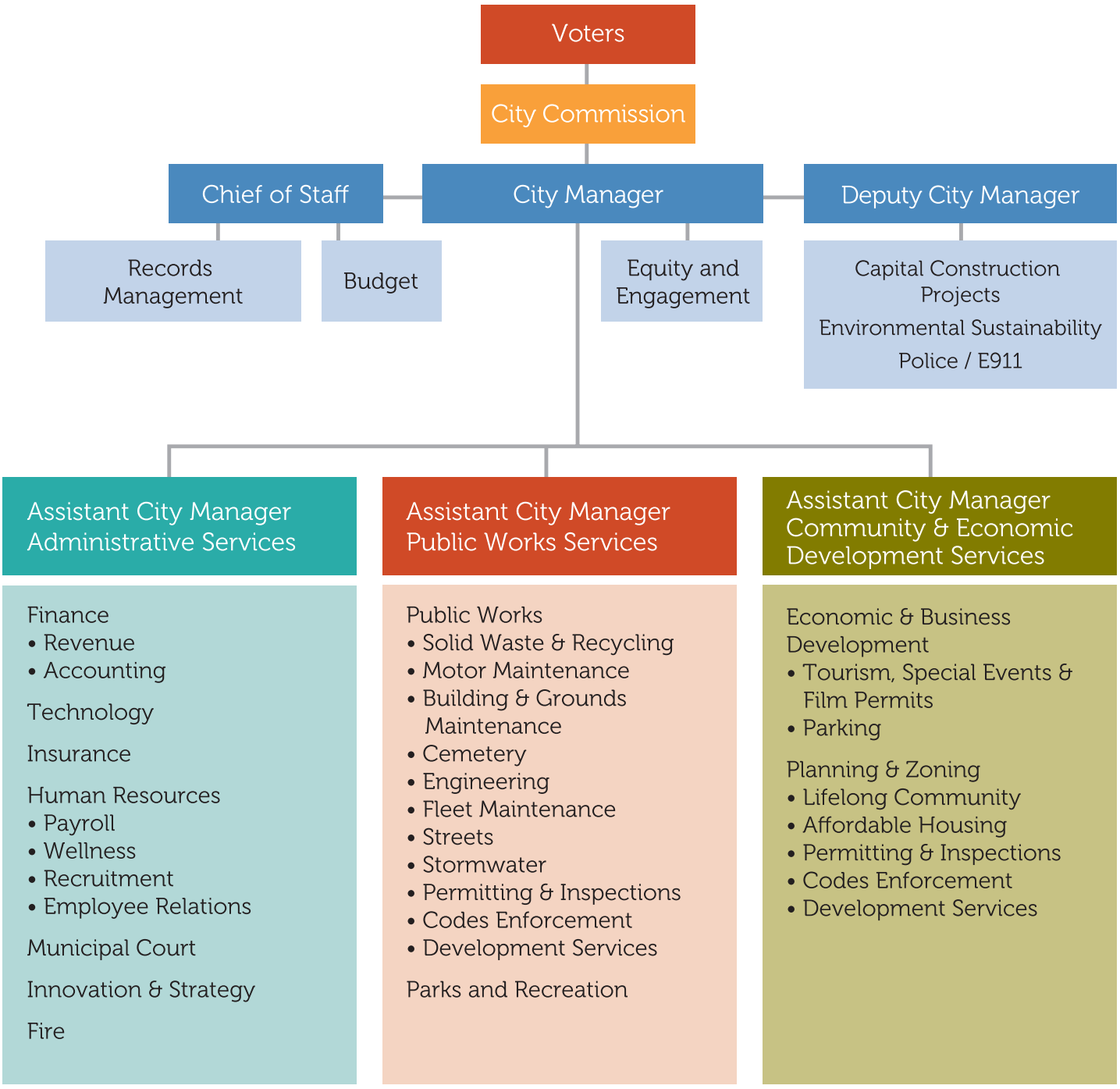
CITY COMMISSION

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
Angela Threadgill	Assistant City Manager - Community & Economic Development
Russ Madison	Finance Director

City Organization



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2024, 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, 2024, 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.

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 November 25, 2024 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
November 25, 2024

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, 2024. 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 $25,422,536 (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 $13,272,876 over the prior years' deficit of $38,695,412.

- The City had $50,126,559 in expenses related to governmental activities and $18,068,803 or 36% of these expenses were offset by program specific charges for services, grants or contributions. General revenues, before transfers, were $42,834,622 and $35,593,173 or 83.1% of these revenues were from property taxes.

- The fund balance of the General Fund at June 30, 2024, was $15,010,956. The unassigned portion was $11,421,095 representing 31.6% of General Fund expenditures.

- The City received a total of $9,595,820 under the American Rescue Plan Act (ARPA). At June 30, 2024, The City had $7,161,445 remaining under this program 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 an introduction to the City's basic financial statements. The City's basic financial statements have three parts: 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.

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 nineteen 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 Recovery Act Fund (ARPA) which are considered to be major funds. Data from the other thirteen 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 and 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.

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 ($25,422,536), or $13,272,876 better than the prior year.

City of Decatur Net Position

(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2024	2023	2024	2023	2024
Assets						
Current assets	$ 52,849	$ 50,654	$ 12,019	$ 13,667	$ 64,868	$ 64,321
Capital assets	112,235	116,056	15,972	16,287	128,207	132,343
Other noncurrent assets	5,836	5,508	-	-	5,836	5,508
Total assets	170,920	172,218	27,991	29,954	198,911	202,172
Deferred outflows of resources	8,314	5,206	336	48	8,650	5,254
Liabilities						
Long-term liabilities	204,032	194,420	3,473	1,157	207,505	195,577
Other liabilities	23,423	22,926	1,466	3,518	24,889	26,444
Total liabilities	227,455	217,346	4,939	4,675	232,394	222,021
Deferred inflows of resources	13,832	10,726	29	101	13,861	10,827
Net Position						
Net investment in capital assets	29,061	36,472	15,881	16,073	44,942	52,545
Restricted	13,696	15,185	-	-	13,696	15,185
Unrestricted	(104,811)	(102,305)	7,477	9,153	(97,334)	(93,152)
Total net position	$ (62,054)	$ (50,648)	$ 23,358	$ 25,226	$ (38,696)	$ (25,422)

The largest portion of the City's net position, $52,545,253 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.

The remaining portions of the City's net position are a restricted amount of $15,184,502 and an unrestricted deficit ($93,152,291). 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 2024 the City's net position improved by $13,272,876 which can be attributed to increased operating revenues 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	
	2023	2024	2023	2024	2023	2024
Revenues						
Program revenues:						
Charges for services	$ 5,889	$ 8,163	$ 6,426	$ 6,784	$ 12,315	$ 14,947
Operating grants and contributions	1,142	4,694	-	-	1,142	4,694
Capital grants and contributions	5,820	5,212	-	-	5,820	5,212
General revenues:						
Property taxes	33,193	35,593	-	-	33,193	35,593
Franchise taxes	1,658	1,732	-	-	1,658	1,732
Sales taxes	2,236	2,209	-	-	2,236	2,209
Other taxes	2,503	2,729	-	-	2,503	2,729
Investment earnings	339	550	-	-	339	550
Gain on sale of capital assets	-	22	-	-	-	22
Miscellaneous	-	-	-	4	-	4
Total revenues	52,780	60,904	6,426	6,788	59,206	67,692
Expenses						
General government	13,198	15,356	-	-	13,198	15,356
Public safety	10,970	12,998	-	-	10,970	12,998
Public works	8,323	9,755	-	-	8,323	9,755
Recreation	5,528	7,180	-	-	5,528	7,180
Interest on long-term debt	5,202	4,837	-	-	5,202	4,837
Conference center	-	-	305	309	305	309
Stormwater	-	-	1,193	929	1,193	929
Sanitation	-	-	2,764	3,054	2,764	3,054
Total expenses	43,221	50,126	4,262	4,292	47,483	54,418
Income before transfers	9,559	10,778	2,164	2,496	11,723	13,274
Transfers	516	628	(516)	(628)	-	-
Change in net position	10,075	11,406	1,648	1,868	11,723	13,274
Net position beginning of year	(72,129)	(62,054)	21,710	23,358	(50,419)	(38,696)
Net position end of year	$ (62,054)	$ (50,648)	$ 23,358	$ 25,226	$ (38,696)	$ (25,422)

Revenues

Governmental *charges for services* increased $2,273,947 or 38.61%, primarily from increases in recreation and youth service fee revenues as well as significant increases in building permits. Capital grants and contributions decreased $607,036 or 10.43% due to project timing. Operating grants and contributions increased $3,551,161 or 311% as the City recognized revenues from American Rescue Plan Act allotments and other grant sources. Property taxes, including real estate and personal property, increased $2,399,658 or 7.23% as assessed values of property continue to increase offset by expanded exemptions. Sales taxes which are primarily hotel occupancy taxes were consistent with the prior year. Other taxes increased $226,740 or 9.06% primarily from an increased state allotment of insurance premium taxes. Investment earnings increased $53,127 or 10.7% as the federal reserve raised interest rates.

Revenues from business-type activities increased $357,912 or 5.57% primarily from increases in stormwater rates. Business-type revenues are discussed in further detail on page 14.

Expenses

General Government expenses increased $2,158,964 or 16.36% as a result of increases in salaries and benefits and professional fees. *Public safety* expenses increased $2,027,221 or 18.48% primarily from increases in salaries and benefits. *Public Works* expenses increased $1,432,540 or 17.21% as a result of significant street resurfacing expenses and general inflationary trends. *Recreation* expenses increased $1,652,098 or 29.89% with the migration of the Children and Youth Services Fund to the General Fund. Interest on long-term debt decreased $365,428 or 7.02% as the debt is paid down.

Expenses for business-type activities increased $29,417 or 0.69%. Conference center expenses increased $3,865 or 1.27%. Stormwater expenses decreased $263,795 or 22.12%. Solid waste expenses increased $289,347 or 10.47%. Business-type expenses 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 on the following page compares total governmental fund revenues and expenditures for 2023 and 2024:

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

	2023	2024	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 39,617	$ 42,266	$ 2,649	% 6.69
Licenses and permits	540	1,789	1,249	231.30
Intergovernmental	7,397	10,596	3,199	43.25
Fines and forfeitures	433	586	153	35.33
Charges for services	4,266	4,997	731	17.14
Investment income	509	791	282	55.40
Other revenues	317	144	(173)	(54.57)
Total revenues	53,079	61,169	8,090	15.24
Expenditures				
General government	13,571	15,511	1,940	14.30
Public safety	10,289	11,854	1,565	15.21
Public works	6,693	8,190	1,497	22.37
Recreation	4,366	5,929	1,563	35.80
Capital outlay	5,403	8,952	3,549	65.69
Intergovernmental	205	204	(1)	(0.49)
Debt service	13,070	13,099	29	0.22
Total expenditures	53,597	63,739	10,142	18.92
Deficiency of revenues over expenditures	(518)	(2,570)	(2,052)	396.14
Other financing sources (uses)				
Proceeds from sale of capital assets	-	22	22	-
Transfers in	9,744	10,345	601	6.17
Transfers out	(9,228)	(9,717)	(489)	5.30
Total other financing sources (uses)	516	650	134	25.97
Net change in fund balances	(2)	(1,920)	(1,918)	-
Fund balances, beginning of year	40,655	40,653	(2)	(0.00)
Fund balances, end of year	$ 40,653	$ 38,733	$ (1,920)	% (4.72)

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $38,733,366 a decrease of $1,920,240 or 4.72% from the prior year. Of the total amount, $11,421,095, or 29.49%, constitutes unassigned General Fund fund balance, which is available for spending at the government's discretion. The remainder of fund balance, $27,312,271 is comprised of the following nonspendable, restricted, committed, or assigned. The nonspendable balance of $1,311,197 is not available for new spending because it is a noncash asset such as inventory, prepaid items or advances. The restricted balance of $21,512,672 is legally restricted for specific purposes, which at year end were: 1) capital construction ($13,515,986); 2) debt service ($4,774,924); 3) law enforcement ($22,290); 4) public safety-E911 ($739,134); 5) culture and recreation ($97,641); 6) economic development ($2,328,840) and 7) opioid mitigation ($33,857). A committed amount of $49,227 can be used only for specific purposes pursuant to a formal vote of the City Commission. Fund balance is committed for tree preservation. An assigned amount of $4,439,175 is intended to be used for specific purposes as determined by the City Manager: 1) fiscal year 2025 operations ($3,372,070); 2) greenspace acquisition ($18,572); 3) cemetery operations ($59,365); and 4) equipment purchases ($859,438).

Total governmental fund revenues increased $8,089,397 or 15.24%. Tax revenues increased $2,649,323 or 6.69% primarily from increased assessed values of property. Licenses and permit revenues increased $1,249,105 or 231.46% partly from the permitting of large projects including a new apartment building (Halo East Decatur by Northwood Ravin) at 715 E. College Ave., the Columbia Residential and Decatur Housing Authority senior affordable housing development at 515 E. Freeman St., and the renovation of Agnes Scott College's main hall at

141 E. College Ave. Intergovernmental revenues increased $3,198,572 or 43.25% primarily from increases in joint ventures with Decatur Schools of $1,149,514; increases in capital grants of $494,651 and increases in recognition of ARPA allotments of $1,263,236. Fines and forfeitures increased $152,815 or 35.33% as police staffing has increased. Charges for services increased $730,491 or 17.14% as after-school and summer camp registration fees moved to the General Fund. Investment income increased $281,503 or 55.40% as the federal reserve and banks have raised interest rates. Other revenues decreased $172,412 or 54.57% compared to the prior year revenues which had benefitted from reimbursement for insurance claims and school resource officers.

Total governmental fund expenditures increased $10,142,073 or 18.92%. General government expenditures increased $1,939,594 or 14.30% as a result of increases in wages and benefits as well as general inflationary pressures. Public safety expenditures increased $1,564,538 or 15.21% primarily from increases in wages and benefits. Public works expenditures increased $1,497,459 or 22.37% primarily from increases in road resurfacing projects. Recreation expenditures increased $1,563,457 or 35.80%. Capital outlay expenditures increased $3,548,325 or 65.69% primarily from expenditures by the Public Facilities Authority fund and the TAD fund for recreational and affordable housing purposes at Legacy Park.

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 $15,010,956 while the total fund balance for all governmental funds was $38,733,366. As a measure of the fund's liquidity, it may be useful to compare fund balance to total fund expenditures. At June 30, 2024, unassigned General Fund balance of $11,421,095 represents 31.6% of total General Fund expenditures.

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The following table compares General Fund revenues and expenditures for 2023 and 2024 (in thousands):

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

	2023	2024	$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Taxes	$ 26,289	$ 28,175	$ 1,886	% 7.2
Licenses and permits	540	1,789	1,249	231.3
Intergovernmental	406	698	292	71.9
Fines and forfeitures	433	550	117	27.0
Charges for services	1,691	4,274	2,583	152.7
Investment income	203	400	197	97.0
Other revenues	244	109	(135)	(55.3)
Total revenues	29,806	35,995	6,189	20.8
Expenditures				
General government	11,753	13,717	1,964	16.7
Public safety	9,374	10,668	1,294	13.8
Public works	4,957	5,366	409	8.3
Recreation	2,566	5,774	3,208	125.0
Intergovernmental	100	100	-	-
Capital outlay	45	-	(45)	-
Debt service	434	470	36	-
Total expenditures	29,229	36,095	6,866	23.5
Excess (deficiency) of revenues over expenditures	577	(100)	(677)	(117.3)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	22	22	-
Transfers in	1,393	2,154	761	54.6
Transfers out	(3,317)	(2,309)	1,008	(30.4)
Total other financing sources (uses)	(1,924)	(133)	1,791	(93.1)
Net change in fund balances	(1,347)	(233)	1,114	(82.7)
Fund balances, beginning of year	16,591	15,244	(1,347)	(8.1)
Fund balances, end of year	$ 15,244	$ 15,011	$ (233)	% (1.5)

General Fund Revenues. Overall, General Fund revenues increased $6,189,297 or 20.77%. Revenue from taxes increased $1,885,674 or 7.17%. The largest single source of revenue for the City's General Fund operations is real property tax which totaled $22,080,739. The total real property tax revenue for the current fiscal year increased $1,786,156 or 8.85% and can primarily be attributed to increases in assessed property values. Licenses and permit revenues increased $1,249,105 or 231.46% primarily from the permitting of several large projects including Halo East Decatur, the Columbia Residential/DHA housing development, and the Agnes Scott main hall renovation. Fines and forfeitures increased $117,196 or 27.00% as police staffing has increased. Charges for services increased $2,583,335 or 152.7% as demand for recreational programs remains strong and the Children and Youth Services Fund (CYS) activities have been merged into the General Fund. In 2023, CYS had $1,858,830 in revenues.

General Fund Expenditures. Overall, General Fund expenditures increased $6,865,805 or 23.49%. General government expenditures increased $1,963,790 or 16.71%, primarily from increases in wages and benefits as well as inflationary pressures. Public safety expenditures increased $1,293,903 or 13.8% primarily from increases in wages and benefits as well as inflationary pressures. Public works expenditures increased $409,671 or 8.26% as a result of increases in wages and inflationary pressures. Recreation expenditures increased $3,207,466 or 125% as wages, benefits, and programming increased.

General Fund salaries and compensation increased 25.35%, from $12,770,888 for fiscal 2023 to $16,008,310 for fiscal 2024. The increase is primarily the result of a compensation study that provided salary increases of 8.3% , additional adjustment for compression-affected employees, and establishment of a living wage under which no employees are paid. Health insurance costs increased from $2,534,021 to $2,927,321 or 15.52%. 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 increased $997,789 or 42.89%, from $2,326,431 to $3,324,220 primarily from increased expenditures for permitting costs for large projects including East Halo Decatur and the Columbia Residential/DHA senior affordable housing development. Contractual service expenditures increased $631,757 or 21.58% with $2,928,027 incurred in fiscal 2023 and $3,559,784 incurred in fiscal 2024. Increases in contractual services were primarily related to pool management services.

Transfers from other funds increased $760,867 or 54.62% from $1,393,770 to $2,153,637. The transfer includes the overhead costs charged to the solid waste and stormwater 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 distributions from the Hotel/Motel Tax fund. In addition, the General Fund received a transfer for $615,571 from the Children and Youth Services Fund to close this fund. Transfers were made to the E911 Fund ($350,000); Capital Improvement Fund ($1,250,000); the East Decatur TAD Fund ($671,970); and the Opioid Settlement Fund ($30,006). After accounting for transfers in and out, the decrease in fund balance was $233,231 and the ending fund balance is $15,010,956.

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 2024 and 2023 were $3,145,645 and $4,247,516, 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 $956,755 and $957,020 for fiscal year 2024 and 2023, 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 $2,398,704 to $3,474,226. Overall revenues increased $844,696 or 11.18%. Tax revenues increased $339,689 or 5.73% as assessed property values have increased. Intergovernmental revenue increased $494,651 or 30.31% as current year revenues benefitted from a private and federal grants for bicycle path improvements, a solar battery project and state road maintenance grants. Expenditures for this fund increased $1,966,322 or 26.69% from $7,367,068 to $9,333,390 as the City increased expenditures on pedestrian and bicycle transportation improvements as well as significant vehicle purchases.

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 $663,180 in fiscal 2024 and $632,160 in fiscal 2023 of SPLOST funds to cover related debt service costs. This fund had an ending fund balance of $577,097, an increase of $88,681 from the prior year.

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 $513,340 and $627,062 in fiscal 2023 and 2024, respectively, for general operating and capital outlay activities. At June 30, 2024, the City had $7,161,445 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, increased by $62,164 to $4,800,600 at June 30, 2024. 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 through 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 Center 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 2023 and 2024 were $295,464 and $299,303 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 as the parking facility and conference center 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 by $2,478,889 to $24,165,923. The City's capital investment in infrastructure represents $15,582,569 of the fund's total net position. Operating revenues increased from $3,359,567 in fiscal 2023 to $3,856,571 in fiscal year 2024. Cost of sales and services were $760,958 and $517,936 for fiscal 2023 and 2024, respectively. For fiscal 2023 and 2024, the fund transferred $462,250 and $460,900, respectively, to the General Fund for indirect costs.

This fund ended the year with $9,812,985 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 2024 were $2,886,667 and $2,927,575, respectively. In March 2024, the City Commission increased the single-family residential fee from $305 to $310. 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 2024 were $2,759,152 and $3,051,914, respectively, an increase of $292,762 or 10.61% as a result of compensation adjustments, fuel prices, and inflation.

Total net position decreased $601,359 to $805,414. The Solid Waste Fund ended with a positive cash position with cash balances at June 30, 2024, of $2,394,488. 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.

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 $4,744,496 to net position during fiscal year 2024 reflecting positive movement in the financial markets. The net position restricted for benefits remains healthy at $55,106,472.

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 a reduction to total fund balance of $4,145,816 and $2,810,050, respectively. Actual revenues were $559,904 better than the final budgeted amounts and total expenditures were $2,153,062 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, 2024, amounts to $132,342,976 (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 pages 58 through 60 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 Governmente	
	2023	2024	2023	2024	2023	2024
Land	$ 37,260	$ 37,260	$ 280	$ 848	$ 37,540	$ 38,108
Construction in progress	4,016	6,259	701	966	4,717	7,225
Land improvements	2,584	3,215	-	-	2,584	3,215
Infrastructure	18,984	22,530	14,384	13,992	33,368	36,522
Building and improvements	43,874	41,717	30	21	43,904	41,738
Machinery and equipment	2,438	2,370	-	-	2,438	2,370
Vehicles	1,499	1,576	-	-	1,499	1,576
Furniture, fixtures, and equipment	-	-	539	433	539	433
Subscription assets	1,580	1,129	38	27	1,618	1,156
Total	$ 112,235	$ 116,056	$ 15,972	$ 16,287	$ 128,207	$ 132,343

Long-term Debt. At the end of the current fiscal year, the City had long-term bonded debt in the amount of $152,425,070 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 2024 is $3,173,781,000 with a current debt limitation for the City of $330,268,000, not including current debt outstanding. Current debt that applies to the debt limit totals $86,286, which leaves the City a legal debt margin of $243,982,000. The ratio of the City's outstanding general obligation bond debt to assessed valuation is 26.13%.

At June 30, 2024, the City had long-term debt for governmental activities in the amount of $203,465,547 which was comprised of $152,425,070 in bonds payable, and the remaining $51,040,477 is comprised of financed purchases, subscription liabilities, notes payable, certificates of participation, total OPEB liability, net pension liability and compensated absences. Long-term debt for business-type activities is $1,326,432 and is comprised of financed purchases, subscription liabilities, net pension liability and compensated absences.

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 $1,301,865 and was in line with the actuarially determined contribution for the fiscal year ended June 30, 2024.

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, 2024, City's total pension liability was $63,290,948. The plan fiduciary net position was $55,106,472 resulting in the City's net pension liability of $8,184,476, a significant decrease over the net pension liability of $12,367,057 at June 30, 2023. The plan fiduciary net position as a percentage of the total pension liability was 87.1%. 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. 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 $1.9 million.

The City also provides postretirement health and dental care benefits for certain retirees and their dependents. As of July 1, 2023, the most recent actuarial date, there were 93 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 $28,412,983 which is a modest increase over the prior year liability of $25,930,953 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.

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 2024 real estate property digest shows a growth rate of approximately 5.75% compared to the 2023 digest. Approximately 31% of this increase is due to growth from new construction, with 69% 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 2024, the City issued 2,054 building permits with $282,075,577 in total valuation, which included 36 new dwelling units (single-family detached and attached townhouses) with a valuation of $13,305,114, and 200 residential alteration/addition projects with a valuation of $21,477,302. Of the 2,054 permits issued in fiscal year 2024, 46 were for commercial renovations with a valuation of $19,076,650, showing a decrease from 61 in fiscal year 2023 with a valuation of $37,827,404. There were 13 permits issued for commercial new construction with a valuation of $133,503,022, a large increase from just two commercial new construction permits in fiscal year 2023 with a valuation of $1,826,183. Overall, total permit and inspection fees increased from $888,572 in fiscal year 2023 to $1,964,246 in fiscal year 2024. The numbers indicate a stable and robust development environment.

Based on recent reports from CoStar, the vacancy rate for available commercial office space in the City of Decatur submarket is 6.8%, a decrease from 7.6% in fiscal year 2023, and less than the roughly 16% vacancy rate for the metropolitan Atlanta office market area. Office rents are around $29 per square foot, which matches that of Atlanta as a whole, where average rents are also $29 per square foot. 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 the office space and provides workspace for more than 450 WeWork members. WeWork's Chapter 11 bankruptcy filing in November 2023 created uncertainty about the future occupancy of this office space, however, WeWork retained their Decatur location for its high performance. 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 ground floor retail is nearing full occupancy, including the recent opening of Egg Harbor restaurant.

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 submarket is 3.9%, compared to 3.8% last year and generally on par with the current overall Atlanta retail market vacancy rate of 3.7%. Rents in City of Decatur submarket are $21.00 per square foot. Rents have changed 5.5% year over year in the submarket, compared to a change of 4.1% across Atlanta as a whole.

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 Clairemont Avenue and Commerce Drive represents one of the last few large redevelopment properties available in downtown Decatur. The original 3.9 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 $3.9 million. The appraised value in 2024 for the completed project is approximately $90 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

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 2025 with completion expected the fourth quarter of 2026.

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 appraised value of the development is $47 million and the developer has invested an additional quarter-million dollars in public art that highlights the eastern gateway to the City.

On the horizon for new mixed-used developments is the redevelopment of a 4.3-acre assemblage of two parcels at 750 and 720 Commerce Drive, currently occupied by a vacant grocery store and vacant office building. These particular parcels were identified as redevelopment opportunity site in the City of Decatur's Town Center Plan 2.0 adopted in June 2023. The proposed development would include 27,300 square feet of ground floor retail, including an approximately 15,000 square feet grocery store, up to 361 multi-family units, and an approximately 640-space parking deck. The predevelopment site is currently appraised at nearly $11M, whereas the expected appraised value of the completed project in fiscal year 2027 is $144.5M. Two other redevelopment opportunity sites identified in the plan are the Decatur Post Office and the surface parking lot of DeKalb County's Administrative Office complex, each currently tax exempt.

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 low-income housing 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 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 began the first quarter of 2024 with completion anticipated by second quarter of 2025. 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 land immediately surrounding the Avondale MARTA Station has been transformed from surface parking lots and a bus terminal into a transit-oriented development with an appraised value of approximately $51 million.

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 $6.8 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. Halo East Decatur is anticipated to be completed in third quarter of 2026.

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 stormwater 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 two-thirds 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 fourth quarter of 2025.

According to the U.S. Census Bureau and Department of Labor, the unemployment rate for DeKalb County as of June 30, 2024, was 3.9%, an increase compared to 3.2% the prior year 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 increased 3% compared to the prior year 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.

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 2023-2024 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, 2024, unassigned fund balance in the General Fund was $11,421,095. During the budget drafting process, the City had estimated to deduct $3,372,070 from fund balance in the 2025 fiscal year budget bringing the total fund balance to $9,062,067 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. On August 2, full-time employees received a one-time pay period merit-based adjustment in lieu of an in-step increase. The 2025 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 cancer screenings, expanding lab coverage and enhancing vision insurance options. $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 9.3% to 9.5% of payroll based on actuarial funding requirements.

The budgeted projects and activities directly support the following 2020 strategic plan themes: Equity and 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.decaturga.com/audit.

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Decatur Tourism Board
ASSETS					
Cash and cash equivalents	$ 43,290,102	$ 12,773,635	$ 56,063,737	$ 3,873,432	$ 268,752
Taxes receivable, net	1,584,634	-	1,584,634	41,569	-
Other receivables	1,431,095	-	1,431,095	-	-
Accounts receivable, net of allowances	-	884,643	884,643	3,444	7,758
Due from primary government	-	-	-	677,595	145,556
Due from other governments	94,633	-	94,633	-	-
Internal balances	(8,579)	8,579	-	-	-
Prepaid items	1,132,493	-	1,132,493	10,022	-
Cash with fiscal agent	2,724,689	-	2,724,689	-	-
Restricted:					
Investments	398,728	-	398,728	-	-
Other current assets	6,500	-	6,500	-	-
Installment sale receivable	3,255,000	-	3,255,000	-	-
Lease receivable	2,186,133	-	2,186,133	-	-
Lease receivable - service concession arrangement	-	-	-	868,773	-
Fair value of hedging derivative	66,428	-	66,428	-	-
Capital assets:					
Non-depreciable	43,518,970	1,813,804	45,332,774	1,975,061	-
Depreciable, net of accumulated depreciation and amortization	72,536,815	14,473,387	87,010,202	1,045,930	54,625
Total assets	172,217,641	29,954,048	202,171,689	8,495,826	476,691
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on bond refunding	2,321,641	-	2,321,641	-	-
OPEB related items	2,431,249	-	2,431,249	-	-
Pension related items	453,524	47,916	501,440	-	-
Total deferred outflows of resources	5,206,414	47,916	5,254,330	-	-
LIABILITIES					
Accounts payable	3,081,499	168,486	3,249,985	84,065	110,629
Accrued liabilities	3,409,663	97,886	3,507,549	-	-
Unearned revenue	7,161,445	2,487,675	9,649,120	-	-
Due to component unit	228,384	594,767	823,151	-	-
Certificates of participation due within one year	185,000	-	185,000	-	-
Certificates of participation due in more than one year	1,515,000	-	1,515,000	-	-
Compensated absences due within one year	997,401	81,024	1,078,425	-	-
Compensated absences due in more than one year	176,012	14,298	190,310	-	-
Financed purchases due within one year	208,737	25,427	234,164	-	-
Financed purchases due in more than one year	346,879	89,473	436,352	-	-
Notes payable from direct borrowing due within one year	566,949	54,093	621,042	83,712	-
Notes payable from direct borrowing due in more than one year	10,056,903	250,473	10,307,376	1,383,945	-
Bonds payable due within one year	5,836,056	-	5,836,056	-	-
Bonds payable due in more than one year	146,589,014	-	146,589,014	-	-
Lease liability due within one year	-	-	-	61,152	-
Lease liability due in more than one year	-	-	-	212,183	-
Subscription liability due within one year	456,945	9,052	465,997	-	-
Subscription liability due in more than one year	715,280	20,504	735,784	-	-
Net pension liability due in more than one year	7,402,388	782,088	8,184,476	-	-
Total OPEB liability due within one year	794,000	-	794,000	-	-
Total OPEB liability due in more than one year	27,618,983	-	27,618,983	-	-
Total liabilities	217,346,538	4,675,246	222,021,784	1,825,057	110,629

Continued

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	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	66,428	-	66,428	-	-
OPEB related items	7,700,015	-	7,700,015	-	-
Pension related items	952,286	100,613	1,052,899	-	-
Lease arrangements	2,007,429	-	2,007,429	-	-
Deferred service concession arrangement receipts	-	-	-	936,401	-
Total deferred inflows of resources	10,726,158	100,613	10,826,771	936,401	-
NET POSITION					
Net investment in capital assets	36,472,312	16,072,941	52,545,253	1,347,467	54,625
Restricted for capital projects	8,448,467	-	8,448,467	-	-
Restricted for culture and recreation	97,641	-	97,641	-	-
Restricted for economic development	2,328,840	-	2,328,840	-	-
Restricted for law enforcement	22,290	-	22,290	-	-
Restricted for E911 services	739,134	-	739,134	-	-
Restricted for debt service	3,548,130	-	3,548,130	-	-
Restricted for tourism	-	-	-	-	311,437
Unrestricted	(102,305,455)	9,153,164	(93,152,291)	4,386,901	-
Total net position	$ (50,648,641)	$ 25,226,105	$ (25,422,536)	$ 5,734,368	$ 366,062

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, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 15,356,686	$ 2,801,579	$ 1,826,629	$ -
Public safety	12,997,819	1,787,283	-	-
Public works	9,755,158	-	16,065	5,212,474
Recreation	7,179,883	3,573,946	2,759,580	-
Interest and fiscal charges on long-term debt	4,837,013	-	91,247	-
Total governmental activities	50,126,559	8,162,808	4,693,521	5,212,474
Business-type activities:				
Solid waste	3,053,857	2,927,575	-	-
Stormwater	928,782	3,856,571	-	-
Conference center and parking deck	308,881	-	-	-
Total business-type activities	4,291,520	6,784,146	-	-
Total primary government	$ 54,418,079	$ 14,946,954	$ 4,693,521	$ 5,212,474
Component units:				
Downtown Development Authority	$ 1,910,286	$ -	$ -	$ -
Decatur Tourism Board	848,078	43,953	-	-
Total component units	$ 2,758,364	$ 43,953	$ -	$ -
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				
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
$ (10,728,478)	$ -	$ (10,728,478)		$ -	$ -
(11,210,536)	-	(11,210,536)		-	-
(4,526,619)	-	(4,526,619)		-	-
(846,357)	-	(846,357)		-	-
(4,745,766)	-	(4,745,766)		-	-
(32,057,756)	-	(32,057,756)		-	-
-	(126,282)	(126,282)		-	-
-	2,927,789	2,927,789		-	-
-	(308,881)	(308,881)		-	-
-	2,492,626	2,492,626		-	-
$ (32,057,756)	$ 2,492,626	$ (29,565,130)		$ -	$ -
$ -	$ -	$ -		$ (1,910,286)	$ -
-	-	-		-	(804,125)
$ -	$ -	$ -		$ (1,910,286)	$ (804,125)
$ 35,593,173	$ -	$ 35,593,173		$ 995,945	$ -
1,731,512	-	1,731,512		-	-
2,208,698	-	2,208,698		-	-
2,729,288	-	2,729,288		299,303	698,373
549,689	-	549,689		-	6,594
-	-	-		587,967	-
22,262	3,384	25,646		-	-
628,058	(628,058)	-		-	-
43,462,680	(624,674)	42,838,006		1,883,215	704,967
11,404,924	1,867,952	13,272,876		(27,071)	(99,158)
(62,053,565)	23,358,153	(38,695,412)		5,761,439	465,220
$ (50,648,641)	$ 25,226,105	$ (25,422,536)		$ 5,734,368	$ 366,062

CITY OF DECATUR, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS	General Fund	SPLOST Fund	Capital Improvement Fund	2010 URA Bond Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 15,968,006	$ 9,043,821	$ 3,847,963	$ -	$ 4,153,201	$ 3,824,320	$ 6,452,791	$ 43,290,102
Taxes receivable, net	940,147	-	268,368	-	255,568	-	120,551	1,584,634
Other receivables	507,130	-	-	-	-	-	923,965	1,431,095
Lease receivable	-	-	-	2,186,133	-	-	-	2,186,133
Due from other funds	399,066	-	50,142	251,794	-	612,436	58,330	1,371,768
Due from other governments	-	-	55,325	-	-	-	-	55,325
Cash with fiscal agent	-	-	-	-	-	2,724,689	-	2,724,689
Restricted investments	-	-	398,728	-	-	-	-	398,728
Prepaid expenditures	199,219	-	70,161	146,599	439,691	-	276,823	1,132,493
Other current assets	6,500	-	-	-	-	-	-	6,500
Total assets	$ 18,020,068	$ 9,043,821	$ 4,690,687	$ 2,584,526	$ 4,848,460	$ 7,161,445	$ 7,832,460	$ 54,181,467
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 1,697,414	$ -	$ 925,702	$ -	$ -	$ -	$ 458,383	$ 3,081,499
Accrued liabilities	881,593	-	187,365	-	-	-	206,749	1,275,707
Due to component unit	82,828	-	-	-	-	-	145,556	228,384
Due to other funds	136,629	173,290	48,552	-	-	-	1,021,876	1,380,347
Unearned revenue-intergovernmental	-	-	-	-	-	7,161,445	-	7,161,445
Total liabilities	2,798,464	173,290	1,161,619	-	-	7,161,445	1,832,564	13,127,382
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	210,648	-	54,842	-	47,800	-	-	313,290
Leasing arrangements	-	-	-	2,007,429	-	-	-	2,007,429
Total deferred inflows of resources	210,648	-	54,842	2,007,429	47,800	-	-	2,320,719
FUND BALANCES								
Fund balances:								
Nonspendable:								
Prepaids	199,219	-	70,161	146,599	439,691	-	276,823	1,132,493
Leasing arrangements	-	-	-	178,704	-	-	-	178,704
Restricted:								
Capital construction	-	8,870,531	2,565,627	-	-	-	2,079,828	13,515,986
Culture and recreation	-	-	-	-	-	-	97,641	97,641
Economic development	-	-	-	-	-	-	2,328,840	2,328,840
Debt service	-	-	-	251,794	4,360,969	-	162,161	4,774,924
Law enforcement	-	-	-	-	-	-	22,290	22,290
E911 services	-	-	-	-	-	-	739,134	739,134
Opioid mitigation	-	-	-	-	-	-	33,857	33,857
Committed:								
Tree preservation	-	-	-	-	-	-	49,227	49,227
Assigned:								
Fiscal year 2025 operations	3,372,070	-	-	-	-	-	-	3,372,070
Greenspace acquisition	18,572	-	-	-	-	-	-	18,572
Cemetery operations	-	-	-	-	-	-	59,365	59,365
Equipment purchases	-	-	838,438	-	-	-	-	838,438
Energy efficiency, electrification and renewable energy projects	-	-	-	-	-	-	150,730	150,730
Unassigned	11,421,095	-	-	-	-	-	-	11,421,095
Total fund balances	15,010,956	8,870,531	3,474,226	577,097	4,800,660	-	5,999,896	38,733,366
Total liabilities, deferred inflows of resources, and fund balances	$ 18,020,068	$ 9,043,821	$ 4,690,687	$ 2,584,526	$ 4,848,460	$ 7,161,445	$ 7,832,460	

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.	116,055,785
Some receivables are not available to pay for current-period expenditures, and therefore, are unavailable in the governmental funds.	313,290
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.	3,294,308
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.	66,428
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.	(167,462,491)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and therefore, are deferred in governmental activities.	(66,428)
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.	(41,582,899)
Net position of governmental activities	$ (50,648,641)

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, 2024

	General Fund	SPLOST Fund	Capital Improvement Fund	2010 URA Bonds Fund	Debt Service Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	$ 28,174,932	$ -	$ 6,268,142	$ -	$ 6,226,488	$ -	$ 1,596,281	$ 42,265,843
Licenses and permits	1,788,765	-	-	-	-	-	-	1,788,765
Intergovernmental	698,279	3,145,645	2,074,576	91,247	-	1,826,629	2,759,580	10,595,956
Fines and forfeitures	550,359	-	-	-	-	-	35,619	585,978
Charges for services	4,274,351	-	-	-	-	-	722,157	4,996,508
Investment income	399,585	227,004	54,758	88,758	-	-	20,788	790,893
Contributions	16,065	-	-	-	-	-	-	16,065
Other revenues	93,278	-	-	-	-	-	35,249	128,527
Total revenues	35,995,614	3,372,649	8,397,476	180,005	6,226,488	1,826,629	5,169,674	61,168,535
Expenditures								
Current:								
General government	13,717,231	-	901,377	-	-	-	892,373	15,510,981
Public safety	10,668,098	-	173,336	-	-	-	1,012,582	11,854,016
Public works	5,366,387	-	2,823,571	-	-	-	-	8,189,958
Culture and recreation	5,773,565	-	-	-	-	-	155,735	5,929,300
Capital outlay	-	478,011	4,605,751	-	-	627,062	3,240,515	8,951,339
Intergovernmental	100,000	-	103,893	-	-	-	-	203,893
Debt service:								
Principal retirements	416,427	932,000	644,597	439,015	3,040,000	-	2,367,939	7,839,978
Interest expenditures	53,750	24,755	80,865	315,489	3,124,324	-	1,660,447	5,259,630
Total expenditures	36,095,458	1,434,766	9,333,390	754,504	6,164,324	627,062	9,329,591	63,739,095
Excess (deficiency) of revenues over expenditures	(99,844)	1,937,883	(935,914)	(574,499)	62,164	1,199,567	(4,159,917)	(2,570,560)
Other financing sources (uses):								
Sale of capital assets	22,262	-	-	-	-	-	-	22,262
Transfers in	2,153,637	-	1,268,000	663,180	-	-	6,260,573	10,345,390
Transfers out	(2,309,286)	(1,934,110)	(2,730,790)	-	-	(1,199,567)	(1,543,579)	(9,717,332)
Total other financing sources (uses)	(133,387)	(1,934,110)	(1,462,790)	663,180	-	(1,199,567)	4,716,994	650,320
Net change in fund balances	(233,231)	3,773	(2,398,704)	88,681	62,164	-	557,077	(1,920,240)
Fund balances, beginning of year	15,244,187	8,866,758	5,872,930	488,416	4,738,496	-	5,442,819	40,653,606
Fund balances, end of year	$ 15,010,956	$ 8,870,531	$ 3,474,226	$ 577,097	$ 4,800,660	$ -	$ 5,999,896	$ 38,733,366

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, 2024

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

Net change in fund balances - total governmental funds	$	(1,920,240)
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.		3,820,466
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.		(284,200)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(3,172)
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.		8,615,342
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.		1,176,728
Change in net position - governmental activities	$	11,404,924

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 27,523,750	$ 27,832,050	$ 28,174,932	$ 342,882
Licenses and permits	923,200	1,467,880	1,788,765	320,885
Fines and forfeitures	647,000	552,000	550,359	(1,641)
Charges for services	5,564,850	4,508,400	4,274,351	(234,049)
Intergovernmental	472,000	466,780	698,279	231,499
Interest income	100,000	400,000	399,585	(415)
Contributions	-	-	16,065	16,065
Other revenues	133,850	208,600	93,278	(115,322)
Total revenues	35,364,650	35,435,710	35,995,614	559,904
Expenditures				
Current:				
General government:				
Commission	421,260	404,710	366,289	38,421
Manager	1,353,370	1,333,540	1,280,527	53,013
Administrative services	4,978,630	5,247,590	5,247,244	346
Attorney	550,000	680,000	617,518	62,482
Community and economic development	2,740,460	2,205,080	1,952,397	252,683
Development and inspection	2,616,280	2,613,900	2,613,352	548
Accounting, collection and records	2,035,920	1,873,770	1,639,904	233,866
Total general government	14,695,920	14,358,590	13,717,231	641,359
Public safety:				
General management	1,984,490	1,811,190	1,601,373	209,817
Fire	4,524,860	4,570,770	4,476,747	94,023
Police	5,296,190	4,786,040	4,375,318	410,722
Pandemic management	215,000	215,000	214,660	340
Total public safety	12,020,540	11,383,000	10,668,098	714,902
Public works:				
Engineering	749,910	748,040	630,484	117,556
Motor maintenance	1,252,430	1,022,520	854,458	168,062
Buildings and grounds maintenance	3,287,570	3,350,360	3,349,982	378
Cemetery	580,130	559,390	531,463	27,927
Total public works	5,870,040	5,680,310	5,366,387	313,923
Recreation	7,042,790	6,237,020	5,773,565	463,455
Intergovernmental	100,000	100,000	100,000	-
Debt service:				
Principal	-	416,600	416,427	173
Interest	-	73,000	53,750	19,250
	-	489,600	470,177	19,423
Total expenditures	39,729,290	38,248,520	36,095,458	2,153,062
Deficiency of revenues over expenditures	(4,364,640)	(2,812,810)	(99,844)	2,712,966
Other financing sources (uses)				
Sale of capital assets	5,000	25,500	22,262	(3,238)
Transfers in	1,818,024	2,256,540	2,153,637	(102,903)
Transfers out	(1,604,200)	(2,279,280)	(2,309,286)	(30,006)
Total other financing sources (uses)	218,824	2,760	(133,387)	(136,147)
Net change in fund balances	(4,145,816)	(2,810,050)	(233,231)	2,576,819
Fund balances, beginning of year	15,244,187	15,244,187	15,244,187	-
Fund balances, end of year	$ 11,098,371	$ 12,434,137	$ 15,010,956	$ 2,576,819

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 11,571,260	$ 1,826,629	$ 1,826,629	$ -
EXPENDITURES				
Capital outlay	11,401,260	627,062	627,062	-
Total expenditures	11,401,260	627,062	627,062	-
Excess of revenues over expenditures	170,000	1,199,567	1,199,567	-
Other financing uses				
Transfers out	-	(1,199,567)	(1,199,567)	-
Total other financing uses	-	(1,199,567)	(1,199,567)	-
Net change in fund balances	170,000	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ 170,000	$ -	$ -	$ -

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

CITY OF DECATUR, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

ASSETS	Business-type Activities - Enterprise Funds: Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center and Parking Deck Fund	Totals
CURRENT ASSETS				
Cash	$ 2,394,488	$ 9,812,985	$ 566,162	$ 12,773,635
Accounts receivable, net of allowances	260,389	624,254	-	884,643
Due from other funds	45	-	60,118	60,163
Total current assets	2,654,922	10,437,239	626,280	13,718,441
NONCURRENT ASSETS				
Construction in progress	-	965,745	-	965,745
Land	-	653,198	194,861	848,059
Infrastructure	-	20,078,404	-	20,078,404
Buildings	-	-	8,605,815	8,605,815
Furniture, fixtures and equipment	3,580,580	429,463	340,382	4,350,425
SBITA assets	24,342	24,342	-	48,684
	3,604,922	22,151,152	9,141,058	34,897,132
Accumulated depreciation and amortization	(3,208,127)	(6,484,011)	(8,917,803)	(18,609,941)
Total capital assets	396,795	15,667,141	223,255	16,287,191
Total assets	3,051,717	26,104,380	849,535	30,005,632
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	40,201	7,715	-	47,916
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	94,119	74,367	-	168,486
Accrued liabilities	23,469	74,417	-	97,886
Compensated absences payable	68,886	12,138	-	81,024
Financed purchases	25,427	-	-	25,427
Note payable	-	54,093	-	54,093
SBITA liability	4,526	4,526	-	9,052
Due to other funds	-	51,584	-	51,584
Due to component unit	-	-	594,767	594,767
Unearned revenue	1,217,618	1,270,057	-	2,487,675
Total current liabilities	1,434,045	1,541,182	594,767	3,569,994
NONCURRENT LIABILITIES				
Compensated absences payable	12,156	2,142	-	14,298
Note payable	-	250,473	-	250,473
Financed purchases	89,473	-	-	89,473
SBITA liability	10,252	10,252	-	20,504
Net pension liability	656,165	125,923	-	782,088
Total noncurrent liabilities	768,046	388,790	-	1,156,836
Total liabilities	2,202,091	1,929,972	594,767	4,726,830
DEFERRED INFLOWS OF RESOURCES				
Pension related items	84,413	16,200	-	100,613
NET POSITION				
Net investment in capital assets	267,117	15,582,569	223,255	16,072,941
Unrestricted	538,297	8,583,354	31,513	9,153,164
Total net position	$ 805,414	$ 24,165,923	$ 254,768	$ 25,226,105

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, 2024

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center and Parking Deck Fund	Totals
OPERATING REVENUE				
Intergovernmental	$ -	$ 368,774	$ -	$ 368,774
Stormwater fees	-	3,487,797	-	3,487,797
Sanitation fees	2,907,972	-	-	2,907,972
Miscellaneous	19,603	-	-	19,603
Total operating revenues	2,927,575	3,856,571	-	6,784,146
OPERATING EXPENSES				
Cost of sales and services	2,839,979	517,936	299,303	3,657,218
Depreciation and amortization	211,935	410,846	9,578	632,359
Total operating expenses	3,051,914	928,782	308,881	4,289,577
Operating income (loss)	(124,339)	2,927,789	(308,881)	2,494,569
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	3,384	-	-	3,384
Interest expense	(1,943)	-	-	(1,943)
Total nonoperating expenses	1,441	-	-	1,441
Income (loss) before transfers	(122,898)	2,927,789	(308,881)	2,496,010
Transfers in	-	12,000	299,303	311,303
Transfers out	(478,461)	(460,900)	-	(939,361)
Total transfers	(478,461)	(448,900)	299,303	(628,058)
Change in net position	(601,359)	2,478,889	(9,578)	1,867,952
Total net position, beginning	1,406,773	21,687,034	264,346	23,358,153
Total net position, ending	$ 805,414	$ 24,165,923	$ 254,768	$ 25,226,105

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, 2024

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Utility Fund	Other Enterprise Fund: Conference Center and Parking Deck Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,870,353	$ 3,639,846	$ -	$ 6,510,199
Payments to suppliers	(1,309,569)	(208,584)	(249,150)	(1,767,303)
Payments to employees	(1,609,052)	(319,467)	-	(1,928,519)
Net cash provided by (used in) operating activities	(48,268)	3,111,795	(249,150)	2,814,377
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	12,000	300,000	312,000
Transfers out to other funds	(478,461)	(460,900)	-	(939,361)
Net cash provided by (used in) non-capital financing activities	(478,461)	(448,900)	300,000	(627,361)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(832,874)	-	(832,874)
Proceeds from capital assets	3,384	-	-	3,384
Principal paid on financed purchases	(52,380)	-	-	(52,380)
Principal paid on note payable	-	(54,093)	-	(54,093)
Principal paid on SBITA	(4,526)	(4,526)	-	(9,052)
Interest paid on financed purchases and SBITA	(1,944)	-	-	(1,944)
Net cash used in capital and related financing activities	(55,466)	(891,493)	-	(946,959)
Net increase (decrease) in cash	(582,195)	1,771,402	50,850	1,240,057
Cash, beginning of year	2,976,683	8,041,583	515,312	11,533,578
Cash, end of year	$ 2,394,488	$ 9,812,985	$ 566,162	$ 12,773,635
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ (124,339)	$ 2,927,789	$ (308,881)	$ 2,494,569
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	211,935	410,846	9,578	632,359
Change in assets and liabilities:				
Increase in fees receivable	(78,281)	(218,754)	-	(297,035)
Increase in due from other funds	(45)	-	-	(45)
Decrease in deferred outflows for pension items	242,342	45,921	-	288,263
Increase (Decrease) in accounts payable	36,219	(61,048)	-	(24,829)
Increase in accrued liabilities	1,537	288	-	1,825
Increase in compensated absences payable	22,643	4,443	-	27,086
Increase in unearned revenue	21,059	2,029	-	23,088
Increase in due to component unit	-	-	50,153	50,153
Increase (Decrease) in due to other funds	(153,646)	41,967	-	(111,679)
Decrease in net pension liability	(287,341)	(53,185)	-	(340,526)
Increase in deferred inflows for pension items	59,649	11,499	-	71,148
Net cash provided by (used in) operating activities	$ (48,268)	$ 3,111,795	$ (249,150)	$ 2,814,377
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Financed purchases of capital assets	$ -	$ 114,900	$ -	$ 114,900

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

CITY OF DECATUR, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

ASSETS	Pension Trust Fund	Custodial Fund
Cash	$ 774,458	$ 4,458,556
Taxes receivable	-	2,307,271
Investments:		
Mutual funds invested in equity securities	27,442,172	-
Mutual funds invested in fixed income securities	26,889,842	-
Total assets	55,106,472	6,765,827
LIABILITIES		
Due to others	-	4,458,556
Uncollected taxes	-	2,307,271
Total liabilities	-	6,765,827
NET POSITION		
Net position restricted for pension benefits	$ 55,106,472	$ -

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, 2024

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions		
Plan member contributions	$ 1,299,924	$ -
Employer contributions	1,301,865	-
Taxes	-	56,392,956
Total additions	2,601,789	56,392,956
Investment earnings		
Net increase in fair value of investments	4,844,620	-
Interest and dividends	1,373,622	-
Total investment earnings	6,218,242	-
Less investment expense	(200,814)	
Net investment earnings	6,017,428	-
Total additions	8,619,217	56,392,956
DEDUCTIONS		
Benefit payments	3,837,873	-
Administrative fees	36,848	-
Taxes and fees paid to other governments	-	56,392,956
Total deductions	3,874,721	56,392,956
Change in net position	4,744,496	-
NET POSITION		
Beginning of year	50,361,976	-
End of year	$ 55,106,472	$ -

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

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.

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 nonfiduciary 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 noncurrent assets and noncurrent 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.

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.

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.

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 *nonoperating* 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 nonoperating 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.

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).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, 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:

Assets	Years
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.

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.

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.

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.

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, 2024 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 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.

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.

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.

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.

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 $3,294,308 difference are as follows:

Installment sale receivable	$ 3,255,000
Accrued interest receivable	39,308
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 3,294,308

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 $167,462,491 difference are as follows:

Financed purchases payable	$ (555,616)
SBITA liability	(1,172,225)
Certificates of participation	(1,700,000)
Accrued interest payable	(2,133,956)
Notes payable	(10,623,852)
Bonds payable	(144,905,809)
Bond premium	(7,519,261)
Deferred charges from bond refunding	2,321,641
Compensated absences	(1,173,413)
Net adjustment to decrease *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (167,462,491)

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 ($41,582,899) difference are as follows:

Deferred outflows of resources - pension related items	$	453,524
Deferred inflows of resources - pension related items		(952,286)
Deferred outflows of resources - OPEB related items		2,431,249
Deferred inflows of resources - OPEB related items		(7,700,015)
Total OPEB liability		(28,412,983)
Net pension liability		(7,402,388)
Net adjustment to decrease *fund balances - total governmental funds* to arrive at *net position - governmental activities*	$	(41,582,899)

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 $3,820,466 difference are as follows:

Capital outlay	$	8,944,946
Depreciation and amortization expense		(5,124,480)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	3,820,466

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 $8,615,342 difference are as follows:

Principal retirements	$	7,839,978
Amortization of premiums		934,352
Amortization of deferred charges from refunding		(158,988)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	8,615,342

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 $1,176,728 difference are as follows:

Compensated absences	$	118,997
Accrued interest		(352,747)
Pension expense		271,155
OPEB expense		1,139,323
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,176,728

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 $284,200 difference are as follows:

Principal payments received	$	(270,000)
Change in accrued interest		(14,200)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(284,200)

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.

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, 2024:

Investment	Maturities	Fair Value
Deposits with Financial Institutions	---	$ 56,779,249
Guaranteed Investment Contract	June 1, 2028	398,728
Georgia Fund 1 - cash equivalents	33 days	4,517,502
Total		$ 61,695,479
As reported in the Statement of Net Position:		
Cash and cash equivalents		$ 56,063,737
Restricted:		
Investments		398,728
Cash and cash equivalents - Fiduciary Funds		5,233,014
Total		$ 61,695,479

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.

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, 2024, 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, 2024 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, 2024, the Pension Trust Fund had $54,332,014 invested in the following types of investments:

Investment		Fair Value
Mutual funds invested in equities	$	27,442,172
Mutual funds invested in fixed income		26,889,842
Total	$	54,332,014

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, 2024, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2024, 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, 2024, the Pension Trust Fund had $54,332,014 invested in the following investments as categorized by interest rate risk:

Investment		Fair Value	Average Effective Duration (Years)
Mutual funds invested in equities	$	27,442,172	n/a
Mutual funds invested in fixed income		26,889,842	5.2
Total	$	54,332,014	

Rate of Return: For the year ended June 30, 2024, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 12.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2024, 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, 2024:

Investment	Level 1
Mutual funds invested in equities	$ 27,442,172
Mutual funds invested in fixed income	26,889,842
Total investments	$ 54,332,014

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.

NOTE 5. RECEIVABLES (Continued)

Receivables at June 30, 2024, 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	General	Capital Improvement	2010 URA Bond	Debt Service
Receivables:				
Taxes	$ 978,064	$ 278,161	$ -	$ 266,014
Lease receivable		-	2,186,133	-
Due from other governments	-	55,325	-	-
Other	507,130	-	-	-
Less allowance for uncollectible	(37,917)	(9,793)	-	(10,446)
Net total receivable	$ 1,447,277	$ 323,693	$ 2,186,133	$ 255,568

	Nonmajor Funds	Total Governmental
Receivables:		
Taxes	$ 120,551	$ 1,642,790
Lease receivable	-	2,186,133
Due from other governments	-	55,325
Other	923,965	1,431,095
Less allowance for uncollectible	-	(58,156)
Net total receivable	$ 1,044,516	$ 5,257,187

Proprietary Funds	Solid Waste	Stormwater	Total
Receivables:			
Accounts	$ 422,776	$ 817,203	$ 1,239,979
Less allowance for uncollectible	(162,387)	(192,949)	(355,336)
Net total receivable	$ 260,389	$ 624,254	$ 884,643

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.

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,	Principal	Interest	Total
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	325,000	42,765	367,765
2030-2034	1,735,000	93,010	1,828,010
Total	$ 3,255,000	$ 397,885	$ 3,652,885

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, 2024 was $124,093. At June 30, 2024, the City's receivable for lease payments was $2,186,133. 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, 2024, 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.

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 37,260,198	$ -	$ -	$ -	$ 37,260,198
Construction in progress	4,015,842	7,673,586	(5,430,656)	-	6,258,772
Total	41,276,040	7,673,586	(5,430,656)	-	43,518,970
Capital assets, being depreciated:					
Land improvements	4,149,546	122,798	605,468	-	4,877,812
Infrastructure	43,158,551	-	4,736,338	-	47,894,889
Buildings and improvements	67,567,505	128,130	88,850	-	67,784,485
Machinery and equipment	9,273,205	294,016	-	-	9,567,221
Vehicles	8,395,733	726,416	-	(652,833)	8,469,316
Subscription assets (Note 9)	2,031,864	-	-	-	2,031,864
Total	134,576,404	1,271,360	5,430,656	(652,833)	140,625,587
Less accumulated depreciation for:					
Land improvements	(1,565,626)	(96,950)	-	-	(1,662,576)
Infrastructure	(24,174,535)	(1,189,969)	-	-	(25,364,504)
Buildings and improvements	(23,693,123)	(2,374,570)	-	-	(26,067,693)
Machinery and equipment	(6,835,456)	(361,756)	-	-	(7,197,212)
Vehicles	(6,896,860)	(649,710)	-	652,833	(6,893,737)
Subscription assets (Note 9)	(451,525)	(451,525)	-	-	(903,050)
Total	(63,617,125)	(5,124,480)	-	652,833	(68,088,772)
Total capital assets, being depreciated, net	70,959,279	(3,853,120)	5,430,656	-	72,536,815
Governmental activities capital assets, net	$ 112,235,319	$ 3,820,466	$ -	$ -	$ 116,055,785

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	$ 296,808
Public safety	1,639,229
Public works	1,412,793
Recreation	1,324,125
Total depreciation expense - governmental activities	$ 4,672,955

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 280,065	$ 567,994	$ -	$ 848,059
Construction in progress	700,865	264,880	-	965,745
Total	980,930	832,874	-	1,813,804
Capital assets, being depreciated:				
Infrastructure	20,078,404	-	-	20,078,404
Buildings	8,605,815	-	-	8,605,815
Furniture, fixtures, and equipment	4,344,034	114,901	(108,510)	4,350,425
Subscription assets (Note 9)	48,684	-	-	48,684
Total	33,076,937	114,901	(108,510)	33,083,328
Less accumulated depreciation for:				
Infrastructure	(5,694,219)	(391,830)	-	(6,086,049)
Buildings	(8,576,154)	(9,115)	-	(8,585,269)
Furniture, fixtures, and equipment	(3,804,901)	(220,596)	108,510	(3,916,987)
Subscription assets (Note 9)	(10,818)	(10,818)	-	(21,636)
Total	(18,086,092)	(632,359)	108,510	(18,609,941)
Total capital assets, being depreciated, net	14,990,845	(517,458)	-	14,473,387
Business-type activities capital assets, net	$ 15,971,775	$ 315,416	$ -	$ 16,287,191

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	$ 206,526
Stormwater	405,437
Conference Center and Parking Deck	9,578
Total depreciation expense - business-type activities	$ 621,541

Component Units

Capital asset activity for the Decatur Downtown Development Authority for the fiscal year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	$ 2,154,589	$ -	$ (179,528)	$ 1,975,061
Total	2,154,589	-	(179,528)	1,975,061
Capital assets, being depreciated:				
Machinery and equipment	-	233,616	-	233,616
Leasehold Improvements	1,139,834	-	-	1,139,834
Lease assets (Note 8)	163,949	287,686	-	451,635
Total	1,303,783	521,302	-	1,825,085
Less accumulated depreciation for:				
Machinery and equipment	-	(7,787)	-	(7,787)
Leasehold Improvements	(535,086)	(47,493)	-	(582,579)
Lease assets (Note 8)	(95,970)	(92,819)	-	(188,789)
Total	(631,056)	(148,099)	-	(779,155)
Total capital assets, being depreciated, net	672,727	373,203	-	1,045,930
Decatur Downtown Development Authority capital assets, net	$ 2,827,316	$ 373,203	$ (179,528)	$ 3,020,991

NOTE 8. LEASE ASSETS

A summary of lease asset activity for the year ended June 30, 2024, is as follows:

Decatur Downtown Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets:				
Buildings	$ 163,949	$ 287,686	$ -	$ 451,635
Total	163,949	287,686	-	451,635
Less accumulated amortization for:				
Buildings	(95,970)	(92,819)	-	(188,789)
Total	(95,970)	(92,819)	-	(188,789)
Total lease assets, net	$ 67,979	$ 194,867	$ -	$ 262,846

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, 2024, 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)	-	(903,050)
Total	(451,525)	(451,525)	-	(903,050)
Total lease assets, net	$ 1,580,339	$ (451,525)	$ -	$ 1,128,814

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

Governmental activities:	
General government	$ 141,937
Public safety	207,145
Public works	25,622
Recreation	76,821
Total subscription amortization expense - governmental activities	$ 451,525

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

A summary of the City's subscription asset activity for business-type activities for the year ended June 30, 2024, 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)	-	(21,636)
Total	(10,818)	(10,818)	-	(21,636)
Total lease assets, net	$ 37,866	$ (10,818)	$ -	$ 27,048

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

NOTE 10. LONG-TERM DEBT

Primary Government

Long-term liability activity for the City's governmental activities for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 150,622,000	$ -	$ (6,397,000)	$ 144,225,000	$ 5,800,000
Direct placement bonds	714,824	-	(34,015)	680,809	36,056
Plus: premium	8,453,613	-	(934,352)	7,519,261	-
Total bonds payable	159,790,437	-	(7,365,367)	152,425,070	5,836,056
Financed purchases from direct borrowings	791,201	-	(235,585)	555,616	208,737
Notes payable from direct borrowings	11,178,174	-	(554,322)	10,623,852	566,949
Subscription liability	1,611,281	-	(439,056)	1,172,225	456,945
Certificates of participation	1,880,000	-	(180,000)	1,700,000	185,000
Total OPEB liability	25,930,953	3,684,725	(1,202,695)	28,412,983	794,000
Net pension liability	11,244,443	4,993,772	(8,835,827)	7,402,388	-
Compensated absences	1,292,410	1,053,994	(1,172,991)	1,173,413	997,401
Governmental activities long-term liabilities	$ 213,718,899	$ 9,732,491	$ (19,985,843)	$ 203,465,547	$ 9,045,088

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, 2024, was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Business-Type Activities					
Financed purchases from direct borrowings	$ 52,380	$ 114,900	$ (52,380)	$ 114,900	$ 25,427
Subscription liability	38,608	-	(9,052)	29,556	9,052
Note payable	358,659	-	(54,093)	304,566	54,093
Net pension liability	1,122,614	493,890	(834,416)	782,088	-
Compensated absences	68,236	88,123	(61,037)	95,322	81,024
Business-type activities long-term liabilities	$ 1,640,497	$ 696,913	$ (1,010,978)	$ 1,326,432	$ 169,596

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, 2024, the outstanding principal amount is $23,175,000.

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, 2024, the outstanding principal amount is $60,565,000.

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NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

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 semiannual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2038. As of June 30, 2024, the outstanding principal amount is $7,775,000.

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 semiannual payments of principal and interest commencing January 1, 2021 through the maturity date of January 1, 2044. As of June 30, 2024, the outstanding principal amount is $23,520,000.

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, 2024, the outstanding principal balance on these bonds is $4,835,000.

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. Semiannual 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, 2024, the outstanding principal balance on these bonds is $2,500,000.

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 semiannual payments of principal and interest commencing February 1, 2028 through the maturity date of February 1, 2047. 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, 2024, the outstanding principal amount is $21,855,000.

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,	Principal	Interest	Total
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	6,665,000	3,946,818	10,611,818
2029	6,980,000	3,650,386	10,630,386
2030-2034	39,625,000	13,949,276	53,574,276
2035-2039	39,315,000	7,705,746	47,020,746
2040-2044	29,025,000	2,690,328	31,715,328
2045-2047	4,285,000	259,650	4,544,650
Total	$ 144,225,000	$ 45,505,684	$ 189,730,684

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, 2024, the outstanding principal amount is $680,810.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	45,520	31,385	76,905
2030-2034	271,994	112,528	384,522
2035-2038	205,565	25,147	230,712
	$ 680,809	$ 318,947	$ 999,756

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, 2024, the total amount of principal outstanding was $514,076.

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, 2024, the total amount of principal outstanding was $41,540.

Debt service requirements as of June 30, 2024 for governmental activities' financed purchases from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2025	$ 208,737	$ 14,052	$ 222,789
2026	171,326	8,568	179,894
2027	175,553	4,336	179,889
Total	$ 555,616	$ 26,956	$ 582,572

In October 2023, the City entered into a financed purchase agreement in the amount of $114,900 to finance the purchase of a street sweeper. The street sweeper is recorded under business-type activities under the Solid Waste Fund. Annual principal and interest payments are required until maturity on October 30, 2027 at an interest rate of 8.75%. At June 30, 2024, the total amount of principal outstanding was $114,900.

Debt service requirements as of June 30, 2024 for business-type activities' financed purchases from direct borrowings are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2025	$ 25,427	$ 9,763	$ 35,190
2026	27,361	7,829	35,190
2027	29,754	5,435	35,189
2027	32,358	2,831	35,189
Total	$ 114,900	$ 25,858	$ 140,758

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, 2024, the outstanding principal amount is $9,368,540.

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, 2024, the outstanding principal amount is $1,255,312.

In March 2020, the Decatur Housing Authority (DHA) loaned the City $500,000 to assist in stormwater 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 stormwater fees. The note does not carry interest. As of June 30, 2024, the outstanding principal amount is $304,566.

Debt service requirements as of June 30, 2024 for notes payable from direct borrowings associated with governmental activities are as follows:

	Principal	Interest	Total
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	620,670	141,638	762,308
2030-2034	1,863,866	574,025	2,437,891
2035-2039	2,029,101	408,791	2,437,892
2040-2044	2,208,986	228,908	2,437,894
2045-2048	1,554,500	44,831	1,599,331
Total	$ 10,623,852	$ 2,100,696	$ 12,724,548

Debt service requirements as of June 30, 2024 for notes payable from direct borrowings associated with business-type activities are as follows:

Fiscal year ending June 30,	Principal
2025	$ 54,093
2026	54,093
2027	54,093
2028	54,093
2029	54,093
2030	34,101
Total	$ 304,566

NOTE 10. LONG-TERM DEBT (Continued)

Primary Government (Continued)

Subscription 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, 2024 for the City's SBITA liability for governmental activities is as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2025	$ 456,945	$ 38,783	$ 495,728
2026	475,561	20,167	495,728
2027	239,719	2,866	242,585
Total	$ 1,172,225	$ 61,816	$ 1,234,041

Debt service requirements as of June 30, 2024 for the City's SBITA liability for business-type activities is as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2025	$ 9,052	$ 800	$ 9,852
2026	9,804	416	10,220
2027	10,700	59	10,759
Total	$ 29,556	$ 1,275	$ 30,831

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.

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 semiannual 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, 2024, the floating rate being paid by the City is 0.40% and the fair value of this agreement is $66,428, a decrease of $15,874 from the fair value at the end of the previous fiscal year. The fair value of the hedge was determined using settlement prices at the end of the day on June 30, 2024 based on the derivative contract and it is reported as a noncurrent 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.

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,			
2025	$ 185,000	$ 72,580	$ 257,580
2026	195,000	67,770	262,770
2027	-	62,700	62,700
2028	1,320,000	62,700	1,382,700
Total	$ 1,700,000	$ 265,750	$ 1,965,750

Decatur Downtown Development Authority

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 1,558,982	$ -	$ (91,325)	$ 1,467,657	$ 83,712
Lease liabilities	72,518	287,686	(86,869)	273,335	61,152
Decatur DDA Long-term liabilities	$ 1,631,500	$ 287,686	$ (178,194)	$ 1,740,992	$ 144,864

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, 2024, the outstanding principal amount is $67,468.

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 0.42% (or 5% annually) with monthly payments of $11,285 until maturity in February 2039. As of June 30, 2024, the outstanding principal amount is $1,400,189.

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:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 83,712	$ 68,767	$ 152,479
2026	92,551	65,357	157,908
2027	96,135	61,773	157,908
2028	77,413	58,005	135,418
2029	81,374	54,044	135,418
2030-2034	473,745	203,346	677,091
2035-2039	562,727	69,386	632,113
Total	$ 1,467,657	$ 580,678	$ 2,048,335

The Decatur DDA has entered into a lease agreement as lessee for the acquisition and use of a building to be used a community gathering center. An initial lease liability was recorded in the amount of $163,949. As of June 30, 2024, the value of the lease liability was $21,948. 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%.

The Decatur DDA has also entered into a lease agreement as lessee for the use of a building to be used for the City of Decatur's Visitor Center. An initial lease liability was recorded in the amount of $287,686. As of June 30, 2024, the value of the lease liability was $251,387. The DDA is required to make monthly principal and interest payments of $3,976 through November 30, 2024, at which point payments increase by 3% annually, through the term of the lease ending on November 30, 2029. The lease has an interest rate of 4%.

Future principal and interest payments to be made on these leases, to maturity, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 61,152	$ 9,569	$ 70,721
2026	42,285	7,725	50,010
2027	45,535	5,975	51,510
2028	48,964	4,091	53,055
2029	52,580	2,067	54,647
2030	22,819	229	23,048
Total	$ 273,335	$ 29,656	$ 302,991

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	$ 82,828
Component unit - Downtown Development Authority	Primary government - Nonmajor enterprise funds	594,767
Component unit - Decatur Tourism Board	Primary government - Nonmajor governmental funds	145,556
Total		$ 823,151

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Utility Fund	$ 1,442
General Fund	Capital Improvement Fund	48,302
General Fund	Nonmajor governmental funds	349,322
Capital Improvement Fund	Stormwater Utility Fund	50,142
Solid Waste Fund	General Fund	45
2010 URA Bond Fund	General Fund	121,605
2010 URA Bond Fund	SPLOST Fund	130,189
Nonmajor governmental funds	General Fund	14,979
Nonmajor governmental funds	SPLOST Fund	43,101
Nonmajor governmental funds	Capital Improvement Fund	250
ARPA Fund	Nonmajor governmental funds	612,436
Nonmajor enterprise funds	Nonmajor governmental funds	60,118
Total		$ 1,431,931

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.

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

Interfund transfers:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor governmental funds	$ 1,214,276
General Fund	Stormwater Utility Fund	460,900
General Fund	Solid Waste Fund	478,461
		$ 2,153,637
Capital Improvement Fund	General Fund	$ 1,250,000
Capital Improvement Fund	Nonmajor governmental funds	18,000
		$ 1,268,000
2010 URA Bonds Fund	SPLOST Fund	$ 663,180
Nonmajor governmental funds	Capital Improvement Fund	$ 2,730,790
Nonmajor governmental funds	ARPA Fund	1,199,567
Nonmajor governmental funds	General Fund	1,059,286
Nonmajor governmental funds	SPLOST Fund	1,270,930
		$ 6,260,573
Stormwater Utility Fund	Nonmajor governmental funds	$ 12,000
Nonmajor Enterprise Funds	Nonmajor governmental funds	$ 299,303

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.

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, 2023, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	122
Terminated vested participants not yet receiving benefits	13
Active participants	201
	336

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).

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, 2024, the City's contributions were $1,301,865, which was 10.54% of covered payroll.

NOTE 12. PENSION PLANS (Continued)

Net Pension Liability of the City

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions. The total pension liability in the July 1, 2023 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, 2023 valuation were based on the results of the most recent experience study as of March 15, 2019 for the years 2015 through 2018.

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, 2024 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.

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, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 62,729,033	$ 50,361,976	$ 12,367,057
Changes for the year:			
Service cost	1,115,988	-	1,115,988
Interest	4,334,826	-	4,334,826
Differences between expected and actual experience	(1,051,026)	-	(1,051,026)
Contributions - employer	-	1,301,865	(1,301,865)
Contributions - employee	-	1,299,924	(1,299,924)
Net investment income	-	6,017,428	(6,017,428)
Benefit payments, including refunds of employee contributions	(3,837,873)	(3,837,873)	-
Administrative expense	-	(36,848)	36,848
Net changes	561,915	4,744,496	(4,182,581)
Balances at June 30, 2024	$ 63,290,948	$ 55,106,472	$ 8,184,476

The Plan's fiduciary net position as of June 30, 2024, as a percentage of the total pension liability, was 87.07%. 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.

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%)
$ 15,665,318	$ 8,184,476	$ 1,934,518

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, 2024 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, 2024, the City recognized pension expense of $1,847,816. At June 30, 2024, 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	$ 84,949	$ 1,003,121
Difference resulting from changes in actuarial assumptions	416,491	-
Net difference between projected and actual earnings on pension plan investments	-	49,778
Total	$ 501,440	$ 1,052,899

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:		
2025	$	(366,340)
2026		1,416,214
2027		(883,797)
2028		(717,536)
Total	$	(551,459)

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.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership

As of July 1, 2023, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	93
Active participants	179
	272

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, 2024, the City contributed $837,118 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, 2024 and was determined by an actuarial valuation as of July 1, 2023 with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial Assumptions. The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	4.21%
Healthcare Cost Trend Rate:	8.00% - 4.50%, ultimate trend in 2034
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.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 4.21%. 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 4.21% as determined by the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2024.

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, 2024, were as follows:

	Total OPEB Liability
Balances at June 30, 2023	$ 25,930,953
Changes for the year:	
Service cost	1,117,289
Interest	1,099,981
Differences between expected and actual experience	(365,577)
Assumption changes	1,467,455
Benefit payments	(837,118)
Net changes	2,482,030
Balances at June 30, 2024	$ 28,412,983

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 (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	$ 32,752,844	$ 28,412,983	$ 24,915,834

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	$ 24,435,943	$ 28,412,983	$ 33,436,780

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, 2024 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, 2024, the City recognized negative OPEB expense of $302,205. At June 30, 2024, 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	$ 363,528	$ 3,166,685
Changes in assumptions	2,067,721	4,533,330
Total	$ 2,431,249	$ 7,700,015

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:		
2025	$	(1,620,165)
2026		(1,620,168)
2027		(2,248,807)
2028		220,374
Total	$	(5,268,766)

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 Vantage Trust 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 50 active plan members, 41 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 fiscal year ended June 30, 2024 were $161,619. The City Commission has approved discretionary employer contributions for employees in five positions. Total employer contributions for the year ended June 30, 2024 were $69,500.

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 Vantage Trust 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, 2024, there was one plan member. Total employer contributions for the year ended June 30, 2024 were $4,912.

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
2024	$ -	$ 148,204	$ 81,277	$ 66,927
2023	-	7,000	7,000	-

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 that 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, 2024.

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
2024	$ 319,738	$ 3,676,708	$ 3,601,921	$ 394,525
2023	317,894	3,678,888	3,677,044	319,738

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, 2024, contractual commitments on uncompleted contracts were $4,963,363.

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 $1,596,281 for the year ended June 30, 2024. 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.

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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$ 1,115,988	$ 1,045,217	$ 1,033,341	$ 1,110,184	$ 1,063,766
Interest on total pension liability	4,334,826	4,218,959	4,044,841	3,980,475	3,709,335
Differences between expected and actual experience	(1,051,026)	16,643	187,407	(811,492)	1,580,193
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	(3,837,873)	(3,724,388)	(3,548,670)	(3,287,331)	(3,119,588)
Net change in total pension liability	561,915	1,641,215	2,563,382	1,127,025	3,910,889
Total pension liability - beginning	62,729,033	61,087,818	58,524,436	57,397,411	53,486,522
Total pension liability - ending (a)	$ 63,290,948	$ 62,729,033	$ 61,087,818	$ 58,524,436	$ 57,397,411
Plan fiduciary net position					
Contributions - employer	$ 1,301,865	$ 1,077,978	$ 1,056,175	$ 1,034,423	$ 1,007,751
Contributions - employee	1,299,924	1,085,423	1,102,101	1,118,406	1,129,135
Net investment income (loss)	6,017,428	4,218,624	(6,611,681)	11,385,323	2,495,788
Benefit payments, including refunds of member contributions	(3,837,873)	(3,724,388)	(3,548,670)	(3,287,331)	(3,119,588)
Administrative expenses	(36,848)	(34,749)	(36,361)	(48,674)	(32,499)
Net change in plan fiduciary net position	4,744,496	2,622,888	(8,038,436)	10,202,147	1,480,587
Plan fiduciary net position - beginning	50,361,976	47,739,088	55,777,524	45,575,377	44,094,790
Plan fiduciary net position - ending (b)	$ 55,106,472	$ 50,361,976	$ 47,739,088	$ 55,777,524	$ 45,575,377
City's net pension liability - ending (a) - (b)	$ 8,184,476	$ 12,367,057	$ 13,348,730	$ 2,746,912	$ 11,822,034
Plan fiduciary net position as a percentage of the total pension liability	87.07%	80.28%	78.15%	95.31%	79.40%
Covered payroll	$ 12,354,351	$ 11,937,554	$ 11,858,381	$ 11,947,032	$ 12,359,976
City's net pension liability as a percentage of covered payroll	66.25%	103.60%	112.57%	22.99%	95.65%

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 1,006,350	$ 1,022,483	$ 952,885	$ 938,166	$ 895,868
Interest on total pension liability	3,651,487	3,427,102	3,317,074	3,164,496	3,036,569
Differences between expected and actual experience	(588,010)	820,485	-	849,742	(12,910)
Changes in actuarial assumptions	-	1,101,020	-	2,744,933	-
Benefit payments, including refunds of employee contributions	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)
Net change in total pension liability	587,678	3,554,361	1,551,241	5,378,908	1,725,710
Total pension liability - beginning	52,898,844	49,344,483	47,793,242	42,414,334	40,688,624
Total pension liability - ending (a)	$ 53,486,522	$ 52,898,844	$ 49,344,483	$ 47,793,242	$ 42,414,334
Plan fiduciary net position					
Contributions - employer	$ 945,300	$ 880,322	$ 859,173	$ 941,003	$ 904,872
Contributions - employee	1,099,074	1,040,763	989,242	1,006,352	974,037
Net investment income	3,115,789	3,312,134	3,606,939	87,025	1,780,322
Benefit payments, including refunds of member contributions	(3,482,149)	(2,816,729)	(2,718,718)	(2,318,429)	(2,193,817)
Administrative expenses	(109,897)	(39,816)	(46,743)	(54,408)	(46,989)
Net change in plan fiduciary net position	1,568,117	2,376,674	2,689,893	(338,457)	1,418,425
Plan fiduciary net position - beginning	42,526,673	40,149,999	37,460,106	37,798,563	36,380,138
Plan fiduciary net position - ending (b)	$ 44,094,790	$ 42,526,673	$ 40,149,999	$ 37,460,106	$ 37,798,563
City's net pension liability - ending (a) - (b)	$ 9,391,732	$ 10,372,171	$ 9,194,484	$ 10,333,136	$ 4,615,771
Plan fiduciary net position as a percentage of the total pension liability	82.44%	80.39%	81.37%	78.38%	89.12%
Covered payroll	$ 11,185,643	$ 11,691,803	$ 11,696,251	$ 10,892,115	$ 10,315,075
City's net pension liability as a percentage of covered payroll	83.96%	88.71%	78.61%	94.87%	44.75%

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

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 1,149,979	$ 1,077,961	$ 1,060,221	$ 1,135,892	$ 1,142,582
Contributions in relation to the actuarially determined contribution	1,301,865	1,077,978	1,056,175	1,034,423	1,007,751
Contribution deficiency (excess)	$ (151,886)	$ (17)	$ 4,046	$ 101,469	$ 134,831
Covered payroll	$ 12,354,351	$ 11,937,554	$ 11,858,381	$ 11,947,032	$ 12,359,976
Contributions as a percentage of covered payroll	10.54%	9.03%	8.91%	8.66%	8.15%

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 959,243	$ 868,373	$ 680,251	$ 672,425	$ 861,769
Contributions in relation to the actuarially determined contribution	945,300	880,322	859,173	941,003	904,872
Contribution deficiency (excess)	$ 13,943	$ (11,949)	$ (178,922)	$ (268,578)	$ (43,103)
Covered payroll	$ 11,185,643	$ 11,691,803	$ 11,696,251	$ 10,892,115	$ 10,315,075
Contributions as a percentage of covered payroll	8.45%	7.53%	7.35%	8.64%	8.77%

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

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	12.39%	9.48%	(11.94%)	5.7%	5.8%

	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	7.7%	8.5%	14.9%	0.1%	4.6%

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

	2024	2023	2022	2021
Total OPEB liability				
Service cost	$ 1,117,289	$ 1,188,400	$ 2,046,086	$ 1,696,284
Interest on total OPEB liability	1,099,981	1,161,284	834,570	853,256
Differences between expected and actual experience	(365,577)	(3,062,976)	(2,072,877)	1,090,588
Changes of assumptions and other inputs	1,467,455	(143,327)	(8,894,668)	2,681,273
Benefit payments	(837,118)	(826,298)	(718,838)	(561,962)
Net change in total OPEB liability	2,482,030	(1,682,917)	(8,805,727)	5,759,439
Total OPEB liability - beginning	25,930,953	27,613,870	36,419,597	30,660,158
Total OPEB liability - ending	$ 28,412,983	$ 25,930,953	$ 27,613,870	$ 36,419,597
Covered-employee payroll	$ 18,283,975	$ 14,593,525	$ 9,841,019	$ 11,765,194
City's total OPEB liability as a percentage of covered-employee payroll	155.40%	177.69%	280.60%	309.55%

	2020	2019	2018
Total OPEB liability	$ 1,609,711	$ 1,541,662	$ 1,704,797
Service cost	1,207,802	1,297,300	1,426,178
Interest on total OPEB liability	(7,398,970)	(2,956,105)	-
Differences between expected and actual experience	2,902,424	1,782,465	(8,521,132)
Changes of assumptions and other inputs	(914,922)	(775,665)	(749,348)
Benefit payments	(2,593,955)	889,657	(6,139,505)
Net change in total OPEB liability	33,254,113	32,364,456	38,503,961
Total OPEB liability - beginning	$ 30,660,158	$ 33,254,113	$ 32,364,456
Total OPEB liability - ending			
Covered-employee payroll	$ 8,973,157	$ 13,326,662	$ 13,326,662
City's total OPEB liability as a percentage of covered-employee payroll	341.69%	249.53%	242.85%

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.

Opioid Settlement Fund – To account for restricted funds received from legal settlements related to the nationwide opioid epidemic.

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.

SPLOST II Fund – To account for the financial resources provided from the 2023 voter-approved one percent Special Purpose Local Option Sales Tax, which the City began collecting in fiscal year 2024. Such resources are to be used for improvements to parking facilities, parks and recreation facilities, public safety building, road improvements, and administrative facilities.

Community Energy Fund – To account for the financial resources provided to support the community's clean energy efforts for the Decatur Clean Energy Plan.

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, 2024

	Special Revenue Funds						
ASSETS	Confiscated Drug Fund	Opioid Settlement Fund	Emergency Telephone System Fund	Grant Fund	Children and Youth Services Fund	Tree Bank Fund	Hotel/Motel Tax Fund
Cash and cash equivalents	$ 22,280	$ 36,344	$ 630,376	$ 247,641	$ -	$ 118,142	$ 281,958
Taxes receivable	-	-	-	-	-	-	120,551
Other receivables	-	-	109,470	-	-	-	-
Due from other funds	10	-	13,252	-	-	215	-
Prepaid items	-	3,750	-	-	-	-	-
Total assets	$ 22,290	$ 40,094	$ 753,098	$ 247,641	$ -	$ 118,357	$ 402,509
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 117	$ -	$ -	$ 69,130	$ -
Accrued expenditures	-	-	13,847	-	-	-	-
Due to component unit	-	-	-	-	-	-	145,556
Due to other funds	-	2,487	-	150,000	-	-	256,953
Total liabilities	-	2,487	13,964	150,000	-	69,130	402,509
FUND BALANCES							
Nonspendable:							
Prepaid items	-	3,750	-	-	-	-	-
Restricted:							
Capital construction	-	-	-	-	-	-	-
Culture and recreation	-	-	-	97,641	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Law enforcement	22,290	-	-	-	-	-	-
E911 services	-	-	739,134	-	-	-	-
Opioid mitigation	-	33,857	-	-	-	-	-
Committed:							
Tree preservation	-	-	-	-	-	49,227	-
Assigned:							
Cemetery operations	-	-	-	-	-	-	-
Energy efficiency, electrification and renewable energy projects	-	-	-	-	-	-	-
Total fund balance	22,290	37,607	739,134	97,641	-	49,227	-
Total liabilities and fund balance	$ 22,290	$ 40,094	$ 753,098	$ 247,641	$ -	$ 118,357	$ 402,509

Capital Project Funds							
SPLOST II Fund	Community Energy Fund	Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	TAD Fund	Total Nonmajor Governmental Funds
$ 793,618	$ 150,730	$ 57,865	$ 118,808	$ 1,666,189	$ 2,328,840	$ 6,452,791
-	-	-	-	-	-	120,551
396,625	-	-	-	417,870	-	923,965
-	-	1,500	43,353	-	-	58,330
-	-	-	273,073	-	-	276,823
$ 1,190,243	$ 150,730	$ 59,365	$ 435,234	$ 2,084,059	$ 2,328,840	$ 7,832,460
$ -	$ -	$ -	$ -	$ 389,136	$ -	$ 458,383
-	-	-	-	192,902	-	206,749
-	-	-	-	-	-	145,556
-	-	-	-	612,436	-	1,021,876
-	-	-	-	1,194,474	-	1,832,564
-	-	-	273,073	-	-	276,823
1,190,243	-	-	-	889,585	-	2,079,828
-	-	-	-	-	-	97,641
-	-	-	-	-	2,328,840	2,328,840
-	-	-	162,161	-	-	162,161
-	-	-	-	-	-	22,290
-	-	-	-	-	-	739,134
-	-	-	-	-	-	33,857
				-		
-	-	-	-	-	-	49,227
-	-	59,365	-	-	-	59,365
-	150,730	-	-	-	-	150,730
1,190,243	150,730	59,365	435,234	889,585	2,328,840	5,999,896
$ 1,190,243	$ 150,730	$ 59,365	$ 435,234	$ 2,084,059	$ 2,328,840	$ 7,832,460

CITY OF DECATUR, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds						
	Confiscated Drug Fund	Opioid Settlement Fund	Emergency Telephone System Fund	Grant Fund	Children and Youth Services Fund	Tree Bank Fund	Hotel/Motel Tax Fund
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,596,281
Intergovernmental	-	-	-	2,380	-	-	-
Charges for services	-	-	678,567	-	-	43,590	-
Fines and forfeitures	-	35,619	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	-	35,619	678,567	2,380	-	43,590	1,596,281
EXPENDITURES							
Current:							
General government	-	-	-	-	-	13,632	698,373
Public safety	-	28,018	984,564	-	-	-	-
Culture and recreation	-	-	-	155,735	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	22,629	-	-	-	-
Interest	-	-	2,921	-	-	-	-
Total expenditures	-	28,018	1,010,114	155,735	-	13,632	698,373
Excess (deficiency) of revenues over expenditures	-	7,601	(331,547)	(153,355)	-	29,958	897,908
Other financing sources (uses):							
Transfers in	-	30,006	350,000	-	-	-	-
Transfers out	-	-	-	-	(615,671)	-	(897,908)
Total other financing sources (uses)	-	30,006	350,000	-	(615,671)	-	(897,908)
Net change in fund balances	-	37,607	18,453	(153,355)	(615,671)	29,958	-
FUND BALANCES, beginning of year	22,290	-	720,681	250,996	615,671	19,269	-
FUND BALANCES, end of year	$ 22,290	$ 37,607	$ 739,134	$ 97,641	$ -	$ 49,227	$ -

Capital Project Funds						
SPLOST II Fund	Community Energy Fund	Cemetery Capital Improvement Fund	2013 URA Bond Fund	Public Facilities Authority Fund	Tax Allocation District Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 1,596,281
1,190,243	-	-	367,390	1,199,567	-	2,759,580
-	-	-	-	-	-	722,157
-	-	-	-	-	-	35,619
-	-	-	-	20,788	-	20,788
-	-	35,249	-	-	-	35,249
1,190,243	-	35,249	367,390	1,220,355	-	5,169,674
-	-	17,500	-	162,868	-	892,373
-	-	-	-	-	-	1,012,582
-	-	-	-	-	-	155,735
-	-	-	-	2,802,415	438,100	3,240,515
				-		
-	-	-	1,300,000	1,045,310	-	2,367,939
-	-	-	675,064	982,462	-	1,660,447
-	-	17,500	1,975,064	4,993,055	438,100	9,329,591
1,190,243	-	17,749	(1,607,674)	(3,772,700)	(438,100)	(4,159,917)
-	150,730	-	1,608,300	3,449,567	671,970	6,260,573
-	-	(30,000)	-	-	-	(1,543,579)
-	150,730	(30,000)	1,608,300	3,449,567	671,970	4,716,994
1,190,243	150,730	(12,251)	626	(323,133)	233,870	557,077
-	-	71,616	434,608	1,212,718	2,094,970	5,442,819
$ 1,190,243	$ 150,730	$ 59,365	$ 435,234	$ 889,585	$ 2,328,840	$ 5,999,896

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ -	$ -	$ -
EXPENDITURES				
Public safety	50	50	-	50
Net change in fund balances	(50)	(50)	-	50
FUND BALANCES, beginning of year	22,290	22,290	22,290	-
FUND BALANCES, end of year	$ 22,240	$ 22,240	$ 22,290	$ 50

CITY OF DECATUR, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 35,600	$ 35,600	$ 35,619	$ 19
EXPENDITURES				
Public safety	28,100	28,100	28,018	82
Total expenditures	28,100	28,100	28,018	82
Excess of revenues over expenditures	7,500	7,500	7,601	(63)
OTHER FINANCING USES				
Transfers in	30,000	30,000	30,006	6
Net change in fund balances	37,500	37,500	37,607	(69)
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ 37,500	$ 37,500	$ 37,607	$ (69)

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 630,000	$ 630,000	$ 678,567	$ 48,567
EXPENDITURES				
Current:				
Public safety	1,358,910	1,188,710	984,564	204,146
Total public safety	1,358,910	1,188,710	984,564	204,146
Debt service:				
Principal	-	22,629	22,629	-
Interest	-	2,921	2,921	-
Total debt service	-	25,550	25,550	-
Total expenditures	1,358,910	1,214,260	1,010,114	204,146
Deficiency of revenues over expenditures	(728,910)	(584,260)	(331,547)	252,713
OTHER FINANCING SOURCES				
Transfers in	425,000	350,000	350,000	-
Net change in fund balances	(303,910)	(234,260)	18,453	252,713
FUND BALANCES, beginning of year	720,681	720,681	720,681	-
FUND BALANCES, end of year	$ 416,771	$ 486,421	$ 739,134	$ 252,713

CITY OF DECATUR, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 750,000	$ 267,380	$ 2,380	$ (265,000)
EXPENDITURES				
General government	23,000	-	-	-
Culture and recreation	156,500	253,000	155,735	97,265
Capital outlay	750,000	-	-	-
Total expenditures	929,500	253,000	155,735	97,265
Net change in fund balances	(179,500)	14,380	(153,355)	(362,265)
FUND BALANCES, beginning of year	250,996	250,996	250,996	-
FUND BALANCES, end of year	$ 71,496	$ 265,376	$ 97,641	$ (167,735)

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
OTHER FINANCING USES				
Transfer out	$ -	$ -	$ (615,671)	$ (615,671)
Net change in fund balances	-	-	(615,671)	(615,671)
FUND BALANCES, beginning of year	615,671	615,671	615,671	-
FUND BALANCES, end of year	$ 615,671	$ 615,671	$ -	$ (615,671)

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 600	$ 50,000	$ 43,590	$ (6,410)
EXPENDITURES				
General government	6,000	14,000	13,632	368
Net change in fund balances	(5,400)	36,000	29,958	(6,042)
FUND BALANCES, beginning of year	19,269	19,269	19,269	-
FUND BALANCES, end of year	$ 13,869	$ 55,269	$ 49,227	$ (6,042)

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,550,000	$ 1,596,700	$ 1,596,281	$ (419)
EXPENDITURES				
General government	678,120	698,430	698,373	57
Excess of revenues over expenditures	871,880	898,270	897,908	(362)
OTHER FINANCING USES				
Transfers out	(871,880)	(898,270)	(897,908)	362
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

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, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	$ 6,000,000	$ 6,047,000	$ 6,226,488	$ 179,488
Total revenues	6,000,000	6,047,000	6,226,488	179,488
EXPENDITURES				
Debt service:				
Principal retirements	3,040,000	3,040,000	3,040,000	-
Interest and fiscal charges	3,124,340	3,124,340	3,124,324	16
Total expenditures	6,164,340	6,164,340	6,164,324	16
Net change in fund balances	(164,340)	(117,340)	62,164	179,504
FUND BALANCES, beginning of year	4,738,496	4,738,496	4,738,496	-
FUND BALANCES, end of year	$ 4,574,156	$ 4,621,156	$ 4,800,660	$ 179,504

CITY OF DECATUR, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 2,679,900	$ 3,145,000	$ 3,145,645	$ 645
Interest	-	200,000	227,004	27,004
Total revenues	2,679,900	3,345,000	3,372,649	27,649
EXPENDITURES				
Capital outlay	6,025,000	980,000	478,011	501,989
Debt service:				
Principal retirements	932,000	932,000	932,000	-
Interest and fiscal charges	24,980	25,450	24,755	695
Total expenditures	6,981,980	1,937,450	1,434,766	502,684
Excess (deficiency) of revenues over expenditures	(4,302,080)	1,407,550	1,937,883	530,333
OTHER FINANCING USES				
Transfers out	(1,903,850)	(1,934,110)	(1,934,110)	-
Total other financing uses	(1,903,850)	(1,934,110)	(1,934,110)	-
Net change in fund balances	(6,205,930)	(526,560)	3,773	530,333
FUND BALANCES, beginning of year	8,866,758	8,866,758	8,866,758	-
FUND BALANCES, end of year	$ 2,660,828	$ 8,340,198	$ 8,870,531	$ 530,333

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,117,500	$ 6,165,000	$ 6,268,142	$ 103,142
Intergovernmental	1,615,260	2,180,000	2,074,576	(105,424)
Interest	-	-	54,758	54,758
Miscellaneous	190,000	-	-	-
Total revenues	7,922,760	8,345,000	8,397,476	52,476
EXPENDITURES				
General government	1,604,350	1,451,330	901,377	549,953
Public safety	59,000	173,400	173,336	64
Public works	3,675,000	4,110,500	2,823,571	1,286,929
Capital outlay	5,772,500	5,405,490	4,605,751	799,739
Intergovernmental	105,900	105,900	103,893	2,007
Debt service:				
Principal retirements	1,300,000	645,000	644,597	403
Interest and fiscal charges	224,470	96,560	80,865	15,695
Total expenditures	12,741,220	11,988,180	9,333,390	2,654,790
Excess (deficiency) of revenues over expenditures	(4,818,460)	(3,643,180)	(935,914)	2,707,266
OTHER FINANCING SOURCES (USES)				
Financed purchases	2,165,000	675,490	-	(675,490)
Transfers in	568,000	1,268,000	1,268,000	-
Transfers out	(2,383,740)	(2,730,790)	(2,730,790)	-
Total other financing sources (uses)	349,260	(787,300)	(1,462,790)	(675,490)
Net change in fund balances	(4,469,200)	(4,430,480)	(2,398,704)	2,031,776
FUND BALANCES, beginning of year	5,872,930	5,872,930	5,872,930	-
FUND BALANCES, end of year	$ 1,403,730	$ 1,442,450	$ 3,474,226	$ 2,031,776

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 121,600	$ 91,240	$ 91,247	$ 7
Interest	-	-	88,758	88,758
Total revenues	121,600	91,240	180,005	88,765
EXPENDITURES				
Debt service:				
Principal retirements	439,020	439,020	439,015	5
Interest and fiscal charges	315,500	315,500	315,489	11
Total expenditures	754,520	754,520	754,504	16
Deficiency of revenues over expenditures	(632,920)	(663,280)	(574,499)	88,781
OTHER FINANCING SOURCES				
Transfers in	632,920	663,180	663,180	-
Total other financing sources	632,920	663,180	663,180	-
Net change in fund balances	-	(100)	88,681	88,781
FUND BALANCES, beginning of year	488,416	488,416	488,416	-
FUND BALANCES, end of year	$ 488,416	$ 488,316	$ 577,097	$ 88,781

CITY OF DECATUR, GEORGIA
SPLOST II FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ 975,000	$ 1,190,243	$ 215,243
Net change in fund balances	-	975,000	1,190,243	215,243
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ 975,000	$ 1,190,243	$ 215,243

CITY OF DECATUR, GEORGIA
COMMUNITY ENERGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES				
Transfers in	$ -	$ 150,730	$ 150,730	$ -
Net change in fund balances	-	150,730	150,730	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ 150,730	$ 150,730	$ -

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Other revenues	$ 30,000	$ 25,600	$ 35,249	$ 9,649
EXPENDITURES				
General government	70,000	17,500	17,500	-
Deficiency of revenues over expenditures	(40,000)	8,100	17,749	9,649
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	(70,000)	(21,900)	(12,251)	9,649
FUND BALANCES, beginning of year	71,616	71,616	71,616	-
FUND BALANCES, end of year	$ 1,616	$ 49,716	$ 59,365	$ 9,649

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 367,020	$ 367,020	$ 367,390	$ 370
EXPENDITURES				
Debt service:				
Principal retirements	1,060,000	1,300,000	1,300,000	-
Interest and fiscal charges	577,950	675,070	675,064	6
Total expenditures	1,637,950	1,975,070	1,975,064	6
Deficiency of revenues over expenditures	(1,270,930)	(1,608,050)	(1,607,674)	376
OTHER FINANCING SOURCES				
Transfers in	1,270,930	1,608,050	1,608,300	250
Total other financing sources	1,270,930	1,608,050	1,608,300	250
Net change in fund balances	-	-	626	626
FUND BALANCES, beginning of year	434,608	434,608	434,608	-
FUND BALANCES, end of year	$ 434,608	$ 434,608	$ 435,234	$ 626

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 209,000	$ 1,786,500	$ 1,199,567	$ (586,933)
Interest	-	19,000	20,788	1,788
Total revenues	209,000	1,805,500	1,220,355	(585,145)
EXPENDITURES				
General government	316,500	341,750	162,868	178,882
Capital outlay	409,000	3,780,000	2,802,415	977,585
Debt service:				
Principal retirements	1,045,310	1,045,310	1,045,310	-
Interest and fiscal charges	982,470	982,470	982,462	8
Total expenditures	2,753,280	6,149,530	4,993,055	1,156,475
Deficiency of revenues over expenditures	(2,544,280)	(4,344,030)	(3,772,700)	571,330
OTHER FINANCING SOURCES				
Transfers in	2,250,000	4,000,000	3,449,567	(550,433)
Total other financing sources	2,250,000	4,000,000	3,449,567	(550,433)
Net change in fund balances	(294,280)	(344,030)	(323,133)	20,897
FUND BALANCES, beginning of year	1,212,718	1,212,718	1,212,718	-
FUND BALANCES, end of year	$ 918,438	$ 868,688	$ 889,585	$ 20,897

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Capital outlay	$ 438,100	$ 438,100	$ 438,100	$ -
OTHER FINANCING SOURCES				
Transfers in	671,970	671,970	671,970	-
Net change in fund balances	233,870	233,870	233,870	-
FUND BALANCES, beginning of year	2,094,970	2,094,970	2,094,970	-
FUND BALANCES, end of year	$ 2,328,840	$ 2,328,840	$ 2,328,840	$ -

CITY OF DECATUR, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	$ 3,428,957	$ 663,180	$ 4,092,137	88.96 %
Repayment of 2013 Series Urban Redevelopment Bonds	8,900,000	8,900,000	6,592,274	1,270,930	7,863,204	88.35
Railroad Crossing, Bicycle, Pedestrian, and Traffic Calming Improvements	7,029,218	7,029,218	5,511,092	1,434,766	6,945,858	98.81
Total SPLOST	$ 20,529,218	$ 20,529,218	$ 15,532,323	$ 3,368,876	$ 18,901,199	

COMPONENT UNITS

CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2024

ASSETS		
Cash	$	3,873,432
Taxes receivables		41,569
Other receivables, net of allowance		3,444
Prepaid		10,022
Due from primary government		677,595
Total assets	$	4,606,062
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	$	84,065
Total liabilities		84,065
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes		33,160
FUND BALANCE		
Nonspendable - prepaid		10,022
Unassigned		4,478,815
Total fund balance		4,488,837
Total liabilities, deferred inflows of resources, and fund balance	$	4,606,062

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, 2024

REVENUES		
Taxes	$	1,283,896
Miscellaneous		504,255
Total revenues		1,788,151
EXPENDITURES		
Downtown development		2,029,115
Debt service:		
Principal retirement		178,194
Interest and fiscal charges		74,846
Total expenditures		2,282,155
Net change in fund balance		(494,004)
OTHER FINANCING SOURCES		
Lease liability		287,686
Total other financing sources		287,686
Net change in fund balance		(206,318)
FUND BALANCE, beginning of year		4,695,155
FUND BALANCE, end of year	$	4,488,837

CITY OF DECATUR, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DECATUR TOURISM BOARD
JUNE 30, 2024

ASSETS		
Cash	$	268,752
Accounts receivable		7,758
Due from primary government		145,556
Total assets	$	422,066
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities	$	110,629
Total liabilities		110,629
FUND BALANCE		
Restricted for promotion of tourism		311,437
Total fund balance		311,437
Total liabilities and fund balance	$	422,066

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, 2024

REVENUES		
Taxes	$	698,373
Charges for services		43,953
Interest		6,594
Total revenues		748,920
EXPENDITURES		
Tourism		868,983
Total expenditures		868,983
Net change in fund balance		(120,063)
FUND BALANCE, beginning of year		431,500
FUND BALANCE, end of year	$	311,437

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 **119**

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 **130**

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

Debt Capacity **136**

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 **141**

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 **144**

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)

	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	**$ 36,472**	$ 29,061	$ 23,480	$ 21,802
Restricted	**15,185**	13,696	12,486	10,252
Unrestricted	**(102,305)**	(104,811)	(108,095)	(112,608)
Total governmental activities net position	**$ (50,648)**	$ (62,054)	$ (72,129) (3)	$ (80,554)
Business-type activities				
Net investment in capital assets	**$ 16,073**	$ 15,881	$ 15,965	$ 16,057
Unrestricted	**9,153**	7,477	5,746	3,647
Total business-type activities net position	**$ 25,226**	$ 23,358	$ 21,711	$ 19,704
Primary government				
Net investment in capital assets	**$ 52,545**	$ 44,942	$ 39,445	$ 37,859
Restricted	**15,185**	13,696	12,486	10,252
Unrestricted	**(93,152)**	(97,334)	(102,349)	(108,961)
Total primary government net position	**$ (25,422)**	$ (38,696)	$ (50,418) (3)	$ (60,850)

NOTES:

(1) 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.

(2) 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.

(3) 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).

2020	2019	2018	2017	2016	2015
$ 21,600	$ 17,811	$ 13,343	$ 13,369	$ 10,030	$ 8,347
6,483	11,064	12,058	6,664	5,969	5,233
(116,601)	(123,577) (2)	(122,076) (2)	(99,455)	(98,095) (1)	(22,540)
$ (88,518)	$ (94,702)	$ (96,675)	$ (79,422)	$ (82,096)	$ (8,960)
$ 15,018	$ 15,269	$ 16,155	$ 16,221	$ 15,116	$ 15,399
3,707	1,870	1,135	(339)	(396)	(404)
$ 18,725	$ 17,139	$ 17,290	$ 15,882	$ 14,720	$ 14,995
$ 36,617	$ 33,081	$ 29,498	$ 29,590	$ 25,146	$ 23,746
6,483	11,064	12,058	6,664	5,969	5,233
(112,893)	(121,706) (2)	(120,941) (2)	(99,794)	(98,491)	(22,944)
$ (69,793)	$ (77,561)	$ (79,385)	$ (63,540)	$ (67,376)	$ 6,035

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

	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government	**$ 15,357**	$ 13,198	$ 11,293	$ 13,685
Public safety	**12,998**	10,971	11,075	10,305
Public works	**9,755**	8,323	7,525	7,903
Recreation	**7,180**	5,528	5,066	3,840
Interest on long-term debt	**4,837**	5,202	5,216	4,652
Total governmental activities expenses	**50,127**	43,222	40,175	40,385
Business-type activities:				
Conference center	**309**	305	259	142
Stormwater	**929**	1,192	865	832
Solid waste	**3,054**	2,764	2,435	2,336
Total business-type activities expenses	**4,292**	4,261	3,559	3,310
Total primary government expenses	**$ 54,419**	$ 47,483	$ 43,734	$ 43,695
Program Revenues				
Governmental activities:				
Charges for services:				
General government	**$ 2,802**	$ 1,209	$ 1,119	$ 2,010
Public safety	**1,787**	1,750	1,754	1,216
Public works	**-**	30	-	-
Recreation	**3,574**	2,900	2,532	648
Operating grants and contributions	**4,694**	1,142	136	338
Capital grants and contributions	**5,212**	5,820	5,661	7,051
Total governmental activities program revenues	**18,069**	12,851	11,202	11,263
Business-type activities:				
Charges for services:				
Conference center	**-**	-	-	-
Stormwater	**3,857**	3,539	3,233	1,927
Solid waste	**2,928**	2,887	2,895	2,891
Total business-type activities program revenues	**6,785**	6,426	6,128	4,818
Total primary government program revenues	**$ 24,854**	$ 19,277	$ 17,330	$ 16,081

2020	2019	2018	2017	2016	2015
$ 10,672	$ 11,662	$ 12,288	$ 11,913	$ 10,601	$ 10,642
11,400	12,102	12,521	12,592	12,311	10,959
5,537	5,687	6,190	4,759	4,678	4,007
5,313	6,050	5,640	4,966	4,556	4,248
6,109	6,322	6,084	5,099	3,989	3,038
39,031	41,823	42,723	39,329	36,135	32,894
187	417	481	479	497	491
932	1,278	760	1,036	803	838
2,429	2,196	2,515	2,603	2,424	2,153
3,548	3,891	3,756	4,118	3,724	3,482
$ 42,579	$ 45,714	$ 46,479	$ 43,447	$ 39,859	$ 36,376
$ 1,484	$ 1,098	$ 1,787	$ 2,031	$ 1,470	$ 2,258
2,157	2,453	2,403	2,396	2,333	2,724
8	98	91	71	112	92
2,025	2,936	2,873	2,643	2,446	2,267
284	306	297	306	423	440
4,579	3,760	3,324	3,341	1,713	991
10,537	10,651	10,775	10,788	8,497	8,772
-	-	-	-	-	5
1,395	1,318	1,290	2,108	1,123	1,076
2,901	2,762	2,745	2,716	2,337	2,287
4,296	4,080	4,035	4,824	3,460	3,368
$ 14,833	$ 14,731	$ 14,810	$ 15,612	$ 11,957	$ 12,140

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

	2024	2023	2022	2021
Net (expense)/revenue				
Governmental activities	**$ (32,058)**	$ (30,371)	$ (28,973)	$ (29,122)
Business-type activities	**2,493**	2,165	2,569	1,508
Total primary government net expense	**$ (29,565)**	$ (28,206)	$ (26,404)	$ (27,614)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	**$ 35,593**	$ 33,194	$ 32,685	$ 31,409
Franchise taxes	**1,732**	1,658	1,644	1,569
Sales taxes	**2,209**	2,236	1,940	1,125
Other taxes	**2,729**	2,503	2,159	2,081
Unrestricted investment earnings	**550**	339	95	330
Gain on sale of capital assets	**-**	-	1,952	-
Miscellaneous	**22**	-	-	40
Transfers	**628**	516	564	530
Special item	**-**	-	-	-
Total governmental activities	**43,463**	40,446	41,039	37,084
Business-type activities:				
Gain on sale of capital assets	**3**	-	-	-
Transfers	**(628)**	(516)	(564)	(530)
Total business-type activities	**(625)**	(516)	(564)	(530)
Total primary government	**$ 42,838**	$ 39,930	$ 40,475	$ 36,554
Change in Net Position				
Governmental activities	**$ 11,405**	$ 10,075	$ 12,066	$ 7,962
Business-type activities	**1,868**	1,649	2,005	978
Total primary government	**$ 13,273**	$ 11,724	$ 14,071	$ 8,940

NOTES: (1) 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.

2020	2019	2018	2017	2016	2015
$ (28,494)	$ (31,172)	$ (31,948)	$ (28,541)	$ (27,638)	$ (24,122)
748	189	279	706	(264)	(114)
$ (27,746)	$ (30,983)	$ (31,669)	$ (27,835)	$ (27,902)	$ (24,236)
$ 29,836	$ 27,237	$ 24,717	$ 22,151	$ 20,149	$ 17,720
1,682	1,670	1,647	1,704	1,623	1,564
1,361	1,336	7,100	5,504	5,001	5,675
2,057	1,949	1,869	1,777	1,676	1,560
555	564	496	479	1,921	21
11	1	4	-	-	21
11	53	18	55	98	178
(837)	338	242	(456)	12	(9,819)
-	-	-	-	(75,979) (1)	-
34,676	33,148	36,093	31,214	(45,499)	16,920
-	-	-	-	-	-
837	(338)	(242)	456	(12)	9,819
837	(338)	(242)	456	(12)	9,819
$ 35,513	$ 32,810	$ 35,851	$ 31,670	$ (45,511)	$ 26,739
$ 6,182	$ 1,976	$ 4,145	$ 2,673	$ (73,137)	$ (7,202)
1,585	(149)	37	1,162	(276)	9,705
$ 7,768	$ 1,827	$ 4,182	$ 3,835	$ (73,413)	$ 2,503

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

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Insurance Tax	Other Taxes	Total
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
2024	35,593	1,732	2,209	2,211	518	42,263

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)

	2024	2023	2022	2021
General fund				
Prepaids	**$ 199**	$ 164	$ 144	$ 86
Long-term receivable	**-**	-	-	-
Assigned:				
Greenspace acquisition	**19**	14	13	13
Next fiscal year operations	**3,372**	4,146	3,884	2,289
Unassigned	**11,421**	10,920	12,551	12,304
Total general fund	**$ 15,011**	$ 15,244	$ 16,592	$ 14,692
All other governmental funds				
Nonspendable - prepaids				
Prepaids	**$ 933**	$ 927	$ 985	$ 961
Advances	**179**	120	-	-
Assets held for resale	**-**	-	-	-
Restricted:				
Capital construction	**13,516**	12,645	11,722	10,874
Culture and recreation	**98**	251	250	-
Economic development	**2,329**	2,095	1,479	916
Equipment purchases	**-**	-	-	-
Debt service	**4,775**	4,627	4,810	4,961
Law enforcement	**22**	22	22	22
E911 services	**739**	715	567	541
Opioid mitigation	**34**	-	-	-
Tourism	**-**	-	-	-
Committed:				
Tree preservation	**49**	19	49	57
Children and youth services	**-**	616	463	190
Assigned:				
Development activities	**-**	-	-	-
Cemetery operations	**59**	72	108	124
Equipment purchases	**838**	3,300	3,610	3,337
electrification projects	**151**	-	-	-
Unassigned	**-**	-	-	-
Total all other governmental funds	**$ 23,722**	$ 25,409	$ 24,065	$ 21,983

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.

2020	2019	2018	2017	2016	2015
$ 36	$ 29	$ 3	$ 25	$ 43	$ 60
400	-	-	-	-	-
13	13	13	13	13	12
2,289	2,316	1,481	1,180	1,224	-
9,822	8,338	9,034	8,498	7,140	7,137
$ 12,560	$ 10,696	$ 10,531	$ 9,716	$ 8,420	$ 7,209
$ 1,241	$ 1,297	$ 1,364	$ 1,690	$ 1,096	$ 35
260	-	-	585	549	337
-	-	-	-	6,335	5,089
10,195	14,989 (1)	11,278	6,099	5,865	5,108
-	-	-	-	-	-
-	-	-	-	-	-
-	1,010	740	193	227	265
4,097	4,048	3,543	4,023	5,377	7,496
15	15	16	12	14	14
553	526	425	333	268	175
-	-	-	-	-	-
-	-	-	-	-	5
63	63	62	194	168	143
865	1,309	1,369	1,193	1,131	953
-	-	-	-	324	193
130	144	168	173	203	167
4,036	471	376	129	987	1,049
-	-	-	-	-	-
-	-	-	(117)	(25)	(1,163)
$ 21,455	$ 23,872	$ 19,341	$ 14,507	$ 22,519	$ 19,866

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

	2024	2023	2022	2021
Revenues				
Taxes	**$ 42,266**	$ 39,617	$ 38,538	$ 36,263
Licenses and permits	**1,789**	540	673	1,459
Intergovernmental	**10,596**	7,397	6,300	8,124
Fines and forfeitures	**586**	433	531	252
Charges for services	**4,996**	4,266	3,713	1,590
Interest income	**791**	509	132	23
Other revenues	**145**	317	246	259
Total revenues	**61,169**	53,079	50,133	47,970
Expenditures				
General government	**15,511**	13,571	11,419	13,609
Public safety	**11,854**	10,289	10,330	9,169
Public works	**8,190**	6,692	5,930	6,315
Recreation	**5,929**	4,366	3,930	2,698
Capital outlay	**8,951**	5,403	2,430	6,847
Intergovernmental	**204**	205	306	332
Debt service				
Principal retirements	**7,840**	7,691	10,790	6,294
Interest and fiscal charges	**5,260**	5,379	5,772	6,006
Cost of issuance	**-**	-	458	769
Total expenditures	**63,739**	53,596	51,365	52,039
Excess (deficiency) of revenues over expenditures	**(2,570)**	(517)	(1,232)	(4,069)
Other financing sources (uses)				
Proceeds from financed purchases	**-**	-	-	-
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	**22**	-	4,117	-
Transfers in	**10,345**	9,744	7,051	6,903
Transfers out	**(9,717)**	(9,228)	(6,487)	(6,373)
Total other financing sources (uses)	**650**	516	5,140	6,731
Net change in fund balances	**$ (1,920)**	$ (1)	$ 3,908	$ 2,662
Debt service as a percentage of noncapital expenditures	**23.91%**	27.06%	34.76%	27.18%

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).

2020	2019	2018	2017	2016	2015
$ 34,800	$ 32,160	$ 35,261	$ 31,176	$ 28,397	$ 26,500
810	606	1,218	1,472	653	1,429
5,578	4,907	4,613	4,418	3,123	1,621
853	855	859	805	707	1,341
3,278	4,592	4,417	4,307	4,175	3,661
119	128	36	10	1,260	21
553	267	212	346	851	838
45,993	43,515	46,616	42,534	39,166	35,411
10,294	10,914	11,257	11,086	9,232	9,313
9,884	10,082	9,749	9,498	9,790	9,379
4,105	4,313	3,850	3,445	3,557	3,013
4,177	4,811	4,051	3,901	3,599	3,413
6,104	4,676	42,672	6,050	2,468	9,375
111	-	-	-	75,000 (1)	-
5,567	4,982	4,456	9,130	3,870	2,032
6,817	6,868	6,376	5,682	3,107	3,734
-	89	766	-	979	608
47,059	46,735	83,177	48,792	111,602	40,867
(1,066)	(3,220)	(36,561)	(6,258)	(72,436)	(5,456)
1,339	150	450	-	173	-
-	2,334	-	-	-	-
-	5,095	41,077	-	69,755	29,895
-	-	434	-	6,224	2,337
-	-	-	-	-	(31,624)
11	-	5	2	30	25
5,803	6,745	4,375	4,184	3,714	3,621
(6,641)	(6,407)	(4,133)	(4,640)	(3,596)	(3,467)
512	7,917	42,208	(454)	76,300	787
$ (554)	$ 4,697	$ 5,647	$ (6,712)	$ 3,864	$ (4,669)
30.05%	26.68%	26.68%	34.62% (2)	0%	18.38%

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
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
2024	35,593	1,732	2,209	2,211	518	42,263

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			
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
2024	2,532,726	722,182	26,750	17,465	3,559

Source: DeKalb County, Georgia Board of Tax Assessors

Source: City of Decatur Revenue Division

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 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	4,470,834	50.00%
129,588	2,352,022	1.354	4,473,826	50.00%
126,525	2,616,588	1.279	5,233,176	50.00%
126,757	3,043,157	1.212	6,086,314	50.00%
128,901	3,173,781	1.262	6,349,342	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 and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage		Operating Millage	Operating Millage		
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
2024	1.064	0.198	1.262	1.00	2.030	0.035	0.00	4.331

Source: City of Decatur Tax Department and DeKalb County

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

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
AMCO 120 WEST TRINITY LLC	$ 56,213,750	1	1.85% %			
MARTA	48,125,150	2	1.58%			
MCREF III DECATUR APARTMENTS	33,105,903	3	1.09%			
DECATUR PROPERTIES I LLC	28,294,818	4	0.93%	$ 8,021,050	9	0.53%
PENLER ARLO LP	23,052,000	5	0.76%			
TYCON ONE INC	21,793,500	6	0.72%			
AP WEST COURT LLC	19,070,000	7	0.63%			
DTC PARTNERS LLC	17,063,400	8	0.56%	14,798,400	1	0.98%
RS DECATUR OFFICE LLC	13,000,000	9	0.43%	11,470,550	2	0.76%
ASHTON PARK TRACE APARTMENTS	12,339,200	10	0.41%	11,145,650	3	0.73%
GH & P ACQUISITION ENTITY				9,408,586	4	0.62%
COMMERCE PLAZA OFFICE PARTNERS				9,226,689	5	0.61%
RREF II DB DRI LLC				9,085,579	6	0.60%
G AND E HEALTHCARE REIT				8,505,276	7	0.56%
BELLSOUTH TELECOM/AT&T GEORGIA				8,477,012	8	0.56%
GEORGIA POWER COMPANY				6,508,212	10	0.43%
	$ 272,057,721		0.09 %	$ 96,647,004		0.06 %

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
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%
2023	84,510	37,948	44.9%	45,879	83,827	99.19%

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)

	Governmental Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Note Payable	Financed Purchases	Subscription Liability	Notes Payable	Financed Purchases	Subscription Liability	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 33,502	$ 49,854	$ 3,095	$ 5,520	$ 963	$ -	$ -	$ -	$ -	$ 92,934	11.06%	$ 4,560
2016	108,752 (2)	48,654	2,965	3,692	793	-	-	-	-	164,856	10.49%	7,508
2017	107,553	42,311	2,830	1,852	425	-	-	-	-	154,971	17.45%	6,793
2018	106,168	71,106	2,685	11,240	510	-	-	-	-	191,709	15.24%	8,044
2019	108,000	69,226	2,535	13,275	510	-	-	301	-	193,847	18.14%	7,533
2020	104,410	67,284	2,380	12,768	1,734	-	500	242	-	189,318	15.68%	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)	359	52	39 (3)	175,661	11.45%	7,223
2024	91,259	61,166	1,700	10,624	556	1,172	305	115	30	166,927	10.88%	6,859

(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 fiscal year 2023.

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)
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	2.29%	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
2024	91,259	3,548	87,711	1.44%	3,608

(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, 2024
(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	$ 90,595	6.222%	$ 5,636
Certificates of participation	3,985	6.222%	248
Notes payable	9,931	6.222%	618
Financed purchases	2,442	6.222%	152
Fulton DeKalb Hospital Authority	27,935	6.222%	1,738
Total overlapping debt	134,888		8,392
City direct debt:			
General obligation debt	91,259	100.000%	91,259
Revenue bonds	61,166	100.000%	61,166
Financed purchases	556	100.000%	556
Subscription liability	10,623	100.000%	10,623
Notes payable	1,172	100.000%	1,172
Certificates of participation	1,700	100.000%	1,700
	166,476		166,476
Total direct and overlapping debt	$ 301,364		$ 174,868

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			
	2024	2023	2022	2021
Debt limit	$ 330,268	$ 316,991	$ 274,311	$ 248,161
Total net debt applicable to limit	87,711	92,371	96,202	99,128
Legal debt margin	$ 242,557	$ 224,620	$ 178,109	$ 149,033

Assessed Value	$ 3,173,781
Add back: exempt real property	128,901
Total assessed value	3,302,682
Debt limit (10% of total assessed value)	330,268
Debt applicable to limit:	
General obligation bonds	91,259
Less: Amount set aside for repayment of general obligation debt	(3,548)
Total net debt applicable to limit	87,711
Legal debt margin	$ 242,557
Total net debt applicable to the limit as a percentage of debt limit	26.56%

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						
2020	2019	2018	2017	2016	2015
$ 235,371	$ 217,882	$ 205,623	$ 188,514	$ 172,054	$ 164,819
102,160	105,933	102,110	104,853	106,497	32,342
$ 133,211	$ 111,949	$ 103,513	$ 83,661	$ 65,557	$ 132,477

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 then 12 Years of Formal Schooling (3)	School Enrollment (2)	Unemployment Rate (4)
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%
2024	24,307	1,662,453	68,394	38.7	96%	5,833	3.8%

(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

	2024			2015		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
DeKalb County Government	1,341	1	N/A %	1,684	1	N/A %
Emory University Health Systems	872	2	N/A	818	2	N/A
The City Schools of Decatur	849	3	N/A	702	3	N/A
Agnes Scott College	398	4	N/A	280	4	N/A
City of Decatur	254	5	N/A	192	7	N/A
USPS	170	7	N/A	200	6	N/A
KW Commercial Decatur	150	6	N/A			N/A
Task Force for Global Health	140	8	N/A	89	8	N/A
Columbia Theological Seminary	100	9	N/A	86	9	N/A
CPlace Decatur, SNF, LLC	96	10	N/A			
DeKalb Medical - Decatur Hospital				216	5	N/A
DeVry University				72	10	N/A
	4,370		N/A %	4,339		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

	2024	2023	2022	2021	2020
Function					
General government	49	42	33	32	32
Public safety					
Police					
Officers	47	47	47	47	47
Civilians	15	15	13	13	13
Fire					
Firefighters and officers	40	40	39	39	39
Highways and streets					
Engineering	14	16	22	20	20
Maintenance	38	39	37	35	37
Sanitation	20	18	18	18	16
Culture and recreation	31	25	25	26	26
Total	254	242	234	230	230

Source: City of Decatur department records

2019	2018	2017	2016	2015
31	31	39	32	31
47	48	37	39	42
13	13	11	12	11
38	37	36	37	39
20	14	29	17	18
35	29	28	31	27
15	16	14	14	14
26	20	21	23	21
225	208	215	205	203

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

Function	2024	2023	2022	2021	2020
Police					
Physical arrests	734	600	513	392	635
Parking violations	8,849	6,193	6,495	81	3,631
Traffic violations (1)	5,620	2,436	3,075	2,755	8,984
Fire					
Number of calls answered	4,078	4,218	3,736	3,260	3,579
Inspections	601	617	897	950	293
Highways and streets					
Street resurfacing (miles)	1.68	1.00	1.02	0.98	1.08
Potholes repaired	104	105	70	135	120
Sanitation					
Refuse collected (tons/day)	17.49	16.12	14.8	14.80	15.00
Recyclables collected (tons/day)	5.7 (2)	9.84	8.4	9.87	10.00
Culture and recreation					
Athletic field permits issued	340	12	8	8 (3)	30
Community center admissions (4)	10,604	120,000 (5)	3,390	2,508	39,750

Source: City of Decatur Departments

N/A - Information not available

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

(2) Decrease due to residents using other providers for certain plastics.

(3) Limited during COVID-19 pandemic.

(4) Permits decreased due to construction at athletic field facilities.

(5) Addition of Oakhurst Recreation Center.

2019	2018	2017	2016	2015
768	775	652	622	1,132
4,328	3,567	4,975	5,469	4,915
11,045	7,256	8,417	6,572	9,070
4,099	3,629	3,654	3,313	3,483
811	255	336	858	896
2.23	1.65	0.96	1.00	2.55
45	33	37	66	30
15.50	18.10	16.50	18.20	20.13
9.20	12.56	13.30	14.50	19.70
19 (4)	26 (4)	44 (4)	304	280
59,750	58,580	52,904	49,213	47,549

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

Function	2024	2023	2022	2021	2020
Public safety					
Police					
Stations	1	1	1	1	1
Patrol units	38	41	41	38	38
Fire stations	2	2	2	2	2
Sanitation					
Collection trucks	10	13	13	12	11
Highways and streets					
Streets (miles)	71	71	70.7	127 ***	127 ***
Culture and recreation					
Parks acreage	196 **	197 **	207	193	193
Parks	22	21	22	22	22
Swimming pools	4	5	5	5	5
Tennis courts	9	9	9	9	9
Community centers	4	5	5	5	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

*** Measurement in 2018-2021 was in curb miles

2019	2018	2017	2016	2015
1	1	1	1	1
38	37	41	41	41
2	2	2	2	2
11	11	10	10	10
127 ***	121 ***	75	75	62
193	193	116	116 *	56.5
22	22	21	21	14
5	4	3	3	3
9	9	9	9	9
3	3	2	2	2

APPENDIX B

FORM OF BOND COUNSEL OPINION

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MURRAY BARNES FINISTER LLP

3525 PIEDMONT ROAD • 5 PIEDMONT CENTER • SUITE 515 • ATLANTA, GEORGIA 30305

December 18, 2025

City Commission of the City of Decatur
Decatur, Georgia

FHN Financial Capital Markets
Memphis, Tennessee

Regions Bank,
as paying agent
Atlanta, Georgia

Re: $18,395,000 City of Decatur, Georgia General Obligation Refunding Bonds, Series 2025

To the Addressees:

We have acted as Bond Counsel to the City of Decatur, Georgia (the "City") in connection with the issuance of its General Obligation Refunding Bonds, Series 2025 (the "Bonds"). In connection with the foregoing, we have examined (a) a certified copy of the validation proceeding concluded in the Superior Court of DeKalb County, Georgia with respect to the Bonds, (b) the bond resolution adopted by the City Commission of the City of Decatur (the "Commission") on November 17, 2025 (the "Bond Resolution"), (c) the Constitution and laws of the State of Georgia and (d) such other certified proceedings and other papers as we deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Bond Resolution.

The City previously issued its General Obligation Bonds, Series 2016 (the "Series 2016 Bonds"), in the original aggregate principal amount of $69,755,000. The Bonds are being issued by the City for the purpose of (a) refunding the Series 2016 Bonds maturing August 1, 2026 through August 1, 2032 (the "Refunded Bonds") and (b) paying the costs of issuing the Bonds.

In rendering our opinion that the interest on the Bonds is excludable from the gross income of the registered owners of the Bonds for federal income tax purposes, we have (a) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the City, and representations of the City (including representations as to the use and investment of the proceeds of the Bonds and the Series 2016 Bonds), without undertaking to verify the same by independent investigation and (b) assumed continued compliance by the City with its covenants relating to the use of the

proceeds of the Bonds and the Series 2016 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, the arbitrage requirements contained in Section 148 of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal tax purposes. The inaccuracy of any such certificates or representations or the failure of the City to comply with any of such covenants could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

In our capacity as Bond Counsel, we express no opinion (a) with respect to the accuracy, completeness or sufficiency of the Official Statement or (b) as to compliance by the City or the initial purchasers of the Bonds with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Bonds.

Based on the examinations, certificates, and provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) The Bonds are valid and binding general obligations of the City payable from an ad valorem tax, without limitation as to rate or amount, levied on all property in the City subject to taxation for general obligation bond purposes.

(2) The Commission has levied an ad valorem tax, without limitation as to rate or amount, on all property in the City subject to taxation for general obligation bond purposes in order to pay the principal of and interest on the Bonds as the same become due.

(3) The Bonds have been duly confirmed and validated by judgment of the Superior Court of DeKalb County, and no appeals are pending with respect to such judgment of validation.

(4) The interest on the Bonds (including any original issue discount properly allocable to a holder thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. We express no opinion regarding other federal tax consequences arising with respect to ownership of the Bonds.

(5) The interest on the Bonds is exempt from present State of Georgia income taxation.

The rights of the owner of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting

creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We are members of the State Bar of Georgia. Our opinions herein are limited to the laws of the State of Georgia and any applicable federal laws of the United States. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. This opinion is intended solely for the use of the addressees and their permitted successors and/or assigns and may not be relied upon by any other person for any purpose without our prior written consent in each instance. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

MURRAY BARNES FINISTER LLP

By:_____
A Partner

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of Decatur, Georgia (the "City"), a municipal corporation of the State of Georgia, as the obligated person in connection with the issuance by the City of $18,395,000 in aggregate principal amount of its General Obligation Refunding Bonds, Series 2025 (the "Series 2025 Bonds"). The Series 2025 Bonds are being issued pursuant to a bond resolution adopted by the City Commission of the City on November 17, 2025 (the "Bond Resolution"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Series 2025 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

"Beneficial Owners" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2025 Bonds for federal income tax purposes.

"City" shall mean the City of Decatur, Georgia, a municipal corporation of the State of Georgia, its successors and assigns.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation, and initially shall mean the City.

"EMMA" shall mean MSRB's Electronic Municipal Market Access system.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) of this definition. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the Official Statement of the City relating to the Series 2025 Bonds.

"Participating Underwriter" shall mean the initial purchaser of the Series 2025 Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Georgia.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent (if any) to, not later than 195 days after the end of the City's fiscal year (the "Reporting Date"), beginning for the fiscal year ended June 30, 2025, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Reporting Date, the City shall provide the Annual Report to the Dissemination Agent (if any). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report (*i.e.*, in the event that the audited financial statements have not been completed by the Reporting Date). In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not available at the time of the Reporting Date and will be submitted at a later date, the City shall include unaudited financial statements of the City (excluding notes) in the information provided to the MSRB in its Annual Report and the City shall indicate in the Annual Report the anticipated date on which the audited financial statements of the City will be submitted. The audited financial statements of the City, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which as of the time hereof, is EMMA).

(b) The City or the Dissemination Agent (if any) shall also:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB, the proper form of such filing and the proper location for such filing (which, as of the time hereof, is EMMA);

(ii) if the Annual Report is not distributed/filed (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a timely notice to the MSRB in electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached as Exhibit A; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The City's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The City's basic financial statements for the preceding Fiscal Year, which are to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the City, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the City.

(c) If the Fiscal Year of the City has changed, a statement indicating the City's new Fiscal Year.

(d) To the extent not included in items provided pursuant to subsections (a) or (b) above, tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data contained in the Official Statement under the following headings: (1) "CITY FINANCIAL INFORMATION – Five Year General Fund History" and (2) "CITY AD VALOREM TAXATION – History of Tax Digest," "– Millage Rate History," "– Property Tax Levies and Collections" and "– Principal Taxpayers."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities,

which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events with respect to the Series 2025 Bonds, the City or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA.

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other events affecting the tax status of the Series 2025 Bonds.

(vii) Modification to rights of Beneficial Owners, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or a similar proceeding by the City, including any of the following: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the obligated person or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(xiii) Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the City and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds. If the City's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City and the City shall have no further responsibility hereunder. The City will provide notice of such termination to the MSRB through EMMA.

Section 7. Dissemination Agent. The City may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates

to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Certificate shall not be deemed a "default" or an "event of default" under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

Section 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Date: November 17, 2025

CITY OF DECATUR, GEORGIA

By:_____
Mayor

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: City of Decatur, Georgia

Name of Bond Issue: City of Decatur, Georgia General Obligation Refunding Bonds, Series 2025

CUSIP Number[1] _____

Date of Issuance: December 18, 2025

NOTICE IS HEREBY GIVEN that the City of Decatur, Georgia (the "City") has not provided an Annual Report due with respect to the above-named bonds as required by its Continuing Disclosure Certificate, dated November 17, 2025. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

[1]No representation is made as to the correctness of the CUSIP number either as printed on the Series 2025 Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO EMMA

Relating to

CITY OF DECATUR, GEORGIA
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2025

CUSIP NUMBERS[2]

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The City of Decatur, Georgia (the "City") has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

The City has covenanted not to exercise any optional redemption provisions under the Bond Resolution; however, the sinking fund provision will survive the defeasance.

AND

[2]No representation is made as to the correctness of the CUSIP number either as printed on the Series 2025 Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

The Series 2025 Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the City or to the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated:_____

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The information concerning DTC and DTC's book-entry system set forth below has been obtained from DTC. The City makes no representation or warranty regarding the accuracy or completeness thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

THE CITY WILL NOT HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.