

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

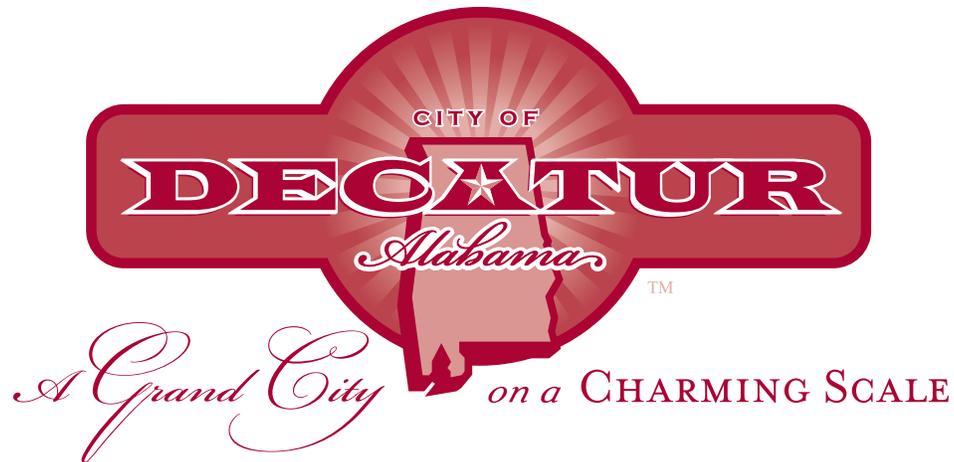
*of the*



FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30,  
2009

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

*of the*



FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30,  
2009

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Decatur  
Alabama

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF Decatur  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 SEPTEMBER 30, 2009

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# City of Decatur

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## Boards and Commissions

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Historic Preservation Commission	Decatur Library Board
Industrial Development Board	Planning Commission
Public Building Authority	Board of Zoning and Adjustment
Housing Authority	Decatur Animal Services Board
Board of Examinations and Appeals	Small Business Development Board
Parks & Recreation Board	Personnel Board
Old Bank Building Board	Municipal Utilities Board
Decatur Beautification Board	City Board of Education
Community Preservation Board	Educational Building Authority
Downtown Redevelopment Authority	Bingo Review Committee

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## City / County Boards

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North Central Mental Retardation Authority	Mental Health Center of North Central Alabama
State Products Mart Authority	Board of Equalization
E-911 Board	Healthcare Authority of Morgan County
Decatur/Morgan County Port Authority	Airport Authority
EMS Advisory Committee	Decatur/Morgan County Farmer's Market
Morgan County Industrial Park & Economic Development Cooperative District	

# OFFICIALS OF THE CITY OF DECATUR

## MAYOR

**Don Stanford**

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## CITY COUNCIL

**Greg Reeves – President**

Gary Hammon – President Pro Tempore  
Ronny Russell

Billy Jackson  
Roger Anders

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## DEPARTMENT DIRECTORS

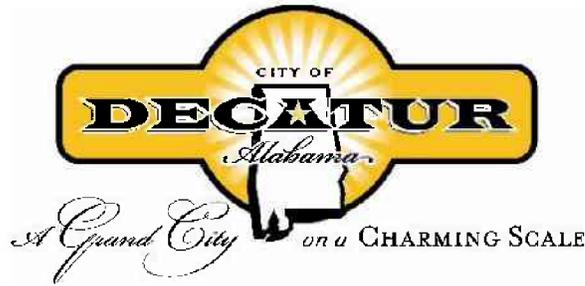
Animal Shelter  
Building Department  
Chief Financial Officer  
City Attorney  
City Clerk  
City Engineer/Public Works Director  
Community Planning & Development  
Fire Chief  
Information Systems  
Municipal Judge  
Landfill  
Parks & Recreation  
Personnel  
Police Chief  
Youth Services

Carol Wicks  
Jimmy Brothers  
Gail Busbey  
Herman Marks  
Betty Marshall  
Mark Petersohn  
Michelle Jordan  
Charlie Johnson  
Todd Russell  
Bill Cook, Jr.  
Rickey Terry  
Jeff Dunlap  
Ken Smith  
Ken Collier  
Bruce Jones

## OTHER KEY PERSONNEL

Beautification Coordinator  
Court Magistrate  
Finance Supervisor  
Maintenance Supervisor  
Old State Bank Coordinator  
Purchasing Agent  
Recycling Coordinator

Linda Eubanks  
Jessica Hayes  
Linda McKinney  
Ray Wilkinson  
Melinda Dunn  
Jeff Fussell  
Emily Johnson



March 31, 2010

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Decatur, Alabama

The Comprehensive Annual Financial Report of the City of Decatur, Alabama, for the fiscal year ending September 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. This report, including the exhibits and statistical data contained herein, has been prepared by the Finance Department of the City of Decatur in conformity with the standards established by the Governmental Accounting Standards Board and complies with accounting principles generally accepted in the United States of America (GAAP). We believe the data as presented is accurate in all material aspects, and that it is presented in a manner to fairly set forth the financial position and results of operations of the City.

Alabama state law requires an annual audit to be made, in accordance with generally accepted auditing standards, of all books and accounts of the City by independent certified public accountants. This requirement has been complied with and the report of Beason & Nalley, Inc., Certified Public Accountants, for the fiscal year ended September 30, 2009 is included in this report.

This year's annual audit included a single audit of all federal grants, which complies with federal legislation. The single audit report is forwarded to the City's grantor agencies for review.

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

### **Profile of the Government**

Decatur, Alabama was named in honor of the illustrious naval hero, Commodore Stephen Decatur, famed for his gallantry in the conflict with the Barbary States of North Africa, and later in the War of 1812. The town was incorporated December 8, 1826, by an act of the legislature.

Decatur, the county seat of Morgan County, is situated in northern Alabama, on the Tennessee River, midway between Nashville, Tennessee (110 miles to the north), Birmingham, Alabama (85 miles to the south), Atlanta, Georgia (200 miles to the east), and Memphis Tennessee (200 miles to the west). Huntsville, Alabama is thirty miles east of Decatur.

Since October 1968, the City of Decatur has been governed by a mayor-council form of government. The mayor is chief executive officer of the city and is elected by general election to a four year term. The city council is the legislative body and consists of five (5) members, who are elected for four year terms. Prior to 1988, members of the city council were elected on an "at large" basis. In 1988, the city council established five (5) electoral districts, one of which is primarily African American in population. An election was held August 23, 1988, on a "single member district" basis to fill all five places on the city council; elections continue to be held on this basis quadrennially.

The City of Decatur provides a full range of services. These include police and fire protection, sanitation services, the construction and maintenance of streets and infrastructure, recreational facilities (26 parks comprising 1,278 acres, 46 tennis courts, 4 recreation centers, 35 ball fields, 3 pools, 4 golf courses both public & private, 62 acres of soccer fields), cultural events, community services, and general administrative services. The city operates Point Mallard Park, a major 750 acre family recreation park on the Tennessee River, and home of America's first wave pool. At this location, in addition to the wave pool, there is an Olympic diving pool, water slides, Kiddies water feature, 18-hole championship golf course, regulation size ice rink, and a 217 sites campground. The City continues to make investments in the park. Utility services are provided through a separate Municipal Utilities Board, which is a major proprietary fund included in the City's financial statements

The City maintains budgetary controls to ensure compliance with legal provisions in the annually appropriated budgets adopted by the City Council. Activities of the general fund and special revenue funds are included in the budget process. Project length financial plans are adopted for all capital project funds. A formal budget is not adopted for the debt service funds because effective control is achieved through the related debt's indenture provisions. Although not legally required, the City Council also approves operating budgets for the Point Mallard and Landfill enterprise funds and the Cemetery permanent fund. The legal level of budgetary control is the department level. A formal amendment to the original budget is adopted after the Council reviews and approves changes at mid-year. All annual appropriations lapse at year-end.

### **Local economy**

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

Decatur and Morgan County have a strong diversified industrial base built on the area's access to transportation routes, raw materials and their end markets. Looking back on economic activity for the past year, positive trends continue for the area despite layoffs and company downsizings that have occurred over the past couple of years. The diversification of our manufacturing base made it less vulnerable to recessionary factors than many parts of the country. Our manufacturers are continuing to invest money in their companies and many are expanding operations. In fiscal year 2009 three of these companies invested \$450 million and created 102 jobs.

Several Decatur industries are doing well as a result of the green revolution and suppliers of a new generation of passenger jets are among those. Two of these companies provide a lightweight substitute that is more durable than the metals that give the jets much of their weight, creating enormous fuel efficiencies. Motor vehicles, windmills, and numerous other products can also be made greener using this lightweight substitute for metal. Both companies expect the increasing demand for energy efficiency to increase investment and employment at their Decatur plants. Another industry is devising new film solutions to improve the energy efficiency of LCD panels and energy-reduction window films. The demand for these type products have continued to grow despite the poor economy.

Decatur has become the primary center for the assembly of U. S. satellite-launch vehicles. Assembly operations for the Department of Defense latest launch vehicle was transferred from Denver, Colorado, to Decatur in 2009. The second phase of the consolidation will be bringing welding capability from Denver to Decatur and is expected to happen in 2011. A contract was signed on September 30,2009, awarding a \$927.7 million contract from the Air Force for launch of these rockets.

Phase 2 of the Alabama Robotics Technology Park at Calhoun Community College will begin in 2010. It is expected that the U. S. Army, NASA and other military contractors as well as private industry will use the \$9.3 million facility for robotics research, development and testing. Phase 1 construction is 25 percent complete and is a \$17.6 million, 52,000 square foot research and robotics training facility.

The Department of Transportation announced in FY 2009 that Decatur metropolitan area will receive more than \$2.7 million in federal stimulus for road projects and public transit assistance. Decatur's share of the funds helped, and will continue to help the city fund its road resurfacing program during the economic downturn that had threatened to delay some projects.

During the past seven years, the largest increase in City expenses both in terms of actual increase, and increase in total expenses has been in public services. Public service expenses have increased by 109.6% and 5.6% as a percentage of total expenses. Public service expenses include Animal Services whose expenses have increased 118.5% and Parks and Recreation expenses which have increased by 71.75%. Total expenses for governmental activities increased 24.9% during this period.

During this same seven year period charges for services as a percentage of total program revenue increased by 6.4% and capital grants and contributions decreased by 14.3%. The City's license and fees have been increased slightly in order to offset expenses related to those services. Capital grants and contribution amounts fluctuate from year to year based on capital grants received and contributions of streets and drainage received from state funded projects and developers.

The Decatur unemployment rate rose in 2009 with 10.6% unemployed compared with 4.9% at September 30, 2009. This rate, however, is lower than the state's average unemployment rate which was 10.7% at September 30, 2009.

### **Long-term financial planning**

Leadership of the City continues to invest in long-term economic development initiatives. After having paid the final installment on the Mallard Fox Industrial Park in FY 2008, area leaders issued \$16.7 million in bonds in FY 2009 to purchase 166 acres for a new industrial park in Morgan County near Decatur. Unlike Mallard Fox Industrial Park, this park will have neither railroad nor barge access but is located on both sides of Interstate 65 and easy access to Huntsville. The new park will focus on the aerospace, biotech and defense industries in Huntsville. The City again pledged its 48.55 percent share of the cooperative district's TVA in-lieu-of-tax funds received by Morgan County, and has that share of voting power on the Morgan County Industrial Park Economic Development Cooperative District Board. The cooperative board expects to be signing contracts for infrastructure such as sewer, water and gas before the end of 2009.

The Decatur Mayor and City Council initiated a project to extend sewer lines 1800 feet along Alabama 20 to a new restaurant. In return for the investment of public funds, property owners allowed the City to annex 104 acres of their property at the site. The Alabama 20 sewer project will be the first project funded by a revolving sewer fund, created by a previous council in 2007. The fund, which is designed to stimulate local development, lets the city partner with property owners by sharing the cost of running sewer to their properties. In return, property owners must annex their land into the city, increasing its tax base.

Federal stimulus money will help complete an ongoing project to revamp Second Avenue and restore an old railroad building. The Alabama Department of Transportation awarded \$1.612 million in enhancement grants to the City in FY 2009 that will be used to purchase, renovate and landscape the former L&N Railroad Depot and enhance the downtown roadway from Lee Street to Jackson Street with angle parking, additional trees, landscaping and other beautification features. This grant is the second funding boost in FY 2009 for Decatur's streetscapes project, an additional \$570,000 grant was awarded for other renovation to Second Avenue and Bank Street. The Downtown Redevelopment Authority has plans for an additional phase of the downtown streetscape project that would revamp lower Bank Street and Lee Street from Cain Street to Second Avenue.

Funding was approved for the City's part of an \$8 million project to locate a college campus in downtown Decatur. The City committed to paying \$800,000 toward the campus and donating to the State Board of Education city-owned property for its future home. The funding is payable over a three-year period beginning in fiscal 2010 and the property to be donated includes the former Robinson Building, the former Decatur Utilities warehouse and the former Elks Lodge. Plans for the campus call for the city and county to join forces with Calhoun Community College and Athens State University to turn the former Robinson Building into a college campus, offering four-year degrees in visual arts and entertainment studies. Long term plans for the downtown campus include the construction of additional buildings and the availability of additional classes, including music, theater, art, dance and drama.

### **Awards and Acknowledgements**

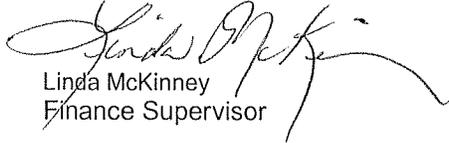
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Decatur for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report is possible because of the efficient and dedicated service of the entire staff of the finance department, particularly that of Retired Finance Supervisor, Joy Hill. We wish to express our appreciation to our independent auditors, especially Jeremy Jefferys, CPA and Casi Edwards, CPA. We would also like to thank

The preparation of this report is possible because of the efficient and dedicated service of the entire staff of the finance department, particularly that of Retired Finance Supervisor, Joy Hill. We wish to express our appreciation to our independent auditors, especially Jeremy Jefferys, CPA and Casi Edwards, CPA. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a sound and responsible manner.

Respectfully submitted,



Linda McKinney  
Finance Supervisor

## **FINANCIAL SECTION**



## Independent Auditor's Report

The Honorable Mayor and Members  
of the City Council  
City of Decatur  
Decatur, Alabama

We have audited the accompanying 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, Alabama ("the City") as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Decatur's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Decatur's Board of Education ("Board of Education"), which is a component unit of the City, or the financial statements of the Municipal Utilities Board Enterprise Fund ("Utilities Board"). The Board of Education's financial statements represent 99.9% of the total assets and 99.9% of the revenues of the discretely presented component units. The Utilities Board's financial statements represent 89.2% of the total assets and 94.2% of the operating revenues of the enterprise funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the 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, Alabama, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, and the School Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Fax: 256.534.8558

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The Honorable Mayor and Members of the City Council  
City of Decatur

The management's discussion and analysis beginning on page 3 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

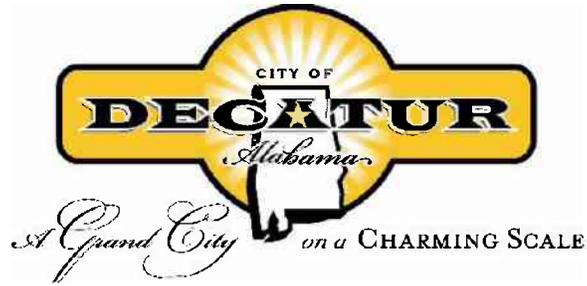
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Decatur's basic financial statements. The introductory section, supplementary information and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2010 on our consideration of the City of Decatur's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Beason-Held, Inc." with a stylized flourish at the end.

Huntsville, Alabama

March 31, 2010



## Management's Discussion and Analysis

As management of the City of Decatur (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the challenges of the coming and subsequent years), d) identify any material deviations from the financial plan (the adopted budget) and (e) identify individual fund issues or concerns.

Because the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and known facts, we encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

### 2009 Highlights

#### Financial Highlights

- The total net assets of the City are \$262 million. Of this amount, \$11.9 million from governmental activities is considered unrestricted, which means the City may use this amount, plus future revenues, to meet its ongoing obligations to citizens and creditors.
- The unrestricted net assets of the business-type activities are \$33.7 million and may be used to meet the ongoing obligations of the business-type activities.
- The City's net assets increased by \$1.0 million (or 0.4%). The governmental net assets decreased \$811 thousand (or 1.6 %) and business-type net assets increased by \$1.84 million (or 0.9%).
- The governmental activities revenues decreased \$451 thousand (or 0.6%), and total expenses of governmental activities increased \$799 thousand (or 1.0%).
- As of September 30, 2009, the governmental funds reported a combined ending fund balance of \$28.8 million, a decrease of \$3.3 million from the prior year. Of the ending fund balance, \$16.7 million is unreserved and available to finance the activities of the governmental funds and \$2.0 million is reserved to meet existing obligations.
- The General Fund reported a fund balance of \$21.1 million and \$10.5 million of this amount is available for any purpose. The fund balance decreased \$2.6 million from the prior year.
- The City's total debt decreased by \$5.8 million during 2009. The City purchased 22 new police cruisers under a capital lease for \$614 thousand and issued new warrants totaling \$39.9 million for refunding of existing debt of \$38 million. Total principal reductions in the current year were \$6.9 million, excluding amounts transferred for refunding noted above.

#### City Highlights

- The Crossings of Decatur, a major retail development, continued to be a top performer throughout the year. The success of the Crossings has attracted five additional businesses into the development in 2009. The additional sales tax related to the Crossings has been used in the current year to reduce principal on the related debt prior to the regularly scheduled payments being required.
- Twenty-one expansions of existing Companies were announced during the year within the City and Morgan County for a total investment of \$480 million and 144 new jobs.

## Management's Discussion and Analysis- Continued

- Continued revitalization and financial support of City's Downtown Redevelopment Authority. The new director, in conjunction with the City's grant administrator, has secured two transportation enhancement grants: \$900 thousand for restoration of the historic train depot and \$712 thousand to landscape the Second Avenue business district. A new Partnership for Progress team was formed to work as a public-private partnership to bring growth and businesses to downtown Decatur.
- New partnership with Athens State University, Calhoun Community College, and Morgan County Commission to bring a Downtown Arts Center to Second Avenue.
- Three new fire stations were completed and occupied, and a new \$750 thousand ladder fire truck was delivered.
- Continued progress on construction of the new Animal Services facility which will be completed in 2010.
- Second year of partnership with Athens City Council and Morgan and Limestone County Commissions, for partial funding of a planned robotics and automation training center located at Calhoun Community College which will provide educational programs and a location for NASA and the U.S. Army Missile Command to conduct research, development and testing of "leading edge robotics" for military projects and space exploration
- The Fire and Rescue Department was awarded the 2009 America's Crown Communities Excellence Award from American City & County for their "pre-evaluated landing areas" (PELA). In an effort to improve air ambulance response time, the department mapped 120 square miles of the City and parts of the surrounding County. The information was entered into the Morgan County 911 CAD system. The global positioning systems (GPS) are accessible to medical flight organizations and emergency responders.

### USING THIS ANNUAL REPORT

#### Overview of the Financial Statements

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, public services, intergovernmental, community service, community development, and personnel board functions. The intergovernmental functions of the City are those activities whereby the City provides financial resources to other governmental entities, primarily the Decatur Board of Education for support of the city school system.

The business-type activities of the City include the Municipal Utilities Board, Sanitary Landfill and Point Mallard. All of these activities are collectively referred to in the financial statements as those of the *primary government*.

## Management's Discussion and Analysis- Continued

As described in the letter of transmittal and notes to the financial statements, other entities' activities are included in this report because of the relationship of these legally separate entities to the City. Financial information of the Board of Education and Public Building Authority are referred to in the financial statements as those of the *discretely-presented component units*. This discussion and analysis focuses on the primary government, and the complete financial statements (including MD&A) of the component units may be obtained from the Finance Department of the City.

The government-wide financial statements can be found on pages 15 through 16 of this report.

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

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

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

The City maintains seventeen individual governmental funds:

- General Fund, the School Fund, the 2006 Capital Improvement Fund, and the 2009 A&B Warrants Fund are considered to be *major* funds, and information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for these funds.
- The thirteen other governmental funds are considered to be *nonmajor* governmental funds, and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 through 19 of this report.

*Proprietary funds.* The City maintains only one type of proprietary fund. *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 Sanitary Landfill and Point Mallard operations and the Municipal Utilities Board Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The basic proprietary fund financial statements provide information as follows:

- The Municipal Utilities Board Fund is considered to be a *major* proprietary fund of the City, and information is presented separately in the *proprietary statement of net assets* and in the *proprietary fund statement of revenues, expenditures, and changes in fund net assets* for these funds

## Management's Discussion and Analysis- Continued

- The other two enterprise activities are considered to be *nonmajor* proprietary funds, and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 61 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Because the City adopts an annual operating budget for most of its governmental funds, a comparison of budget to actual results is provided for these funds to demonstrate compliance with the budget. This information and the combining nonmajor funds statements referred to earlier can be found beginning on page 63 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. Overall, the City's assets exceeded liabilities by \$262.1 million at the close of the most recent fiscal year.

The largest portion of the City's net assets (79.4 percent) reflects its investment in capital assets (e.g. Land, buildings, improvements other than buildings, infrastructure, and other), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net assets (3.2 percent) represents resources that are subject to restrictions as to how they may be used, such restrictions being imposed by legal requirements other than those imposed by the City Council (e.g. state or federal law).

The remaining balance of unrestricted net assets is \$45.6 million, which consisted of \$11.9 million from governmental activities and \$33.7 million from business-type activities.

The positive unrestricted net assets of the business-type activities are available to be used to fund governmental activities if deemed necessary by the City Council because they are only restricted for business-type activities by local ordinance.

**Management's Discussion and Analysis- Continued**

**City of Decatur's Net Assets (in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$35,632	\$38,180	\$58,830	\$64,734	\$94,462	\$ 102,914
Capital assets	85,251	84,277	206,228	203,166	291,479	287,443
<b>Total assets</b>	<b>120,883</b>	<b>122,457</b>	<b>265,058</b>	<b>267,900</b>	<b>385,941</b>	<b>390,357</b>
Long-term liabilities outstanding	65,658	66,211	36,002	38,751	101,660	104,962
Other liabilities	5,380	5,590	16,814	18,751	22,194	24,341
<b>Total liabilities</b>	<b>71,038</b>	<b>71,801</b>	<b>52,816</b>	<b>57,502</b>	<b>123,854</b>	<b>129,303</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	34,519	27,358	173,451	167,521	207,970	194,879
Restricted	3,401	4,460	5,059	5,185	8,460	9,645
Unrestricted	11,925	18,838	33,732	37,692	45,657	56,530
<b>Total net assets</b>	<b>\$49,845</b>	<b>\$50,656</b>	<b>\$ 212,242</b>	<b>\$ 210,398</b>	<b>\$ 262,087</b>	<b>\$ 261,054</b>

Net assets from governmental activities decreased \$811 thousand in fiscal year 2009 and net assets from business-type activities increased \$1.8 million.

## Management's Discussion and Analysis- Continued

### City of Decatur's Changes in Net Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$20,794	\$20,065	\$149,916	\$154,279	\$ 170,710	\$ 174,344
Operating grants & contributions	986	550	-	-	986	550
Capital grants & contributions	3,216	431	1,965	953	5,181	1,384
General revenues:						
Sales taxes	32,327	36,340	-	-	32,327	36,340
Property taxes	10,739	9,936	-	-	10,739	9,936
Other taxes	8,507	8,940	-	-	8,507	8,940
Interest on investments	383	1,035	391	1,795	774	2,830
Other	270	376	-	-	270	376
Total revenues	77,222	77,673	152,272	157,027	229,494	234,700
Expenses:						
General government	4,768	4,484	-	-	4,768	4,484
Public safety	21,632	20,949	-	-	21,632	20,949
Public works	7,914	9,238	-	-	7,914	9,238
Public services	10,274	11,438	-	-	10,274	11,438
Intergovernmental assistance	22,613	19,601	-	-	22,613	19,601
Community service contracts	2,832	2,974	-	-	2,832	2,974
Community development	1,449	1,316	-	-	1,449	1,316
Personnel Board	526	537	-	-	526	537
Interest on long-term debt	2,675	3,227	-	-	2,675	3,227
Unallocated depreciation	2,994	3,115	-	-	2,994	3,115
Municipal Utilities Board	-	-	143,022	146,139	143,022	146,139
Other	-	-	7,762	8,294	7,762	8,294
Total expenses	77,677	76,879	150,784	154,433	228,461	231,312
Increase in net assets before Transfers	(455)	794	1,488	2,594	1,033	3,388
Transfers	(356)	(521)	356	521	-	-
<b>Increase in net assets</b>	<b>(811)</b>	<b>273</b>	<b>1,844</b>	<b>3,115</b>	<b>1,033</b>	<b>3,388</b>
Net assets - beginning of year	50,656	50,383	210,398	207,283	261,054	257,666
Prior period adjustments	-	-	-	-	-	-
<u>Net assets - end of year</u>	<u>\$ 49,845</u>	<u>\$ 50,656</u>	<u>\$ 212,242</u>	<u>\$ 210,398</u>	<u>\$262,087</u>	<u>\$ 261,054</u>

## Management's Discussion and Analysis- Continued

**Governmental Activities.** Revenues from governmental activities decreased \$451 thousand (0.5 percent) during 2009. Although the changes were not as significant as the most recent previous year's increases, we have noted some of these below:

- Sales taxes decreased \$4 million, or 11 percent compared to 2008, due to the overall downturn in the national economy. Although this decrease is substantial compared to previous years, we do believe it is comparable to the state of the economy throughout the remainder of the country and the State of Alabama.
- Property taxes increased \$803 thousand or 8.1 percent due to annual property value re-appraisals and continued appreciation in home prices within the City and City limits despite the economic downturn which has caused a decrease in values nationally.
- Lodging tax revenues decreased \$261 thousand, or 17.6 percent compared to 2008, due to decreased business travelers and tourism related to the economic recession despite continued improvements at the soccer and softball recreation centers and Ingalls Harbor.
- Interest on investments decreased \$653 thousand, or 63 percent due to a lowering of interest rates and lower revenue collections.
- Capital grants and contributions increased \$2.8 million in 2009. This increase includes \$1.7 million in street and drainage projects contributed by city contractors and a contribution by the Public Building Authority of the building that houses the Morgan County Department of Human Resources.
- Operating grants increased \$436 thousand in 2009 primarily as a result of a \$400 thousand Cops Technology grant from the Department of Justice to purchase in-car video cameras and the supporting system for the Police Department, and a \$100 thousand FEMA grant to the Fire Department for equipment. Under both grants noted above, the purchased equipment was below the capitalization threshold of \$7500.

Expenses of governmental activities increased \$799 thousand (1.0 percent) in 2009. The majority of this increase is related to recognition of the net other postemployment benefit obligation expense due to the implementation of GASB Statement 45. The City recognized \$3.5 million in additional expenditures in 2009 as a result of the implementation of this standard. This overall increase, however, was offset by some decreases in other City expenses. \$1.3 million of this decrease was related to Public Works, as there were fewer resurfacing projects in 2009. This is, however, due to timing of projects as a number of resurfacing projects are scheduled for 2010. Also, fuel costs decreased significantly in the current year with the effect being the most apparent in Fire, Police, Sanitation, and Parks and Recreation. Lastly, interest expense on long-term debt decreased by \$552 thousand as two warrant series were paid off in the current year and five series were refinanced at lower interest rates.

**Business-Type Activities.** Revenues from business-type activities decreased \$4.8 million (3.0 percent) which is almost entirely attributable to decreases within the Municipal Utilities Board. The majority of the decrease was due to the Gas System which showed a drop of \$9.7 million below last year on an 11% decrease in quantities sold and transported. All of the usage decrease is from the industrial sector. Revenues are also down due to the lower cost of natural gas. Likewise, the cost of purchased gas decreased from the previous year by 31% or \$9.5 million. Total Electric System revenues were up \$6.7 million over 2008 with a 10% decrease in kilowatt hours sold mainly to the industrial sector. The increased revenue is due to the higher cost of electricity from TVA. The cost of purchased power increased by \$5.9 million. Other Systems within the Municipal Utilities Board experienced small increases in overall revenues, even with declining usage, by overall increases in rates charged for providing services. These were almost entirely offset by the continuing cost of operations within these Systems.

Charges for services represent ninety-eight percent of the revenues of the business-type activities and interest on investments and capital grants and contributions represent two percent.

## Management's Discussion and Analysis- Continued

### Financial Analysis of the Governments Funds

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

**Governmental funds.** The focus of the City's governmental funds 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, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balances of the City's governmental funds as of September 30, 2009, were \$28.8 million, which was a decrease of \$3.3 million from the 2008 fiscal year. Of this amount, \$26.7 million constitutes unreserved fund balance, which is generally available for spending at the City's discretion, although it is subject to certain designation made within each fund by the City Council.

The net decrease of \$3.3 million in the combined fund balances of the City's governmental funds was mainly attributable to two occurrences in the current year. The first of these was a \$2.6 million reduction in sales tax revenue in General Fund as has been noted previously. The second was a \$1.5 million increase in expenditures of the 2006 Capital Improvements Fund related to the continued planned construction which utilized 2006 bond proceeds. As there have been no new proceeds related to this issue, all expenditures have been taken from current fund balance which remained positive at the end of the year.

The General Fund is the primary operating fund of the City. The unreserved fund balance of the General Fund was \$20.5 million, but \$10 million of this amount has been designated, or earmarked by management for special purposes.

**Proprietary funds.** The focus of the City's proprietary funds (enterprise and internal service funds) is to provide the same type of information as found in the government-wide financial statements, but in more detail.

The net assets of the enterprise funds increased \$1.8 million, which is primarily attributable to the continued profitability of the Sanitary Landfill, a nonmajor proprietary fund, as changes within other proprietary funds did not have a significant effect on the overall net assets of proprietary funds in the aggregate.

Other factors concerning the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

### Governmental Funds Budgetary Highlights

**General Fund.** A \$1,144,487 negative difference between actual revenues and actual expenses is a result of the continued downturn in the economy in the 2009. The excess expenditures over revenues, however, was somewhat lessened by the conservative budgeting approach of the governing body. The FY 2009 budgeted revenues were based on FY 2007 actual revenues taking into account the downturn in the economy as reflected nationally. After monitoring the trends in sales tax collections, budgeted revenue was further reduced by \$3 million with remaining differences to be taken from fund balance as the down trend was not expected to continue into subsequent years. Other revenues were adjusted upward to reflect actual collections: Ad valorem tax was up \$490 thousand, business licenses up \$544 thousand, fines and forfeitures up \$353 thousand, and additional state shared revenue of \$196 thousand. However, there were lower than budgeted revenues for building permits of \$315 thousand and interest of \$207 thousand as a reflection of the economic conditions. The \$323 thousand difference between budgeted and actual expenditures is primarily the result of efficient budget management and voluntary budget reductions by department directors, and a number of personnel vacancies. The City as a whole also experienced a large reduction in the number of insurance claim payments, workers compensation claim payments, damage claims paid and associated legal and professional fees, reflecting a return on the investment made by the City in safety training and claims administration. .

## Management's Discussion and Analysis- Continued

Payments to the Decatur Convention and Visitors Bureau, which are included within Community Service Contracts expenditures, exceeded the budget for this appropriation by \$70,551. This amount was based on 75% of lodging tax collections; collections exceeded projections based on budget by this amount. Several large sporting events at the Jack Allen Recreation Complex, the Jimmy Johns Tennis Complex, Ingalls Harbor, and the Wilson Morgan Softball/Baseball complex have contributed to the increase in lodging taxes.

Budgeted expenditures were also exceeded by the Fire Department in relation to overtime pay which was largely due to shift shortages and holdovers stemming from a shortage of certified EMT's (Emergency Medical Technicians). Three new fire stations which were completed at the beginning of the year along with a new fire truck purchased in the current year required additional supplies which had not been anticipated when budgeting for these expenditures. Utilities for this department also exceeded budget due to the three larger facilities, new office space at the training center, and the TVA rate increase in electricity. The utility rate increase affected other departments, such as the Street Department and Parks and Recreation. The street Department also incurred \$73 thousand in street repairs.

Other departments experienced minimal increases which are also worth mentioning individually. The Sanitation Department exceeded its budget in dump fees due to an increase in wood debris created by several severe storms that damaged or destroyed trees already weakened from prior years' drought conditions. Contract services for temporary employees affected Park and Recreation, Youth Services (when donations were below expectation to offset the Summer Students Work Program), and the City Garage which held a vacant position for the year. Information Systems has network and software maintenance contracts that "true up" every three years. The \$50.6 thousand increase was offset by savings in other line items, but still exceeded its budget by less than \$15 thousand.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for governmental and business-type activities as of September 30, 2009, totals \$291.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, utility plant-in-service, park facilities, roads, curbs and gutters, streets and sidewalks, greenways, drainage and sewer systems. Total capital assets increased \$4 million in 2009. Those used for governmental activities increased by \$974 thousand as total additions (\$12.7 million) exceeded depreciation and disposition of those assets (\$11.7 million). Capital assets used for business-type activities increased by \$3.1 million as total depreciation and disposition of assets (\$22 million) were less than the total additions (\$25.1 million).

Major Capital events during the fiscal year included the following:

- \$1.35 million for the continued construction of the new Animal Services building which will in a more visible, high traffic area adjacent to a park to enhance the adoption rate.
- Downtown revitalization efforts including the Vine Street Depot study and the Second Avenue Enhancement Study for \$149 thousand.
- \$183 thousand for renovations and improvements at Point Mallard Park complex which includes the expansion of the sewer system in the campground, and upgrades at the Aquatic Center wave pool.
- \$568 thousand for the continued improvements at the Boundless Playground at Delano Park. The playground was designed to enable handicapped children to enjoy nature and recreation. The project was a public/private venture with the City and the Friends of Delano.
- \$170 thousand for the renovation of bathrooms at the historic Princess Theater.
- Equipment and vehicles for the Street Department for \$169 thousand
- \$776 thousand for new ladder truck and two emergency response staff vehicles for the Fire Department
- \$237 thousand for drainage and street improvement projects with the largest expense, \$97 thousand, on the 8<sup>th</sup> Avenue SW road project.

## Management's Discussion and Analysis- Continued

- Acquisition of \$281 thousand of equipment and motor vehicles by the Parks and Recreation Department.
- Completion of the fiber optic build out program by the Information Systems Department for a total cost of \$247 thousand. Two new vehicles and equipment required to upgrade the server virtualization attributed an additional \$68.6 thousand.
- Police Department entered in capital lease agreements for the purchase of 22 new cruisers for \$614 thousand. An additional \$36 thousand and \$41 thousand were spent for additional in-car security cameras and two trucks for the department, respectively.
- \$127 thousand for new vehicles for Mayor's office, Youth Services, and the Landfill Departments.
- \$10 thousand towards new equipment for completion of the new oil change facility at the City's Garage.

### City of Decatur's Capital Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$9,821	\$9,657	\$3,863	\$3,864	\$13,684	\$13,382
Land improvements	12,542	12,755	-	-	12,542	12,755
Buildings and improvements	17,184	12,766	7,176	7,850	24,360	20,616
Infrastructure	36,674	37,962	-	-	36,674	37,962
Construction in process	3,451	6,486	1,911	2,697	5,362	9,321
Machinery and Equipment	5,579	4,1651	1,356	1,754	6,935	6,406
Utility plant-in-service	-	-	191,922	187,001	191,922	187,001
<b>Total</b>	<b>\$85,251</b>	<b>\$84,277</b>	<b>\$206,228</b>	<b>\$203,166</b>	<b>\$291,479</b>	<b>\$287,443</b>

Additional information on the City's capital assets can be found in Note 4B on pages 39 through 40 of this report.

**Long-term debt.** As of September 30, 2009, the City had \$93.5 million of long-term debt outstanding. Of this amount, \$59.9 million is debt backed by the full faith and credit of the City and \$33.6 million is comprised of revenue bonds and warrants secured solely by specific revenue sources (utility system debt). Long-term debt of the governmental activities decreased by 3.3 million (5.2 percent). This was attributable to principal payments on outstanding debt and the advance refunding of five warrant issues in the current year: 1997 GO Warrants, 1997 School Warrants, 1997B GO Warrants, 1997A School Warrants, and the 2000 GO Warrants. As the refunding of older debt resulted in lower interest rates, payments on the new issues related to a greater percentage of principal than under the refunded payment schedules. Long-term debt of the business-type activities decreased by \$2.5 million (6.9 percent) which was attributable to continued principal payments on revenue warrants. The Municipal Utilities Board also refunded the 1999 Series Water Warrants through the issuance of the lower interest 2009 warrants. This refunding had no effect on overall business type debt in the current year as no scheduled payments had been made on the new issue as of year-end. The School System has debt of \$26 million in capital outlay warrants, for which the School System's ad valorem tax payments are pledged and which is not an obligation of the City of Decatur.

## Management's Discussion and Analysis- Continued

### City of Decatur's Outstanding Debt (in thousands) General Obligation and Revenue Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation warrants	\$59,542	\$63,273	\$ -	\$ -	\$59,542	\$63,273
Revenue warrants	-	-	33,615	36,090	33,615	36,090
Capital leases	400	-	-	-	400	-
<b>Total</b>	<b>\$59,942</b>	<b>\$63,273</b>	<b>\$33,615</b>	<b>\$36,090</b>	<b>\$93,557</b>	<b>\$99,363</b>

The City's general obligation bond rating by Standard & Poor's Corporation and Moody's Investor Services, Inc. are "AA" and "Aa3", respectively.

Other than debt paid from proprietary fund revenue sources (e.g. revenue bonds), State of Alabama law limits the amount of general obligation debt cities can issue for purposes other than schools and drainage systems to twenty percent of the assessed value of real and personal property. As of September 30, 2009, the City's allocable debt outstanding was \$57.7 million less than the legal debt limit.

Additional information regarding the City's long-term debt can be found in Note 4E on pages 44 through 50 of this report.

#### 2010 Budget

The Mayor and City Council have considered many factors in the development of the fiscal year 2010 budget. The approach to the budget process has been one of conservatism. Revenue projections are based on 2008 actual receipts adjusted by amounts which were known one time revenue sources and adjustments to lower sales tax, building permits, and payment in-lieu of tax from TVA. Department expenditures were reduced in salaries and wages for unfilled positions, contract services, and fuel costs. Management believes revenues and expenditures will meet overall budgetary goals.

#### Request for Information

This financial report is designed with a general overview of the City's finances and to demonstrate accountability for the money it receives from taxpayers, customers, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Linda McKinney, P.O. Box 488 Decatur, Alabama 35602, by calling (256) 341-4561, or by sending an email to [lmckinney@decatur-al.gov](mailto:lmckinney@decatur-al.gov). This report and other City financial information are available on the City's website at [www.decaturalabamausa.com](http://www.decaturalabamausa.com).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF DECATUR**  
**STATEMENT OF NET ASSETS**  
**September 30, 2009**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash & investments, at cost	\$ 28,439,648	\$ 39,536,887	\$ 67,976,535	\$ 20,341,909
Receivables (net of allowances)	4,312,577	12,210,455	16,523,032	-
Due from governmental entities	1,551,333	-	1,551,333	16,393,617
Inventories	24,623	1,909,387	1,934,010	123,634
Prepaid items	-	-	-	-
Other	62,617	115,665	178,282	-
Deferred costs	1,074,243	159,605	1,233,848	176,520
Internal balances	166,560	(166,560)	-	-
Restricted assets				
Cash & investments, at cost	-	5,064,388	5,064,388	-
Capital assets				
Land, collections and construction in process	13,272,772	5,774,275	19,047,047	6,594,688
Other assets, net of accum. depreciation	71,978,376	200,453,865	272,432,241	71,717,888
<b>Total assets</b>	<b>120,882,749</b>	<b>265,057,967</b>	<b>385,940,716</b>	<b>115,348,256</b>
<b>LIABILITIES</b>				
Accounts payable	2,053,804	11,234,014	13,287,818	781,834
Accrued liabilities	1,673,812	2,236,060	3,909,872	6,398,458
Contract retainages	-	-	-	-
Due to component units	1,311,624	-	1,311,624	-
Due to governmental entities	42,866	-	42,866	-
Customer deposits	92,484	3,343,132	3,435,616	-
Unearned revenue	30,396	-	30,396	13,299,231
Other	174,046	-	174,046	-
Liabilities payable from restricted assets:				
Matured warrants payable	-	3,580,000	3,580,000	-
Noncurrent liabilities				
Due within one year	4,398,767	86,428	4,485,195	399,138
Due in more than one year	61,259,720	32,335,871	93,595,591	26,973,217
<b>Total liabilities</b>	<b>71,037,519</b>	<b>52,815,505</b>	<b>123,853,024</b>	<b>47,851,878</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	34,519,124	173,451,387	207,970,511	50,935,318
Restricted for:				
Capital projects	2,601,381	-	2,601,381	-
Debt service	-	5,059,388	5,059,388	-
Perpetual care:				
Expendable	-	-	-	-
Nonexpendable	800,146	-	800,146	-
Unrestricted	11,924,579	33,731,687	45,656,266	16,561,060
<b>Total net assets</b>	<b>\$ 49,845,230</b>	<b>\$ 212,242,462</b>	<b>\$ 262,087,692</b>	<b>\$ 67,496,378</b>

The accompanying notes are an integral part of this statement.

CITY OF DECATUR  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2009

Functions/Programs	Program Revenue			Net Revenue (Expense) & Changes in Net Assets			Component Units
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>							
<b>Governmental activities</b>							
General government	\$ 4,768,152	\$ 6,064,711	\$ -	\$ 1,296,559	\$ -	\$ 1,296,559	\$ -
Public safety	21,631,775	2,625,851	-	(19,005,924)	-	(19,005,924)	-
Public works	7,913,537	2,718,167	2,911,942	(2,283,428)	-	(2,283,428)	-
Public services	10,273,746	563,471	-	(9,710,275)	-	(9,710,275)	-
Intergovernmental assistance	22,613,644	8,821,683	-	(13,791,961)	-	(13,791,961)	-
Community service contracts	2,831,805	-	-	(2,831,805)	-	(2,831,805)	-
Community development	1,449,526	985,777	304,279	(159,470)	-	(159,470)	-
Personnel board	525,530	-	-	(525,530)	-	(525,530)	-
Interest on long-term debt	2,675,197	-	-	(2,675,197)	-	(2,675,197)	-
Unallocated depreciation	2,994,155	-	-	(2,994,155)	-	(2,994,155)	-
<b>Total governmental activities</b>	<b>77,677,067</b>	<b>20,793,883</b>	<b>3,216,221</b>	<b>(52,681,186)</b>	<b>-</b>	<b>(52,681,186)</b>	<b>-</b>
<b>Business-type activities</b>							
Municipal Utilities Board	143,021,311	141,266,120	1,964,787	-	209,596	209,596	-
Point Mallard	4,252,309	3,560,994	-	(691,315)	(691,315)	(691,315)	-
Sanitary Landfill	3,509,975	5,089,116	-	-	1,579,141	1,579,141	-
<b>Total business-type activities</b>	<b>150,783,595</b>	<b>149,916,230</b>	<b>1,964,787</b>	<b>-</b>	<b>1,097,422</b>	<b>1,097,422</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 228,460,662</b>	<b>\$ 170,710,113</b>	<b>\$ 5,181,008</b>	<b>\$ (52,681,186)</b>	<b>\$ 1,097,422</b>	<b>\$ (51,583,764)</b>	<b>\$ -</b>
<b>Component Units</b>							
All	93,610,247	5,988,985	47,576,964	4,527,185	-	-	(35,517,113)
<b>Total component units</b>	<b>\$ 93,610,247</b>	<b>\$ 5,988,985</b>	<b>\$ 47,576,964</b>	<b>\$ 4,527,185</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (35,517,113)</b>
<b>General Revenues</b>							
Sales & use taxes				\$ 32,326,864	\$ -	\$ 32,326,864	\$ 11,060,706
Property taxes				10,739,439	-	10,739,439	14,820,871
Alcoholic beverage taxes				2,079,989	-	2,079,989	-
Gasoline taxes				854,729	-	854,729	-
Automobile taxes				1,316,502	-	1,316,502	-
Lodging taxes				1,219,763	-	1,219,763	-
Rental taxes				1,433,785	-	1,433,785	-
Other taxes				1,601,848	-	1,601,848	969,189
Interest on investments				382,714	390,853	773,567	112,091
Other				270,146	-	270,146	4,483,198
Transfers				(355,561)	355,561	-	-
<b>Total general revenues &amp; transfers</b>				<b>51,870,218</b>	<b>746,414</b>	<b>52,616,632</b>	<b>31,446,055</b>
<b>Change in net assets</b>				<b>(810,968)</b>	<b>1,843,836</b>	<b>1,032,868</b>	<b>(4,071,058)</b>
Net assets, beginning				50,656,198	210,398,626	261,054,824	71,567,436
<b>Net assets, ending</b>				<b>\$ 49,845,230</b>	<b>\$ 212,242,462</b>	<b>\$ 262,087,692</b>	<b>\$ 67,496,378</b>

The accompanying notes are an integral part of this statement.

CITY OF DECATUR  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
September 30, 2009

	General Fund	School Fund	2006 Capital Improvement Fund	2009 A&B Warrants Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash & cash equivalents	\$ 9,129,472	\$ 579,722	\$ 114,587	\$ 203,255	\$ 7,096,195	\$ 17,123,231
Cash with fiscal agents	711,373	-	-	-	-	711,373
Investments, at cost	9,855,044	-	-	-	750,000	10,605,044
Receivables (net of allowances)						
Accounts	344,983	686,751	-	-	168,180	1,199,914
Notes	-	-	-	-	403,897	403,897
Taxes	2,595,492	-	-	-	99,042	2,694,534
Accrued interest	13,452	-	-	-	780	14,232
Due from other funds	795,431	24,851	-	-	-	820,282
Due from governmental entities	527,076	103,948	-	-	920,309	1,551,333
Deposits	62,617	-	-	-	-	62,617
Inventories	24,623	-	-	-	-	24,623
<b>Total assets</b>	<b>24,059,563</b>	<b>1,395,272</b>	<b>114,587</b>	<b>203,255</b>	<b>9,438,403</b>	<b>35,211,080</b>
<b>LIABILITIES</b>						
Accounts payable	1,313,293	10,259	97,031	-	633,221	2,053,804
Accrued liabilities	1,065,162	-	-	-	77,153	1,142,315
Contract retainages	-	-	-	-	-	-
Due to other funds	-	-	-	-	653,722	653,722
Due to component units	-	1,251,354	-	60,270	-	1,311,624
Due to governmental entities	42,844	-	-	-	22	42,866
Deferred revenue	240,260	-	-	-	705,498	945,758
Customer deposits	92,484	-	-	-	-	92,484
Other	174,046	-	-	-	-	174,046
<b>Total liabilities</b>	<b>2,928,089</b>	<b>1,261,613</b>	<b>97,031</b>	<b>60,270</b>	<b>2,069,616</b>	<b>6,416,619</b>
<b>FUND BALANCES</b>						
Reserved for:						
Noncurrent notes receivable	-	-	-	-	-	-
Encumbrances	31,020	-	-	-	694,337	725,357
Inventories	24,623	-	-	-	-	24,623
Prepaid items	-	-	-	-	-	-
Perpetual care	-	-	-	-	800,146	800,146
Debt service	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
DA Fees	-	-	-	-	-	-
Donor restricted	-	-	-	-	-	-
Postemployment benefits	568,000	-	-	-	-	568,000
Unreserved & Designated for:						
Future general contingencies	8,651,935	-	-	-	-	8,651,935
Future capital needs	133,234	-	-	-	-	133,234
Landfill	1,236,941	-	-	-	-	1,236,941
Other	1,526	-	-	-	-	1,526
Unreserved & undesignated, reported in:						
General fund	10,484,195	-	-	-	-	10,484,195
Special revenue funds	-	133,659	-	-	3,433,464	3,567,123
Capital projects funds	-	-	17,556	142,985	2,440,840	2,601,381
<b>Total fund balance</b>	<b>21,131,474</b>	<b>133,659</b>	<b>17,556</b>	<b>142,985</b>	<b>\$ 7,368,787</b>	<b>28,794,461</b>
<b>Total liabilities and fund balance</b>	<b>\$ 24,059,563</b>	<b>\$ 1,395,272</b>	<b>\$ 114,587</b>	<b>\$ 203,255</b>	<b>\$ 9,438,403</b>	

<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		\$ 85,251,148
Other long-term receivables are not available for current-period expenditures and, therefore, are deferred in the funds.		915,362
The net other post retirement obligation resulting from the amount of annual required contribution in excess of contributions are not current financial obligations and therefore are not reported in the funds.		(3,429,851)
Long-term liabilities, including warrants payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(61,685,890)
<b>Net assets of governmental activities</b>		<b>\$ 49,845,230</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended September 30, 2009**

	General Fund	School Fund	2006 Capital Improvement Fund	2009 A&B Warrants Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUE</b>						
Sales & use taxes	\$ 23,668,060	\$ 7,895,589	\$ -	\$ -	\$ 763,215	\$ 32,326,864
Property taxes	3,054,438	7,685,001	-	-	-	10,739,439
Other taxes	6,950,273	1,126,647	-	-	429,695	8,506,615
Licenses & permits	6,074,151	-	-	-	-	6,074,151
Fines & forfeitures	1,195,004	-	-	-	458,102	1,653,106
Revenues from money & property	469,196	-	4,356	-	73,503	547,055
Charges for services	3,876,829	-	-	-	-	3,876,829
Intergovernmental	6,791,859	566,747	-	-	2,779,773	10,138,379
Gifts & donations	-	-	-	-	81,383	81,383
Other revenues	127,318	-	-	-	27,712	155,030
<b>Total revenues</b>	<b>52,207,128</b>	<b>17,273,984</b>	<b>4,356</b>	<b>-</b>	<b>4,613,383</b>	<b>74,098,851</b>
<b>EXPENDITURES</b>						
Current						
General government	3,803,521	26,543	-	-	246,876	4,076,940
Public safety	21,365,896	-	102,321	-	1,077,240	22,545,457
Public works	7,267,560	-	128,901	-	534,100	7,930,561
Public services	9,096,862	-	1,317,634	-	534,748	10,949,244
Intergovernmental assistance	4,241,537	14,882,237	-	60,269	88,090	19,272,133
Community services contracts	2,810,920	20,885	-	-	-	2,831,805
Community development	-	-	-	-	1,635,289	1,635,289
Personnel Board	-	-	-	-	525,530	525,530
Debt service						
Principal	2,488,847	2,150,000	-	-	495,931	5,134,778
Interest and fiscal charges	2,276,472	298,364	-	-	408,684	2,983,520
Debt issuance costs	-	-	-	482,284	-	482,284
Capital projects construction and outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>53,351,615</b>	<b>17,378,029</b>	<b>1,548,856</b>	<b>542,553</b>	<b>5,546,488</b>	<b>78,367,541</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,144,487)</b>	<b>(104,045)</b>	<b>(1,544,500)</b>	<b>(542,553)</b>	<b>(933,105)</b>	<b>(4,268,690)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term debt issued	-	-	-	21,945,000	-	21,945,000
Premium on debt issue	-	-	-	325,960	-	325,960
Discount on debt issued	-	-	-	-	-	-
Capital lease proceeds	614,474	-	-	-	-	614,474
Payment to escrow agent	-	-	-	(21,585,422)	-	(21,585,422)
Transfers in	643,024	4,840	-	-	2,645,780	3,293,644
Transfers (out)	(2,738,427)	-	-	-	(910,778)	(3,649,205)
Transfers (out) - component units	-	-	-	-	-	-
<b>Total other financing (uses) sources</b>	<b>(1,480,929)</b>	<b>4,840</b>	<b>-</b>	<b>685,538</b>	<b>1,735,002</b>	<b>944,451</b>
<b>Net change in fund balance</b>	<b>(2,625,416)</b>	<b>(99,205)</b>	<b>(1,544,500)</b>	<b>142,985</b>	<b>801,897</b>	<b>(3,324,239)</b>
Fund balance, beginning	23,756,890	232,864	1,562,056	-	6,566,890	32,118,700
<b>Fund balance, ending</b>	<b>\$ 21,131,474</b>	<b>\$ 133,659</b>	<b>\$ 17,556</b>	<b>\$ 142,985</b>	<b>\$ 7,368,787</b>	<b>\$ 28,794,461</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2009**

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

Net change in fund balances - total governmental funds	\$ (3,324,239)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	983,401
Governmental funds report the sales of capital assets as revenues and unlike the Statement of Activities, do not recognize the effect of the cost of those assets and their related depreciation. This is the amount by which the cost of assets sold, minus their accumulated depreciation, was exceeded by the proceeds from the sales. This amount is included in Other revenue in the Statement of Activities.	(9,044)
Revenues in the statement of activities that do not provide current financial resources	225,125
For governmental funds, the issuance of long-term debt (e.g. warrants and leases) provide current financial resources and the repayment of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,196,074
Other expenses reported in the Statement of Activities that do not require current financial resources.	<u>(2,882,285)</u>
<b>Change In Net Assets Of Governmental Activities</b>	<b><u>\$ (810,968)</u></b>

**CITY OF DECATUR  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
For the Year Ended September 30, 2009**

	General Fund			School Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual Amounts	Final Budget		Actual Amounts	
	Original	Final		Original Budget	Final Budget		
<b>REVENUES</b>							
Taxes and payments in lieu of taxes	\$ 36,129,725	\$ 33,446,830	\$ 33,672,771	\$ 16,931,914	\$ 16,707,237	\$ (224,677)	
Licenses and permits	5,849,717	5,849,717	6,074,151	-	-	-	
Fines and forfeitures	841,767	841,767	1,195,004	-	-	-	
Revenues from money and property	635,404	635,404	469,196	-	-	-	
Charges for services	3,842,483	3,842,483	3,876,829	-	-	-	
Intergovernmental	6,666,680	6,666,680	6,791,859	600,081	600,081	566,747	(33,334)
Other revenues	125,663	125,663	127,318	-	-	-	
<b>Total revenues</b>	<b>54,091,439</b>	<b>51,408,544</b>	<b>52,207,128</b>	<b>17,531,995</b>	<b>17,273,984</b>	<b>(258,011)</b>	
<b>EXPENDITURES</b>							
<b>Current</b>							
General government	4,166,036	3,966,850	3,803,521	19,475	19,475	26,543	(7,068)
Public safety	20,474,327	21,166,583	21,365,896	-	-	-	
Public works	7,347,101	7,243,939	7,267,560	-	-	-	
Public services	9,377,595	9,131,851	9,096,862	-	-	-	
Intergovernmental assistance	5,149,074	4,660,003	4,241,537	15,033,731	14,882,237	151,494	
Community services contracts	2,750,355	2,739,581	2,810,920	27,925	27,925	20,885	7,040
Debt service							
Principal	2,275,000	2,488,853	2,488,847	2,150,000	2,150,000	2,150,000	-
Interest	2,331,180	2,276,473	2,276,472	300,864	300,864	298,364	2,500
<b>Total expenditures</b>	<b>53,870,668</b>	<b>53,674,133</b>	<b>53,351,615</b>	<b>17,531,995</b>	<b>17,378,029</b>	<b>153,966</b>	
<b>Excess of revenues over expenditures</b>	<b>220,771</b>	<b>(2,265,589)</b>	<b>(1,144,487)</b>	<b>-</b>	<b>(104,045)</b>	<b>(104,045)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease proceeds	-	614,474	614,474	-	-	-	
Operating transfers in	344,266	344,266	643,024	-	-	4,840	4,840
Operating transfers out	(565,037)	(2,603,500)	(2,738,427)	-	-	-	
<b>Total other financing sources (uses)</b>	<b>(220,771)</b>	<b>(1,644,760)</b>	<b>(1,480,929)</b>	<b>-</b>	<b>4,840</b>	<b>4,840</b>	
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>-</b>	<b>(3,910,349)</b>	<b>(2,625,416)</b>	<b>-</b>	<b>(99,205)</b>	<b>(99,205)</b>	
Fund balance, beginning	23,245,766	20,920,927	23,756,890	232,864	232,864	232,864	-
<b>Fund balance, ending</b>	<b>\$ 23,245,766</b>	<b>\$ 17,010,578</b>	<b>\$ 21,131,474</b>	<b>\$ 232,864</b>	<b>\$ 232,864</b>	<b>\$ 133,659</b>	<b>(99,205)</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 September 30, 2009**

	Municipal Utilities Board	Other Enterprise Funds	Totals
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	\$ 22,076,519	\$ 13,460,368	\$ 35,536,887
Investments, at cost	-	4,000,000	4,000,000
Receivables (net of allowance)			
Accounts	10,042,050	605,146	10,647,196
Accrued interest	-	5,443	5,443
Other	1,557,816	-	1,557,816
Prepaid items	-	-	-
Inventories, at cost	1,807,276	102,111	1,909,387
Other	115,665	-	115,665
<b>Total current assets</b>	<b>35,599,326</b>	<b>18,173,068</b>	<b>53,772,394</b>
<b>Noncurrent assets</b>			
Restricted cash, cash equivalents and investments:			
Revenue warrant covenant accounts	5,064,388	-	5,064,388
Deferred costs	159,605	-	159,605
Investments in Municipal Utility Funds	-	-	-
Capital assets:			
Land	2,448,017	1,415,739	3,863,756
Buildings	-	7,199,274	7,199,274
Improvements other than buildings	-	14,938,820	14,938,820
Furniture & equipment	-	5,443,133	5,443,133
Utility plant in service	310,249,427	-	310,249,427
Construction work in progress	1,340,332	570,187	1,910,519
Less accumulated depreciation	(118,326,982)	(19,049,807)	(137,376,789)
Total capital assets (net of accumulated depreciation)	195,710,794	10,517,346	206,228,140
<b>Total noncurrent assets</b>	<b>200,934,787</b>	<b>10,517,346</b>	<b>211,452,133</b>
<b>Total assets</b>	<b>236,534,113</b>	<b>28,690,414</b>	<b>265,224,527</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	10,753,361	480,653	11,234,014
Accrued liabilities	2,195,437	40,623	2,236,060
Compensated absences	69,737	16,691	86,428
Customer deposits	3,343,132	-	3,343,132
Revenue warrants payable - current	3,580,000	-	3,580,000
Due to other funds	166,560	-	166,560
<b>Total current liabilities</b>	<b>20,108,227</b>	<b>537,967</b>	<b>20,646,194</b>
<b>Noncurrent liabilities</b>			
Landfill closure and post-closure care costs	-	2,361,265	2,361,265
Revenue notes payable	29,196,753	-	29,196,753
Compensated absences	627,629	150,224	777,853
<b>Total noncurrent liabilities</b>	<b>29,824,382</b>	<b>2,511,489</b>	<b>32,335,871</b>
<b>Total liabilities</b>	<b>49,932,609</b>	<b>3,049,456</b>	<b>52,982,065</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	162,934,041	10,517,346	173,451,387
Restricted for debt service	5,059,388	-	5,059,388
Unrestricted	18,608,075	15,123,612	33,731,687
<b>Total net assets</b>	<b>\$ 186,601,504</b>	<b>\$ 25,640,958</b>	<b>\$ 212,242,462</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 For the Year Ended September 30, 2009**

	Municipal Utilities Board	Other Enterprise Funds	Totals
<b>Operating revenue</b>			
Charges for services	\$ 141,266,120	\$ 5,089,116	\$ 146,355,236
Premiums & fees	-	3,560,994	3,560,994
<b>Total operating revenue</b>	<b>141,266,120</b>	<b>8,650,110</b>	<b>149,916,230</b>
<b>Operating expenses</b>			
Personnel, operations & maintenance	133,539,519	5,462,196	139,001,715
Closure and postclosure costs	-	95,041	95,041
Depreciation and amortization	7,933,478	1,233,714	9,167,192
Administrative costs	-	1,035,757	1,035,757
<b>Total operating expenses</b>	<b>141,472,997</b>	<b>7,826,708</b>	<b>149,299,705</b>
<b>Operating income</b>	<b>(206,877)</b>	<b>823,402</b>	<b>616,525</b>
<b>Nonoperating revenue (expenses)</b>			
Interest income	206,699	184,154	390,853
Interest expense	(1,548,235)	-	(1,548,235)
Intergovernmental	-	-	-
Gain (loss) on disposition of assets	-	28,860	28,860
Miscellaneous revenue (expense)	(79)	35,564	35,485
<b>Total nonoperating revenue (expenses)</b>	<b>(1,341,615)</b>	<b>248,578</b>	<b>(1,093,037)</b>
<b>Income before contributions, transfers &amp; special items</b>	<b>(1,548,492)</b>	<b>1,071,980</b>	<b>(476,512)</b>
Capital contributions	1,964,787	-	1,964,787
Transfers in	-	355,561	355,561
Transfers (out)	-	-	-
<b>Change in net assets</b>	<b>416,295</b>	<b>1,427,541</b>	<b>1,843,836</b>
Total net assets, beginning	186,185,209	24,213,417	210,398,626
Prior period adjustments	-	-	-
<b>Total net assets, ending</b>	<b>\$ 186,601,504</b>	<b>\$ 25,640,958</b>	<b>\$ 212,242,462</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Year Ended September 30, 2009**

	Municipal Utilities Board	Other Enterprise Funds	Totals
<b>Operating activities</b>			
Receipts from customers and users	\$143,236,448	\$ 8,597,497	\$ 151,833,945
Other operating cash receipts	-	33,728	33,728
Payments to suppliers	(126,333,377)	(4,523,465)	(130,856,842)
Payments to employees	(9,756,549)	(2,039,396)	(11,795,945)
Non-operating cash payments	-	-	-
<b>Net cash provided by operating activities</b>	<b>7,146,522</b>	<b>2,068,364</b>	<b>9,214,886</b>
<b>Noncapital financing activities</b>			
Transfers in	-	355,562	355,562
Transfers (out)	-	-	-
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>355,562</b>	<b>355,562</b>
<b>Capital and related financing activities</b>			
Acquisition and construction of capital assets	(11,734,583)	(426,567)	(12,161,150)
Proceeds from sale of capital assets	-	28,860	28,860
Proceeds from issuing warrants	17,915,000	-	17,915,000
Capital contributions	1,964,787	-	1,964,787
Principal payments on warrants	(20,390,000)	-	(20,390,000)
Interest paid on warrants	(1,689,975)	-	(1,689,975)
Trustee and paying agent fees	(457,783)	-	(457,783)
<b>Net cash (used) by capital and related financing activities</b>	<b>(14,392,554)</b>	<b>(397,707)</b>	<b>(14,790,261)</b>
<b>Investing activities</b>			
Decrease (increase) in restricted assets	125,911	-	125,911
Miscellaneous non-operating income	(79)	-	(79)
Interest received	206,699	184,154	390,853
<b>Net cash provided (used) by investing activities</b>	<b>332,531</b>	<b>184,154</b>	<b>516,685</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,913,501)</b>	<b>2,210,373</b>	<b>(4,703,128)</b>
Cash and cash equivalents, beginning	28,990,020	11,249,995	40,240,015
<b>Cash and cash equivalents, ending</b>	<b>\$ 22,076,519</b>	<b>\$ 13,460,368</b>	<b>\$ 35,536,887</b>
<b>Operating income (loss)</b>	<b>\$ (206,877)</b>	<b>\$ 823,402</b>	<b>\$ 616,525</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>			
Depreciation and amortization	7,933,478	1,233,714	9,167,192
Miscellaneous item	-	130,605	130,605
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Change in assets and liabilities:			
Receivables	1,397,967	(54,449)	1,343,518
Accounts payable	(2,050,009)	(17,169)	(2,067,178)
Inventory	(117,859)	(39,539)	(157,398)
Prepaid items	-	-	-
Due to (from) other funds	-	-	-
Accrued liabilities	92,518	(8,199)	84,319
Deferred demand credit	97,304	-	97,304
Deferred revenue	-	-	-
Other items	-	-	-
<b>Net cash provided by operating activities</b>	<b>\$ 7,146,522</b>	<b>\$ 2,068,365</b>	<b>\$ 9,214,887</b>

The accompanying notes are an integral part of this statement.

**CITY OF DECATUR  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
September 30, 2009**

	Governmental Activities	Business-Type Activities	
	Board of Education	Public Building Authority	Total
<b>ASSETS</b>			
Cash & cash equivalents	\$ 20,306,320	\$ 291	\$ 20,306,611
Investments, at cost	35,298	-	35,298
Due from primary government	1,311,624	-	1,311,624
Due from governmental entities	15,081,993	-	15,081,993
Inventories	123,634	-	123,634
Deferred Charges	176,520	-	176,520
Capital assets			
Land and construction in process	6,594,688	-	6,594,688
Other assets, net of accum. depreciation	71,717,888	-	71,717,888
<b>Total assets</b>	<b>115,347,965</b>	<b>291</b>	<b>115,348,256</b>
<b>LIABILITIES</b>			
Accounts payable	781,834	-	781,834
Accrued liabilities	6,398,458	-	6,398,458
Deferred revenue	13,299,231	-	13,299,231
Noncurrent liabilities			
Due within one year	399,138	-	399,138
Due in more than one year	26,973,217	-	26,973,217
<b>Total liabilities</b>	<b>47,851,878</b>	<b>-</b>	<b>47,851,878</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	50,935,318	-	50,935,318
Unrestricted	16,560,769	291	16,561,060
<b>Total net assets</b>	<b>\$ 67,496,087</b>	<b>\$ 291</b>	<b>\$ 67,496,378</b>

The accompanying notes are an integral part of this statement.



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## **NOTES TO THE FINANCIAL STATEMENTS**

**City of Decatur**  
**Notes To The Financial Statements**  
**September 30, 2009**

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**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Decatur, Alabama (the “City”) was established in 1820, incorporated in 1826, and since October 1968 has been governed by an elected Mayor and five-member Council. The City is the County Seat of Morgan County.

The City complies with Accounting Principles Generally Accepted in the United States of America (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The blended component unit, although a legally separate entity, is in substance part of the government’s operations, and so data from this unit is combined with data of the primary government. The City has one component unit that meets the blended criteria. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government. Each blended and discretely presented component unit has a September 30 year-end.

Primary Government

The primary government consists of various departments, agencies and other organizational units governed directly by the mayor and council of the City of Decatur. The following organizations were evaluated and found to be an integral part of the primary government. This means that all financial information is integrated into the body of the primary government and they are in no way separate from that entity.

- Community Preservation Board
- Board of Examination and Appeals for Construction Industries
- Board of Sound Control
- Board of Zoning Adjustment
- City of Decatur Business Development Board
- City of Decatur Historic Preservation Commission
- Landfill
- Old Bank Board
- Parks and Recreation Board
- Planning Commission
- Municipal Utilities Board

Blended Component Unit

*Personnel Board:* The Personnel Board is responsible for overseeing all employee related matters for the City. Responsibilities of the Board include maintaining employee records, reviewing payroll data and approving new employees and pay increases. The members of the Board are appointed by the City Council and the City provides financial support to the Board. The Personnel Board is presented as a governmental fund type.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Discretely Presented Component Unit

*City of Decatur Board of Education:* The Board of Education is responsible for elementary and secondary education within the government's jurisdiction. The voters elect the members of the Board and the Board approves all budgets. However, the Board is fiscally dependent upon the government due to the tax levies received from the City of Decatur. The Board of Education is presented as a governmental fund type.

*Public Building Authority:* The Public Building Authority was established to construct and maintain the building occupied by the Morgan County Department of Human Resources. This building is leased to the State of Alabama and the lease payments are used for the debt service. The three-member board is wholly appointed by the City of Decatur. The City is responsible for maintenance of the building and is liable for any default on the lease. The Public Building Authority is presented as a proprietary fund type and is comprised of one fund.

Complete financial statements for the Board of Education, a component unit, may be obtained at the entity's administrative offices.

Board of Education  
302 Fourth Avenue Northeast  
Decatur, Alabama 35601

Separate financial statements are not prepared for the Public Building Authority or the Personnel Board.

**B. Government-wide and Fund Financial Statements**

Financial information of the City, the primary government, and the Board of Education and Public Building Authority, the City's component units, is presented as follows:

- *Management's discussion and analysis* introduces the basic financial statements and provides an analytical overview of the City's financial activities.
- *Basic Financial Statements:* Government-wide financial statements consist of a statement of net assets and a statement of activities.

These statements report all activities of the primary government and its component units. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges from services and are usually intended by management to be financially self-sustaining.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items, are presented as general revenues.

- *Fund financial statements* consist of a series of statements focusing on information about the City's major governmental and enterprise funds. Separate financial statements are presented for the governmental and proprietary funds.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Sales taxes, payments in lieu of taxes, property taxes, licenses and permits, and interest associated with the current fiscal period are all considered susceptible to accrual and 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

The following are the City's major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the government, except those accounted for in another fund.
- The *School Fund* accounts for the specific revenues that are for specific expenditures – which include sales and use tax, and the designated portion of the tobacco tax, general property tax, automotive tax, and tax-equivalent – Electric and Water departments.
- The *2006 Capital Improvement Fund* accounts for financial resources to be used for the acquisition or construction of various capital facilities such as an animal shelter and new fire stations.
- The *2009 A&B Warrants Fund* accounts for financial resources used to refund other G.O. Warrants held by the City and for future capital projects related to additional funding received.

The following are the City's major enterprise funds:

- The *Municipal Utilities Board Fund* accounts for the operating expenses, user fees (revenue), assets and liabilities of the Municipal Utilities Board, which provides electricity, gas, water, and wastewater treatment to the City of Decatur and other regions. Decatur Utilities is managed by a three-member Board appointed by the City Council.

Additionally, the City reports the following fund types:

Governmental Funds:

- The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects or permanent funds). Such funds are established when required by statute, charter provision, local ordinance, or executive decision to finance particular functions or activities.
- The *Debt Service Funds* account for the servicing of warrants which are not being used for general government purposes. Sources of funds for servicing this debt consist of payments-in-lieu of taxes and designated sales tax collections.
- The *Capital Projects Funds* account for the cost of constructing various public work and services projects. Financing is provided by general obligation debt.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

- The *Permanent Fund* accounts for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the City's programs.

Proprietary Funds:

- *Enterprise Funds* account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The City applies all applicable Financial Accounting Standards Board pronouncements issued after November 30, 1989 in accounting and reporting for its proprietary operations.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense 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 Decatur Utilities enterprise fund are charges to customers for services and fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Liabilities, and Net Assets or Equity**

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. State statutes authorize the City to invest in obligations of the U.S. Treasury, State of Alabama, Alabama counties, or the general obligations of Alabama Municipalities.

Cash and investments classified as restricted assets on the Municipal Utilities Board Enterprise Fund balance sheet were created per the warrant indentures and are to be used only for the repayment of outstanding revenue warrants of the Municipal Utilities Board Enterprise Fund.

State statute requires the City and its component units to invest in or collateralize funds with direct obligation of the United States, obligations of certain Federal agencies for which the full faith credit of the United States of America has been pledged, general obligation issues of other states, the State of Alabama, Alabama counties and Alabama Municipalities.

Investments consist of demand deposits and U.S. Treasury obligations with original maturities greater than three months from the date of acquisition. Thus, investments of the City, as well as its component units, are stated at cost, plus accrued interest, which is approximately the same as their fair value. The State Treasurer's investment pool operates in accordance with appropriate state laws. The reported value of the pool is the same as the fair value of the pool shares.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Amounts receivable and payable from federal, state, county, and local governments are classified as “due from/to other governmental entities.” The only individually significant amount due from any single entity as of September 30, 2009, was \$564,278 due from Morgan County for various tax receivables.

Ad valorem, sales, franchise and liquor taxes and beverages licenses and taxes recorded within the General Fund and the non-major governmental funds are recognized under the susceptible to accrual concept.

Non-current portions of long-term receivables due to Governmental Funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of Governmental Fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

Property taxes are levied in May for the following year beginning October 1, at which time a lien is attached. These taxes are due and payable on October 1 and delinquent after December 31 in each year (except with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid by the June 15 following the due date, a tax sale is required to be held. Revenue is recognized in the year when the taxes are collected. The taxes are collected by the Morgan County Revenue and License Commissioners and remitted to the City net of a collection fee ranging from 1 to 4 percent for the different taxes.

Privilege licenses and city liquor taxes are collected directly by the City and recorded when received since they are taxpayer-assessed.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The costs of Governmental Fund type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the purchases method to account for monthly medical insurance payments. The average monthly payment is \$390,000.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets tangible in nature, with an initial individual cost of more than \$7,500 (amount not rounded) 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 fair market value at the date of donation. When capital assets are disposed, the cost and related accumulated depreciation are removed, and any gain or loss arising from the disposal is credited or charged to operations.

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.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed.

Property, plant and equipment of the component units are generally recorded using the same policy as the City.

Depreciation of all exhaustible capital assets except infrastructure is charged as an expense against their operations or functions whereas the infrastructure depreciation is unallocated. Property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the estimated useful lives as follows:

Building improvements	10-20 years
Buildings	20-40 years
Sidewalks, streets, and bridges	20-50 years
Traffic signals	15 years
Utility plants in service	40-50 years
Improvements:	
Pumping stations	50 years
Outfall lines	50 years
Land improvements	12-25 years
Surface lots	15-20 years
Furniture and equipment	3 -12 years
Greenways	15 years
Drainage systems	40 years
Motor vehicles	5 years

Compensated Absences

City employees may accumulate up to three-hundred and seventy (370) days of sick leave. Employees of the City who have twenty-five (25) years of service or who have reached sixty (60) years of age and have 10 years of service are entitled to payment for one-half (1/2) of their accumulated sick leave upon retirement, not to exceed a maximum of 600 hours. The liability is calculated according to GASB Statement No. 16 using the termination payment method for governmental funds and the vesting method for proprietary funds. Vacation is accrued when incurred in proprietary funds and reported as a fund liability. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are considered to be and are accrued as a long-term liability within the governmental activities of the government-wide statement of net assets and within the proprietary fund statement of net assets. Amounts are reported in the governmental fund financial statements only at the time that they mature. Compensated absences have been historically liquidated through the fund from which the employee is paid, which is primarily, the General Fund and the nonmajor proprietary funds of Pt. Mallard and Sanitary Landfill. All reimbursable leave is paid at the time of an employee's resignation or retirement.

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 assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds and warrants payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Fund Equity

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including warrants payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$61,685,890 difference are as follows:

Warrants Payable	\$ 59,029,365
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,074,243)
Capital leases payable	400,627
Accrued interest payable	531,496
Compensated absences	2,798,645
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets-governmental activities	\$ 61,685,890

**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 reconciliation between net changes in fund balances-total governmental funds and changes in net assets 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 \$983,401 difference are as follows:

Capital outlay	\$ 7,640,156
Trade-ins	(25,001)
Depreciation expense	(6,631,754)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ 983,401

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - CONTINUED**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., warrants and leases) provides current financial resources and the repayment of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,196,074 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt	(\$ 21,945,000)
Plus premiums	(325,960)
Issuance costs	482,284
Capital lease financing	(614,474)
Principal repayments:	
General obligation debt	26,506,352
Capital lease	213,847
Amortization of premium and refunding loss	(45,605)
Deferral of issuance costs	(75,370)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ 4,196,074

Another element of that reconciliation states that “other expenses reported in the statement of activities that do not require current financial resources.” The detail of this \$2,882,285 difference is as follows:

Compensated absences	\$ (43,518)
Claims	(150,120)
Accrued interest	(353,928)
Other postemployment expenses	3,429,851
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ 2,882,285

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following section describes the budgeted and non-budgeted funds:

<u>Annually-Budgeted Governmental Funds</u>	<u>Governmental Funds Not Annually-Budgeted</u>
<b>General Fund</b>	<b>Special Revenue Funds</b>
<b>Special Revenue Funds</b>	Community Development Fund
7 Cent Gas Tax Fund	Municipal Court Fund
4&5 Cent Gas Tax Fund	<b>Debt Service Fund</b>
School Fund	Crossings Warrant Fund
Personnel Board Fund	<b>Capital Projects Funds</b>
Heritage Trust Fund	2006 GO Warrants Fall Capital Projects Fund
Docket Fees Fund	2006 Capital Improvements Fund
Drug Seizure Fund	2009 A & B Warrants Fund
Room Occupancy Fund	<b>Permanent Fund</b>
Corrections Fund	Perpetual Care Fund

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED**

The Municipal Utilities Board Fund is managed by a separate board appointed by the City Council. This Fund is independent of the City's budgeting process. The Community Development Fund adopts a grant-length budget as prescribed by grantor provisions. The Debt Service Funds are not annually budgeted since budgetary control exists through general obligation bond indenture provisions. While annual budgets are adopted for the Capital Projects Funds for management purposes, budgetary control is exercised using formally adopted project length budgets.

The City Council adopts budgets on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds, with the exception of the Community Development Fund. The Community Development Fund adopts project-length budgets as prescribed by grantor provisions.

The legal level of budgetary control is the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments and expenditure requests, which result in a budget overrun, require the approval of the City Council. The council reviews and approves these changes at mid-year when a formal amendment to the original budget is adopted. All annual appropriations lapse at year-end.

Prior to the beginning of the fiscal year, each city department prepares budget requests for submission to the finance department that will compile them and, together with an estimate of anticipated revenues, submits them to the mayor's office. The mayor and budget staff begins individual department reviews with department heads.

After changes are recommended and budget schedules are updated, the budget is finalized for submission to the City Council. The City Council reviews the budget, makes changes, and approves the budget. Budgeted amounts are as originally adopted, or as amended by the City Council.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

On or before October 1 of each year, the City of Decatur Board of Education, a discretely presented component unit, is required to prepare and submit to the state superintendent of education the annual budget to be adopted by the Board. The city superintendent of education or Board cannot approve any budget for operations of the school system for any fiscal year, which shows expenditures in excess of income estimated to be available, plus any balances on hand. The superintendent, with the approval of the Board, has the authority to make changes within the approved budget provided that a deficit is not incurred by such changes. The superintendent may approve amendments to program budgets without Board approval. Individual amendments to the budget as originally adopted are not considered material.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED**

**B. Excess of Expenditures over Appropriations**

The following funds incurred expenditures in excess of appropriations of the following amounts for the year ended September 30, 2009:

<b><u>General Fund</u></b>	
<i>General Government:</i>	
Revenue department	\$ 4,773
<i>Public Safety:</i>	
Fire department	\$ 385,483
<i>Public Works:</i>	
Streets	\$ 14,762
Sanitation	59,253
<i>Public Services</i>	
Park and recreation	\$ 120,327
Business development board	730
Youth services	13,191
<i>Intergovernmental assistance</i>	
Garage	\$ 23,242
Information services	14,617
Community Services Contracts	\$ 71,338
<b><u>School Fund</u></b>	
General Government	\$ 7,068
<b><u>Special Revenue Funds</u></b>	
<i>Drug Seizure Fund</i>	
Operating expenses	\$ 469
<i>Personnel Board Fund</i>	
Personal services	\$ 6,002
Operating expenses	62

The excess expenditures were provided by available fund balance in the related funds.

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The following information is provided to give an indication of the steps the City takes to protect its cash deposits and the level of risk assumed for certain investments.

At fiscal year end, the entire bank balances of the City, the Board of Education and Public Building Authority were covered by federal depository insurance and insured by the Security for Alabama Funds Enhancement, or SAFE Program. The SAFE Program is administered by the State Treasurer according to State of Alabama statute. Effective January 1, 2001, any bank or financial institution in the State of Alabama accepting deposits of public funds is required to insure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The entire pool stands behind each deposit. Eligible collateral are those securities currently designated as acceptable collateral for state deposits as defined by State law.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the primary government is as follows:

Cash on hand	\$ 52,660,118
Carrying amount of deposits	4,711,373
Carrying amount of investments	<u>15,669,432</u>
 Total	 <u>\$ 73,040,923</u>
 Per Governmental Funds Balance Sheet-total governmental funds	
Cash and investments	\$28,439,648
Per Proprietary Funds Statement of Net Assets	
Total enterprise funds	
Cash and investments	39,536,887
Restricted cash for debt service	<u>5,064,388</u>
 Total	 <u>\$ 73,040,923</u>

A reconciliation of Discretely Presented Component Unit's cash and investments as shown on the Combining Statement of Net Assets for the Discretely Presented Component Unit is as follows:

	<u>Board of Education</u>
Cash on hand	\$ 20,306,320
Carrying amount of deposits	<u>35,298</u>
 Total Cash and investments	 <u>\$ 20,341,618</u>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**B. Capital Assets**

Capital asset activity for the year ended September 30, 2009 was as follows:

	Balance September 30, 2008	Additions/ Transfers-in	Deletions/ Transfers-out	Balance September 30, 2009
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 9,656,926	\$ 166,531	\$ (2,070)	\$ 9,821,387
Construction in progress	6,486,018	2,016,603	(5,051,236)	3,451,385
Total capital assets, not being depreciated	16,142,944	2,183,134	(5,053,306)	13,272,772
Capital assets, being depreciated:				
Buildings and improvements	29,062,170	5,738,489	(69,687)	34,730,972
Land improvements	19,202,410	637,835	-	19,840,245
Furniture, equipment and other	23,286,666	2,419,591	(809,261)	24,896,996
Infrastructure	92,849,559	1,704,805	-	94,554,364
Total capital assets, being depreciated	164,400,805	10,500,720	(878,948)	174,022,577
Less accumulated depreciation for:				
Buildings and improvements	(16,296,006)	(1,296,195)	45,250	(17,546,951)
Land improvements	(6,447,760)	(850,404)	-	(7,298,164)
Furniture, equipment and other	(18,635,144)	(1,492,171)	809,261	(19,318,054)
Infrastructure	(54,888,048)	(2,992,984)	-	(57,881,032)
Total accumulated depreciation	(96,266,958)	(6,631,754)	854,511	(102,044,201)
Total capital assets, being depreciated, net	68,133,847	(3,868,966)	(24,437)	71,978,376
Governmental activities capital assets, net	<u>\$ 84,276,791</u>	<u>\$ 6,052,100</u>	<u>\$ (5,077,743)</u>	<u>\$ 85,251,148</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,863,756	\$ -	\$ -	\$ 3,863,756
Construction in progress	2,697,134	12,109,907	(12,896,522)	1,910,519
Total capital assets, not being depreciated	6,560,890	23,209,907	(12,876,046)	5,774,275
Capital assets, being depreciated:				
Buildings and improvements	22,088,453	49,641	-	22,138,094
Furniture, equipment and other	5,445,630	110,920	(113,418)	5,443,132
Utility plant-in-service	299,356,500	12,855,198	(1,962,261)	310,249,427
Total capital assets, being depreciated	326,890,583	13,015,759	(2,075,689)	337,830,653
Less accumulated depreciation for:				
Buildings and improvements	(14,238,195)	(724,236)	-	(14,962,431)
Furniture, equipment and other	(3,691,314)	(509,478)	113,419	(4,087,373)
Utility plant-in-service	(112,355,765)	(7,933,478)	1,962,259	(118,326,984)
Total accumulated depreciation	(130,285,274)	(9,167,192)	2,075,678	(137,376,788)
Total capital assets, being depreciated, net	196,605,309	3,848,567	(11)	200,453,865
Business-type activities capital assets, net	<u>\$ 203,166,199</u>	<u>\$ 15,958,473</u>	<u>\$ (12,896,532)</u>	<u>\$ 206,228,140</u>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Depreciation expense of \$2,994,155 for the Governmental activities Infrastructure assets is not allocated to the functions. The depreciation expense for all other depreciable assets is charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
General government	\$ 957,771
Public Safety	658,720
Public Works	489,926
Public Services	1,394,908
Intergovernmental	<u>136,274</u>
Total depreciation expense – governmental activities	<u>\$ 3,637,599</u>
<u>Business-type activities:</u>	
Municipal Utilities Board Fund	\$ 7,933,478
Sanitary Landfill Fund	722,453
Point Mallard Fund	<u>511,261</u>
Total depreciation expense – business-type activities	<u>\$ 9,167,192</u>

Activity for the discretely presented component unit, Board of Education for the year ended September 30, 2009 was as follows:

	September 30, 2008	Additions/ Reclassifications	Deletions/ Reclassifications	September 30, 2009
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 6,476,997	\$ -	\$ -	\$ 6,476,997
Construction in progress	5,399,933	4,494,680	(9,776,922)	117,691
Total capital assets, not being depreciated	<u>11,876,930</u>	<u>4,494,680</u>	<u>(9,776,922)</u>	<u>6,594,688</u>
Capital assets, being depreciated:				
Buildings and improvements	92,391,552	9,776,922	-	102,168,474
Furniture, equipment and other	7,045,524	451,412	(126,591)	7,370,345
Total capital assets, being depreciated	<u>99,437,076</u>	<u>10,228,334</u>	<u>(126,591)</u>	<u>109,538,819</u>
Less accumulated depreciation	<u>34,711,732</u>	<u>3,216,742</u>	<u>107,543</u>	<u>37,820,931</u>
Total capital assets, being depreciated, net	<u>64,725,344</u>	<u>7,011,592</u>	<u>(19,048)</u>	<u>71,717,888</u>
Total governmental activities capital assets, net	<u>\$ 76,602,274</u>	<u>\$ 11,506,272</u>	<u>\$ (9,795,970)</u>	<u>\$78,312,576</u>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2009 is as follows:

**Transfers In/Out:**

Transfers Out:

From General Fund:

To School Fund	\$ 4,840	
To non-major governmental funds	2,573,612	
To non-major proprietary funds	<u>159,975</u>	2,738,427

From Non-major governmental funds:

To General Fund	\$ 643,024	
To other non-major governmental funds	72,168	
To non-major enterprise funds	<u>195,586</u>	<u>910,778</u>

Total \$ 3,649,205

Transfers In:

To General Fund:

From non-major governmental funds	\$ 643,024
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To School Fund:

From General Fund	4,840
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To Non-major governmental funds:

From General Fund	\$ 2,573,612	
From other non-major governmental funds	72,168	2,645,780

To Non-major proprietary funds:

From General Fund	\$ 159,975	
From non-major governmental funds	<u>195,586</u>	<u>355,561</u>

Total \$ 3,649,205

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Due To/From Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Municipal Utilities Board Enterprise Fund	\$ 141,709
	Non-major Governmental Funds	<u>653,722</u>
		795,431
School Fund	Municipal Utilities Board Enterprise Fund	<u>24,851</u>
Total due to/from other funds		<u>\$ 820,282</u>

**Due To/From Primary Government and Component Units:**

Receivable Fund	Payable Fund	Amount
Component Unit – Board of Education	Primary Government – School Fund	<u>\$ 1,311,624</u>
Total due to/from primary government to component units		<u>\$ 1,311,624</u>

In general, transfers are used to (1) move revenues from the fund that collects the money to the fund that expends the money, (2) move receipts restricted or earmarked for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in a fund to provide operating advances to other funds in accordance with budgetary authorizations. The due to/from balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

**D. Leases**

Operating Leases

In 2008, the City entered into three non-cancelable operating lease agreements for the use of golf carts. Total costs for such leases were \$66,747 for the year ended September 30, 2009. The future minimum lease payments for these leases are as follow:

Year Ending	Business-Type Activities
September 30	Point Mallard
2010	\$ 70,717
2011	70,717
2012	70,717
2013	<u>1,936</u>
Total minimum lease payments	<u>\$ 214,087</u>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Capital Leases

The City has entered into various lease agreements as lessee for financing the acquisition of equipment. These lease agreements are treated as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the basic financial statements.

The assets acquired through capital leases are as follows:

	Governmental Activities
Equipment	\$614,474
Less: accumulated amortization	(20,482)
Total	\$593,992

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2009 are as follows:

Year Ending September 30	Governmental Activities
2010	\$213,847
2011	213,847
Total minimum lease payments	427,694
Less amount representing interest	(27,090)
Present value of minimum lease payments	\$400,604

The future debt service requirements of the governmental activities leases at September 30, 2009 are primarily to be provided by the General Fund.

**Component Unit**

The discretely presented component unit, Board of Education, has entered into various lease agreements as lessee for financing the acquisition of transportation and computer equipment. These lease agreements are treated as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the basic financial statements.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2009 are as follows:

Year Ending September 30	Governmental Activities
2010	\$ 459,878
2011	329,834
2012	232,161
2013	154,112
2014	154,112
2015-2019	462,335
Total minimum lease payments	1,792,432
Less amount representing interest	(210,077)
Present value of minimum lease payments	\$ 1,582,355

**E. Long-Term Debt**

General Obligation Warrants

The City issues general obligation ("G.O.") warrants, which is a direct obligation and pledge of the full faith and credit of the City, for the following purposes:

- a. For the acquisition and construction of major capital facilities.
- b. To refund other G.O. warrants.

Source of Repayment of Long-Term Debt

Repayment of the City's long-term debt is generally provided for as follows:

Type of Debt	Paid From	Resources Provided By
<u>Governmental Activities:</u>		
G.O. warrants - major capital facilities	General Fund Crossings Warrant Fund	General Fund General Fund
G.O. warrants - school facilities	School Fund	School Fund
<u>Business-Type Activities:</u>		
Revenue warrants	Municipal Utilities Board Fund	Municipal Utilities Board Fund

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Lease Revenue Bonds – Public Building Authority Component Unit

The Public Building Authority, a blended component unit of the City, issued bonds in 2003. Repayment of the bonds is secured by annual lease payments received by the Authority. Pursuant to the trust indenture, the Authority is required to maintain debt service reserve accounts for a portion of the outstanding principal. The Authority was in compliance with the reserve requirements at year-end.

The bonds do not constitute a direct obligation and pledge of the full faith and credit of the City.

Advance Refundings

The City has issued refunding warrants to provide for the advance refunding of other debt. For advance refunded warrants, the City uses the refunding warrant proceeds to purchase U.S. Government State and Local Government Series securities that are placed in an irrevocable trust for the purposes of funding debt service requirements of the refunded warrants. As a result, the refunded warrants are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. Any resulting economic gain or loss is deferred and amortized over the lesser of the remaining life of the refunded or refunding warrants.

Advance refunding transactions for the current year for which the refunded warrants are still outstanding on September 30, 2009, were as follows (in thousands):

Fiscal Year	<u>Refunding Warrants</u>		<u>Refunded Warrants</u>			
	Series	Face Amount	Series	Refunded Amount	Debt Service Diff. (b)	Economic Gain (Loss)

**PRIMARY GOVERNMENT**

Governmental Activities:

2009	2009-A (a)	\$13,170	2000	\$12,170	107	(\$775)
2009	2009-B	8,775	1997-A	1,475	(c)	(10)
2009	2009-B	8,775	1997-B	800	(c)	(5)
2003	2009-B	8,775	1997 – School	2,650	(c)	(17)
2003	2009-B	8,775	1997 – Municipal	3,660	(c)	(24)

(a) The 2009-A issue refunded only those principal maturities scheduled after July 1, 2011.

(b) Includes debt service savings and savings realized up-front in cash in the refunding transaction.

(c) Due to the fact that the 2009-B issue was an advance refunding of the 1997-A & B, 1997 School, and 1997 Municipal issues, the individual debt service savings realized up-front in cash could not be calculated. The total savings on the combined refunding transaction was \$435,740.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Outstanding Debt

The amount of debt outstanding at September 30, 2009, and information related to it was as follows:

Series	Face Amount (thousands)	Dated	Final Maturity	Interest Rates (%)	Principal Maturities (thousands)	Ending Balance (thousands)	Amount Due Within One Year (thousands)
<b>PRIMARY GOVERNMENT</b>							
<u>Governmental Activities</u>							
<i>G.O. Warrants - general purposes</i>							
2000	15,920	7/1/2000	6/1/2020	5.375	110 - 2,095	235	235
2003-C	3,775	2/1/2003	8/1/2013	2.875 - 4.0	205 - 500	865	205
2003-E	19,900	11/1/2003	7/1/2026	4.0 - 4.75	380 - 800	16,495	395
2006-Crossings	4,775	9/20/2006	9/20/2021	6.55	28 - 54	4,297	-
2006-Capital Improvement	16,215	10/11/2006	10/1/2026	4.0-4.375	175 -2,360	15,705	265
2009-A	13,170	6/1/2009	7/1/2020	2.0-4.0	190-2,015	13,170	190
2009-B	8,775	6/1/2009	6/1/2014	1.2-2.5	1,080-2,290	8,775	2,290
	<u>82,530</u>					<u>59,542</u>	<u>3,580</u>
<b>Total Governmental Activities</b>	<b><u>\$ 82,530</u></b>					<b><u>\$ 59,542</u></b>	<b><u>\$ 3,580</u></b>

During 2006, the City entered into an agreement to purchase land for the future Crossings development. Under this agreement, the City transferred ownership of the property to a developer and retained responsibility for the related debt. Fifty percent of future sales tax revenue and annual ad valorem taxes in excess of \$20,000 related to this development are to be reserved for reduction of this debt. Any amounts not covered by the above reserves at the end of fifteen years are to be reimbursed by the developer.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Outstanding Debt - Continued

Series	Face Amount (thousands)	Dated	Final Maturity	Interest Rates (%)	Principal Maturities (thousands)	Ending Balance (thousand)	Amount Due Within One Year
<u>Business-Type Activities</u>							
<i>Water System Revenue Warrants</i>							
2009	17,915	6/1/2009	6/1/2019	2.0 - 4.0	1,670 - 2,050	17,915	1,670
	<u>17,915</u>					<u>17,915</u>	<u>1,670</u>
<i>Wastewater System Revenue Warrants</i>							
1997	2,850	11/1/1996	8/15/2017	3.95	135 - 200	1,415	155
2000	15,590	12/22/1999	8/15/2020	3.85	720 - 1,095	10,020	745
2004	9,645	04/21/2004	8/15/2013	2.85	910 - 1,125	4,265	1,010
	<u>28,085</u>					<u>15,700</u>	<u>1,910</u>
<b>Total Business-Type Activities</b>	<b><u>46,000</u></b>					<b><u>33,615</u></b>	<b><u>3,580</u></b>
<b>Total Primary Government</b>	<b><u>\$ 128,530</u></b>					<b><u>\$ 93,157</u></b>	<b><u>\$ 7,160</u></b>

**COMPONENT UNITS**

Governmental-Type Activities

*Board of Education*

2005	\$ 26,000	2005	2030	4.0 - 4.5	270 - 11,290	\$ 26,000	\$ -
<b>Total Component Units</b>	<b><u>\$ 26,000</u></b>					<b><u>\$ 25,790</u></b>	<b><u>\$ -</u></b>

The City is not obligated in any manner for the debt of the Board of Education, a discretely presented component unit.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Future Debt Service

The City's future debt service requirements on its outstanding warrants and bonds as of September 30, 2009 are shown below. There is \$120,553 available in the Crossings Debt Service Fund to service general obligation debt and \$5,064,388 available in the Municipal Utilities Board Enterprise Fund to service the revenue warrants.

**PRIMARY GOVERNMENT**

	<b>(thousands)</b>	
	G.O. Warrants	
<u>Governmental Activities:</u>	Principal	Interest
2010	3,580	3,099
2011	3,665	2,322
2012	3,302	2,210
2013	3,412	2,099
2014	2,632	1,985
2015 – 2019	15,030	8,277
2020 – 2024	12,685	5,006
2025 – 2029	11,000	2,080
2030 – 2034	4,236	516
Total governmental activities	\$ 59,542	\$ 27,594

	Water System		Wastewater	
	Revenue		System	
	Warrants		Revenue	
			Warrants	
<u>Business-type Activities:</u>				
2010	1,670	496	1,910	564
2011	1,615	508	1,980	500
2012	1,650	476	2,055	433
2013	1,690	434	2,140	365
2014	1,735	384	1,050	294
2015 – 2019	9,555	1,076	5,470	836
2020 - 2024	-	-	1,095	43
Total business-type activities	\$ 17,915	\$ 3,374	\$15,700	\$ 3,035

**COMPONENT UNITS**

	Capital Outlay	
	Warrants	
	Principal	Interest
<u>Governmental Activities: Board of Education</u>		
2010	\$ -	\$ 1,107
2011	-	1,107
2012	270	1,101
2013	275	1,090
2014	1,040	1,064
2015-2019	5,860	4,649
2020-2024	7,265	3,313
2025-2030	11,290	1,587
Total Governmental Activities	\$ 26,000	\$ 15,018

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows (in thousands):

**PRIMARY GOVERNMENT**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General obligation warrants	\$ 63,273	\$ 21,945	\$ (25,676)	\$ 59,542	\$ 3,580
Less amounts deferred for:					
Issue discounts & premiums	(4)	326	(14)	308	-
Refunding losses	(50)	(830)	59	(821)	-
Total warrant, bonds, & notes	63,219	21,441	(25,631)	59,029	3,580
Capitalized leases	-	614	(214)	400	196
Compensated absences	2,355	31	(74)	2,312	231
Claims payable	637	110	(260)	487	49
Other post-employment benefits	-	4,558	(1,128)	3,430	343
<b>Governmental Activities Long-Term Liabilities</b>	<b>\$ 66,211</b>	<b>\$ 26,754</b>	<b>\$ (27,307)</b>	<b>\$ 65,658</b>	<b>\$ 4,399</b>
<u>Business-Type Activities:</u>					
Revenue warrants	\$ 36,090	\$ 17,915	\$ (20,390)	\$ 33,615	\$ 3,580
Less amounts deferred for:					
Issue discounts & premiums	(444)	(636)	242	(838)	-
Total warrants	35,646	17,279	(20,148)	32,777	3,580
Landfill closure and postclosure	2,266	95	-	2,361	-
Compensated absences	839	1,041	(1,016)	864	86
<b>Business-Type Activities Long-Term Liabilities</b>	<b>\$ 38,751</b>	<b>\$ 18,415</b>	<b>\$ (21,164)</b>	<b>\$ 36,002</b>	<b>\$ 3,666</b>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS – PUBLIC BUILDING AUTHORITY**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities – Public Building Authority</u>					
Revenue warrants	\$ 170	\$ -	\$ (170)	\$ -	\$ -
Total Public Building Authority					
Long-Term Liabilities	\$ 170	\$ -	\$ (170)	\$ -	\$ -

**COMPONENT UNITS- BOARD OF EDUCATION**

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business-Type Activities – Board of Education</u>					
Revenue warrants	\$ 26,000	\$ -	\$ -	\$ 26,000	\$ -
Issue discounts & premiums	(220)		10	(210)	
Total Board of Education					
Long-Term Liabilities	\$ 25,780	\$ -	\$ 10	\$ 25,780	\$ -

**F. Conduit Debt Obligations**

From time to time, the City has, through its Industrial Development Board, issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2009, there were nine series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the nine outstanding issues was approximately \$420,058,569. The original issue amounts of these series totaled \$530,240,000.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**G. Fund Equity Reserves and Designations**

General Fund

*Reserved for encumbrances* - restricted monies for future payment of encumbered goods and services

*Reserve for inventories* - represents a portion of general fund assets that do not represent available expendable financial resources.

*Reserved for post-employment benefits* - represents amounts set aside to fund the benefits expected to be paid for retired employees in the next fiscal year.

*Designated for special purposes* – restricted revenues for future use related to certain expenditures.

*Designated for future capital needs* – restricted revenues for use related to certain capital expenditures in the subsequent year.

*Designated for landfill* –revenues set aside for purposes of funding operating deficit and development costs of the landfill should they occur.

Other Governmental Funds

*Reserved for encumbrances* - restricted monies for future payment of encumbered goods and services.

*Reserved for perpetual care* - funds restricted for maintenance of cemetery property.

*Reserved for debt service* - funds restricted to servicing debt.

**H. Tax Equivalentents**

The Municipal Utilities Board Fund is required to pay to the City a tax equivalent which is determined by applying the current property tax rates to the Utilities' net plant in service at the end of the preceding year. The amount of tax equivalentents paid to the City by the Municipal Utilities Board Fund during 2009 was \$1,460,686 by the Electric System, \$247,185 by the Natural Gas System, \$462,361 by the Water System and \$87,050 by the Wastewater System. These amounts are reported as intergovernmental revenue in the General Fund and the School Fund of the City and as operating expenses in the financial statements of the Municipal Utility Board Enterprise Fund.

**I. Closure and Postclosure Care Cost**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will only be paid near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The total amount of \$2,361,265 reported for landfill closure and postclosure care liability at September 30, 2009 within the proprietary statement of net assets, represents the cumulative amount reported to date based on the use of 41.13 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$3,380,058 as the remaining capacity is filled. These costs are based on the amount required to be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of September 30, 2009. The City expects to close the landfill in the year 2043. Actual costs of closure and postclosure may be higher due to inflation, changes in technology, or changes in laws and regulations.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION**

**A. Contingent Liabilities and Commitments**

Litigation

The City is a defendant in a number of claims and lawsuits. The outcome of these matters is uncertain as of the date of this report. The City Attorney estimates the total liability with respect to these claims and lawsuits that are not covered by insurance will not exceed \$250,000, which is estimated to be currently payable and has been accrued as a liability in the City's General Fund at September 30, 2009.

The Board of Education is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Board.

Grants

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other government units. As of September 30, 2009, significant amounts of grant expenditures have not been audited by the grantor agencies, but the City believes that future disallowed expenditures related to the unaudited grant programs, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

Construction Contracts

The City entered into various construction contracts as of September 30, 2009. The unfulfilled balance of these contracts that relate to the non-major governmental funds operations are included in the "Reserve for Encumbrances" as described more fully in Note 4H.

**B. Jointly Governed Organizations**

Joint Ventures

The City of Decatur is involved in two joint ventures:

*Decatur – Morgan County Port Authority* was incorporated in 1982 for the purpose of developing the port and industrial park located in Morgan County on the Tennessee River. The Authority has a five-member board, which is appointed equally by the governing body of the City of Decatur and Morgan County. There were no financial assets, liabilities or ongoing activity related to the authority during the year or at September 30, 2009.

*Wheeler Basin Regional Library Board* was organized in 1962 to provide information resources to the citizens of Decatur and surrounding areas. It has a ten-member board of which the City Council appoints three members. The City owns and maintains the building in which the library is located. This ongoing equity interest is recorded within the City's capital assets, as ownership is not attributable to any individual fund. The Library Board issues separately audited financial statements available from the Wheeler Basin Regional Library Board at 504 Cherry Street Northeast, Decatur, Alabama, 35601.

The City in conjunction with Morgan County created the following agencies and authorities in order to better service the citizens of Decatur and Morgan County.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Jointly Governed

*Decatur-Morgan County Emergency Management Agency* provides measures for the mobilization, organization, and direction of the civilian population and necessary support agencies to prevent, or minimize, the effect of fire, flood, earthquake and epidemic. The officers and employees of the City and Morgan County comprise the agency. The City provided \$27,116 in appropriations during the fiscal year ending September 30, 2009.

*Decatur-Morgan County Farmers Market Board* manages the operation of the facility known as the farmers market located adjacent to the intersection of First Avenue Southeast and Second Street Southeast in Decatur. The Board is comprised of five members who are jointly appointed by the governing bodies of the City of Decatur and Morgan County.

*NARCOG* – The North Alabama Regional Council of Governments provide regional planning for the physical, economic and human resources development within North Alabama. There are three particular programs controlled by NARCOG, which the City of Decatur supports financially. These are the Aging Program, Regional Planning, and Transportation Planning. The City of Decatur contributed a total of \$45,975 to these programs during the fiscal year.

*The Health Care Authority of Morgan County-Decatur* operates the Decatur General health care facilities located on Seventh Street, Decatur, Alabama. The Authority is comprised of five directors who are jointly appointed by the governing bodies of the City of Decatur and Morgan County.

*Morgan County Emergency Management Commission District* is commonly known as 911. This seven-member board, of which the City Council appoints three members, manages the emergency phone service 911 along with other duties. The City of Decatur provided \$573,354 in appropriations during the fiscal year.

*North Central Alabama Mental Health Board* provides mental health and general welfare services to the citizens of North Alabama. The Board is comprised of nine members of whom three are appointed by the City Council. The City contributed \$36,043 to the Board during the fiscal year.

*North Central Alabama Mental Retardation Authority* provides services to mentally disabled children. The Board is comprised of five members of whom one is appointed by the City Council. The City contributed \$12,738 to the Authority during the fiscal year.

*Pryor Field Airport Authority* was organized in 1963 to oversee the Pryor Field Airport located within Limestone County. Its board is comprised of five members of whom one member is appointed by each of the following: Limestone County Commission, Decatur City Council, Morgan County Commission, and Athens City Council. The City contributed \$30,000 to the Authority during the fiscal year.

**C. Related Organizations**

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability does not extend beyond member appointments. The City Council appoints the board members of the Board of Equalization; Decatur, Alabama Health Care Authority; Downtown Redevelopment Authority; Industrial Development Board of the City of Decatur; and Medical Clinic Board. The Mayor appoints the board members of the Housing Authority of the City of Decatur, Alabama.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

**D. Pension Plans**

The City of Decatur's defined benefit pension plan provides retirement, disability benefits and death benefits to plan members and beneficiaries. The City is affiliated with the Employees' Retirement System of Alabama (the System), an agent multiple-employer pension plan administered by the Retirement Systems of Alabama. The Retirement Systems of Alabama assigns the authority to establish and amend the benefit provisions of the plans that participate in the System to the respective employer entities. For the City of Decatur, that authority rests with the City Council with the exception of the Municipal Utilities Board Enterprise Fund, for which the Board has the authority. The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Retirement Systems of Alabama, PO Box 302150, Montgomery, Alabama, 36130-2150 or by calling (334) 832-4140.

On October 1, 2002, the Municipal Utilities Board elected to move its retirement plan to the Employee Retirement System of Alabama. Prior to this date the assets of the plan were maintained by The Municipal Utilities Board of Decatur, Morgan County, Alabama Pension Plan, and a single-employer defined benefit pension plan administered by Aetna Life Insurance Company. Among the requirements, the Board was directed to move all of its assets for current employees and the majority of its assets for retired employees to the Employees Retirement System. A small number of annuity investments for certain employees are funded in the plan and could not be transferred. These retirees are paid from these assets and their retirement benefits from RSA are adjusted accordingly. The plan is fully funded with respect to these retirees and requires no current contributions.

State correctional officers, certified full-time firefighters, and certified full-time law enforcement officers are required to contribute 6% of their annual covered salary to the plan. All other System members are required by the State of Alabama to contribute 5% of their annual covered salary to the plan. The City is required to contribute at actuarially determined rates. The rate as a percentage of annual covered payroll for the City is 11.56%, with the exception of the Municipal Utilities Board Fund, for which the rate is 17.23%. The contribution requirements of plan members are established and may be amended by the Employee's Retirement System of Alabama.

For 2009, the City of Decatur's annual pension cost was equal to their required and actual contributions. The required contribution was determined as part of the September 30, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 4.61% to 7.75% per year, and (c) 0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of the system's assets was determined using market values of instruments at September 30, 2008 for the City, and using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period in the years prior to September 30, 2008 and September 30, 2007, respectively. The System's unfunded actuarial accrued liability is amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2008 was twenty for the Board and the City.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

<b>Trend Information for the System (1)</b>			
	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
City of Decatur	9/30/08	2,294,853	100%
	9/30/07	2,038,996	100%
	9/30/06	1,926,493	100%
	9/30/05	1,844,308	100%
	9/30/04	1,627,581	100%
Municipal Utilities Board	9/30/08	1,288,608	100%
	9/30/07	1,195,506	100%
	9/30/06	1,177,637	100%
	9/30/05	1,167,645	100%
	9/30/04	1,129,323	100%

(1) Trend information for the year ended September 30, 2009 was not yet available from the System.

<b>Schedule of Funding Progress for the System</b>							
Department	Actuarial Valuation Date(1)	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
City of Decatur	9/30/08	\$71,189,160	\$96,887,807	\$25,698,647	73.5%	\$23,784,423	108.0%
	9/30/07	70,294,168	91,599,506	21,305,337	76.7%	22,785,195	93.5%
	9/30/06	66,564,613	86,885,998	20,321,385	76.6%	22,206,051	91.5%
	9/30/05	63,790,804	79,255,382	15,464,578	80.5%	21,707,078	69.8%
	9/30/04	60,941,212	72,166,289	11,225,077	84.4%	21,200,230	52.2%
Municipal Utilities Board	9/30/08	\$25,564,413	\$39,155,660	\$13,591,247	65.3%	\$7,919,390	171.6%
	9/30/07	23,777,554	36,629,622	12,852,068	64.9%	7,260,852	177.0%
	9/30/06	21,223,330	34,761,112	13,537,782	61.1%	7,176,924	188.6%
	9/30/05	19,538,611	32,934,918	13,396,307	59.3%	7,339,704	181.4%
	9/30/04	17,647,774	30,560,464	12,912,690	57.7%	7,121,446	181.3%

(1) Trend information for the year ended September 30, 2009 was not yet available from the System.

Component Unit

City Board of Education

The Board contributes to the Teachers' Retirement System of Alabama, a cost-sharing multiple-employer public retirement system for the various state-supported education agencies and institutions. The plan is administered by the Retirement Systems of Alabama.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Substantially all employees of the Board are members of the Teachers' Retirement System. Membership is mandatory for covered or eligible employees of the Board. Benefits vest after ten years of creditable service. Vested employees may retire with full benefits at age sixty or after twenty-five years of service. Retirement benefits are calculated by two methods with the retiree receiving payment under the method, which yields the highest monthly benefit. The methods are: (1) Minimum Guaranteed, or (2) Formula, of which the Formula method usually produces the highest monthly benefit. Under this method retirees are allowed 2.0125% of their average final salary (best three of the last ten years) for each year of service. Disability retirement benefits are calculated in the same manner. Pre-retirement death benefits in the amount of the annual salary for the fiscal year preceding death are provided to plan members.

The Teachers' Retirement System was established October 1, 1941, under the provisions of Act Number 419, of the Legislature of 1939, for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The responsibility for general administration and operation of the Teachers' Retirement System is vested in the Board of Control (currently fourteen members). Benefit provisions are established by the Code of Alabama 1975, Section 16-25-1 through Section 16-25-170, as amended, and Section 36-27B-1 through Section 36-27B-5, as amended.

Employees of the Board are required to contribute 5% of their salary to the Teachers' Retirement System. The Board is required to contribute the remaining amounts necessary to fund the actuarially determined contributions to ensure sufficient assets will be available to pay benefits when due. Each year the Teachers' Retirement System recommends to the Alabama Legislature the contribution rate for the following fiscal year, with the Legislature setting this rate in the annual appropriations bill. The percentages of the contributions and the amount of contributions made by the Board and the Board's employees equal the required contributions for each year as follows:

	Fiscal Year Ended September 30,		
	2009	2008	2007
Total percentage of payroll	17.07%	16.75%	14.36%
Contributions:			
Percentage contributed by the Board	12.07%	11.75%	9.36%
Percentage contributed by employees	5.00%	5.00%	5.00%
Amount contributed by the Board	\$ 6,061,304	\$ 5,842,659	\$ 4,378,759
Amount contributed by employees	2,510,896	2,486,238	2,339,081
Total Contributions	\$ 8,572,200	\$ 8,328,897	\$ 6,717,810

**E. Post-Retirement Health Plan**

Plan Description

The City of Decatur provides certain post-retirement medical benefits to certain retired employees, an other postemployment benefit plan ("OPEB") as defined by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The City provides post employment health, dental and vision care benefits to each permanent full-time employee who has twenty-five years of qualified service or reaches age sixty (60) with at least ten years under the state requirements of service with the City of Decatur and retires from the City of Decatur through the Employees Retirement System of the State of Alabama (ERS), prior to the age of sixty-five (65) and whose effective date of retirement, as approved by the ERS, falls on or after July 1, 1995.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Subsequent to year-end, the City Council resolved that all employees hired after October 1, 2009 who desired to retire and continue their health insurance coverage, as previously provided by the City, will be responsible for the total cost of continued coverage.

Funding Policy

Retirees with family coverage are required to pay premiums for a portion of the benefits in an amount established by City Ordinance, which is \$100 or 10.89% of the total cost to the City as of September 30, 2009 unless Medicare is involved, in which case, retirees pay the State Employee's Insurance benefit Medicare rate. The City pays all costs of retirees with single coverage. This is equivalent to the required premiums of active employees. In addition, when an eligible retiree reaches Medicare eligibility, the City will continue to pay for the medical insurance (at a reduced rate) with Medicare becoming primary.

The City is required to pay the remaining premiums and has funded the plan on a projected pay-as-you-go basis in the current year. Based on the change in terms of retirees hired after October 1, 2009, as noted above, the City believes the actuarial liability will decrease upon the next valuation date. Therefore, a \$568,000 reserve of fund balance has been created for OPEB liabilities as of year-end, but the City will continue to fund the plan on a projected pay-as-you-go basis until after the next valuation. At that time, the City plans to begin contributing the remaining cost of benefits at a rate determined by an actuarial valuation that is prepared in accordance with certain parameters.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty (30) years.

For 2009, the required contribution was determined as part of the September 30, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.0% investment rate of return; (b) a 11.0% medical cost trend rate graded to 5.0% over eight years; (c) a 6.0% and 3.5% cost trend for dental and vision care, respectively; (d) 100% participation rate by retirees and 60.0% participation rate by spouses of participating retirees; (e) retirement rates consistent with the City's pension plan actuarial valuation; and (f) a thirty-year amortization period of the actuarial liability. The actuarially determined rate as a percentage of annual covered payroll was 20.09%.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for September 30, 2009 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/08	\$4,557,577	24.7%	\$3,429,850

The funded status of the plan as of September 30, 2009, was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
9/30/08	\$0	\$58,847,513	\$58,847,513	\$0	\$22,680,049	259.5%

*The Municipal Utilities Board Enterprise Fund* provides post-employment benefits other than pension benefits to all full time employees who retire as an eligible participant in the qualified retirement plan and who are age 55 or older. Benefits provided retirees at September 30, 2009 include:

1. Retiree group health/dental benefits to age 65. Retiree contributes a percentage of total premiums.
2. Retiree Medicare supplement policy at age 65. Retiree contributes a percentage of total premiums.
3. Dependent group health/dental benefits to age 65 with retiree contributing a percentage of the total premium.
4. Spouse Medicare supplemental policy at age 65. Retiree contributes a percentage of total premiums. (Provided until death of retiree)
5. Retirees who have a hire date on or after 1/1/04 and are 55 or older have group health/dental for a reduced 10-year period and contribute a higher percentage of the total premium.
6. Early Retirement Medical Option – Employees retiring under age 55 or older also have a reduced 10-year benefit period and pay a higher percentage of the total premium.
7. Life insurance based upon an amount agreed upon prior to retirement (Not restricted to those who retire at age 55 or older). Employees hired after January 1, 2003 no longer have life insurance benefits as an active or retired employee.

The Board administers the provisions of post-employment benefits, other than pension benefits. The benefits are expensed when paid.

For 2009, the required contribution of the Board was determined as part of the October 1, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 6.0% discount rate; (b) 4.0% projected salary increases; (c) an 8% medical cost trend rate graded to 5.0% over six years; (d) 100% participation rate by retirees and 60.0% participation rate by spouses of participating retirees; (e) retirement rates consistent with the City's pension plan actuarial valuation; and (f) a thirty-year amortization period of the actuarial liability. The actuarially determined rate as a percentage of annual covered payroll was 20.09%.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The Board's annual OPEB cost, the annual OPEB cost contributed to the plan, and the net OPEB obligation for September 30, 2009 are as follows:

*Annual Required Contribution:*

Normal Cost	\$ 247,444
Amortization	658,112
Interest	<u>26,780</u>
Total ARC	\$ 932,636

*Net OPEB Obligation:*

Annual Required Contribution	\$ 932,636
Interest	<u>-</u>
Net OPEB Obligation	\$ 932,636

*Present Value of Future Benefits as of October 1, 2008:*

Active Employees	\$ 9,573,848
Retirees	<u>6,394,251</u>
Total	\$ 15,968,099

**COMPONENT UNITS- BOARD OF EDUCATION**

Plan Description

The Board of Education contributes to the Alabama Retired Education Employees' Health Care Trust (the "Trust"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. The Trust provides health care benefits to state and local school system retirees and was established in 2007 under the provisions of Act Number 2007-16, Acts of Alabama, as an irrevocable trust fund. Responsibility for general administration and operations of the Trust is vested with the Public Education Employees' Health Insurance Board (PEEHIB) members. The **Code of Alabama 1975**, Section 16-25A-4 provides the PEEHIB with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years. The Trust issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at the Public Educations Employees' Health Insurance Plan website, <http://www.rsa-al.gov/PEEHIP/peehip.html> under the Trust Fund Financial tab.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

Funding Policy

The Public Education Employees' Health Insurance Fund (PEEHIF) was established in 1983 under the provisions of Act Number 255 to provide a uniform plan of health insurance for current and retired employees of state educational institutions. The plan is administered by the PEEHIB. Any Trust Fund assets used in paying administrative costs and retiree benefits are transferred to and paid from PEEHIF. The PEEHIB periodically reviews the funds available in the PEEHIF and if excess funds are determined to be available, the PEEHIB authorizes a transfer of funds from the PEEHIF to the Trust. Retirees are required to contribute monthly as follows:

	<u>2009</u>
Individual Coverage – Non-Medicare Eligible	\$97.54
Individual Coverage – Medicare Eligible	\$1.14
Family Coverage – Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s)	\$284.94
Family Coverage – Non-Medicare Eligible Retired Member and Dependent Medicare Eligible	\$188.54
Family Coverage – Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s)	\$188.54
Family Coverage – Medicare Eligible Retired Member and Dependent Medicare Eligible	\$92.14
Surviving Spouse – Non-Medicare Eligible	\$585.00
Surviving Spouse – Non-Medicare Eligible and Dependent Non-Medicare Eligible	\$717.00
Surviving Spouse – Non-Medicare Eligible and Dependent Medicare Eligible	\$676.00
Surviving Spouse – Medicare Eligible	\$290.00
Surviving Spouse – Medicare Eligible and Dependent Non-Medicare Eligible	\$422.00
Surviving Spouse – Medicare Eligible and Dependent Medicare Eligible	\$381.00

For employees that retire other than for disability, for each year under 25 years of service, the retiree pays two percent of the employer premium and for each year over 25 years of service, the retiree premium is reduced by two percent of the employer premium.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The Board is required to contribute at a rate specified by the State for each active employee. The Board's share of premiums for retired Board employees health insurance is included as part of the premium for active employees. The following shows the required contributions in dollars and the percentage of that amount contributed for Board retirees:

Fiscal Year Ended September, 30,	<u>2009</u>	<u>2008</u>	<u>2007</u>
Active Health Insurance Premiums Paid by the Board	\$752.00	\$775.00	\$717.00
Amount of Premium Attributable to Retirees	\$205.45	\$212.35	\$217.25
Percentage of Active Employee Premiums Attributable to Retirees	27.32%	27.40%	30.30%
Percentage of Required Amount Contributed	100.00%	100.00%	100.00%
Total Amount Paid Attributable to Retirees	\$3,098,897	\$3,140,376	\$3,215,768

Each year the PEEHIB certifies to the Governor and to the Legislature the contribution rates based on the amount needed to fund coverage for benefit for the following fiscal year and the Legislature sets the premium rate in the annual appropriation bill. This results in a pay-as-you-go funding method. The provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, were implemented prospectively.

*The Public Building Authority* does not provide post-employment benefits.

**F. Risk Financing Programs**

The City elected to retain risk related to the employees' health and dental insurance for the first time beginning December 1, 1999. Then, on January 1, 2002 the City elected to no longer retain the health insurance risk and purchased health insurance. The City currently pays premiums to the State Employee Insurance Board. However, the City still retains the risk for the period under the health self-insurance. The amount of outstanding claims liability remaining as of September 30, 2009 is insignificant and immaterial to the City's statements as a whole.

The City has chosen to finance risks associated with workers compensation coverage through the City's general fund. The City maintains insurance coverage for individual claims in excess of \$250,000 or an aggregate of 115% of annual standard premium. Claims liabilities are based on estimated claim settlements.

Changes in the balance of Workers' Compensation insurance claims liability are as follows:

	<u>September 30,</u>	
	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 643,251	\$ 405,270
Incurred claims	57,040	748,977
Less claim payments	<u>(210,489)</u>	<u>(510,996)</u>
Unpaid claims, end of year	<u>\$ 489,802</u>	<u>\$ 643,251</u>

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

**NOTE 5 – OTHER INFORMATION – CONTINUED**

The Electric, Water and Gas systems of the Utilities are also self-insured for general liability, health insurance and workers' compensation insurance. Reinsurance has been purchased to limit the exposure to catastrophic loss for health insurance and workers' compensation insurance claims.

**G. GASB Accounting Pronouncements**

The City adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, required for fiscal periods beginning after December 15, 2007, in fiscal 2009. This Statement sets uniform standards requiring more timely and complete reporting of pollution remedial obligations.

The City adopted GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective March 2009. This Statement incorporated the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The adoption of this standard did not have a material impact on the City's financial statements.

The City adopted GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, effective March 2009. This Statement incorporated certain accounting and financial reporting guidance related to related party transactions, going concern consideration, and subsequent events presented in the American Institute of Certified Public Accountants' Statement on Auditing Standards into the Governmental Accounting Standards Board's (GASB) authoritative literature. The adoption of this standard did not have a material impact on the City's financial statements.

The City plans to adopt GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which provides additional guidance to state and local governments to determine whether and when intangible assets should be considered capital assets for financial reporting purposes. The statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. It also provides guidance on determining the useful life of intangible assets when the length of their life is limited by contractual or legal provisions. Applications of this statement is effective for fiscal years beginning after June 15, 2009, in fiscal 2010.

The City plans to adopt GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, required for fiscal periods beginning after June 15, 2009, in fiscal 2010. This Statement requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

The City plans to adopt GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, required for fiscal periods beginning after June 15, 2010, in fiscal 2011. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental fund.

Management is in the process of determining the effects that the adoption of these statements will have on the City's basic financial statements.

**City of Decatur**  
**Notes To The Financial Statements - continued**  
**September 30, 2009**

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## **SUPPLEMENTAL INFORMATION**

**CITY OF DECATUR  
GENERAL FUND  
BALANCE SHEET  
September 30, 2009**

**ASSETS**

Cash & cash equivalents	\$ 9,129,472
Cash with fiscal agent	711,373
Investments, at cost	9,855,044
Receivables (net of allowances):	
Accounts	344,983
Taxes	2,595,492
Accrued interest	13,452
Due from other funds	795,431
Due from other governmental entities	527,076
Deposits	62,617
Inventories	24,623
	<hr/>
<b>Total assets</b>	<b>\$ 24,059,563</b>
	<hr/> <hr/>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 1,313,293
Accrued liabilities	1,065,162
Due to other governmental entities	42,844
Deferred revenue	240,260
Customer deposits	92,484
Other	174,046
	<hr/>
<b>Total liabilities</b>	<b>2,928,089</b>
	<hr/>

**FUND BALANCE**

Reserved for encumbrances	-
Reserved for inventories	24,623
Reserved for DA fees	-
Reserved for other postemployment benefits	568,000
Unreserved	
Designated for Encumbrances	31,020
Designated for Future general contingencies	8,651,935
Designated for Future capital needs	133,234
Designated for Landfill	1,236,941
Designated for other purposes	1,526
Undesignated	10,484,195
	<hr/>
<b>Total fund balance</b>	<b>21,131,474</b>
	<hr/>
<b>Total liabilities and fund balance</b>	<b>\$ 24,059,563</b>
	<hr/> <hr/>

**CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET & ACTUAL  
For the Year Ended September 30, 2009**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes and payments in lieu of taxes	\$ 36,129,725	\$ 33,446,830	\$ 33,672,771	\$ 225,941
Licenses and permits	5,849,717	5,849,717	6,074,151	224,434
Fines and forfeitures	841,767	841,767	1,195,004	353,237
Revenues from money and property	635,404	635,404	469,196	(166,208)
Charges for services	3,842,483	3,842,483	3,876,829	34,346
Intergovernmental	6,666,680	6,666,680	6,791,859	125,179
Other revenues	125,663	125,663	127,318	1,655
<b>Total revenues</b>	<b>54,091,439</b>	<b>51,408,544</b>	<b>52,207,128</b>	<b>798,584</b>
<b>EXPENDITURES</b>				
Current				
General government	4,166,036	3,966,850	3,803,521	163,329
Public safety	20,474,327	21,166,583	21,365,896	(199,313)
Public works	7,347,101	7,243,939	7,267,560	(23,621)
Public services	9,377,595	9,131,851	9,096,862	34,989
Intergovernmental assistance	5,149,074	4,660,003	4,241,537	418,466
Community services contracts	2,750,355	2,739,581	2,810,920	(71,339)
Debt service:				
Principal	2,275,000	2,488,853	2,488,847	6
Interest and fiscal charges	2,331,180	2,276,473	2,276,472	1
<b>Total expenditures</b>	<b>53,870,668</b>	<b>53,674,133</b>	<b>53,351,615</b>	<b>322,518</b>
<b>Excess of revenues over expenditures</b>	<b>220,771</b>	<b>(2,265,589)</b>	<b>(1,144,487)</b>	<b>1,121,102</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease proceeds	-	614,474	614,474	
Operating transfers in	344,266	344,266	643,024	298,758
Operating transfers out	(565,037)	(2,603,500)	(2,738,427)	(134,927)
<b>Total other financing sources (uses)</b>	<b>(220,771)</b>	<b>(1,644,760)</b>	<b>(1,480,929)</b>	<b>163,831</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>-</b>	<b>(3,910,349)</b>	<b>(2,625,416)</b>	<b>1,284,933</b>
Fund balance, beginning	23,245,766	20,920,927	23,756,890	2,835,963
<b>Fund balance, ending</b>	<b>\$ 23,245,766</b>	<b>\$ 17,010,578</b>	<b>\$ 21,131,474</b>	<b>\$ 4,120,896</b>

**CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and payments in lieu of taxes				
Sales and use	\$ 26,646,824	\$ 23,963,929	\$ 23,668,060	\$ (295,869)
Ad valorem	2,564,369	2,564,369	3,054,438	490,069
Other	6,918,532	6,918,532	6,950,273	31,741
<b>Total</b>	<b>36,129,725</b>	<b>33,446,830</b>	<b>33,672,771</b>	<b>225,941</b>
Licenses and permits				
Motor Vehicle	185,365	185,365	181,309	(4,056)
Business Licenses and Permits	4,754,067	4,754,067	5,298,043	543,976
Building Permits and Inspection Fees	910,285	910,285	594,799	(315,486)
<b>Total</b>	<b>5,849,717</b>	<b>5,849,717</b>	<b>6,074,151</b>	<b>224,434</b>
Fines and forfeitures				
	841,767	841,767	1,195,004	353,237
Revenues from money and property				
Interest	548,036	548,036	341,254	(206,782)
Other	87,368	87,368	127,942	40,574
<b>Total</b>	<b>635,404</b>	<b>635,404</b>	<b>469,196</b>	<b>(166,208)</b>
Charges for current services				
Recreation	381,988	381,988	456,129	74,141
Animal shelter	18,708	18,708	36,054	17,346
General government	482,017	482,017	438,375	(43,642)
Public safety	144,371	144,371	182,342	37,971
Public works	2,766,575	2,766,575	2,718,167	(48,408)
Cemetery	46,275	46,275	41,400	(4,875)
Old bank	1,711	1,711	3,165	1,454
Youth services	343	343	1,197	854
Historic Preservation	495	495	-	(495)
<b>Total</b>	<b>3,842,483</b>	<b>3,842,483</b>	<b>3,876,829</b>	<b>34,841</b>
Intergovernmental				
Tax equivalents	6,444,534	6,444,534	6,386,027	(58,507)
Federal Government Grants	-	-	-	-
State Shared Taxes	222,146	222,146	405,832	183,686
State contributions	-	-	-	-
<b>Total</b>	<b>6,666,680</b>	<b>6,666,680</b>	<b>6,791,859</b>	<b>125,179</b>
Other revenues				
	125,663	125,663	127,318	1,655
<b>TOTAL REVENUES</b>	<b>54,091,439</b>	<b>51,408,544</b>	<b>52,207,128</b>	<b>799,079</b>

CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009

Page 2 of 7

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>Current Expenditures</b>				
<b>General Government</b>				
Mayor and Council				
Personal services	265,905	265,905	257,313	8,592
Operating expenses	51,103	43,603	48,898	(5,295)
Total	317,008	309,508	306,211	3,297
Legal Services				
Personal services	343,844	340,344	338,987	1,357
Operating expenses	67,125	70,625	55,689	14,936
Total	410,969	410,969	394,676	16,293
Municipal Court				
Personal services	493,762	466,893	443,202	23,691
Operating expenses	58,382	43,382	40,478	2,904
Total	552,144	510,275	483,680	26,595
City Clerk				
Personal services	430,605	428,605	428,536	69
Operating expenses	106,500	88,140	68,835	19,305
Total	537,105	516,745	497,371	19,374
Revenue department				
Personal services	208,061	154,338	153,982	356
Operating expenses	62,269	53,468	58,597	(5,129)
Total	270,330	207,806	212,579	(4,773)
Finance department				
Personal services	592,965	592,965	586,502	6,463
Operating expenses	73,494	57,494	36,740	20,754
Total	666,459	650,459	623,242	27,217
Public building				
Personal services	130,452	130,452	131,618	(1,166)
Operating expenses	535,443	540,306	482,818	57,488
Total	665,895	670,758	614,436	56,322
Community development				
Personal services	585,203	529,407	538,430	(9,023)
Operating expenses	160,923	160,923	132,896	28,027
Total	746,126	690,330	671,326	19,004
<b>Total general government</b>	<b>4,166,036</b>	<b>3,966,850</b>	<b>3,803,521</b>	<b>163,329</b>

CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety</b>				
Fire				
Personal services	7,678,877	7,678,877	7,867,359	(188,482)
Operating expenses	724,000	997,854	1,194,855	(197,001)
Total	8,402,877	8,676,731	9,062,214	(385,483)
Inspection				
Personal services	802,479	750,807	730,634	20,173
Operating expenses	93,237	75,737	42,546	33,191
Total	895,716	826,544	773,180	53,364
Police				
Personal services	9,641,322	9,641,322	9,505,087	136,235
Operating expenses	1,534,412	2,021,986	2,025,415	(3,429)
Total	11,175,734	11,663,308	11,530,502	132,806
<b>Total public safety</b>	<b>20,474,327</b>	<b>21,166,583</b>	<b>21,365,896</b>	<b>(199,313)</b>
<b>Public Works</b>				
Director				
Personal services	428,686	426,486	421,764	4,722
Operating expenses	101,170	99,670	99,472	198
Total	529,856	526,156	521,236	4,920
Streets				
Personal services	2,052,840	2,034,529	1,997,358	37,171
Operating expenses	1,026,166	999,709	1,051,642	(51,933)
Total	3,079,006	3,034,238	3,049,000	(14,762)
Projects				
Operating expenses		11,305	11,305	-
Total	-	11,305	11,305	-
Engineering				
Personal services	178,381	178,381	178,406	(25)
Operating expenses	78,500	78,500	33,001	45,499
Total	256,881	256,881	211,407	45,474
Sanitation				
Personal services	1,795,714	1,750,241	1,727,257	22,984
Operating expenses	1,685,644	1,665,118	1,747,355	(82,237)
Total	3,481,358	3,415,359	3,474,612	(59,253)
<b>Total public works</b>	<b>7,347,101</b>	<b>7,243,939</b>	<b>7,267,560</b>	<b>(23,621)</b>

**CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Services</b>				
Animal Shelter				
Personal services	497,026	494,026	497,179	(3,153)
Operating expenses	121,807	124,807	113,386	11,421
Total	618,833	618,833	610,565	8,268
Park and recreation				
Personal services	3,465,147	3,456,074	3,372,787	83,287
Operating expenses	3,162,077	3,162,077	3,365,691	(203,614)
Total	6,627,224	6,618,151	6,738,478	(120,327)
Landscape and beautification				
Personal services	649,335	471,252	383,085	88,167
Operating expenses	440,100	439,350	389,260	50,090
Total	1,089,435	910,602	772,345	138,257
Cemetery				
Personal services	112,038	112,038	109,827	2,211
Operating expenses	82,148	82,148	70,792	11,356
Total	194,186	194,186	180,619	13,567
Business development board				
Personal services	46,188	15,215	14,399	816
Operating expenses	29,625	9,925	11,471	(1,546)
Total	75,813	25,140	25,870	(730)
Youth services				
Personal services	235,715	235,715	240,890	(5,175)
Operating expenses	301,711	299,311	307,327	(8,016)
Total	537,426	535,026	548,217	(13,191)
Culture				
Cultural Facilities	110,675	120,675	119,676	999
Old Bank	119,723	106,208	100,454	5,754
Historic Preservation Commission	4,280	3,030	638	2,392
Total	234,678	229,913	220,768	9,145
<b>Total public services</b>	<b>9,377,595</b>	<b>9,131,851</b>	<b>9,096,862</b>	<b>34,989</b>

CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><i>Intergovernmental assistance</i></b>				
Garage				
Personal services	512,037	423,205	415,040	8,165
Operating expenses	61,450	56,499	87,906	(31,407)
Total	573,487	479,704	502,946	(23,242)
Purchasing				
Personal services	138,232	138,232	131,380	6,852
Operating expenses	26,730	17,130	17,578	(448)
Total	164,962	155,362	148,958	6,404
Information services				
Personal services	473,999	473,999	467,739	6,260
Operating expenses	439,210	439,210	460,087	(20,877)
Total	913,209	913,209	927,826	(14,617)
Miscellaneous				
Workman's compensation	800,000	600,000	435,313	164,687
Insurance	280,000	230,000	227,764	2,236
Other	2,055,323	1,932,074	1,683,900	248,174
Total	3,135,323	2,762,074	2,346,977	415,097
Planning department				
Personal services	267,996	267,996	259,983	8,013
Operating expenses	50,122	37,683	33,319	4,364
Total	318,118	305,679	293,302	12,377
Safety				
Personal services	1,050	1,050	357	693
Operating expenses	42,925	42,925	21,171	21,754
Total	43,975	43,975	21,528	22,447
<b><i>Total Intergovernmental assistance</i></b>	<b>5,149,074</b>	<b>4,660,003</b>	<b>4,241,537</b>	<b>418,466</b>

**CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Community Service Contracts</b>				
Wheeler Basin Regional Library Board	377,400	376,600	377,388	(788)
Morgan County Emergency Management Dist.	573,354	573,354	573,354	-
Decatur-Morgan County Emergency Mgt. Agency	27,116	27,116	27,116	-
Morgan County District Court/Corrections Fund	-	-	-	-
NARCOG:				
Regional Planning	15,588	18,875	18,875	-
Senior Aid Program	1,000	1,000	1,000	-
Transport Planning	25,186	26,100	26,100	-
NCA Mental Health Board	19,638	19,638	19,638	-
NCA Mental Health Board - Facets	16,405	16,405	16,405	-
Economic Development Association	77,200	77,200	77,200	-
NCA Mental Retardation Center, Inc.	12,738	12,738	12,738	-
Tennessee Valley Rehabilitation Center, Inc.	9,650	-	-	-
Morgan County Health Department	150,000	150,000	150,000	-
Morgan County Commission	150,000	150,000	150,000	-
Community Action and Community Development				
Agency of North Alabama:				
Meals on Wheels	20,000	20,000	20,000	-
Foster Grandparents	14,475	14,475	14,475	-
Decatur-Morgan County Seniors' Council, Inc.	59,830	59,830	59,830	-
Decatur Convention and Visitors' Bureau	522,000	522,000	592,551	(70,551)
Chamber of Commerce:				
BRAC	9,650	9,650	9,650	-
Beautification Board	19,300	19,300	19,300	-
Community Business Development Board	28,950	28,950	28,950	-
Cornerstone	38,600	38,600	38,600	-
Morgan County Rescue Squad	9,650	9,650	9,650	-
Main Street of Decatur	33,775	23,200	23,200	-
Hospice of the Valley	5,500	5,500	5,500	-
American Red Cross	5,500	5,500	5,500	-
Pryor Field Airport Authority	28,950	30,000	30,000	-
ARC of Morgan County	7,160	7,160	7,160	-
Volunteer Center	10,615	10,615	10,615	-
Carnegie Visual Arts		5,000	5,000	-
PACT	4,825	4,825	4,825	-
System of Services	4,800	4,800	4,800	-
Free Health Clinic	75,000	75,000	75,000	-
Morgan County Child Advocacy Center	25,000	25,000	25,000	-
Junior Achievement	4,825	4,825	4,825	-
Downtown Redevelopment Authority	77,200	77,200	77,200	-
Hospice of the Valley Capital Campaign	25,000	25,000	25,000	-
Decatur Youth Symphony	14,475	14,475	14,475	-
Calhoun Robotics Complex	250,000	250,000	250,000	-
<b>Total Community Services Contract</b>	<b>2,750,355</b>	<b>2,739,581</b>	<b>2,810,920</b>	<b>(71,339)</b>
<b>Debt Service Expenditures</b>	<b>4,606,180</b>	<b>4,765,326</b>	<b>4,765,319</b>	<b>7</b>
<b>TOTAL EXPENDITURES</b>	<b>53,870,668</b>	<b>53,674,133</b>	<b>53,351,615</b>	<b>322,518</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>220,771</b>	<b>(2,265,589)</b>	<b>(1,144,487)</b>	<b>1,121,102</b>

CITY OF DECATUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BY ACTIVITY  
For the Year Ended September 30, 2009

Page 7 of 7

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	614,474	614,474	-
Payment to escrow agent	-	-		-
Operating transfers in	344,266	344,266	643,024	298,758
Operating transfers out	(565,037)	(2,603,500)	(2,738,427)	(134,927)
Total other financing sources (uses)	(220,771)	(1,644,760)	(1,480,929)	163,831
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	-	(3,910,349)	(2,625,416)	1,284,933
Fund balance, beginning	23,245,766	20,920,927	23,756,890	2,835,963
<b>Fund balance, ending</b>	<b>\$ 23,245,766</b>	<b>\$ 17,010,578</b>	<b>\$ 21,131,474</b>	<b>\$ 4,120,896</b>



CITY OF DECATUR  
 NON-MAJOR GOVERNMENTAL FUNDS (by fund type)  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 For the Year Ended September 30, 2009

	Special Revenue Funds											Debt Service Fund	Total Nonmajor Governmental Funds			
	7 Cent Gas Tax	4 & 5 Cent Gas Tax	Community Development	Personnel Board	Municipal Court	Heritage Trust	Corrections	Docket Fees	Drug Seizure	Room Occupancy	Perpetual Care			Capital Improvements Fund	Crossings Warrant Fund	
<b>REVENUE</b>																
Sales & use taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses & permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines & forfeitures	-	-	-	-	-	435,133	22,969	-	-	-	-	-	-	-	-	-
Revenues from money & property	328	1,234	-	-	-	3,133	-	880	-	57,777	10,151	-	-	-	-	-
Intergovernmental	145,160	323,184	1,316,697	-	-	653,920	-	142,593	-	-	198,279	-	-	-	-	-
Gifts & donations	-	-	81,383	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	27,168	544	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	145,488	324,418	1,425,248	544	-	653,920	438,266	143,413	429,695	57,777	208,430	763,215	763,215	4,613,383		
<b>EXPENDITURES</b>																
Current																
General government	-	-	-	-	-	-	190,532	-	-	-	55,036	-	-	-	-	-
Public safety	-	-	-	-	32,000	-	100,078	-	106,469	-	838,693	-	-	-	-	-
Public works	-	4,397	-	-	97,305	-	-	-	-	-	432,398	-	-	-	-	-
Public services	-	-	-	-	130,357	-	-	-	1,298	-	403,093	-	-	-	-	-
Intergovernmental assistance	-	-	-	-	15,219	-	-	-	-	-	72,871	-	-	-	-	-
Community development	-	-	1,635,289	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel board	-	-	-	525,530	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital projects construction and outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	4,397	1,635,289	525,530	-	274,881	290,610	1,308	106,469	163,217	1,802,091	742,696	742,696	5,546,488		
<b>Excess (deficiency) of revenues over expenditures</b>	145,488	320,021	(210,041)	(524,986)	-	379,039	147,656	21,661	36,944	266,478	57,777	20,519	20,519	(933,105)		
<b>OTHER FINANCING SOURCES (USES)</b>																
Transfers in	-	-	98,301	461,466	-	-	-	-	-	-	2,086,013	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(72,168)	-	-	-	(21,377)	(500,128)	(317,105)	(317,105)	(910,778)		
Total other financing sources (uses)	-	-	98,301	461,466	-	(72,168)	-	-	-	(21,377)	1,585,885	(317,105)	(317,105)	1,735,002		
<b>Net change in fund balance</b>	145,488	320,021	(111,740)	(63,520)	-	306,871	147,656	21,661	36,944	266,478	36,400	(7,776)	(296,586)	801,897		
Fund balance (deficit), beginning	42,975	189,681	68,678	165,072	-	1,021,889	824,624	54,008	210,820	(151,841)	763,746	2,960,099	417,139	6,566,890		
<b>Fund balance (deficit), ending</b>	188,463	509,702	(43,062)	101,552	-	1,328,760	972,280	75,669	247,764	114,637	800,146	2,952,323	120,553	7,368,787		

CITY OF DECATUR  
7 CENT GAS TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 148,071	\$ 148,071	\$ 145,160	\$ (2,911)
Revenues from money and property	4,000	500	328	(172)
<b>Total revenues</b>	<b>152,071</b>	<b>148,571</b>	<b>145,488</b>	<b>(3,083)</b>
<b>Expenditures</b>				
Operating expenses	107,334	107,334	-	107,334
Capital outlay	44,737	44,737	-	44,737
<b>Total expenditures</b>	<b>152,071</b>	<b>152,071</b>	<b>-</b>	<b>152,071</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(3,500)</b>	<b>145,488</b>	<b>148,988</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(3,500)</b>	<b>145,488</b>	<b>148,988</b>
Fund balance, beginning	42,975	42,975	42,975	-
<b>Fund balance, ending</b>	<b>\$ 42,975</b>	<b>\$ 39,475</b>	<b>\$ 188,463</b>	<b>\$ 148,988</b>

CITY OF DECATUR  
4 & 5 CENT GAS TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 330,735	\$ 330,735	\$ 323,184	\$ (7,551)
Revenues from money and property	5,000	1,200	1,234	34
<b>Total revenues</b>	<b>335,735</b>	<b>331,935</b>	<b>324,418</b>	<b>(7,517)</b>
<b>Expenditures</b>				
Operating expenses	335,735	335,735	4,397	331,338
<b>Total expenditures</b>	<b>335,735</b>	<b>335,735</b>	<b>4,397</b>	<b>331,338</b>
<b>Excess (deficiency) of revenues over expenditures</b>	-	(3,800)	320,021	323,821
<b>Net change in fund balance</b>	-	(3,800)	320,021	323,821
Fund balance, beginning	18,481	18,481	189,681	171,200
<b>Fund balance, ending</b>	<b>\$ 18,481</b>	<b>\$ 14,681</b>	<b>\$ 509,702</b>	<b>\$ 495,021</b>

CITY OF DECATUR  
PERSONNEL BOARD FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$ -	\$ -	\$ 544	\$ 544
Total revenues	-	-	544	544
<b>Expenditures</b>				
Personal services	433,983	433,983	439,985	(6,002)
Operating expenses	95,483	85,483	85,545	(62)
Total expenditures	529,466	519,466	525,530	(6,064)
<b>Excess (deficiency) of revenues over expenditures</b>	(529,466)	(519,466)	(524,986)	(5,520)
<b>Other financing sources</b>				
Operating transfers in	529,466	461,466	461,466	-
Total other financing sources (uses)	529,466	461,466	461,466	-
<b>Net change in fund balance</b>	-	(58,000)	(63,520)	(5,520)
Fund balance, beginning	119,897	119,897	165,072	45,175
<b>Fund balance, ending</b>	<b>\$ 119,897</b>	<b>\$ 61,897</b>	<b>\$ 101,552</b>	<b>\$ 39,655</b>

CITY OF DECATUR  
HERITAGE TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 653,920	\$ 653,920	\$ -
Total revenues	-	653,920	653,920	-
<b>Expenditures</b>				
Operating expenses	99,097	179,097	15,219	163,878
Capital outlay	55,640	493,778	-	493,778
Total expenditures	154,737	672,875	15,219	657,656
<b>Excess (deficiency) of revenues over expenditures</b>	(154,737)	(18,955)	638,701	657,656
<b>Other financing sources (uses)</b>				
Operating transfers (out)	(72,168)	(72,168)	(72,168)	-
Total other financing sources (uses)	(72,168)	(72,168)	(72,168)	-
<b>Net change in fund balance</b>	(226,905)	(91,123)	566,533	657,656
Fund balance, beginning	603,466	794,985	1,021,889	226,904
<b>Fund balance, ending</b>	<b>\$ 376,561</b>	<b>\$ 703,862</b>	<b>\$ 1,588,422</b>	<b>\$ 884,560</b>

CITY OF DECATUR  
CORRECTIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$ 306,771	\$ 306,771	\$ 435,133	\$ 128,362
Revenues from money and property	32,858	32,858	3,133	(29,725)
Total revenues	339,629	339,629	438,266	98,637
<b>Expenditures</b>				
Personal services	137,366	137,366	129,058	8,308
Operating expenses	265,000	265,000	161,552	103,448
Total expenditures	402,366	402,366	290,610	111,756
<b>Excess (deficiency) of revenues over expenditures</b>	(62,737)	(62,737)	147,656	210,393
<b>Net change in fund balance</b>	(62,737)	(62,737)	147,656	210,393
Fund balance, beginning	660,041	660,041	824,624	164,583
<b>Fund balance, ending</b>	\$ 597,304	\$ 597,304	\$ 972,280	\$ 374,976

CITY OF DECATUR  
DOCKET FEE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$ 16,269	\$ 16,269	\$ 22,969	\$ 6,700
Total revenues	16,269	16,269	22,969	6,700
<b>Expenditures</b>				
Operating expenses	35,000	35,000	1,308	33,692
Total expenditures	35,000	35,000	1,308	33,692
<b>Net change in fund balance</b>	(18,731)	(18,731)	21,661	40,392
Fund balance, beginning	42,718	42,718	54,008	11,290
<b>Fund balance, ending</b>	<u>\$ 23,987</u>	<u>\$ 23,987</u>	<u>\$ 75,669</u>	<u>\$ 51,682</u>

CITY OF DECATUR  
DRUG SEIZURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 33,665	\$ 33,665	\$ 142,533	\$ 108,868
Revenues from money and property	5,014	5,014	880	(4,134)
<b>Total revenues</b>	<b>38,679</b>	<b>38,679</b>	<b>143,413</b>	<b>104,734</b>
<b>Expenditures</b>				
Operating expenses	106,000	106,000	106,469	(469)
Capital outlay	29,000	29,000	-	29,000
<b>Total expenditures</b>	<b>135,000</b>	<b>135,000</b>	<b>106,469</b>	<b>28,531</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(96,321)</b>	<b>(96,321)</b>	<b>36,944</b>	<b>133,265</b>
<b>Other financing sources (uses)</b>				
Operating transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(96,321)</b>	<b>(96,321)</b>	<b>36,944</b>	<b>133,265</b>
Fund balance, beginning	67,313	29,913	210,820	180,907
<b>Fund balance, ending</b>	<b>\$ (29,008)</b>	<b>\$ (66,408)</b>	<b>\$ 247,764</b>	<b>\$ 314,172</b>

CITY OF DECATUR  
ROOM OCCUPANCY TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes and Payments in lieu of taxes	\$ 538,915	\$ 538,915	\$ 429,695	\$ (109,220)
Total revenues	538,915	538,915	429,695	(109,220)
<b>Expenditures</b>				
Debt service expenditures	161,919	161,919	161,919	-
Capital outlay	-	250,000	-	250,000
Total expenditures	161,919	411,919	161,919	250,000
<b>Excess (deficiency) of revenues over expenditures</b>	376,996	126,996	267,776	140,780
<b>Net change in fund balance</b>	376,996	126,996	267,776	140,780
Fund balance, beginning	(129,300)	(196,288)	(151,841)	44,447
<b>Fund balance, ending</b>	<b>\$ 247,696</b>	<b>\$ (69,292)</b>	<b>\$ 115,935</b>	<b>\$ 185,227</b>

CITY OF DECATUR  
NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
September 30, 2009

	<b>Enterprise Funds</b>		
	Point Mallard	Sanitary Landfill	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & investments, at cost	\$ 284,200	\$ 13,176,168	\$13,460,368
Investments, at cost	-	4,000,000	4,000,000
Receivables (net of allowance)			
Accounts	2,134	603,012	605,146
Accrued interest	-	5,443	5,443
Inventories, at cost	84,996	17,115	102,111
<b>Total current assets</b>	<b>371,330</b>	<b>17,801,738</b>	<b>18,173,068</b>
<b>Noncurrent assets</b>			
Capital assets:			
Land	173,940	1,241,799	1,415,739
Buildings	6,614,177	585,097	7,199,274
Improvements other than buildings	6,543,783	8,395,037	14,938,820
Furniture & equipment	1,117,053	4,326,080	5,443,133
Construction work in progress	182,586	387,601	570,187
Less accumulated depreciation	(8,892,731)	(10,157,076)	(19,049,807)
Total capital assets (net of accumulated depreciation)	5,738,808	4,778,538	10,517,346
<b>Total noncurrent assets</b>	<b>5,738,808</b>	<b>4,778,538</b>	<b>10,517,346</b>
<b>Total assets</b>	<b>6,110,138</b>	<b>22,580,276</b>	<b>28,690,414</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	264,372	216,281	480,653
Accrued liabilities	21,636	18,987	40,623
Compensated absences	4,375	12,316	16,691
<b>Total current liabilities</b>	<b>290,383</b>	<b>247,584</b>	<b>537,967</b>
<b>Noncurrent liabilities</b>			
Landfill closure and post-closure care costs	-	2,361,265	2,361,265
Compensated absences	39,379	110,845	150,224
<b>Total noncurrent liabilities</b>	<b>39,379</b>	<b>2,472,110</b>	<b>2,511,489</b>
<b>Total liabilities</b>	<b>329,762</b>	<b>2,719,694</b>	<b>3,049,456</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,738,808	4,778,538	10,517,346
Unrestricted	41,568	15,082,044	15,123,612
<b>Total net assets</b>	<b>\$ 5,780,376</b>	<b>\$ 19,860,582</b>	<b>\$ 25,640,958</b>

**CITY OF DECATUR  
NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS  
For the Year Ended September 30, 2009**

	<b>Enterprise Funds</b>		
	Point Mallard	Sanitary Landfill	Total Nonmajor Enterprise Funds
<b>Operating revenue</b>			
Charges for services	\$ -	\$ 5,089,116	\$ 5,089,116
Premiums & fees	3,560,994	-	3,560,994
<b>Total operating revenue</b>	<b>3,560,994</b>	<b>5,089,116</b>	<b>8,650,110</b>
<b>Operating expenses</b>			
Personnel, operations & maintenance	3,264,598	2,197,598	5,462,196
Closure and postclosure costs	-	95,041	95,041
Depreciation and amortization	511,261	722,453	1,233,714
Administrative costs	476,450	559,307	1,035,757
<b>Total operating expenses</b>	<b>4,252,309</b>	<b>3,574,399</b>	<b>7,826,708</b>
<b>Operating income (loss)</b>	<b>(691,315)</b>	<b>1,514,717</b>	<b>823,402</b>
<b>Nonoperating revenue (expenses)</b>			
Interest income	-	184,154	184,154
Intergovernmental	-	-	-
Gain on disposition of assets	-	28,860	28,860
Miscellaneous revenue	-	35,564	35,564
Total nonoperating revenue	-	248,578	248,578
<b>Income (loss) before contributions, transfers &amp; special items</b>	<b>(691,315)</b>	<b>1,763,295</b>	<b>1,071,980</b>
Transfers in	355,561	-	355,561
Transfers (out)	-	-	-
<b>Change in net assets</b>	<b>(335,754)</b>	<b>1,763,295</b>	<b>1,427,541</b>
Total net assets, beginning	6,116,130	18,097,287	24,213,417
<b>Total net assets, ending</b>	<b>\$ 5,780,376</b>	<b>\$ 19,860,582</b>	<b>\$ 25,640,958</b>

**CITY OF DECATUR  
NON-MAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2009**

	Point Mallard	Sanitary Landfill	Total Nonmajor Enterprise Funds
<b>Operating activities</b>			
Receipts from customers and users	\$ 3,608,691	\$ 4,988,806	\$ 8,597,497
Other operating cash receipts	-	33,728	33,728
Receipts from interfund services provided	-	-	-
Payments to suppliers	(2,572,917)	(1,950,548)	(4,523,465)
Payments to employees	(1,117,609)	(921,787)	(2,039,396)
Payments for legal settlement	-	-	-
Payments for interfund services	-	-	-
Non-operating cash receipts	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>(81,835)</b>	<b>2,150,199</b>	<b>2,068,364</b>
<b>Noncapital financing activities</b>			
Operating transfers in	355,562	-	355,562
Operating transfers (out)	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>355,562</b>	<b>-</b>	<b>355,562</b>
<b>Capital and related financing activities</b>			
Acquisition and construction of capital assets	(200,242)	(226,325)	(426,567)
Proceeds from sale of capital assets	-	28,860	28,860
Principal payments on capital leases	-	-	-
Interest paid on capital leases	-	-	-
<b>Net cash used by capital and related financing activities</b>	<b>(200,242)</b>	<b>(197,465)</b>	<b>(397,707)</b>
<b>Investing activities</b>			
Purchase of investments	-	-	-
Interest received	-	184,154	184,154
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>184,154</b>	<b>184,154</b>
<b>Net increase in cash and cash equivalents</b>	<b>73,485</b>	<b>2,136,888</b>	<b>2,210,373</b>
Cash and cash equivalents, beginning	210,715	11,039,280	11,249,995
<b>Cash and cash equivalents, ending</b>	<b>\$ 284,200</b>	<b>\$ 13,176,168</b>	<b>\$ 13,460,368</b>
<b>Operating income (loss)</b>	<b>\$ (691,315)</b>	<b>\$ 1,514,717</b>	<b>\$ 823,402</b>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation and amortization	511,261	722,453	1,233,714
Miscellaneous items	-	130,605	130,605
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:			
Change in assets and liabilities:			
Receivables	47,697	(102,146)	(54,449)
Accounts payable	74,849	(92,018)	(17,169)
Contract retainages	-	-	-
Inventory	(22,424)	(17,115)	(39,539)
Due to (from) other funds	-	-	-
Accrued liabilities	(1,902)	(6,297)	(8,199)
Deferred revenue	-	-	-
Other items	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (81,834)</b>	<b>\$ 2,150,199</b>	<b>\$ 2,068,365</b>

**STATISTICAL SECTION  
(Unaudited)**

## Statistical Section

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

### Contents

	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	B-1
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax.	C-1
<b>Debt Capacity</b> 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.	D-1
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	E-1
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the city's finance report relates to the services the city provides and the activities it performs.	F-1

#### Source:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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**City of Decatur**  
**Net Assets by Component,**  
**Last Seven Fiscal Years (Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$ 34,519,124	\$ 27,357,664	\$ 20,698,547	\$ 24,602,623	\$ 22,478,756	\$ 17,000,702	\$ 21,175,447
Restricted	3,401,527	4,459,535	5,417,757	(2,385,360)	1,368,157	3,035,459	(1,549,012)
Unrestricted	11,924,579	18,838,999	24,266,429	24,343,072	23,391,527	24,372,544	18,583,958
Total governmental activities net assets	49,845,230	50,656,198	50,382,733	46,560,335	47,238,440	44,408,705	38,210,393
Business-type activities							
Invested in capital assets, net of related debt	173,451,387	167,520,564	165,133,023	163,020,598	162,954,372	158,026,539	156,968,021
Restricted	5,059,388	5,185,299	5,050,864	4,980,645	4,825,400	5,651,405	6,933,863
Unrestricted	33,731,687	37,692,763	37,098,632	33,733,133	28,132,562	26,485,303	23,821,201
Total business-type activities net assets	212,242,462	210,398,626	207,282,519	201,734,376	195,912,334	190,163,247	187,723,085
Primary government							
Invested in capital assets, net of related debt	207,970,511	194,878,228	185,831,570	187,623,221	185,433,128	175,027,241	178,143,468
Restricted	8,460,915	9,644,834	10,468,621	2,595,285	6,193,557	8,686,864	5,384,851
Unrestricted	45,656,266	56,531,762	61,365,061	58,076,205	51,524,089	50,857,847	42,405,159
Total primary government net assets	\$ 262,087,692	\$ 261,054,824	\$ 257,665,252	\$ 248,294,711	\$ 243,150,774	\$ 234,571,952	\$ 225,933,478

**Notes:**

The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

Financial statements prior to fiscal year 2003 do not provide readily available information for comparison.

**City of Decatur**  
**Changes in Net Assets**  
**Last Seven Fiscal Years (Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>							
Governmental activities:							
General Government	\$ 4,768,152	\$ 4,484,066	\$ 4,259,575	\$ 9,456,769	\$ 4,106,422	\$ 4,130,141	\$ 3,757,380
Public safety	21,631,775	20,949,207	19,883,381	18,468,401	18,735,909	18,393,540	16,785,797
Public works	7,913,537	9,238,083	7,428,328	7,066,626	7,864,825	8,022,796	7,622,959
Public services	10,273,746	11,436,422	9,939,516	9,425,623	7,496,941	6,535,471	4,900,781
Intergovernmental assistance	22,613,644	19,601,360	18,271,003	18,146,194	17,335,424	17,231,600	16,172,276
Community service contracts	2,831,805	2,973,892	2,840,387	2,555,873	2,425,783	2,358,965	2,191,438
Community development	1,449,526	1,315,544	1,647,028	1,633,891	720,867	1,138,744	1,171,444
Personnel board	525,530	537,308	540,514	498,392	530,389	469,260	457,214
Interest on long-term debt	2,675,197	3,227,317	3,411,694	2,680,090	2,877,155	2,591,239	3,021,996
Unallocated depreciation	2,994,155	3,114,842	3,294,946	3,395,762	3,457,256	3,365,134	3,358,051
Total governmental activities expense	77,677,067	76,878,041	71,516,372	73,327,621	65,550,971	64,236,890	59,439,336
Business-type activities:							
Municipal Utilities Board (a)	143,021,311	146,138,993	133,900,304	134,770,313	116,460,704	116,534,857	144,486,670
Point Mallard	4,252,309	4,731,723	4,031,207	3,652,042	3,276,086	3,388,884	2,790,091
Sanitary Landfill	3,509,975	3,561,336	3,319,933	3,177,301	3,011,682	3,188,082	3,255,403
Total business-type activities expenses	150,783,595	154,432,052	141,251,444	141,599,656	122,748,472	123,111,823	150,532,164
Total primary government expenses	228,460,662	231,310,093	212,767,816	214,927,277	188,299,443	187,348,713	209,971,500
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	6,064,711	5,723,572	3,197,582	5,012,310	4,682,502	4,413,236	4,151,954
Public safety	2,625,851	2,669,455	2,411,482	2,247,078	2,482,336	2,467,035	2,025,104
Public works	2,718,167	2,793,431	2,667,469	2,248,765	1,991,888	2,143,766	1,833,725
Public services	563,471	605,347	509,251	569,054	570,640	594,366	588,478
Intergovernmental assistance	8,821,683	8,273,255	9,514,493	7,692,435	5,655,455	5,530,185	5,623,692
Operating grants and contributions	985,777	549,862	785,689	685,272	473,856	1,232,546	856,207
Capital grants and contributions	3,216,221	430,745	661,390	2,273,151	2,068,497	1,573,144	5,633,564
Total governmental activities program revenues	24,995,881	21,045,667	19,747,356	20,728,065	17,925,174	17,954,278	20,712,724
Business-type activities:							
Charges for services:							
Municipal Utilities Board (a)	141,266,120	145,442,999	136,260,625	136,117,615	117,869,302	117,445,093	144,515,069
Point Mallard	3,560,994	3,708,573	3,231,385	2,838,530	2,615,778	2,254,948	1,695,243
Sanitary Landfill	5,089,116	5,127,222	4,920,629	4,166,182	3,840,554	3,657,950	3,326,670
Capital grants and contributions	1,964,787	952,638	1,577,854	1,663,669	1,674,920	1,201,659	1,573,760
Total business-type activities program revenues	151,881,017	155,231,432	145,990,493	144,785,996	126,000,554	124,559,650	151,110,742
Total primary government program revenues	176,876,898	176,277,099	165,737,849	165,514,061	143,925,728	142,513,928	171,823,466
<b>Net (Expense)/Revenue</b>							
Governmental activities	(52,681,186)	(55,832,374)	(51,769,016)	(52,599,556)	(47,625,797)	(46,282,612)	(38,726,612)
Business-type activities	1,097,422	799,380	4,739,048	3,186,248	3,252,082	1,447,827	578,578
Total primary government net expense	(51,583,764)	(55,032,994)	(47,029,968)	(49,413,308)	(44,373,715)	(44,834,785)	(38,148,034)

City of Decatur  
**Changes in Net Assets,**  
**Last Seven Fiscal Years (Unaudited), continued**  
*(accrual basis of accounting)*

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities							
Taxes							
Sales & use taxes	32,326,864	36,339,971	35,529,035	34,171,298	31,822,887	30,980,345	29,817,226
Property taxes	10,739,439	9,936,417	9,410,127	8,927,164	8,506,525	8,128,683	7,625,178
Alcoholic beverage taxes	2,079,989	2,178,344	2,096,980	1,959,620	1,899,066	-	-
Gasoline taxes	854,729	866,383	908,017	881,061	1,324,890	-	-
Automobile taxes	1,316,502	1,386,524	1,422,446	1,345,890	1,280,830	-	-
Lodging taxes	1,219,763	1,480,525	1,270,831	1,139,526	1,101,824	-	-
Rental taxes	1,433,785	1,393,968	1,237,542	1,099,616	1,101,615	-	-
Other taxes	1,601,848	1,633,787	1,591,861	1,554,270	2,019,036	8,940,282	8,309,236
Interest on investments	382,714	1,035,330	1,930,389	1,416,270	829,131	560,181	475,938
Other	270,146	375,869	618,759	278,875	1,874,267	1,587,883	1,358,172
Transfers	(355,561)	(521,279)	(424,573)	(640,061)	(1,304,539)	(571,380)	(2,665,404)
Total governmental activities	51,870,218	56,105,839	55,591,414	52,133,529	50,455,532	49,625,994	44,920,346
Business-type activities:							
Interest on investments	390,853	1,795,448	2,579,834	1,995,733	1,017,206	420,955	571,861
Transfers	355,561	521,279	493,633	640,061	1,304,539	571,380	2,665,404
Total business-type activities	746,414	2,316,727	3,073,467	2,635,794	2,321,745	992,335	3,237,265
Total primary government	52,616,632	58,422,566	58,664,881	54,769,323	52,777,277	50,618,329	48,157,611
Change in Net Assets							
Governmental activities	(810,968)	273,465	3,822,398	(466,027)	2,829,735	3,343,382	6,193,734
Business-type activities	1,843,836	3,116,107	7,812,515	5,822,042	5,573,827	2,440,162	3,815,843
Total primary government	\$ 1,032,868	\$ 3,389,572	\$ 11,634,913	\$ 5,356,015	\$ 8,403,562	\$ 5,783,544	#####

**Notes:**

(a) In 2003, the Municipal Utilities Board reported on a 15-month basis due to a change in fiscal years to coincide with the remainder of the City.

Financial statements prior to fiscal year 2003 do not provide readily available information for comparison.

City of Decatur  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years (Unaudited)

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 623,643	\$ 620,606	\$ 56,368	\$ 20,298	\$ 37,677	\$ 42,261	\$ 305,034	\$ 739,759	\$ 99,401	\$ 487,255
Unreserved	20,507,843	23,136,284	23,219,358	20,873,265	19,717,342	20,935,192	20,864,514	19,302,994	19,553,304	18,176,244
Total general fund	21,131,486	23,756,890	23,275,726	20,893,563	19,755,019	20,977,453	21,169,548	20,042,753	19,652,705	18,663,499
All Other Governmental Funds										
Reserved	1,451,421	2,493,068	2,474,867	3,222,378	2,352,645	1,453,824	1,588,403	556,344	1,291,447	3,274,475
Unreserved, reported in:										
Special purposes	-	-	4,187,649	-	-	2,040,204	-	-	-	-
Special revenue funds	3,610,185	2,590,092	3,006,657	1,430,568	2,439,265	1,037,247	218,490	995,538	1,152,801	875,513
Capital projects funds (a)	2,601,381	3,278,650	4,572,320	(3,210,457)	559,273	2,238,036	(2,381,294)	-	1,726,408	10,789,444
Total all other governmental funds	\$ 7,662,987	\$ 8,361,810	\$ 14,241,493	\$ 1,442,489	\$ 5,351,183	\$ 6,769,311	\$ (574,401)	\$ 1,551,882	\$ 4,170,656	\$ 14,939,432

Notes:  
(a) Funds expended in advance of November 2003 bond issue resulted in a negative fund balance in the capital projects fund.

City of Decatur  
 Changes in Fund Balances  
 Governmental Funds  
 Last Seven Fiscal Years (Unaudited)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>							
Sales & use taxes	\$ 32,326,864	\$ 36,339,971	\$ 35,529,035	\$ 34,171,298	\$ 31,822,887	\$ 30,980,345	\$ 29,817,226
Property taxes	10,739,439	9,936,417	9,410,127	8,927,164	8,506,525	8,128,683	7,625,178
Other taxes	8,506,615	8,939,531	8,527,677	7,979,983	7,846,184	7,815,865	7,413,359
Licenses & permits	6,074,151	6,097,503	5,820,517	5,506,691	5,260,874	5,104,988	4,326,519
Fines & forfeitures	1,653,106	1,537,289	1,164,807	1,209,951	1,353,878	1,279,018	1,038,611
Revenues from money & property	547,055	1,224,431	2,047,717	1,638,407	997,734	709,263	497,656
Charges for services	3,876,829	3,958,824	3,711,980	3,178,711	2,853,277	2,635,734	2,752,786
Intergovernmental	10,138,379	9,231,663	11,342,347	8,683,754	8,548,765	9,530,118	8,429,566
Gifts & donations	81,383	171,487	250,030	10,000	928,267	-	-
Other revenues	155,030	219,020	466,313	489,283	-	946,523	937,826
<b>Total revenues</b>	<b>74,098,851</b>	<b>77,656,136</b>	<b>78,270,550</b>	<b>71,795,242</b>	<b>68,118,391</b>	<b>67,130,537</b>	<b>62,838,727</b>
<b>Expenditures</b>							
General Government	4,076,940	4,041,456	3,850,086	8,400,847	3,324,352	3,417,204	3,223,379
Public safety	22,545,457	24,420,567	21,048,410	18,432,108	18,031,194	17,750,748	16,744,547
Public works	7,930,561	9,526,118	8,217,746	7,132,047	7,580,606	7,767,477	8,696,689
Public services	10,949,244	10,892,284	12,550,008	14,176,760	7,169,487	6,032,400	5,482,307
Intergovernmental assistance	19,272,133	19,941,091	18,279,913	17,857,678	17,131,023	17,102,980	16,098,611
Community service contracts	2,831,805	2,973,892	2,780,387	2,555,873	2,425,783	2,358,965	2,191,438
Community development	1,635,289	1,315,546	1,647,028	2,028,470	1,503,289	2,114,283	1,171,444
Personnel board	525,530	537,308	540,514	498,392	530,389	469,260	457,214
Debt Service							
Principal	5,134,778	5,331,457	6,364,555	5,390,162	5,674,464	6,321,257	5,346,671
Interest and fiscal charges	2,983,520	3,233,231	3,063,770	2,653,381	2,839,686	2,795,990	2,664,575
Debt issuance costs	482,284	1,310	271,303	79,613	-	365,635	313,276
Capital projects construction and outlay	-	319,116	197,031	-	4,257,550	9,308,953	4,350,143
<b>Total expenditures</b>	<b>78,367,541</b>	<b>82,533,376</b>	<b>78,810,751</b>	<b>79,205,331</b>	<b>70,467,823</b>	<b>75,805,152</b>	<b>66,740,294</b>
Excess (deficiency) of revenues over expenditures	(4,268,690)	(4,877,240)	(540,201)	(7,410,089)	(2,349,432)	(8,674,615)	(3,901,567)
<b>Other Financing Sources (Uses)</b>							
Long-term debt issued	21,945,000	-	16,215,000	5,280,000	-	19,900,000	18,600,000
Premium on debt issue	325,960	-	-	-	-	21,888	-
Discount on debt issue	-	-	-	-	-	-	-
Capital lease proceeds	614,474	-	-	-	-	39,351	1,305,963
Payment to escrow agent	(21,585,422)	-	-	-	-	(3,600,000)	(16,304,212)
Transfers in	3,293,644	1,399,865	4,545,593	2,977,048	3,112,376	7,845,603	20,684,103
Transfers (out)	(3,649,205)	(1,921,144)	(5,039,225)	(3,617,109)	(3,403,506)	(8,380,610)	(21,383,775)
<b>Total other financing sources (uses)</b>	<b>944,451</b>	<b>(521,279)</b>	<b>15,721,368</b>	<b>4,639,939</b>	<b>(291,130)</b>	<b>15,826,232</b>	<b>2,902,079</b>
<b>Net change in fund balance</b>	<b>\$ (3,324,239)</b>	<b>\$ (5,398,519)</b>	<b>\$ 15,181,167</b>	<b>\$ (2,770,150)</b>	<b>\$ (2,640,562)</b>	<b>\$ 7,151,617</b>	<b>\$ (999,488)</b>
Debt service as a percentage of noncapital expenditures	11.0%	11.4%	13.7%	11.4%	13.9%	17.1%	16.5%

\*\* Capital outlay and construction are included in the expenditure function categories Prior to FY 2003,

Financial statements prior to fiscal year 2003 do not provide readily available information for comparison.

City of Decatur  
 Assessed Value and Estimated Actual Value of Taxable Property,  
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Residential Property	Commercial and Industrial Property	Public Utility Property	Less: Tax-Exempt Property	Net Assessed Value	Total Direct Tax Rate	**Estimated Actual Taxable Value	Net Assessed Value as a Percentage of Actual Taxable Value
2000	\$ 128,237,760	\$ 383,571,080	\$ 13,710,700	\$ 185,210,722	\$ 340,308,818	18.6 Mills	\$ 3,244,146,968	10.49%
2001	132,294,920	343,310,060	17,342,520	131,720,360	361,227,140	18.6 Mills	3,095,842,926	11.67%
2002	133,679,440	352,089,620	17,932,860	130,013,760	373,688,160	18.6 Mills	3,155,551,610	11.84%
2003	149,888,620	382,311,100	12,879,520	153,344,140	391,735,100	18.6 Mills	3,451,700,346	11.35%
2004	157,351,760	400,216,780	13,313,320	165,924,460	404,957,400	18.6 Mills	3,617,188,351	11.20%
2005	163,761,540	418,926,480	12,852,320	172,319,760	423,220,580	18.6 Mills	3,773,231,885	11.22%
2006	174,696,180	444,945,640	11,698,340	184,234,600	447,105,560	18.6 Mills	4,008,747,002	11.15%
2007	183,386,980	466,603,380	11,658,060	187,962,620	473,685,800	18.6 Mills	4,103,768,107	11.54%
2008	195,464,700	491,616,620	11,213,700	173,096,040	525,198,980	18.6 Mills	4,448,186,036	11.81%
2009	200,069,940	534,383,300	8,777,200	207,676,920	535,353,520	18.6 Mills	4,699,659,746	11.39%

Source:  
 Morgan County Revenue Commissioner

Total Direct Tax Rate is \$.0186 per \$1,000 of taxable assessed value.

\*\*The county assesses public utility property at 30% of appraised value, commercial and industrial property at 20% and residential and historical property at 10%.

Property in Morgan County is assessed annually.

Numbers have been revised in 2008 to reflect net assessed value. Prior to revision, numbers were based on assessed value.

**City of Decatur**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years (Unaudited)**  
*(rate per \$1,000 of assess value)*

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Fiscal Year	City Direct Rates			Overlapping Rates			
	Basic Rate	General Obligation Debt Service	Total Direct Rate	City Schools	County Schools	Morgan County	State of Alabama
2000	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2001	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2002	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2003	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2004	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2005	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2006	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2007	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2008	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills
2009	6.0 Mills	12.6 Mills	18.6 Mills	3.6 Mills	5.8 Mills	10.8 Mills	6.5 Mills

**Source:**  
Morgan County Revenue Commissioner

**Notes:**  
Overlapping rates are those of local and county governments that apply to property owners within the City of Decatur.

City of Decatur  
Principal Property Taxpayers,  
Last Ten Fiscal Years (Unaudited)

Taxpayer	2000			2001			2002			2003			2004		
	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value
Trico Steel	\$ 73,670,540	1	21.65%	\$ 73,476,760	1	20.34%	\$ 24,837,540	2	6.65%	\$ -	-	\$ -	-	0.00%	
Worthington Steel	23,629,940	2	6.94%	23,593,660	2	6.53%	25,094,180	1	6.72%	24,274,260	2	6.20%	23,074,080	2	5.70%
Bunge Corporation	11,221,800	3	3.30%	10,814,960	3	2.99%	9,883,220	3	2.64%	11,502,820	3	2.94%	11,072,020	3	2.73%
BellSouth	9,117,480	4	2.68%	8,963,960	4	2.48%	8,842,960	4	2.37%	9,056,200	4	2.31%	9,258,400	4	2.29%
Hexel Corporation	6,837,940	5	2.01%	5,958,080	6	1.65%	4,355,140	9	1.17%	3,991,440	9	1.02%	*	*	
Goodyear Tire & Rubber	6,396,620	6	1.88%	6,313,440	5	1.75%	6,108,200	6	1.63%	6,228,220	5	1.59%	5,945,900	6	1.47%
General Electric Appliance	5,778,960	7	1.70%	4,779,340	10	1.32%	6,898,420	5	1.85%	5,509,140	6	1.41%	5,081,660	8	1.25%
Mi Tech	5,413,700	8	1.58%	5,685,220	7	1.57%	*	*	5,425,800	7	1.45%	*	5,114,540	7	1.26%
Colonial Realty Limited	3,377,260	10	0.99%	5,428,500	8	1.50%	*	*	3,949,340	10	1.06%	*	*	*	
Air Product & Chemicals	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
National Healthcare	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Mutual Savings Life Ins.	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Trigen-Alabama Energy	*	*	*	5,410,000	9	1.50%	5,296,000	8	1.42%	30,079,240	1	7.66%	41,185,540	1	10.17%
Nucor Steel	*	*	*	*	*	*	*	*	5,357,300	7	1.37%	5,319,340	9	1.31%	
O.C.I. Chemical Corp	*	*	*	*	*	*	*	*	5,081,980	8	1.30%	7,731,400	5	1.91%	
Meow Mix	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Falcon Communications	*	*	*	*	*	*	*	*	3,907,080	10	1.00%	3,472,920	10	0.86%	
Charter Communications	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Hycosung USA, Inc.	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
First Republic Group Realty	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Marine Terminals of Ala	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
ITW Sexton	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
ITC-AL LLC	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Conagra Inc	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
<b>Total</b>	<b>\$ 151,219,020</b>		<b>44.44%</b>	<b>\$ 150,423,940</b>		<b>41.64%</b>	<b>\$ 100,690,800</b>		<b>26.95%</b>	<b>\$ 104,987,660</b>		<b>26.80%</b>	<b>\$ 117,255,600</b>		<b>28.96%</b>
Net City Taxable Assessed Value	340,308,818			361,227,140			373,688,160			391,735,100			404,957,400		

Source:  
Revenue Commissioner of Morgan County

\* Denotes company was not a principal taxpayer for year reported.

Numbers have been revised in 2008 to reflect net assessed value. Prior to revision, numbers were based on assessed value.

City of Decatur  
Principal Property Taxpayers,  
Last Ten Fiscal Years (Unaudited), continued

2005			2006			2007			2008			2009		
Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net City Taxable Assessed Value
\$ -	-	0.00%	\$ -	-	0.00%	\$ -	-	-	\$ -	-	-	\$ -	-	-
10,699,380	2	2.53%	10,525,220	2	2.35%	83,485,960	1	17.62%	8,702,100	3	1.66%	10,263,540	3	1.92%
8,883,200	4	2.10%	8,633,700	4	1.93%	11,061,040	2	2.34%	8,499,400	4	1.62%	9,442,740	4	1.76%
3,794,280	9	0.90%	4,350,360	9	0.97%	9,642,900	5	1.82%	13,987,040	2	2.67%	22,905,500	2	4.28%
4,348,720	8	1.03%	4,632,580	8	1.04%	9,923,320	3	2.09%	4,242,200	7	0.81%	4,543,620	7	0.85%
4,483,180	7	1.06%	4,664,380	7	1.09%	4,603,620	8	0.97%	5,304,720	7	1.12%			
5,014,740	6	1.18%	5,281,800	6	1.18%	5,304,720	7	1.12%						
*	*	*	3,899,480	10	0.87%	3,878,740	9	0.82%	2,674,800	9	0.51%	*	*	*
*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
67,380,360	1	15.92%	76,363,820	1	17.08%	*	*	*	95,310,360	1	18.15%	128,517,280	1	24.01%
5,182,780	5	1.22%	6,282,120	5	1.41%	6,074,000	6	1.28%	8,657,940	6	1.65%	5,299,680	9	0.98%
9,214,840	3	2.18%	9,300,180	3	2.08%	8,949,320	4	1.89%	*	*	*	8,644,500	6	1.61%
*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
3,090,380	10	0.73%	*	*	*	*	*	*	*	*	*	*	*	*
*	*	*	*	*	*	3,238,860	10	0.68%	*	*	*	*	*	*
*	*	*	*	*	*	*	*	*	5,232,860	5	1.00%	5,189,300	5	0.97%
*	*	*	*	*	*	*	*	*	2,500,980	8	0.48%	*	*	*
*	*	*	*	*	*	*	*	*	2,777,740	10	0.53%	*	*	*
*	*	*	*	*	*	*	*	*	*	*	*	7,188,780	8	1.34%
*	*	*	*	*	*	*	*	*	*	*	*	4,550,000	10	0.85%
\$ 122,091,860		28.85%	\$ 134,133,620		30.00%	\$ 145,162,480		30.65%	\$ 152,595,420		29.05%	\$ 206,544,940		38.58%
			423,220,580		447,105,560	473,685,800		525,198,980						535,363,520

City of Decatur  
 Property Tax Levies and Collections,  
 Last Six Fiscal Years (Unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 13,824,909	\$ 13,618,262	93.98%	18,905	\$ 13,637,167	98.55%
2005	14,304,430	14,315,961	99.09%	149,521	14,465,482	101.04%
2006	15,040,466	15,054,622	99.98%	2,052	15,056,674	100.01%
2007	16,005,884	16,017,775	99.96%	53	16,017,828	100.07%
2008	17,033,786	17,048,315	99.92%			
2009	17,845,697					

**Source:**  
 Morgan County Revenue Commissioner

\*\* FY 09 revenue collected at C-4  
 FY 08 collections in subsequent years will not be available until mid-July 2010.

**Notes:**  
 Property class I, II, and III are levied and collected one year in arrears. Due October 1 and delinquent after December 31.

Collected includes remittance with interest, assessment commissions, collection commissions, and expenses.  
 Expenses include reappraisal, supernumerary, and salary.

Collections in subsequent years include insolvents, bankruptcy, and escapes.  
 Interest is computed on amounts collected beginning January 1 of each year.

Collected amounts were not available prior to 2004. Remitted amounts would not have provided comparative data.

**City of Decatur**  
**Taxable Sales by Category,**  
**Current Year and Four Prior Calendar Years (Unaudited)**  
*(In thousands)*

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<b>Category Description</b>	<b>Calendar Year</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Apparel	\$ 63,494	\$ 66,241	\$ 67,976	\$ 60,049	\$ 59,159
Multi-Line Retail	135,093	194,174	184,170	140,837	136,207
Restaurants	88,955	95,996	90,931	86,759	77,867
Grocery Stores	77,044	80,101	74,071	56,265	52,101
Building Materials	74,413	115,558	113,975	79,993	73,812
Automobile Dealers	150,216	280,506	393,859	227,712	214,032
Household Furnishings	12,277	16,557	17,912	16,706	15,979
Convenience Stores	65,220	107,623	102,031	33,581	31,523
All other outlets	211,402	169,134	138,176	319,057	297,844
<b>Total</b>	<b>\$ 878,114</b>	<b>\$ 1,125,890</b>	<b>\$ 1,183,101</b>	<b>\$ 1,020,959</b>	<b>\$ 958,524</b>

**Source:**  
City Revenue Department

**Notes:**  
City direct sales tax rate is 4%  
Information prior to the current year and prior 3 calendar years is not available.

City of Decatur  
 Direct and Overlapping Sales Tax Rate,  
 Last Ten Fiscal Years (Unaudited)

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Morgan County</u>	<u>State of Alabama</u>
2000	3.00%	1.00%	4.00%
2001	3.00%	1.00%	4.00%
2002*	4.00%	1.00%	4.00%
2003	4.00%	1.00%	4.00%
2004	4.00%	1.00%	4.00%
2005	4.00%	1.00%	4.00%
2006	4.00%	1.00%	4.00%
2007	4.00%	1.00%	4.00%
2008	4.00%	1.00%	4.00%
2009	4.00%	1.00%	4.00%

**Source:**  
 City revenue department

**Notes:**  
 \*Sales tax increase became effective 01/01/2002  
 Tax rates indicated are the general rate.

City of Decatur  
Principal Sales Tax Remitters,  
Current Year and 4 Prior Years (Unaudited)

Tax Remitter Description	Calendar Year 2009			Calendar Year 2008			Calendar Year 2007			Calendar Year 2006			Calendar Year 2005		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Multi-line retailer	\$ 3,332,677	1	10.31%	\$ 3,432,359	1	9.64%	\$ 3,388,590	1	9.62%	\$ 3,467,513	1	10.20%	\$ 3,538,724	1	11.09%
Manufacturer	1,215,982	2	3.76%	2,184,933	2	6.06%	2,089,335	2	5.94%	2,410,656	2	7.09%	2,122,806	2	6.65%
Multi-line retailer	881,250	3	2.73%	893,898	3	2.55%	957,871	10	2.74%	719,608	4	2.12%	487,438	7	1.58%
Grocery store	878,426	4	2.71%	1,152,320	4	3.24%	1,055,579	3	2.99%	1,086,172	3	3.19%	984,389	3	3.12%
Building materials /hard line	684,293	5	2.05%	1,690,106	3	4.83%	1,689,525	5	4.82%	1,689,218	5	4.82%	713,414	4	2.24%
Building materials /hard line	630,738	6	1.95%	590,565	6	1.91%	689,720	7	1.95%	510,791	8	1.50%	459,897	9	1.44%
Grocery store	496,031	7	1.53%	458,425	7	1.29%	583,720	8	1.69%	433,069	9	1.27%	509,379	6	1.60%
Apparel store	327,451	8	1.01%	354,459	10	1.00%	445,485	9	1.26%	456,211	10	1.34%	471,869	8	1.48%
Multi-line retailer	324,700	10	1.00%	*	*	*	*	*	*	609,641	6	1.79%	*	*	*
Manufacturer	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Grocery store	*	*	*	503,718	8	1.41%	622,068	6	1.76%	570,183	7	1.68%	407,787	10	1.28%
Automobile dealer	*	*	*	\$ 11,131,105		31.26%	\$ 10,689,709		30.19%	\$ 10,947,294		32.19%	\$ 10,302,009		32.27%
Total	\$ 9,679,064		30.13%	\$ 11,131,105		31.26%	\$ 10,689,709		30.19%	\$ 10,947,294		32.19%	\$ 10,302,009		32.27%

Source:  
City Revenue Department

Notes:  
Confidentiality requirements prohibit disclosure of tax remitter business names.  
Information based on total sales tax collections.

Information prior to the current year and prior 3 calendar years is not available.  
\* Denotes company was not a principal sales tax remitter for year reported.

**City of Decatur**  
**Gas, Electric, Water, and Wastewater Revenues**  
**Last Ten Fiscal Years (Unaudited)**

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<u>Fiscal Year</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2000	\$ 72,274,202	\$ 20,586,875	\$ 8,588,096	\$ 6,687,520	\$ 108,136,693
2001	73,944,458	43,709,585	9,382,229	7,707,990	134,744,262
2002	68,738,298	23,152,126	9,516,536	7,601,848	109,008,808
2003*	91,075,855	34,896,833	9,360,996	9,181,385	144,515,069
2004	72,558,786	29,355,332	7,495,436	8,035,539	117,445,093
2005	74,388,148	26,684,990	7,901,111	8,895,053	117,869,302
2006	83,688,511	34,999,393	8,490,576	8,939,135	136,117,615
2007	86,367,173	30,715,823	9,063,331	10,114,298	136,260,625
2008	92,242,668	34,360,009	8,604,599	10,235,723	145,442,999
2009	98,913,684	24,628,903	8,084,517	9,639,016	141,266,120

Financial statements 1999 through 2002 were presented on 12-month period ending June 30.

Financial statements 2003 were presented on 15-month period ending September 30.

Financial statements 2004 through 2009 were presented on 12-month period ending September 30.

**City of Decatur**  
**Ratio of Outstanding Debt by Type,**  
**Last Ten Fiscal Years (Unaudited)**  
*(Thousands of dollars)*

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	*Percentage of Personal Income
	General Obligation Warrants	Notes Payable	Capital Leases	Water Revenue Warrants	Wastewater Revenue Warrants	Capital Leases		
2000	64,030	-	-	29,090	35,095	-	128,215	12.02%
2001	57,315	2,630	-	27,745	33,930	-	121,620	11.40%
2002	52,360	2,380	1,036	26,325	32,190	-	114,291	10.71%
2003	50,615	2,330	1,575	24,825	28,525	77	107,947	10.12%
2004	63,005	680	854	23,240	26,590	29	114,398	10.72%
2005	57,935	630	299	22,140	22,680	45	103,729	9.72%
2006	57,970	630	154	20,995	21,030	-	100,779	8.40%
2007	68,575	-	29	19,795	19,320	-	107,719	9.20%
2008	63,273	-	-	18,545	17,545	-	99,363	6.78%
2009	59,542	-	401	17,915	15,700	-	93,558	7.71%

**Sources:**

2000 Census information.  
2006 through 2009 are estimates from the Morgan County Economic Development Association  
See Schedule 19 (E-1) for personal income and per capita data  
\*Comparable personal income data was unavailable prior to 2006 other than the 2000 census  
2000 census numbers were used to compute percentage of personal income for years 2000 through 2005.

**Notes:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Business type activities:  
1999 through 2002 are reported on 12-month reporting period with June 30 year end dates  
2003 is a 15-month reporting period with year end of September 30  
2004 forward report on 12-month reporting period with fiscal year end of September 30

**City of Decatur  
Ratio of General Bonded Debt Outstanding,  
Last Ten Fiscal Years (Unaudited)**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2000	\$ 64,030,000	1.97%	1,187
2001	57,315,000	1.85%	1,047
2002	52,360,000	1.66%	957
2003	50,615,000	1.47%	907
2004	63,005,000	1.74%	1,122
2005	57,935,000	1.54%	1,019
2006	57,970,000	1.45%	1,085
2007	68,575,000	1.67%	1,280
2008	63,272,969	1.42%	1,146
2009	59,542,038	1.27%	1,114

**Sources:**

Morgan County Economic Development Association for 2006 through 2009 population estimates

**Notes:**

FY 2000 through FY 2005 are based on 2000 U.S. census population information

**City of Decatur  
Direct and Overlapping Governmental Activities Debt,  
As of September 30, 2009 (Unaudited)**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percent Applicable to City</b>	<b>City's Share of Direct and Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
City of Decatur general obligation bonds & warrants	\$ 59,542,038	100.00%	\$ 59,542,038
* City of Decatur Board of Education Morgan County	26,000,000	100.00%	26,000,000
Morgan County Board of Education	25,150,000	46.32%	11,649,480
	20,550,000	46.32%	9,518,760
<b>Total direct and overlapping debt</b>			<b>106,710,278</b>

The percentage of overlapping debt applicable to the City is calculated on the basis of the ratio of the estimated 2009 net assessed valuation of all taxable property in the City (\$535,353,520) - exclusive of taxable property outside the boundaries of Morgan County - to that of all net taxable property in Morgan County (\$1,155,880,820).

\*Decatur Board of Education Capital Outlay Warrants funded by property tax.

**Sources:**  
Morgan County Revenue Commissioner  
Debt outstanding provided by each governmental unit.

**Notes:**  
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 Decatur. This process recognizes that, when considering the city'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.

City of Decatur  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years (Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 68,061,764	\$ 72,245,428	\$ 74,737,632	\$ 78,347,020	\$ 80,991,480	\$ 84,644,116	\$ 89,421,112	\$ 94,737,160	\$ 105,039,796	\$ 107,070,704
Total net debt applicable to limit	40,305,000	38,220,000	35,420,000	35,465,000	48,370,000	45,485,000	47,485,000	60,240,000	56,997,969	55,330,038
Legal debt margin	27,756,764	34,025,428	39,317,632	42,882,020	32,621,480	39,159,116	41,936,112	34,497,160	48,041,827	51,740,666
Total net debt applicable to the limit as a percentage of debt limit	59.22%	52.90%	47.39%	45.27%	59.72%	53.74%	53.10%	63.59%	54.26%	51.68%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	\$ 743,230,440
Less tax exempt property	(207,876,920)
Net Assessed Value	535,353,520
Debt limit (20% of net assessed value)	107,070,704
Debt applicable to limit:	
General obligation bonds	59,542,038
Less: School	(4,212,000)
Total net debt applicable to limit	55,330,038
Legal debt margin	\$ 51,740,666

**Note:**  
 Numbers were revised in 2008 to reflect net assessed value. Prior to revision, numbers were based on assessed value.

**City of Decatur  
Pledged-Revenue Coverage,  
Last Ten Fiscal Years (Unaudited)**

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<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less: Operating Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service</b>	<b>Coverage</b>
2000	\$ 111,790,310	\$ 96,236,991	\$ 15,553,319	\$ 3,856,206	4.04%
2001	136,577,804	120,763,228	15,814,576	4,139,797	3.82%
2002	109,592,516	96,482,022	13,110,494	5,127,707	2.56%
*2003	144,971,255	132,736,841	12,234,414	5,789,000	2.11%
2004	117,727,587	107,176,453	10,551,134	5,788,552	1.82%
2005	118,591,409	107,151,729	11,439,680	5,159,606	2.22%
2006	137,591,436	125,146,933	12,444,503	4,774,913	2.61%
2007	138,236,912	125,022,901	13,214,011	4,875,660	2.71%
2008	146,806,157	136,753,211	10,052,946	4,823,628	2.08%
2009	141,472,819	133,607,497	7,865,322	5,064,336	1.55%

Financial statements 1999 through 2002 were presented on 12-month period ending June 30.

Financial statements 2003 were presented on 15-month period ending September 30.

Financial statements 2004 through 2009 were presented on 12-month period ending September 30.

City of Decatur  
Demographic and Economic Statistics,  
Last Ten Fiscal Years (Unaudited)

Calendar Year	Population	Personal Income Thousands of dollars	Per Capita Personal Income	Median Age	Graduated	School Enrollment	Unemployment Rate
2000*	53,929	\$ 1,066,284	\$ 19,772	37.0	418	8,947	3.8%
2001	54,723			37.0	425	8,841	5.2%
2002	54,723			36.3	406	8,839	6.4%
2003	55,809			36.3	451	8,840	6.0%
2004	56,136			37.5	449	8,806	6.1%
2005	56,866			38.1	442	8,815	3.9%
2006	53,442	1,192,879	22,321	38.3	483	8,831	3.1%
2007	53,581	1,170,477	21,845	38.8	437	8,812	3.3%
2008	55,233	1,465,608	26,535	38.4	521	8,873	4.9%
2009	53,465	1,213,549	22,698	38.9	536	8,812	10.6%

**Sources:**  
Morgan County Economic Development Association for 2006 through 2009 population and personal income, and for all median age and unemployment rate.  
City Planning department for population estimate prior to 2006  
\*2000 is Federal Census information  
Decatur City Schools for graduated and school enrollment

**Notes:**  
Comparative per capita personal income estimates have not been retained in years prior to 2006 other than the 2000 census information.

City of Decatur  
Principal Employers,  
Current Year and Prior Three Years (Unaudited)

Employer	2009			2008			2007			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
General Electric	1,250	1	3.65%	1,390	1	3.86%	1,390	1	4.10%	1,390	1	3.68%
Decatur City Schools	1,205	2	3.52%	1,205	2	3.35%	1,205	2	3.55%	1,205	2	3.19%
Decatur General Hospital	1,000	3	2.92%	1,200	3	3.33%	1,200	3	3.54%	1,200	3	3.18%
Wayne Farms	858	5	2.51%	799	5	2.22%	813	5	2.39%	813	5	2.15%
3M Company	760	4	2.22%	830	4	2.31%	895	4	2.64%	828	4	2.19%
Nucor Steel	700	8	2.05%	710	8	1.97%	630	8	1.85%	630	8	1.67%
City of Decatur	675	7	1.97%	673	7	1.87%	671	7	1.97%	681	7	1.80%
United Launch Alliance	654	6	1.91%	684	6	1.90%	638	6	1.88%	650	6	1.72%
BP America	446	9	1.30%	446	9	1.24%	453	9	1.33%	-	-	-
Wayne Farms East Facility	444	10	1.30%	418	10	1.16%	418	10	1.23%	-	-	-
Wolverine Tube										525	9	1.39%
Goodyear Tire & Rubber										408	10	1.08%
<b>Total</b>	<b>7,992</b>		<b>23.36%</b>	<b>8,355</b>		<b>23.22%</b>	<b>8,313</b>		<b>24.48%</b>	<b>8,330</b>		<b>22.05%</b>

Source:  
Morgan County Economic Development Association

Prior years' comparative information was not available.

City of Decatur  
 Full-Time-Equivalent City Government Employees by Function,  
 Last Ten Fiscal Years (Unaudited)

Function/Program	Full-Time-Equivalent Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	41	44	44	43	44	43	42	40	41	39
Public safety	272	263	276	283	266	275	268	274	263	266
Public works	81	81	82	77	74 *	94	94	92	96	94
Public services	72	78	71	73	73 *	59	57	57	58	58
Intergovernmental assistance	19	19	20	20	23	23	22	20	17	17
Municipal Utilities Board	165	163	157	160	170	178	177	170	181	179
Point Mallard	11	10	8	12	25	25	23	26	26	22
Sanitary Landfill	14	13	13	13	13	12	12	13	14	15
<b>Total</b>	<b>675</b>	<b>671</b>	<b>671</b>	<b>681</b>	<b>688</b>	<b>709</b>	<b>695</b>	<b>692</b>	<b>696</b>	<b>690</b>

Source:  
 City of Decatur Personnel Board  
 Decatur Utilities Personnel Department

\* Right of way mowing crew was moved from Street Department to Beautification Department

**City of Decatur  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years (Unaudited)**

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Building permits issued	3,703	3,133	4,778	5,449	3,969	3,999	4,004	2,815	2,396	3,005
Building inspections conducted	5,487	8,004	9,955	8,365	9,155	7,327	**	**	**	**
Police										
Adult arrests	6,291	6,500	6,141	10,808	11,386	10,431	9,574	9,937	9,732	**
Traffic citations	16,022	16,695	13,946	12,154	12,662	15,963	10,919	13,891	15,386	17,678
Fire										
Inspections	154	91	69	52	37	31	130	112	138	**
Emergency medical responses	3917	3885	2900	3059	3461	3556	3484	3580	3240	**
Fire and/or Hazmat responses	1291	1004	888	906	889	1014	1094	921	1221	**
Refuse collections										
Recyclables collected in tons	1,381	1,488	1,532	1,509	1,447	1,369	1,408	1,509	1,566	1,569
Garbage and trash collected	39,608	36,384	34,536	43,252	41,990	41,659	49,552	**	**	**
Municipal Utilities Board										
Electrical connections	26,403	26,595	26,439	26,105	26,348	26,316	26,034	26,036	26,118	25,899
Water connections	25,155	25,154	24,990	24,532	24,495	24,288	23,820	23,660	23,287	22,998
Wastewater connections	20,308	20,338	20,233	19,895	19,900	19,694	19,372	19,317	19,121	19,001
Gas connections	13,785	13,861	13,824	13,835	13,925	14,578	14,267	13,965	13,267	13,422

**Source:**  
Various city departments

**Notes:**  
\*\* Indicates information not available.  
\*Refuse collections in 2003 was larger due to the demolition of a housing project.

City of Decatur  
 Capital Asset Statistics by Function/Program,  
 Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Police</b>										
Stations	3	3	4	4	3	3	4	6	3	3
Patrol units	135	137	142	122	102	102	82	74	79	82
<b>Fire</b>										
Stations	8	8	8	8	8	8	8	8	8	8
Pumper Fire trucks	13	13	14	12	11	11	10	10	10	9
Special Response Vehicle	4	4	4	4	2	2	2	2	2	2
<b>Sanitation</b>										
Garbage collection trucks	17	17	17	19	19	21	22	16	17	16
<b>Other public works</b>										
Paved streets (miles)	334	333	333	333	333	331	329	329	329	326
Unpaved streets (miles)	7	7	7	7	7	7	7	7	7	7
Paved invert drainage channels (miles)	48	48	48	48	48	48	48	48	48	46
Storm drainage conduits (miles)	143	143	143	143	143	142	141	141	141	138
<b>Parks and Recreation</b>										
Number of parks*	26	26	26	26	24	24	32	32	32	31
Acres of Parks	1,278	1,278	1,278	1,278	1,263	1,263	1,263	1,263	1,263	1,186
Golf courses (public & private)	4	4	4	4	4	4	4	4	4	3
Tennis courts	46	46	46	46	34	34	34	34	34	34
Recreations centers	4	4	4	4	4	4	4	4	4	4
Senior citizen centers	2	2	2	2	2	1	1	1	1	1
Ball fields in use	35	35	35	34	32	32	32	32	32	32
Enclosed swimming pool	1	1	1	1	1	1	1	1	1	1
Open air swimming pools	2	2	2	2	3	3	3	3	3	3
Soccer facilities (acres)	62	62	62	62	62	62	35	35	35	35
Ice rinks	1	1	1	1	1	1	1	1	1	1
Marina/boat launch	2	2	2	2	2	1	1	1	1	1
Campgrounds	1	1	1	1	1	1	1	1	1	1
<b>Municipal Utilities Board</b>										
Water mains (miles)	480	478	476	474	472	405	464	461	451	445
Gas mains (miles)	413	412	411	409	407	405	401	400	394	391
Electric lines (miles)	592	592	588	586	585	581	577	577	575	567
Sanitary sewers (miles)	340	337	337	334	331	327	325	320	312	306
Fire hydrants in service	2,019	2,003	1,985	1,958	1,939	1,901	1,883	1,871	1,840	1,790

**Sources:**  
 Various city departments and capital assets records

**Notes:**  
 \*City parks were listed with duplicate names. The list was purged in FY 2004.  
 (-) Information for 1999 was not readily available for these capital assets.