

CITY OF LAGRANGE, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2017

Prepared by:

DEPARTMENT OF FINANCE

CITY OF LAGRANGE, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2017

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# LAGRANGE

## GEORGIA

December 21, 2017

TO: Citizens of the City of LaGrange, Georgia  
Honorable Mayor and Members of the City Council  
City of LaGrange, Georgia

The comprehensive annual report of the City of LaGrange, Georgia (the City), for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This is the fifteenth year the City of LaGrange is subject to the requirements of the Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The GASB pronouncement requires management discussion and analysis of the statements, government-wide financial statements, budgetary comparison schedules, added infrastructure reporting requirements and changes to the statement of cash flows, to name a few. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of LaGrange, incorporated in 1828, operates under the Council-Manager form of government. The City is organized under seven (7) departments: Community Development, Communications, Finance/Human Resources, Information and Technology, Public Safety, Public Services and Public Utilities. These departments operate under the direct supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services to an estimated 31,000 citizens. Included among these services are traditional city functions, such as police and fire protection, sanitation services (garbage and trash collection, landfill, and recycling center), street construction and maintenance, landscaping, cemeteries, building inspection, zoning enforcement and economic development, as well as electric, gas, water and sewer utilities and telecommunications services.

The Housing Authority of the City of LaGrange and the LaGrange Industrial Development Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The Solid Waste Management Authority of the City of LaGrange and City of LaGrange Gas Authority are reported on a blended basis.

The Downtown LaGrange Development Authority, a legally separate entity for which the City is financially accountable, is included as a component unit. The Downtown LaGrange Development Authority is presented as a discretely presented component unit under GASB-14, as amended by GASB-61, because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City.

### **ECONOMIC CONDITION AND OUTLOOK**

The City of LaGrange is located in the west central part of Georgia, approximately 70 miles southwest of the city of Atlanta with Interstate 85 and Interstate 185 adjacent on the east side of the city and West Point Lake adjacent on the west side. Hartsfield Atlanta International Airport is 45 minutes away via I-85 and Columbus is less than an hour away via I-185 south. CSX provides full-service rail facilities with east/west and north/south lines. Truck lines include interstate and intrastate carriers and local terminals. United Parcel Service, Federal Express, and several other national and local firms provide delivery services.

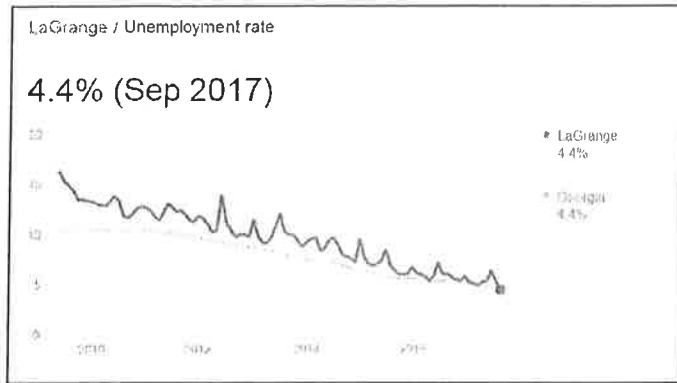
LaGrange is home to over 40 industries in three industrial parks. The 1,600 acre LaGrange Industrial Park and Jim Hamilton Industrial Park, 640 acre park, are home to a dozen Fortune 500 companies. A newer park, Callaway South Industrial Park, is currently developing, and is home to Sewon America and Badcock Distribution Center.

CITY OF LAGRANGE

OFFICE OF THE CITY MANAGER

200 Ridley Avenue • LaGrange, Georgia 30240 • (706) 883-2010 • Fax (706) 883-2020

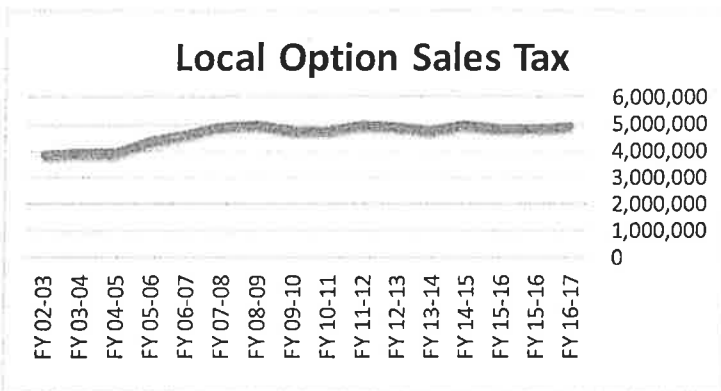
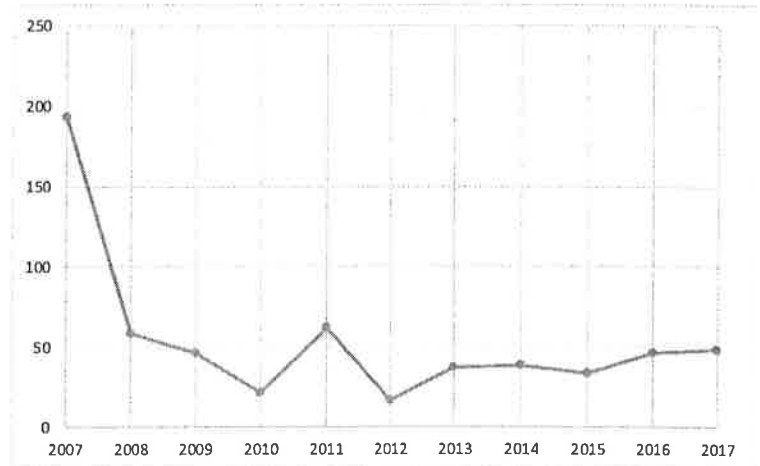
[www.lagrangega.org](http://www.lagrangega.org)



The unemployment rate is a measure of how well the economy is doing. Since 2005 the unemployment rate in Lagrange, Georgia has ranged from 2.8% in November 2000 to 16.2% in June 2009. As depicted here, the unemployment rate has seen a gradual decline since 2010. The unemployment rate for Lagrange in October was 4.4%. This low rate is characteristic of a growing economy.

Real estate plays an integral role in the economy. Residential real estate provides housing for families. It's often the greatest source of wealth and savings for families. LaGrange's local housing market has remained sluggish in 2017. The total number of single family building permits issued to date in 2017 is 48 which is significantly below what we were experiencing before the recession.

The City of LaGrange remains economically healthy. Local Option Sales Taxes remain stable and we are hopeful that future commercial development will create stronger returns.



LaGrange has a proven track record of success in attracting and retaining industrial development. The City is home to numerous fortune 500 companies that include Duracell, Caterpillar, Kimberly-Clark, Service Master/American Home Shield, Illinois Tool Works, and Dow Jones/Wall Street Journal. In 2017, LaGrange was named by Selection Magazine as the Number One Micropolitan in the State of Georgia for job production. Over the past year, LaGrange has attracted over a billion dollars of new investments in our community. Highlights include recruiting Great Wolf Lodge and Sentury Tire; substantial growth and expansion of three existing industries; and redevelopment of our local mall and

downtown.

Great Wolf Lodge, a first class destination resort, is now under construction and is slated to open in May of 2018. The resort will provide families with nearly 500,000 square feet of entertainment offerings and lodging amenities to enjoy. The centerpiece of the resort will be more than 93,000 square feet of indoor water park fun. It will create more than 600 jobs and represents an investment of over \$170 million.

Sentury Tire, a China based tire manufacturer, announced plans to build a \$530 million tire factory in LaGrange. Sentury expects the plant to create more than 1,000 jobs in production, sales, marketing, warehousing, and distribution. The company expects to start production in 2019, with a projected output of 12 million passenger and light truck tires per year.

In addition to new development, LaGrange has seen growth within its existing industries. Duracell announced the production of AA and AAA batteries moving from Lancaster, SC to its LaGrange facility. This will create 50 new jobs and will bring roughly \$95 million dollars of investment to the community. Jindal Films also announced plans to relocate its U.S. research and development center and national headquarters to their LaGrange facility. Investing \$180 million, the relocation will create 240 new jobs. In June of 2017, Caterpillar broke ground on a 200,000 square foot facility that will create \$10 million in local investment and employ an additional 50 jobs in a warehousing/distribution operation.

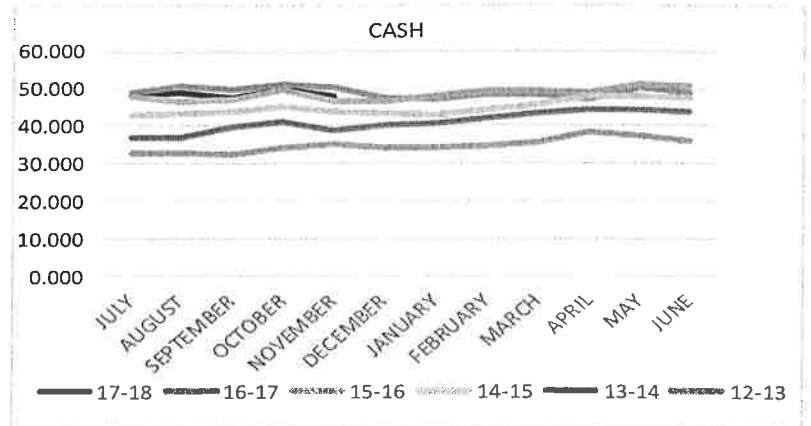
LaGrange Mall announced the opening of Hobby Lobby and Dunham's Sports in the former J.C. Penny's box. The mall is extending its current footprint to accommodate the two large stores. Dunham's had a very successful opening in September and Hobby Lobby is slated to open in January of 2018.

## FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from losses, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

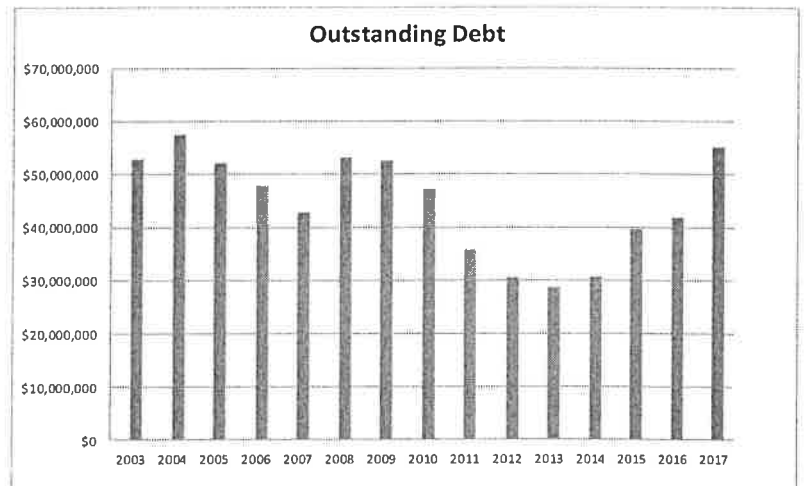
The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and, 2) the valuation of costs and benefits requires estimates and judgments by management.

The City's operational and financial performance is very strong. The City's cash balance remains stable with an average cash balance of \$48 million, which is presented in the graph. The City will receive its last cash distribution from the MEAG Trust Fund in 2017. Deliberate decisions were made not to spend the MEAG Trust dollars that have been distributed to the City's General Funds over the years and to manage the City with sustainable revenues and expenses on an annual basis. With continued economic uncertainty as well as the upcoming costs associated with the new Vogtle Nuclear units coming online, it is prudent to position the City with a strong cash balance, which has been done and will continue in the coming years.



Steps were taken over the past several years to control expenses and to position the City for financial soundness in the coming years. In Fiscal Year 2011 and 2012, as reflected in the chart, the City paid off significant amounts of Water and Sewer and Sanitation debt. Several revenue bonds were refinanced in Fiscal Years 2012 and 2014 to take advantage of lower interest rates. These steps allowed the City to use cash to avoid interest costs which were significantly higher than what we were receiving in interest on our bank deposits.

Due to infrastructure needs in 2015 and 2016, the city secured financing through low interest loans from the Georgia Environmental Facilities Authority. Infrastructure improvements were made to the Long Cane wastewater treatment facility to replace effluent vertical turbine pumps and pump gas engines. The project completed construction in early 2016 and payments on the \$8,637,735 loan began March 1, 2016. The City has also made additional investments in the sewer system with another GEFA loan to replace an existing pump station and install roughly 16,000 linear feet of 14" force main. This was a 5.6 million dollar project completed in October of 2015 with principal and interest payments commencing on November 1, 2015. Another strategic infrastructure investment was made to construct a new cell in the city's subtitle D landfill. Funds were secured through a loan GEFA in the amount of \$3 million. Loan payments commenced on November 1, 2015.



With the recruitment of Great Wolf Lodge to the community, the City financed the construction of a \$17 million Conference center. A bond was issued in December of 2016 that will be paid back with the incremental hotel motel tax from the project. The bond was issued by the LaGrange Development Authority. The conference center will be leased to Great Wolf Resort for 50 years and Great Wolf will operate the facility.

### **Budgeting Controls**

In addition, the City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of LaGrange. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects fund. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increases and decreases in relation to the prior year's revenue. Total Revenues and Total Expenses showed increases in both revenues and expenses from 2016 to 2017. (A 5% increase in revenue for General Government Funding and a 12% increase in expense.)

Revenues	Amount	% of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Taxes, Licenses and Permits	10,890,064	62.2%	310,901	3%
Intergovernmental	3,767,004	22%	560,689	1.7%
Charges for services	253,768	1%	(56,885)	(18%)
Fines	1,115,505	6%	(17,676)	(1.6%)
Investment Income	67,230	.4%	13,014	24%
Grants and Subsidies	0	0%	0	0%
Lease Income	840,308	5%	(99,014)	(10.5%)
Miscellaneous	568,710	3.4%	143,115	34%
TOTAL	17,502,589	100%	854,144	5%

Expenditures	Amount	% of Total	Increase (Decrease) From 2016	Percent of Increase (Decrease)
General Government	2,760,276	8%	208,440	8%
Public Safety	16,935,100	48%	987,516	6%
Public Services	3,253,462	9%	312,152	11%
Culture and Recreation	945,898	3%	1,025	.1%
Community Development	4,917,482	14%	2,868,245	140%
Debt Service	1,625,715	5%	421,009	35%
Capital Outlay	4,702,862	13%	(996,587)	(17%)
TOTAL	35,140,795	100%	3,801,800	12%



## **OTHER INFORMATION**

### **Independent Audit**

Georgia Law requires cities to be audited every two years by independent certified public accountants. The City chooses to have an annual audit and this year the Council selected the firm of AJK, LLC to perform the audit. The auditor's report on financial statements is included in the financial section of this report.

### **Awards**


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 LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the thirtieth year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

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

### **Acknowledgments**

The timely preparation of this report was possible because of the hard work and dedication of the Finance Department, the cooperation of all City employees in following City policy in purchasing and accounting for revenues and expenditures and the invaluable assistance of AJK, LLC, the City's auditors. All of these individuals and organizations have our sincere appreciation for their contributions in the preparation of this report. We also wish to acknowledge the leadership and support of the Mayor and Council of the City of LaGrange.

Respectfully submitted,



Meg B. Kelsey  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of LaGrange  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

City of LaGrange, Georgia  
LIST OF PRINCIPAL OFFICIALS

June 30, 2017

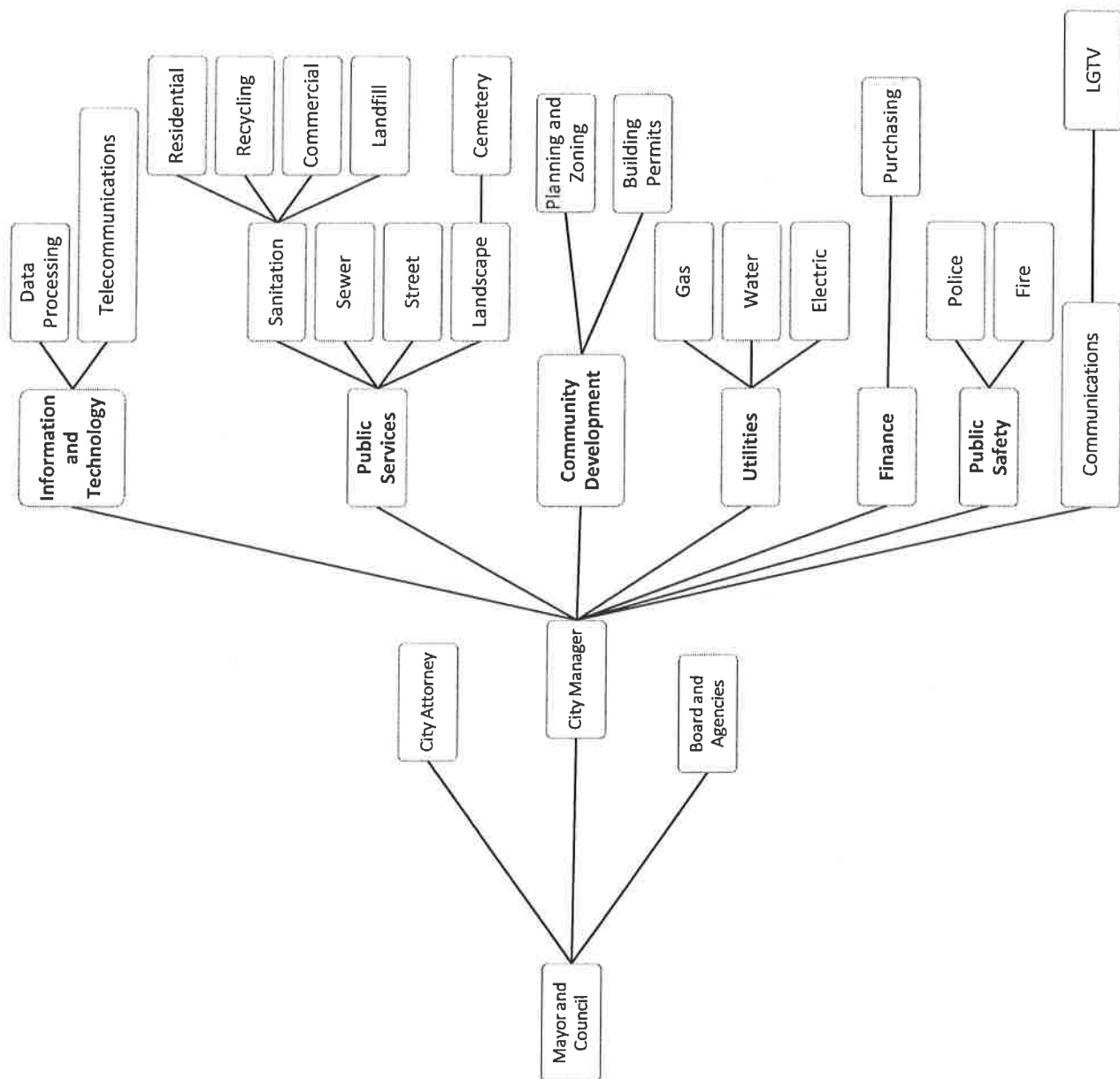
ELECTED OFFICIALS

James C. Thornton	Mayor
Willie T. Edmondson	Council Member
Tom Gore	Council Member
Nick Woodson	Council Member
Norma Tucker	Council Member
LeGree McCamey	Council Member
Mark Mitchell	Council Member

OTHER OFFICIALS

Meg B. Kelsey	City Manager
Teresa Taylor	Assistant City Manager
Jeffery M. Todd	City Attorney
Alton West	Director of Community Development
David E. Brown	Director of Public Services
Patrick C. Bowie, Jr.	Director of Public Utilities
Louis M. Dekmar	Director of Public Safety
Alan Slaughenaupt	Director of Information and Technology

CITY OF LAGRANGE, GEORGIA  
 ORGANIZATIONAL CHART  
 June 30, 2017



**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of City Council  
City of LaGrange, Georgia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of LaGrange, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress information on pages 48 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of LaGrange, Georgia's basic financial statements for the year ended June 30, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2016 financial statements, for the year ended June 30, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the City of LaGrange, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of LaGrange, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia  
December 20, 2017

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AJK

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## **Management's Discussion and Analysis**

As management of the City of LaGrange (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 June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i –v of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$176,684,917.
- The City's total net position decreased by \$22,064,311 due to the bond funding of a Conference Center and funding of a Tax Allocation District for the downtown hotel.
- As of the close of 2017, the City's governmental funds reported combined ending fund balances of \$5,662,817, a decrease of \$3,404,473 from the prior year.
- At the end of 2017, the fund balance for the general fund was \$3,030,594 or 11.56 percent of general fund expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net positions 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 City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and fines and forfeiture revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, public safety, public works, community services, and development services. The business-type activities of the City include water and sewer, solid waste, telecommunications, electric, and natural gas services.

The government-wide financial statements include not only the City of LaGrange itself (known as the primary government), but also a legally separate Downtown LaGrange Development Authority (DLDA) for which the City of LaGrange is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.



## 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 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 the 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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

The City maintains three individual governmental fund types. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and which is the City's only major governmental fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this fund. Budgetary comparison statements have been provided for the Special Revenue Funds in the supplementary financial information elsewhere in this report. Since the Capital Project Fund budget is adopted on a project basis, a supplementary budgetary comparison statement has not been provided.

### *Proprietary funds*

The City maintains two different types of proprietary funds. 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 Utility operation, Water and Sewerage Fund, and Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Group Insurance, and Property and Casualty activities. These two services primarily benefit the City's general governmental operations and have been allocated to the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the Utility, Water and Sewerage, and Solid Waste operations. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

## **Notes to the Basic 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.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$176,684,917 at the close of 2017.

A substantial portion of the City's net position (96.6 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net position as of June 30, 2017 and June 30, 2016, are as follows:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current and other assets	\$27,501,143	\$ 13,306,917	\$ 58,903,101	\$ 60,741,705	\$ 86,404,244	\$ 74,048,622
Capital assets	<u>65,740,154</u>	<u>65,645,400</u>	<u>135,872,187</u>	<u>140,387,011</u>	<u>201,612,341</u>	<u>206,032,411</u>
Total assets	<u>93,241,297</u>	<u>78,952,317</u>	<u>194,775,288</u>	<u>201,128,716</u>	<u>288,016,585</u>	<u>280,081,033</u>
<b>Deferred Outflows of Resources:</b>						
Pensions:						
Differences between expected and actual experience	1,383,522	985,620	704,497	528,854	2,088,019	1,514,474
Difference between projected and actual earnings on investments		647,973		347,684	-	995,657
Contributions after measurement date	<u>1,100,092</u>	<u>1,015,489</u>	<u>560,174</u>	<u>544,881</u>	<u>1,660,266</u>	<u>1,560,370</u>
Total deferred outflows of resources	<u>2,483,614</u>	<u>2,649,082</u>	<u>1,264,671</u>	<u>1,421,419</u>	<u>3,748,285</u>	<u>4,070,501</u>
<b>Liabilities:</b>						
Long-term liabilities	1,662,358	7,560,207	35,981,375	38,474,778	37,643,733	46,034,985
Other liabilities	<u>56,187,305</u>	<u>15,869,464</u>	<u>21,143,181</u>	<u>23,585,056</u>	<u>77,330,486</u>	<u>39,454,520</u>
Total liabilities	<u>57,849,663</u>	<u>23,429,671</u>	<u>57,124,556</u>	<u>62,059,834</u>	<u>114,974,219</u>	<u>85,489,505</u>
<b>Deferred Inflows of Resources:</b>						
Pension:						
Difference between projected and actual earnings on investments	19,686		10,024		29,710	-
Changes of assumptions	<u>50,372</u>	<u>74,214</u>	<u>25,652</u>	<u>39,822</u>	<u>76,024</u>	<u>114,036</u>
Total deferred inflows of resources	<u>70,058</u>	<u>74,214</u>	<u>35,676</u>	<u>39,822</u>	<u>105,734</u>	<u>114,036</u>
<b>Net Position:</b>						
Net invested in capital assets	62,112,183	61,734,629	108,454,603	110,250,942	170,566,786	171,985,571
Restricted	6,284,954	6,680,165			6,284,954	6,680,165
Unrestricted	<u>(30,591,947)</u>	<u>(10,317,280)</u>	<u>30,425,124</u>	<u>30,199,537</u>	<u>(166,823)</u>	<u>19,882,257</u>
Total net position	<u>\$37,805,190</u>	<u>\$ 58,097,514</u>	<u>\$138,879,727</u>	<u>\$140,450,479</u>	<u>\$176,684,917</u>	<u>\$ 198,547,993</u>

A portion of the City's net position (3.5%) represents resources that are subject to external restrictions on how they may be used. At the end of 2017, the City is able to report positive balances in net position or fund balances, both for the government as a whole, as well as for its business-type activities. The Capital Projects Fund and Tax Allocation Fund reported negative fund balances. All other governmental funds reported positive fund balances.

#### Governmental activities

Governmental activities decreased the City's net position by \$20,292,324. The decrease in net position for governmental activities is attributed to borrowing \$17 million dollars to finance the construction of a Conference Center at the Great Wolf Lodge and to the monetizing of a tax allocation district in the amount of \$2,500,000 for the new Courtyard by Marriot in downtown LaGrange, both of which are reflected in community development below. Below is a breakdown of revenues and expenses by governmental and business type activities for 2017 and 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 3,013,159	\$ 2,962,074	\$ 89,963,217	\$ 90,886,838	\$ 92,976,376	\$ 93,848,912
Capital grants & contributions	3,307,053	10,525,756			3,307,053	10,525,756
Operating grants & contributions	586,037	218,943			586,037	218,943
General revenues						
Other taxes	10,637,746	10,425,840			10,637,746	10,425,840
Other	51,222	42,269	370,511	103,009	421,733	145,278
Total revenues	<u>17,595,217</u>	<u>24,174,882</u>	<u>90,333,728</u>	<u>90,989,847</u>	<u>107,928,945</u>	<u>115,164,729</u>
Expenses:						
General government	2,947,566	3,203,034			2,947,566	3,203,034
Public safety	17,995,155	16,528,248			17,995,155	16,528,248
Public service	3,582,226	3,281,515			3,582,226	3,281,515
Culture and recreation	1,024,270	1,009,469			1,024,270	1,009,469
Community development	25,296,195	3,547,065			25,296,195	3,547,065
Interest on long-term debt	533,129	232,542			533,129	232,542
Utilities			69,666,735	68,166,927	69,666,735	68,166,927
Solid waste			8,947,980	9,320,613	8,947,980	9,320,613
Total expenses	<u>51,378,541</u>	<u>27,801,873</u>	<u>78,614,715</u>	<u>77,487,540</u>	<u>129,993,256</u>	<u>105,289,413</u>
Increase in net position before transfers	<u>(33,783,324)</u>	<u>(3,626,991)</u>	<u>11,719,013</u>	<u>13,502,307</u>	<u>(22,064,311)</u>	<u>9,875,316</u>
Transfers	<u>13,491,000</u>	<u>11,815,000</u>	<u>(13,491,000)</u>	<u>(11,815,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(20,292,324)</u>	<u>8,188,009</u>	<u>(1,771,987)</u>	<u>1,687,307</u>	<u>(22,064,311)</u>	<u>9,875,316</u>
Net position-beginning of year, restated	<u>58,097,514</u>	<u>49,909,505</u>	<u>140,651,714</u>	<u>138,763,172</u>	<u>198,749,228</u>	<u>188,672,677</u>
Net position-end of year	<u>\$37,805,190</u>	<u>\$58,097,514</u>	<u>\$138,879,727</u>	<u>\$140,450,479</u>	<u>\$176,684,917</u>	<u>\$198,547,993</u>

### Business-type activities

Business-type activities decreased the City's net position by \$1,771,987. Total revenues decreased only marginally by \$656,199. Expenses showed a slight increase of 1.4%.

### **Financial Analysis of the Government's Funds**

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

### Governmental funds

The focus of 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of 2017, unassigned fund balance of the General Fund was \$1,902,981 while total fund balances reached \$3,030,594. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.26 percent of the total General Fund expenditures, while total fund balance represents 11.56 percent of that same amount. Transfers in from other funds to supplement the General Fund were \$993,808 from non-major governmental funds and \$13,300,000 from proprietary funds for a total of \$14,293,808, representing 54.5 percent of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General Fund remained healthy at the end of June, 2017. A decrease of \$292,590 in fund balance occurred over the course of Fiscal Year 2017. Small decreases in revenue and increases in expenses and a higher contribution from enterprise funds, contributes to a positive increase in fund balance for 2017.

Other non-major governmental funds have a total fund balance of \$2,632,223. The City showed a net decrease of \$3,111,883 in the fund balance during the current year for non-major governmental funds. Negligible decreases in revenue and investments made to monetize a tax allocation district for the downtown hotel resulted in this decrease.

### Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of 2017 amounted to \$24,329,830, Water and Sewerage Fund \$12,842,039 and those for the Solid Waste Fund amounted to \$(6,746,745). The total change in net position for each fund was (\$169,600), (\$1,119,291), and (\$483,096) respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

There were no differences between the original budget and the final budget. During the year, however, revenues were more than budgetary estimates and expenditures were more than budgetary estimates. The increase in transfers out increased the need to draw upon the fund balance to the extent shown in the budget statement.

## Capital Asset and Debt Administration

### Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$170,566,786 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 12,726,493	\$ 13,737,811	\$ 3,510,561	\$ 3,510,561	\$ 16,237,054	\$ 17,248,372
Building	22,123,536	22,123,536	26,833,595	26,833,595	48,957,131	48,957,131
Machinery & equipment	13,485,531	10,680,440	24,116,328	22,911,162	37,601,859	33,591,602
Vehicles	4,046,872	3,733,886	1,671,171	1,635,208	5,718,043	5,369,094
Transmission & distribution			194,934,389	193,531,138	194,934,389	193,531,138
Other	47,925,340	45,152,644			47,925,340	45,152,644
Construction in progress	18,258	2,290,804	249,878	11,118	268,136	2,301,922
Total	100,326,030	97,719,121	251,315,922	248,432,782	351,641,952	346,151,903
Less, accumulated depreciation	(34,585,876)	(32,073,721)	(115,443,735)	(108,045,771)	(150,029,611)	(140,119,492)
Total net of accumulated depreciation	\$ 65,740,154	\$ 65,645,400	\$ 135,872,187	\$ 140,387,011	\$ 201,612,341	\$ 206,032,411

More detailed information can be found in the Notes to the Financial Statements, Note 4.

### Long-term debt

At the end of 2017, the City had total bonded debt outstanding of \$6,590,000. Of this amount, none is backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

The City maintains an "A -" rating from Standard & Poor's for its general obligation bonds. The rating for the Water and Sewerage Utility revenue bonds is an "A -" rating from Standard & Poor's and an "A 3" rating from Moody's.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$115,964,794 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

More detailed information can be found in the Notes to the Financial Statements, Note 6.

### Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Meg B. Kelsey, City Manager, 200 Ridley Avenue, LaGrange, Georgia 30240.

## NOTICE

Certain pages of this report have been left blank intentionally.  
These pages are identified as shown on this page.



**LAGRANGE**  
**GEORGIA**

## BASIC FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET POSITION  
June 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority
<u>ASSETS</u>				
Cash and cash equivalents	\$ 9,153,720	\$ 6,201,538	\$ 15,355,258	\$ 1,155,705
Investments	16,889,316	34,858,468	51,747,784	
Receivables (net of allowance):				
Taxes	2,237,241		2,237,241	4,470
Accounts		10,635,504	10,635,504	34,265
Developer - parking deck				3,049,874
Notes receivable				1,807,933
Other	49,313		49,313	8,000
Internal balances	(1,972,495)	1,972,495	-	
Inventory	195,491	2,362,062	2,557,553	20,400
Prepaid expenses	16,435	48,332	64,767	7,306
Restricted cash	51,038		51,038	1,350,126
Restricted investments	881,084	2,824,702	3,705,786	
Capital assets:				
Land and construction in progress	12,744,751	3,760,439	16,505,190	4,876,461
Other capital assets, net of accumulated depreciation	52,995,403	132,111,748	185,107,151	13,691,591
Other assets				11,000
<b>Total assets</b>	<b>93,241,297</b>	<b>194,775,288</b>	<b>288,016,585</b>	<b>26,017,131</b>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension:				
Differences between expected and actual experience	1,383,522	704,497	2,088,019	
Contributions after measurement date	1,100,092	560,174	1,660,266	
<b>Total deferred outflows of resources</b>	<b>2,483,614</b>	<b>1,264,671</b>	<b>3,748,285</b>	<b>-</b>

(Continued...)

See the accompanying notes to the financial statements.



CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET POSITION  
June 30, 2017  
(Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority
<u>LIABILITIES</u>				
Accounts and claims payable	2,519,061	4,314,735	6,833,796	233,258
Accrued liabilities	122,843	69,154	191,997	11,715
Due to other governmental entities	16,190,015		16,190,015	
Accrued interest	351,575	61,800	413,375	
Customer deposits		2,610,710	2,610,710	
Unearned revenue	884,361	4,819,602	5,703,963	1,098,532
Short term note payable				490,714
Noncurrent liabilities:				
Due within one year	1,662,358	2,913,139	4,575,497	69,217
Due in more than one year	23,641,125	35,981,375	59,622,500	2,339,868
Net OPEB obligation	2,475,815	1,260,700	3,736,515	
Net pension liability	10,002,510	5,093,341	15,095,851	
Total liabilities	57,849,663	57,124,556	114,974,219	4,243,304
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension:				
Changes of assumptions	50,372	25,652	76,024	
Difference between projected and actual earnings on investments	19,686	10,024	29,710	
Total deferred inflows of resources	70,058	35,676	105,734	-
<u>NET POSITION</u>				
Net investment in capital assets	62,112,183	108,454,603	170,566,786	15,668,253
Restricted for:				
Perpetual care	885,451		885,451	
Public safety	46,671		46,671	
Community development	1,243,430		1,243,430	
Capital projects	4,109,402		4,109,402	
124 Main Street				400,000
Unrestricted	(30,591,947)	30,425,124	(166,823)	5,705,574
Total net position	\$ 37,805,190	\$ 138,879,727	\$ 176,684,917	\$ 21,773,827

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services, Fees, Fines, and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,151,318	\$ 366,991	\$ 1,461	\$ 85,500	\$ (1,697,366)		\$ (1,697,366)	
Public safety	17,995,155	1,438,475	54,578		(16,502,102)		(16,502,102)	
Public service	3,582,226		55,862	3,221,553	(304,811)		(304,811)	
Culture and recreation	1,024,270	44,875			(979,395)		(979,395)	
Community development	25,296,195	1,162,818	474,136		(23,659,241)		(23,659,241)	
Redevelopment and housing	352,895				(352,895)		(352,895)	
Telecommunications	443,353				(443,353)		(443,353)	
Interest on long-term debt	533,129				(533,129)		(533,129)	
Total governmental activities	51,378,541	3,013,159	586,037	3,307,053	(44,472,292)	\$ -	(44,472,292)	
Business-type activities:								
Water and sewer	12,714,739	16,667,241				3,952,502	3,952,502	
Gas system	10,552,167	11,994,070				1,441,903	1,441,903	
Electric system	43,424,244	48,812,549				5,388,305	5,388,305	
Sanitation	8,947,980	9,406,918				458,938	458,938	
Telecommunications	2,975,585	3,082,439				106,854	106,854	
Total business-type activities	78,614,715	89,963,217	-	-	-	11,348,502	11,348,502	
Total primary government	\$ 129,993,256	\$ 92,976,376	\$ 586,037	\$ 3,307,053	(44,472,292)	11,348,502	(33,123,790)	
Component units:								
Downtown LaGrange Development Authority	\$ 5,485,169	\$ 1,713,430	\$ 2,610,754	\$ 7,130,611				\$ 5,969,626
Total component units	\$ 5,485,169	\$ 1,713,430	\$ 2,610,754	\$ 7,130,611				5,969,626
General revenues:								
Taxes:								
Franchise tax					1,083,001		1,083,001	
Insurance premium tax					1,837,659		1,837,659	
Alcoholic beverage tax					718,706		718,706	
Sales tax					4,968,287		4,968,287	
Ad valorem					260,587		260,587	
Other					1,769,506		1,769,506	
Investment earnings					51,222	370,511	421,733	20,323
Transfers					13,491,000	(13,491,000)	-	
Total general revenues and transfers					24,179,968	(13,120,489)	11,059,479	20,323
Change in net position					(20,292,324)	(1,771,987)	(22,064,311)	5,989,949
Net position at beginning of year, restated					58,097,514	140,651,714	198,749,228	15,783,878
Net position at end of year					\$ 37,805,190	\$ 138,879,727	\$ 176,684,917	\$ 21,773,827

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	<u>General</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,371,352	\$ 3,943,756	\$ 7,315,108
Investments	15,217,261	1,141,638	16,358,899
Receivables (net of allowance):			
Taxes	1,145,201	1,092,040	2,237,241
Other	9,513		9,513
Due from other funds	66,533		66,533
Inventory	195,491		195,491
Restricted cash and cash equivalents	51,038		51,038
Restricted investments	881,084		881,084
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 20,937,473</u>	<u>\$ 6,177,434</u>	<u>\$ 27,114,907</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 709,660	\$ 507,715	\$ 1,217,375
Due to other governmental entities	16,190,015		16,190,015
Due to other funds		442,000	442,000
Advances to other funds		2,595,496	2,595,496
Accrued liabilities	122,843		122,843
Unearned revenue	884,361		884,361
Total liabilities	<u>17,906,879</u>	<u>3,545,211</u>	<u>21,452,090</u>
Fund Balances:			
Unrestricted		(2,720,609)	(2,720,609)
Non-spendable:			
Inventory	195,491		195,491
Restricted for:			
Perpetual care	885,451		885,451
Public safety	46,671		46,671
Capital projects		4,109,402	4,109,402
Community development		1,243,430	1,243,430
Unassigned	1,902,981		1,902,981
Total fund balances	<u>3,030,594</u>	<u>2,632,223</u>	<u>5,662,817</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 20,937,473</u>	<u>\$ 6,177,434</u>	<u>\$ 27,114,907</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION  
June 30, 2017

Total fund balance - all governmental funds \$ 5,662,817

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 65,740,154

The deferred outflows below are not current assets or financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2017 are:

Deferred outflows	2,483,614
Deferred inflows	(70,058)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2017 are:

Accrued interest payable	\$	(351,575)	
Compensated absences		(555,512)	
Notes payable		(445,000)	
Capital leases		(3,182,971)	
Intergovernmental agreements		(21,120,000)	
Net OPEB obligation		(2,475,815)	
Net pension liability		<u>(10,002,510)</u>	(38,133,383)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

2,122,046

Net position of governmental activities	<u><u>\$ 37,805,190</u></u>
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CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	General	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Sales	\$ 4,968,287		\$ 4,968,287
Franchise	1,083,001		1,083,001
Insurance premium	1,837,659		1,837,659
Alcoholic beverage	718,706		718,706
Ad valorem	260,587		260,587
Other	775,698	\$ 993,808	1,769,506
Licenses and permits	252,318		252,318
Intergovernmental	205,106	3,561,898	3,767,004
Fines and forfeitures	1,115,505		1,115,505
Charges for services	253,768		253,768
Investment income	36,842	30,388	67,230
Rental income		840,308	840,308
Miscellaneous	247,000	321,710	568,710
Total revenues	<u>11,754,477</u>	<u>5,748,112</u>	<u>17,502,589</u>
Expenditures:			
Current:			
General government	1,964,022		1,964,022
Public safety	16,935,100		16,935,100
Public service	3,253,462		3,253,462
Culture and recreation	945,898		945,898
Community development	1,644,853	3,272,629	4,917,482
Redevelopment and housing		352,895	352,895
Telecommunications	443,359		443,359
Debt service:			
Principal retirements	356,550	1,009,677	1,366,227
Interest and fees	7,905	251,583	259,488
Capital outlay:			
General government	62,194	86,136	148,330
Public safety	526,286	365,210	891,496
Public service	13,013	1,678,189	1,691,202
Telecommunications	6,264		6,264
Culture and recreation	63,173		63,173
Community development		1,902,397	1,902,397
Total expenditures	<u>26,222,079</u>	<u>8,918,716</u>	<u>35,140,795</u>
Excess of revenues over (under) expenditures	<u>(14,467,602)</u>	<u>(3,170,604)</u>	<u>(17,638,206)</u>
Other financing sources (uses):			
Sale of capital assets	29,306		29,306
Capital lease	458,982	254,445	713,427
Transfers in	14,293,808	988,084	15,281,892
Transfers out	(607,084)	(1,183,808)	(1,790,892)
Total other financing sources (uses)	<u>14,175,012</u>	<u>58,721</u>	<u>14,233,733</u>
Net change in fund balances	(292,590)	(3,111,883)	(3,404,473)
Fund balance, beginning of year	3,323,184	5,744,106	9,067,290
Fund balance, end of year	<u>\$ 3,030,594</u>	<u>\$ 2,632,223</u>	<u>\$ 5,662,817</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2017

Net change in fund balances - All governmental funds \$ (3,404,473)

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

Governmental funds report capital outlay 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:

Capital outlay	4,103,294
Depreciation	(2,851,465)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net position. (1,157,075)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:

Compensated absences	138,876
Accrued interest payable	(273,641)
Net OPEB obligation	(682,182)
Pension expense	(214,920)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Principal retirements	1,366,227
Proceeds from capital leases	(713,427)
Intergovernmental agreement	(16,920,000)

Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities. 316,462

Change in net position of governmental activities \$ (20,292,324)

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2017

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	\$ 5,050,000	\$ 4,968,287	\$ (81,713)
Franchise	1,111,500	1,083,001	(28,499)
Insurance premium	1,675,000	1,837,659	162,659
Alcoholic beverage	710,000	718,706	8,706
Ad valorem	475,000	260,587	(214,413)
Other	772,500	775,698	3,198
Licenses and permits	151,500	252,318	100,818
Intergovernmental	386,800	205,106	(181,694)
Fines and forfeitures	1,224,500	1,115,505	(108,995)
Charges for services	258,200	253,768	(4,432)
Investment income	100	36,842	36,742
Miscellaneous	177,000	247,000	70,000
Total revenues	<u>11,992,100</u>	<u>11,754,477</u>	<u>(237,623)</u>
Expenditures:			
Current:			
General government:			
Administrative	1,180,315	1,162,113	18,202
Finance	698,625	703,144	(4,519)
Garage	(69,256)	(188,390)	119,134
Risk management	38,000	38,000	-
City hall	184,025	249,155	(65,130)
Total general government	<u>2,031,709</u>	<u>1,964,022</u>	<u>67,687</u>
Public safety:			
Court administration	417,754	395,901	21,853
Probation	329,116	302,828	26,288
Police	10,009,867	10,157,276	(147,409)
Community service	107,658	79,572	28,086
Traffic control	911,657	1,008,364	(96,707)
Fire services	4,804,801	4,664,063	140,738
Animal control	300,807	327,096	(26,289)
Total public safety	<u>16,881,660</u>	<u>16,935,100</u>	<u>(53,440)</u>
Public service:			
Engineering and supervision	330,152	348,997	(18,845)
Streets	1,373,850	1,623,343	(249,493)
Street cleaning	119,276	125,667	(6,391)
Trash and refuse	746,176	908,750	(162,574)
Recycling	270,458	246,705	23,753
Total public service	<u>2,839,912</u>	<u>3,253,462</u>	<u>(413,550)</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2017  
(Continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	996,277	945,898	50,379
Community development:			
Community development	739,211	743,780	(4,569)
DAL marketing	78,900	169,886	(90,986)
Other community support	829,816	731,187	98,629
Total community development	1,647,927	1,644,853	3,074
Telecommunications:			
Administration	228,326	232,207	(3,881)
LGTV	189,020	211,152	(22,132)
Total telecommunications	417,346	443,359	(26,013)
Debt service:			
Principal retirement	315,076	356,550	(41,474)
Interest and fees	2,770	7,905	(5,135)
Total debt service	317,846	364,455	(46,609)
Capital outlay:			
General government	45,000	62,194	(17,194)
Public safety	265,000	526,286	(261,286)
Public service	112,000	13,013	98,987
Telecommunications	28,000	6,264	21,736
Culture and recreation	48,000	63,173	(15,173)
Total capital outlay	498,000	670,930	(172,930)
Total expenditures	25,630,677	26,222,079	(591,402)
Excess (deficiency) of revenues over (under) expenditures	(13,638,577)	(14,467,602)	(829,025)
Other financing sources (uses):			
Transfers in	14,210,000	14,293,808	83,808
Transfers out	(568,750)	(607,084)	(38,334)
Sale of capital assets	2,000	29,306	27,306
Capital leases		458,982	458,982
Total other financing sources (uses)	13,643,250	14,175,012	531,762
Net change in fund balances	4,673	(292,590)	(297,263)
Fund balance, beginning of year	3,323,184	3,323,184	-
Fund balance, end of year	\$ 3,327,857	\$ 3,030,594	\$ (297,263)

See the accompanying notes to the financial statements.



CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2017

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 2,396,337	\$ 1,998,049	\$ 1,807,152	\$ 6,201,538
Investments	24,245,514	10,612,954		34,858,468
Receivables:				
Accounts	7,999,322	1,959,130	677,052	10,635,504
Other				-
Due from other funds	322,000			322,000
Prepays	48,332			48,332
Inventory	1,157,048	1,205,014		2,362,062
Restricted assets:				
Restricted investments	2,824,702			2,824,702
Total current assets	38,993,255	15,775,147	2,484,204	57,252,606
Noncurrent assets:				
Capital assets, not being depreciated	1,574,302	720,507	1,465,630	3,760,439
Capital assets, being depreciated	35,945,786	72,271,465	23,894,497	132,111,748
Advances to other funds	2,595,496			2,595,496
Total noncurrent assets	40,115,584	72,991,972	25,360,127	138,467,683
Total assets	79,108,839	88,767,119	27,844,331	195,720,289
				4,423,732
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pensions:				
Differences between expected and actual experience	320,928	263,717	119,852	704,497
Contributions after measurement date	255,183	209,691	95,300	560,174
Total deferred outflows of resources	576,111	473,408	215,152	1,264,671
				-

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2017  
(Continued)

	Business-Type Activities Major Enterprise Funds			Internal Service Funds	
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	3,955,474	287,783	71,478	4,314,735	1,686
Customer deposits	2,014,809	594,371	1,530	2,610,710	
Accrued liabilities	30,612	25,839	12,703	69,154	
Accrued compensated absences	73,392	42,656	21,092	137,140	
Due to other funds			26,533	26,533	1,000,000
Unearned revenue	4,819,602			4,819,602	
Claims reserve					1,300,000
Notes payable, current		794,383	170,953	965,336	
Capital leases, current	247,775		400,183	647,958	
Intergovernmental agreement payable, current	270,000			270,000	
Landfill postclosure liability, current			42,705	42,705	
Liabilities payable from restricted assets:					
Accrued interest	61,800			61,800	
Revenue bonds, current	850,000			850,000	
Total current liabilities	12,323,464	1,745,032	747,177	14,815,673	2,301,686
Noncurrent liabilities:					
Compensated absences	110,088	63,984	31,638	205,710	
Revenue bonds, long-term	5,740,000			5,740,000	
Notes payable, long-term		15,176,320	3,035,320	18,211,640	
Capital leases, long-term	297,228		705,422	1,002,650	
Intergovernmental agreement payable, long-term	2,670,000			2,670,000	
Landfill postclosure liability			8,151,375	8,151,375	
Advances from other funds	918,468			918,468	
Net OPEB obligation	574,302	471,922	214,476	1,260,700	
Net pension liability	2,320,233	1,906,606	866,502	5,093,341	
Total noncurrent liabilities	12,630,319	17,618,832	13,004,733	43,253,884	-
Total liabilities	24,953,783	19,363,864	13,751,910	58,069,557	2,301,686
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pensions:					
Difference between projected and actual earnings on investments	4,566	3,752	1,706	10,024	
Changes of assumptions	11,686	9,603	4,363	25,652	
Total deferred inflows of resources	16,252	13,355	6,069	35,676	-
<u>NET POSITION</u>					
Net investment in capital assets	30,385,085	57,021,269	21,048,249	108,454,603	
Unrestricted	24,329,830	12,842,039	(6,746,745)	30,425,124	2,122,046
Total net position	\$ 54,714,915	\$ 69,863,308	\$ 14,301,504	\$ 138,879,727	\$ 2,122,046

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2017

	Business-Type Activities Major Enterprise Funds			Internal Service Funds Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total
Operating revenues:				
Water and sewerage system		\$ 16,552,907		\$ 16,552,907
Gas system	\$ 11,706,422			11,706,422
Electric system	48,432,344			48,432,344
Sanitation			\$ 9,311,919	9,311,919
Premiums				\$ 8,228,324
Telecommunications	3,082,439			3,082,439
Other sales	667,853	107,527	91,449	866,829
Total operating revenue	63,889,058	16,660,434	9,403,368	89,952,860
Operating expenses:				
Water and sewerage system		8,779,723		8,779,723
Gas system	9,056,590			9,056,590
Electric system	42,814,281			42,814,281
Sanitation			7,108,083	7,108,083
Telecommunications	2,547,363			2,547,363
Administrative services				235,038
Depreciation	2,141,474	3,657,404	1,728,834	7,527,712
Risk management				7,743,731
Total operating expenses	56,559,708	12,437,127	8,836,917	77,833,752
Operating income (loss)	7,329,350	4,223,307	566,451	12,119,108
Nonoperating revenues (expenses):				
Investment income	262,286	104,901	3,324	370,511
Gain (loss) on sale of assets		6,807	3,550	10,357
Interest expense	(392,288)	(277,612)	(111,063)	(780,963)
Total nonoperating revenues (expenses)	(130,002)	(165,904)	(104,189)	(400,095)
Net income (loss) before contribution and transfers	7,199,348	4,057,403	462,262	11,719,013
Transfers in	2,420,451	453,757	254,642	3,128,850
Transfers out	(9,789,399)	(5,630,451)	(1,200,000)	(16,619,850)
Change in net position	(169,600)	(1,119,291)	(483,096)	(1,771,987)
Net position, beginning of year, restated	54,884,515	70,982,599	14,784,600	140,651,714
Net position, end of year	\$ 54,714,915	\$ 69,863,308	\$ 14,301,504	\$ 138,879,727

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2017

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Cash received from customers and users	\$ 60,854,008	\$ 16,766,418	\$ 9,472,655	\$ 87,093,081	\$ 8,144,604
Cash paid to employees	(3,182,006)	(4,090,371)	(2,189,529)	(9,461,906)	
Cash paid to suppliers	(51,092,529)	(4,638,966)	(4,623,687)	(60,355,182)	(7,977,958)
Net cash provided (used) by operating activities	6,579,473	8,037,081	2,659,439	17,275,993	166,646
Cash flows from noncapital financing activities:					
Repayment of advance to (from) other funds	(90,573)			(90,573)	90,573
Advances to other funds	(2,595,496)			(2,595,496)	
Transfers in	2,420,451	453,757	254,642	3,128,850	
Transfers out	(9,789,399)	(5,630,451)	(1,200,000)	(16,619,850)	
Net cash provided (used) by noncapital financing activities	(10,055,017)	(5,176,694)	(945,358)	(16,177,069)	90,573
Cash flows from capital and related financing activities:					
Principal payments on revenue bonds	(825,000)			(825,000)	
Proceeds from sale of assets		14,893	14,653	29,546	
Acquisition of capital assets	(1,567,612)	(868,115)	(559,725)	(2,995,452)	
Capital lease payments	(301,278)		(682,053)	(983,331)	
Payments on notes payable		(780,534)	(166,245)	(946,779)	
Payments on intergovernmental agreement	(255,000)			(255,000)	
Interest paid	(461,751)	(277,612)	(111,063)	(850,426)	
Net cash provided (used) by capital financing activities	(3,410,641)	(1,911,368)	(1,504,433)	(6,826,442)	-
Cash flows from investing activities:					
Sale (purchase) of investments	7,886,170	(7,105,205)		780,965	(530,417)
Investment income	262,286	104,901	3,324	370,511	66,907
Net cash provided (used) by investing activities	8,148,456	(7,000,304)	3,324	1,151,476	(463,510)
Net increase (decrease) in cash	1,262,271	(6,051,285)	212,972	(4,576,042)	(206,291)
Cash, beginning of year	1,134,066	8,049,334	1,594,180	10,777,580	2,044,903
Cash, end of year	\$ 2,396,337	\$ 1,998,049	\$ 1,807,152	\$ 6,201,538	\$ 1,838,612

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2017  
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Operating income (loss)	\$ 7,329,350	\$ 4,223,307	\$ 566,451	\$ 12,119,108	\$ 249,555
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,141,474	3,657,404	1,728,834	7,527,712	
Changes in operating assets and liabilities:					
Accounts receivable	(243,565)	38,533	42,754	(162,278)	(3,720)
Inventory	(47,946)	(139,263)		(187,209)	
Prepaid expense	13,855			13,855	
Accounts payable	95,902	179,082	(119,482)	155,502	811
Accrued vacation	(45,744)	(17,073)	(8,620)	(71,437)	
Due from other funds	(322,000)			(322,000)	(80,000)
Due to other funds			26,533	26,533	
Unearned revenue	(2,583,011)			(2,583,011)	
Other accrued expenses	15,848	13,696	6,393	35,937	
Customer deposits	113,526	67,451		180,977	
Closure/postclosure			336,358	336,358	
Net OPEB obligation	139,398	99,305	59,586	298,289	
Net pension liability	(27,614)	(85,361)	20,632	(92,343)	
Net cash provided (used) by operating activities	<u>\$ 6,579,473</u>	<u>\$ 8,037,081</u>	<u>\$ 2,659,439</u>	<u>\$ 17,275,993</u>	<u>\$ 166,646</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2017, the City incurred debt of \$36,626 in the form of capital leases in connection with the acquisition of new equipment.

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaGrange, Georgia (the City) was incorporated in 1828, under the provisions of the State of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning, and general administrative services.

The accounting policies of the City of LaGrange, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

- A. The Reporting Entity - The City of LaGrange, Georgia is a municipal corporation governed by a Mayor and seven member Council. The City has considered all potential component units for inclusion in these financial statements and determined that the Solid Waste Management Authority of the City of LaGrange should be included on a blended basis and that the Downtown LaGrange Development Authority should be included as a discretely presented component unit.

The Solid Waste Management Authority of the City of LaGrange, consists of an eight member board appointed by the governing authority of the City. The Authority provides a means to issue revenue bonds. Although it is legally separate from the City, the Authority is reported as if it were part of the City's Solid Waste Fund because the board and management of the Authority are substantially the same as the City. Additionally, the City is wholly responsible for the debt of the Authority whose sole purpose is to finance, construct, equip, expand, and maintain the City's solid waste facilities. Separate financial statements are not prepared by the Solid Waste Management Authority.

The component unit column in the financial statements includes the financial data of the Downtown LaGrange Development Authority, the City's only discretely presented component unit. The purpose of the Authority is to revitalize and redevelop central business districts and to promote the public good and the general welfare of the State. It is reported in a separate column to emphasize that it is legally separate from the City. The Downtown LaGrange Development Authority is presented as a discretely presented component unit under GASB-14, as amended by GASB-61, because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City. The Downtown LaGrange Development Authority is presented as an enterprise fund type. It is not considered necessary to present condensed financial statements for the Downtown LaGrange Development Authority here since it is the only component unit for the City and has been discretely presented in a separate column in these financial statements. Complete financial statements can be obtained from the Downtown LaGrange Development Authority, 200 Main Street, Suite 1-B, LaGrange, Georgia 30240.

The Downtown Development Authority of the City of LaGrange also meets the above criteria for inclusion as a component unit of the City, but is not included in these financial statements due to immaterial financial activity.

- B. Government-wide and Fund Financial Statements - The government-wide statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and the component unit of the City. As a general rule, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

CITY OF LAGRANGE, GEORGIA  
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The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Grants from other governments, sales tax, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** - The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, the City reports the following major proprietary funds:

**Enterprise Funds** - These funds account for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include sanitation, water and sewer, electricity, telecommunication, and natural gas services.

- **Utility Fund** - The Utility Fund accounts for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include electricity, telecommunication, and natural gas services.
- **Water and Sewerage Fund** - The Water and Sewerage Fund accounts for the operations of the City's water and sewerage activities.
- **Sanitation Fund** - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Additionally, the government reports the following fund types:

**Internal Service Fund** - The Group Insurance Fund and the Property and Casualty Insurance Fund account for the City's partial self-insurance of employee medical claims, workers' compensation claims, and general liability claims provided to other departments of the government on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF LAGRANGE, GEORGIA  
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Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and production and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's net position is reported in three parts - (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

- D. Budgets and Budgetary Accounting - On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council. No supplemental appropriations were made during the year ended June 30, 2017.

The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects Fund and SPLOST Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only.

- E. Cash and Cash Equivalents - Cash and cash equivalents shown on the balance sheet represent demand deposits and non-negotiable certificates of deposit. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.
- F. Investments - The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligations; State of Georgia or other states obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; banker's acceptances that are eligible for purchase by the Federal Reserve Bank; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

- G. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

- H. Inventory and Prepaid Items - Inventory is valued at cost determined principally using the first-in, first-out (FIFO) method. Inventory is recorded on the consumption method which means that inventory acquisitions are recorded in inventory accounts initially and charged as expenditures or expenses when used. Prepaid items are also recorded on the consumption method.

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.



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- I. Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers, 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 with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Some assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service. Construction period interest is capitalized with the cost of the asset. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, as well as any reported component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings .....	40-50 years
Distribution systems.....	33-50 years
Furniture and fixtures.....	5-10 years
Equipment and vehicles.....	5-25 years
Infrastructure.....	10-50 years

- J. Long-Term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- K. Accrued Vacation - A liability for accrued vacation pay is recorded by the City. A liability for unused sick leave pay is not recorded since these amounts do not vest.

- L. Fund Equity - The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

CITY OF LAGRANGE, GEORGIA  
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- **Unassigned fund balance** - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by the passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service, or for other purposes). It is the City's policy to use restricted fund balances first followed by committed amounts, assigned amounts, and then unassigned amounts, respectively.

- M. Deferred Outflows/Inflows of Resources - In addition to assets, the financial statements of the City will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. The differences between expected and actual experience related to pension, and the contributions made to the pension plan after the measurement date are the only items that the City has that qualify for reporting in this category.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows in resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The changes in assumptions related to pensions and the difference between projected and actual earnings on investments related to pensions are the only items that the City has that qualify for reporting in this category.

- N. Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Georgia's Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plans' fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- O. Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.
- P. Use of Estimates to Prepare Financial Statements - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.
- Q. Subsequent Events - Subsequent events have been evaluated by management through December 20, 2017, which is the date the financial statements were available to be issued.

## 2. DEPOSITS AND INVESTMENTS

### Primary Government

At year end, the carrying amount of the City's deposits was \$15,406,296, which includes \$7,450 petty cash and the bank balance was \$15,672,669. Of the bank balance, \$500,000 was covered by federal deposit insurance, \$14,523,169 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name, and \$649,500 was covered by the state pledging pool. The City does not have a deposit policy for custodial credit risk.

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The City adopted and now applies all guidance related to fair value measurement in accordance with U.S. generally accepted accounting principles, which defines fair value and establishes a framework for measuring fair value and enhances disclosures about fair value measurements in regards to their investments.

These standards define fair value at the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy, which requires an organization to maximize the use of the observable inputs when measuring fair value.

The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Investments classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Description	Fair Value 6/30/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bond/Note	\$ 22,680,770		\$ 22,680,770	
Federal Agency CMO	326,853		326,853	
Federal Agency Bond/Note	9,208,371		9,208,371	
Municipal Competitive Trust	21,404,247			\$ 21,404,247
Coca Cola Stock	881,084	\$ 881,084		
Georgia Fund 1 (State Investment Pool)	952,245			952,245
	<u>\$ 55,453,570</u>	<u>\$ 881,084</u>	<u>\$ 32,215,994</u>	<u>\$ 22,356,492</u>

**Interest Rate Risk** – The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Securities purchased by or on behalf of the City shall have a final maturity of five and one-half years or less from the date of settlement. The maximum effective duration of the entire portfolio shall be three years. The City has adopted a cash flow needs and market conditions method for its interest rate risk.

**Credit Risk** – As discussed in Note 1. F., state law limits investments available to local governments by statute. The City's investment policy follows these guidelines.

**Concentration of Credit Risk** – The City's investment policy limits its investment choices to maximum per issuer which does not exceed 40% for obligations of any corporation of the United States Government or Agency Mortgage - Backed Securities (MBS).

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The City's investment of \$952,245 in the Georgia Fund 1 local government investment pool has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAA rated market funds. Georgia Fund 1 is not considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company. The Office of State Treasurer is the regulatory oversight agency of Georgia Fund 1. The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal (\$1.00) per share value. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. As of June 30, 2017, the City's investment in the state investment pool was rated AA+ by Standard & Poor's. The maturity at June 30, 2017 for this fund was 26 day WAM.

**Component Unit**

At year end, the Downtown LaGrange Development Authority did not have any investments, and the carrying amount of the Authority's deposits (checking and certificates of deposit) was \$2,499,441, cash on hand was \$6,390, and the bank balance was \$2,506,311. Of the bank balance, \$1,037,801 was covered by federal depository insurance (FDIC), \$1,322,835 was covered by collateral held in the Authority's name, \$91,669 was covered by the State's pledging pool not in the Authority's name, and \$54,006 was uncollateralized. The Authority does not have a deposit policy for custodial risk.

3. NOTES AND ACCOUNTS RECEIVABLE

**Primary Government**

At June 30, 2017, there were no outstanding notes receivables.

Accounts receivable at June 30, 2017 in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of \$7,007,324, \$2,899,954, and \$318,334, respectively.

**Component Unit**

Notes receivable at June 30, 2017 consist of the following:

Note receivable from an individual, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of \$1,307 from October 1, 2012 through September 1, 2028.	\$ 147,921
Due within one year	\$ 11,051
Note receivable from C'Sons, LLC, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of \$491 from March 15, 2015 through February 15, 2018.	\$ 4,835
Due within one year	\$ 4,835
Note receivable from an individual, 4.00% per annum, to be paid in monthly installments of principal and interest in the amount of \$760 from September 1, 2014 through August 1, 2039.	\$ 133,397
Due within one year	\$ 3,846
Note receivable from a developer for a construction project 0% per annum, to be extinguished in exchange for conveyance of real property to the Authority upon the conclusion of the construction and issuance of a Certificate of Occupancy.	\$ 1,521,780
Due within one year	\$ 1,521,780

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4. CAPITAL ASSETS

**Primary Government**

Capital asset activity for governmental activities for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,737,811	\$ 206,712	\$ (1,218,030)	\$ 12,726,493
Construction in progress	2,290,804	272,764	(2,545,310)	18,258
Total capital assets not being depreciated	16,028,615	479,476	(3,763,340)	12,744,751
Capital assets being depreciated:				
Buildings	22,123,536			22,123,536
Machinery and equipment	10,680,440	3,009,576	(204,485)	13,485,531
Vehicles	3,733,886	472,356	(159,370)	4,046,872
Infrastructure	45,152,644	2,772,696		47,925,340
Total capital assets being depreciated	81,690,506	6,254,628	(363,855)	87,581,279
Less, accumulated depreciation for:				
Buildings	(4,671,111)	(508,321)		(5,179,432)
Machinery and equipment	(6,882,058)	(695,910)	204,485	(7,373,483)
Vehicles	(2,909,795)	(323,195)	134,825	(3,098,165)
Infrastructure	(17,610,757)	(1,324,039)		(18,934,796)
Total accumulated depreciation	(32,073,721)	(2,851,465)	339,310	(34,585,876)
Total capital assets being depreciated, net	49,616,785	3,403,163	(24,545)	52,995,403
Governmental activities capital assets, net	\$ 65,645,400	\$ 3,882,639	\$ (3,787,885)	\$ 65,740,154
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,510,561			\$ 3,510,561
Construction in progress	11,118	\$ 238,760		249,878
Total capital assets, not being depreciated	3,521,679	238,760	\$ -	3,760,439
Capital assets being depreciated:				
Buildings	26,833,595			26,833,595
Machinery and equipment	22,911,162	1,354,104	(148,938)	24,116,328
Vehicles	1,635,208	35,963		1,671,171
Infrastructure	193,531,138	1,403,251		194,934,389
Total capital assets being depreciated	244,911,103	2,793,318	(148,938)	247,555,483
Less, accumulated depreciation for:				
Buildings	(15,267,988)	(502,854)		(15,770,842)
Machinery and equipment	(14,112,504)	(1,642,222)	129,748	(15,624,978)
Vehicles	(1,439,633)	(77,609)		(1,517,242)
Infrastructure	(77,225,646)	(5,305,027)		(82,530,673)
Total accumulated depreciation	(108,045,771)	(7,527,712)	129,748	(115,443,735)
Total capital assets being depreciated, net	136,865,332	(4,734,394)	(19,190)	132,111,748
Business-type activities capital assets, net	\$ 140,387,011	\$ (4,495,634)	\$ (19,190)	\$ 135,872,187

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 352,701
Public safety	364,090
Public service	305,008
Culture and recreation	47,664
Community development	1,782,002
Total depreciation expense for governmental activities	\$ 2,851,465

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Business-type activities:	
Water and sewerage	\$ 3,657,404
Electric system	609,963
Gas system	1,103,289
Telecommunications	428,222
Sanitation	<u>1,728,834</u>
Total depreciation expense for business-type activities	<u>\$ 7,527,712</u>

**Component Unit**

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land - Property held for lease	\$ 1,496,750			\$ 1,496,750
Land - Event center	34,960			34,960
Land - Promenades	198,000		\$ (198,000)	-
Construction in progress	<u>3,416,612</u>	<u>\$ 4,049,089</u>	<u>(4,120,950)</u>	<u>3,344,751</u>
Total capital assets not being depreciated	<u>5,146,322</u>	<u>4,049,089</u>	<u>(4,318,950)</u>	<u>4,876,461</u>
Capital assets being depreciated:				
Buildings and improvements	13,420,507	3,807,370	(693,500)	16,534,377
Equipment	<u>766,898</u>	<u>14,222</u>	<u>(4,581)</u>	<u>776,539</u>
Total capital assets being depreciated	<u>14,187,405</u>	<u>3,821,592</u>	<u>(698,081)</u>	<u>17,310,916</u>
Less, accumulated depreciation for:				
Buildings and improvements	(2,897,129)	(433,905)	206,547	(3,124,487)
Equipment	<u>(415,040)</u>	<u>(84,379)</u>	<u>4,581</u>	<u>(494,838)</u>
Total accumulated depreciation	<u>(3,312,169)</u>	<u>(518,284)</u>	<u>211,128</u>	<u>(3,619,325)</u>
Total capital assets being depreciated, net	<u>10,875,236</u>	<u>3,303,308</u>	<u>(486,953)</u>	<u>13,691,591</u>
Total capital assets, net	<u>\$ 16,021,558</u>	<u>\$ 7,352,397</u>	<u>\$ (4,805,903)</u>	<u>\$ 18,568,052</u>

Depreciation expense for the Authority was charged to functions as follows:

Community development	<u>\$ 518,284</u>
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**5. CAPITAL LEASES**

The City has entered into lease agreements for financing the acquisition of various pieces of equipment and vehicles for the governmental activities and business-type activities. Capital leases for governmental activities are being repaid through the General Fund. Capital leases for business-type activities are being repaid through the Utility and Sanitation Funds. These lease agreements qualify as capital leases for accounting purposes, and the expense resulting from amortization of assets recorded under capital leases is included in depreciation expense. Therefore, the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 9,066,996	\$ 15,814,909
Less, accumulated depreciation	<u>(5,371,901)</u>	<u>(11,220,619)</u>
Total	<u>\$ 3,695,095</u>	<u>\$ 4,594,290</u>

CITY OF LAGRANGE, GEORGIA  
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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Year ending June 30:		
2018	\$ 674,839	\$ 667,417
2019	555,781	479,041
2020	468,932	372,338
2021	334,090	161,657
2022	287,194	7,379
2023-2026	<u>1,148,775</u>	
Total lease payments	3,469,611	1,687,832
Less, amount representing interest	<u>(286,640)</u>	<u>(37,224)</u>
	<u>\$ 3,182,971</u>	<u>\$ 1,650,608</u>

6. LONG-TERM DEBT

A. Notes Payable

**Primary Government**

**Governmental Activities**

The City has entered into notes payable for the purpose of financing the City's Transition Center. The total amount of loans issued in prior years was \$3,640,000.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Financing of the City's Transition Center - Debt Service Fund	4.85%	\$ <u>445,000</u>

Loans payable currently outstanding are as follows:

	<u>Governmental Activities</u>
	<u>Principal</u> <u>Interest</u>
Year ending June 30:	
2018	\$ <u>445,000</u> \$ <u>21,582</u>

**Business-Type Activities**

The City's Water and Sewerage Fund and Sanitation Fund borrowed funds for system improvements under notes payable agreements with Georgia Environmental Facilities Authority in the amounts of \$18,028,366 and \$4,006,058 respectively.

Notes payables currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Gas recirculation project at landfill – Sanitation Fund	2.33%	\$ 392,870
Construction of Cell No. 5 at landfill – Sanitation Fund	3.03%	2,813,403
Construction of water line – Water and Sewerage Fund	4.10%	424,389
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	2,194,416
Long Cane pump station – Water and Sewerage Fund	1.40%	8,134,021
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	<u>5,217,877</u>
		<u>\$ 19,176,976</u>

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Notes payable service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2018	\$ 965,336	\$ 356,081
2019	984,335	337,082
2020	1,003,750	317,667
2021	1,023,681	297,736
2022	1,044,011	277,407
2023-2027	5,330,037	1,072,024
2028-2032	5,371,283	541,351
2033-2036	3,454,543	105,520
	<u>\$ 19,176,976</u>	<u>\$ 3,304,868</u>

**Component Unit**

The Downtown LaGrange Development Authority converted a line of credit into a 20 year loan in September 2016 for the construction of the District 4 Health building. The total amount of the loan is \$2,070,000. The Authority also entered into a 15 year loan in November 2016 for the renovation of a building for a craft brewery. The total amount of the loan is \$500,000 and at June 30, 2017 \$381,023 had been drawn.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>
Construction of District 4 Health building	3.39%	\$ 2,028,062
Renovation of craft brewery building	3.85%	381,023
		<u>\$ 2,409,085</u>

Notes payable service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2018	\$ 69,217	\$ 80,106
2019	82,250	85,446
2020	85,068	82,629
2021	88,345	79,351
2022	91,564	76,132
2023-2027	510,203	328,279
2028-2032	509,406	228,295
2033-2037	973,032	113,663
	<u>\$ 2,409,085</u>	<u>\$ 1,073,901</u>

**B. Revenue Bonds**

**Primary Government**

**Business-Type Activities**

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The Utility Fund currently has revenue bonds outstanding to be paid from the gas system revenue. In prior years, the City issued \$10,500,000 in revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2009 Gas Authority Revenue Bonds	4.09%	\$ 2,990,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	3,600,000
		<u>\$ 6,590,000</u>



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Revenue bond service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2018	\$ 850,000	\$ 195,551
2019	880,000	170,547
2020	910,000	144,522
2021	940,000	117,578
2022	975,000	89,715
2023-2024	<u>2,035,000</u>	<u>91,656</u>
	<u>\$ 6,590,000</u>	<u>\$ 809,569</u>

C. Compensated Absences

**Primary Government**

The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2017. Accrued compensated absences from governmental activities are repaid through the General Fund. Business-type activities accrued compensated absences are repaid through the Utility Fund, Water and Sewerage Fund, and Sanitation Fund.

D. Intergovernmental Agreements Payable

**Primary Government**

The City of LaGrange has entered into three separate intergovernmental contracts:

- The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within LaGrange. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of \$1,565,000 and Series 2007B in the aggregate amount of \$5,285,000. In the year ended June 30, 2014, the LDA refunded the 2007B in full. The revenue bonds, 2012 Revenue Refunding Bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February, 2013. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.
- The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange. In the year ended June 30, 2015 the Downtown LaGrange Development Authority refunded the Series 2005 Revenue Bonds with Series 2014 Revenue Bonds, which the City is obligated to service.
- The City entered into an intergovernmental agreement under which the LaGrange Development Authority (LDA) is to construct a conference center. The LDA issued revenue bonds, Series 2016 in the amount of \$16,920,000 and the City is obligated to service the principal and interest.
- The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the Authority's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The Authority is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels.

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Intergovernmental agreements outstanding at year end are as follows:

**Governmental Activities**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	\$ 2,325,000
Carmike Cinema - Downtown LaGrange Development Authority Series 2014 Revenue Bonds	3.45%	1,875,000
Conference Center – Downtown LaGrange Development Authority 2016 Series Revenue Bonds	3.00% - 5.00%	16,920,000
		<u>\$ 21,120,000</u>

Governmental activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2018	\$ 382,500	\$ 793,817
2019	732,500	782,087
2020	757,500	753,131
2021	785,000	723,124
2022	815,000	691,999
2023-2027	4,130,000	2,947,210
2028-2032	2,972,500	2,244,276
2033-2037	3,180,000	1,757,556
2038-2042	3,785,000	1,149,043
2043-2046	3,580,000	365,000
	<u>\$ 21,120,000</u>	<u>\$ 12,207,243</u>

**Business-Type Activities**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	<u>\$ 2,940,000</u>

Business-type activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2018	\$ 270,000	\$ 125,377
2019	285,000	117,747
2020	295,000	105,179
2021	310,000	92,169
2022	325,000	78,498
2023-2026	1,455,000	164,052
	<u>\$ 2,940,000</u>	<u>\$ 683,022</u>

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E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2017 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Intergovernmental agreements	\$ 4,570,000	\$ 16,920,000	\$ (370,000)	\$ 21,120,000	\$ 382,500
Capital leases	3,055,771	713,427	(586,227)	3,182,971	612,653
Notes payable	855,000		(410,000)	445,000	445,000
Compensated absences	694,388	837,814	(976,690)	555,512	222,205
Governmental activities long-term liabilities	<u>\$ 9,175,159</u>	<u>\$ 18,471,241</u>	<u>\$ (2,342,917)</u>	<u>\$ 25,303,483</u>	<u>\$ 1,662,358</u>
Business-type activities:					
Revenue bonds	\$ 7,415,000		\$ (825,000)	\$ 6,590,000	\$ 850,000
Intergovernmental agreements	3,195,000		(255,000)	2,940,000	270,000
Capital leases	2,597,314	\$ 36,626	(983,332)	1,650,608	647,958
Notes payable	20,123,755		(946,779)	19,176,976	965,336
Compensated absences	414,287	450,888	(522,325)	342,850	137,140
Landfill closure/postclosure	7,857,722	369,837	(33,479)	8,194,080	42,705
Business-type activities long-term liabilities	<u>\$ 41,603,078</u>	<u>\$ 857,351</u>	<u>\$ (3,565,915)</u>	<u>\$ 38,894,514</u>	<u>\$ 2,913,139</u>

**Component Unit**

Long-term liability activity for Downtown LaGrange Development Authority for the year ending June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable	<u>\$ 1,648,377</u>	<u>\$ 832,646</u>	<u>\$ (71,938)</u>	<u>\$ 2,409,085</u>	<u>\$ 69,217</u>

7. **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017 is as follows:

Due to/from other funds:

	<u>Receivable Fund</u>			
	<u>General Fund</u>	<u>Utility Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Payable Fund:				
Nonmajor governmental	\$ 40,000	\$ 322,000	\$ 80,000	\$ 442,000
Sanitation Fund	26,533			26,533
Internal Service Fund			1,000,000	1,000,000
	<u>\$ 66,533</u>	<u>\$ 322,000</u>	<u>\$ 1,080,000</u>	<u>\$ 1,468,533</u>

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments to supplement operations outstanding at year end and other miscellaneous receivables/payables between funds. All due to/from balances are expected to be repaid within one year.

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Advances to/from other funds at June 30, 2017 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	\$ 918,468
Nonmajor governmental	Utility Fund	\$ 2,595,496

The advance between the Property and Casualty Fund and the Utility Fund represents a long-term interfund loan. The original advance was for \$1.7 million made during the fiscal year ended June 30, 2007, for the purpose of expanding the gas system infrastructure. The advance is being repaid in annual installments through June 2023.

The advance between the Nonmajor Governmental Fund and Utility Fund represents a long-term interfund loan between the Utility Fund and the Tax Allocation Fund. The original advance was for \$2,595,496 made during the current fiscal year, for the purpose of assisting with a portion of the cost of construction in the downtown area. The advance is being repaid in annual installments through February 2043.

The following table represents the noncurrent portion of interfund loans and is therefore classified as a noncurrent asset/liability on the Proprietary Funds Statement of Net Position. A reconciliation to the government-wide Statement of Net Position is as follows:

Total enterprise fund non-current liabilities per fund level Statement of Net Position	\$ 43,253,884
Advances from other funds	(918,468)
Net OPEB obligation	(1,260,700)
Net pension liability	(5,093,341)
Non-current liabilities - Due in more than one year per government-wide Statement of Net Position	\$ 35,981,375

Transfers are primarily used to move funds between the proprietary funds and the governmental funds for expenses paid through the accounts payable system. The City does not levy property taxes to its citizens and therefore relies upon the enterprise funds to supplement the general fund operating expenditures. Other transfers represent flows of cash or goods from one fund to another without a requirement for repayment. These transfers were as follows:

	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Utility Fund</u>	<u>Water and Sewerage Fund</u>	<u>Sanitation Fund</u>	
Transfers out:						
General Fund		\$ 607,084				\$ 607,084
Nonmajor governmental	\$ 993,808		\$ 190,000			1,183,808
Utility Fund	8,700,000	381,000		\$ 453,757	\$ 254,642	9,789,399
Water & Sewerage Fund	3,400,000		2,230,451			5,630,451
Sanitation	1,200,000					1,200,000
	<u>\$14,293,808</u>	<u>\$ 988,084</u>	<u>\$2,420,451</u>	<u>\$ 453,757</u>	<u>\$ 254,642</u>	<u>\$ 18,410,742</u>

## 8. RISK MANAGEMENT AND SELF-INSURANCE

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage and provide for these risks, the City has established a Group Insurance Fund and a Property and Casualty Insurance Fund which are reported as internal service funds. These funds account for the risk financing activities of the City and do not constitute a transfer of risk from the City.

Charges to other funds for these benefits are based upon an estimate of actual claims, administrative costs, and stop-loss insurance premiums. Such charges are reported as revenue in the internal service funds and expenditures/expenses in the paying fund. An estimate of unpaid claims has been accrued as of June 30, 2017.

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The City records an estimated liability for employee medical claims, workers' compensation, torts and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

- A. Group Insurance Fund - The purpose of this Fund is to pay the medical claims of City employees and their covered dependents and to minimize the total cost of medical insurance to the City. Under this plan, the City is self-insured for claims aggregating up to \$5,498,355 for the year ended June 30, 2017. Claims exceeding this amount are covered by a private insurance carrier.
- B. Property and Casualty Insurance Fund - The purpose of this Fund is to pay worker's compensation, general, automobile and personal liability claims. This program is administered by a third party, which provides claims review and processing. Under this plan, the City is self-insured for claims per occurrence up to \$100,000 for general insurance liability and \$600,000 for workers compensation liability for the plan year ended June 30, 2017. Claims exceeding this amount are covered by a private insurance carrier.

The following represents changes in these liabilities for the last two fiscal years:

	<u>Group Insurance</u>	<u>Property and Casualty</u>
Liability balance, June 30, 2015	\$ 700,000	\$ 600,000
Claims and changes in estimate	6,212,211	681,723
Claims payments	<u>(6,212,211)</u>	<u>(681,723)</u>
Liability balance, June 30, 2016	700,000	600,000
Claims and changes in estimate	6,221,736	448,105
Claims payments	<u>(6,221,736)</u>	<u>(448,105)</u>
Liability balance, June 30, 2017	<u>\$ 700,000</u>	<u>\$ 600,000</u>

The liability is an estimate of claims at June 30, 2017 to be paid within the next fiscal year, therefore this is current liability.

- C. Changes in Coverage and Claims Paid - Neither the Group Insurance Fund nor the Property and Casualty Fund had significant decreases in coverage from the prior year. Also, neither fund paid claims that exceeded its insurance coverage for the past three years.

## 9. DEFINED BENEFIT PENSION PLAN

### A. General Information About the Pension Plan

**Plan Description** – All full-time City employees and all City officials are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit pension plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and city ordinance. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

**Benefits Provided** – GMEBS provides service retirement, disability benefits and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten years of total service are eligible to retire at age 55 with enhanced early retirement reduced benefits. Members with five years of total service are eligible to retire at age 65 and with thirty years of total service are eligible to retire at age 55 with full retirement benefits.

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**Employees Covered** – At June 30, 2017 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employees entitled to but not yet receiving benefits	77
Active employees	<u>382</u>
 Total	 <u><u>681</u></u>

**Contributions** – The City's employee's participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total recommended contribution as a percentage of the expected payroll is 11.26% for June 30, 2017.

- B. **Net Pension Liability** – The City's net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2016, using an annual actuarial valuation as of January 1, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2017
Measurement Date	September 30, 2016
Actuarial Cost Method	Entry age normal
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset Valuation Method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.75%
Inflation Rate	3.25%
Net investment rate of return	7.75%
Projected salary increase	3.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

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The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Further details of the experience study can be obtained by contacting The Georgia Municipal Association.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.75%. The discount rate did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Real estate	10%	4.55%
Cash	0%	
<b>Total</b>	<b>100%</b>	

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2015	\$ 45,896,624	\$ 30,609,436	\$ 15,287,188
Changes for the year:			
Service cost	566,691		566,691
Interest	3,467,194		3,467,194
Differences between expected and actual experience	1,246,142		1,246,142
Contributions - employer		2,119,251	(2,119,251)
Contributions - employee			
Net investment income		3,396,335	(3,396,335)
Benefit payments, including refunds of employee contributions	(2,317,271)	(2,317,271)	-
Administrative expense		(44,222)	44,222
Other			
Net changes	2,962,756	3,154,093	(191,337)
Balances at September 30, 2016	\$ 48,859,380	\$ 33,763,529	\$ 15,095,851

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Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease	Current Discount Rate	1% Increase
(6.75%)	(7.75%)	(8.75%)
\$ 21,155,070	\$ 15,095,851	\$ 10,041,868

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the City recognized pension expense of \$2,261,351. At June 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,088,019	
Pension contributions subsequent to measurement date	1,660,266	
Changes of assumptions		\$ (76,024)
Net difference between projected and actual earnings on pension plan investments		(29,710)
Total	\$ 3,748,285	\$ (105,734)

\$1,660,266 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2018	\$ 626,460
2019	626,460
2020	686,835
2021	42,530
	<u>\$ 1,982,285</u>

**10. DEFINED CONTRIBUTION PLAN**

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of \$667 per year. During the year ended June 30, 2017, the City contributed \$114,948 and employees contributed \$364,833. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A plan upon two years of employment. For year ended June 30, 2017 200 employees participated in the plan.

**11. COMMITMENT AND CONTINGENCIES**

Agreements with Municipal Electric Authority of Georgia - During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the cities are obligated to purchase, all of the cities' bulk power supply requirements for a period not to exceed 50 years. The cities have agreed to purchase all their future power and energy requirements in excess of that received by the cities through the Southeastern Power



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Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each city has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At June 30, 2017, the outstanding debt of the Authority was approximately \$6.1 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$341 million at June 30, 2017.

On April 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

At June 30, 2017, \$21,404,246 has been placed into the Trust for the benefit of the City, of which \$18,579,545 is available without restriction and \$2,824,702 is subject to restrictions. Due to the restricted nature of the \$2,824,702, the amount is reported as unearned revenue at June 30, 2017.

The City is contingently liable as guarantor of a promissory note from the Development Authority of LaGrange to Commercial Bank and Trust for up to \$1,225,000.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## 12. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the five county west Georgia area, is a member of the Three Rivers Regional Commission (the "Commission") and is required to pay annual dues thereto. During the year ended June 30, 2017, the City paid \$30,695 in dues.

Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, P.O. Box 1600, Franklin, Georgia 30217.

## 13. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2017, the City levied a 5% lodging tax and received \$993,808 for this tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. The LaGrange-Troup County Chamber of Commerce has certified that the \$607,084 of lodging tax received from the City during the year ended June 30, 2017 was used for the promotion of tourism.

## 14. RELATED ORGANIZATION

The City's council is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for the Authority.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017  
(Continued)

15. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City's Sanitation Fund to place a cover on landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will not be paid until after the date a landfill stops accepting waste, the Sanitation Fund is required to accrue these closure and post-closure care costs over the landfill's operational period. The \$8,194,080 reported as the landfill closure and post-closure care liability at June 30, 2017 includes \$1,566,973, which represents the cumulative amount accrued to date, less amounts already paid, based on the use of one hundred percent of the estimated capacity of the landfill which was closed during the fiscal year ended June 30, 1998. The liability is based on the current costs of closure and post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The remaining amount reported as landfill closure and post-closure cost of \$6,627,107 relates to an additional landfill site, which began accepting waste during the year ended June 30, 1999. This landfill site has an estimated closure and post-closure cost of \$9,845,785, which is based on the current cost necessary to perform all closure and post-closure care. The City expects to close the landfill in 2026. As of June 30, 2017, approximately 64% of this landfill's capacity had been utilized and accordingly, a liability of \$6,627,107 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$3,218,678 as the remaining capacity is used. See Note 6(E) for changes in the liability for landfill closure and postclosure costs.

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the functions, as shown on page 17 and 18 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

The following nonmajor governmental funds reported a material budget violation when expenditures of the City exceeded budgeted appropriations in some of the functions, as shown below. These over-expenditures were funded by available fund balances or advances from other funds. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

<u>Fund</u>	<u>Department</u>	<u>Final Budget Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Community Development Fund	Community Development	\$ 65,120	\$ 69,003	\$ (3,883)
Hotel/Motel Tax Fund	Community Development	\$ 568,750	\$ 607,084	\$ (38,334)

17. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City maintains a single-employer defined benefit OPEB plan (the City of LaGrange OPEB Plan) to provide medical and prescription drugs benefits to eligible retirees, their spouses and dependents until age 26.

A. Summary of Significant Accounting Policies

**Basis of Accounting**

Effective with fiscal year ending June 30, 2009, the City has implemented the requirement of GASB Statement 45 for the basic financial statements; no net OPEB liability existed at the transition date. Financial statements for the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due. Benefits and claims are recognized when due and payable in accordance with the terms of the Plan.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017  
(Continued)

**B. Plan Description**

**Plan Description** - The City of LaGrange OPEB Plan is a single-employer defined benefit plan that provides health and prescription drugs benefits to eligible retirees, their spouses and dependents until age 26. Retirees may choose which benefits administered by Taylor Benefits Resource, Inc. are desired. Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. Participation in the Plan is voluntary. Benefit levels, contribution rates and eligibility provisions of the Plan are determined by the City of LaGrange City Council in accordance with council resolution adopted as in Personnel Policy 6.15 Retirement System.

For the plan year, eligibility for benefits coverage was available upon being retired and at least 55 years old, and vested in the City Retirement System. Retirees must be receiving a pension from GMA.

The City Council has the authority for establishing and amending benefits for the Plan. The Plan does not issue a stand-alone financial report. Benefit provisions and all other related Plan requirements are established annually by the City Council.

The City administers the Plan, and its responsibility includes claims and general administration. The City's General Fund bears most of the administrative cost of the Plan. The Plan is actuarially evaluated every other year.

Membership of the Plan consisted of the following as of January 1, 2017, the last valuation date:

Retirees, beneficiaries, and dependents currently receiving benefits	33
Active plan participants	<u>382</u>
Total	<u>415</u>

**Funding Policy** - The City Council has the authority for establishing and amending the funding policy. Funding for the Plan is derived from two sources:

Member contributions  
Employer contributions

Member contributions are set by the City Council. Monthly contributions of plan members for the current fiscal year were as follows:

	<u>15-20 Years of Service and Over Age 60</u>	<u>20-25 Years of Service</u>	<u>More Than 25 Years of Service</u>
Healthcare:			
Single	\$ 359	\$ 287	\$ 180
Family	\$ 697	\$ 558	\$ 349

If less than 15 years of service and under age 60, then the employee would pay the entire COBRA rate.

Contributions paid by retirees in the current fiscal year totaled \$138,790.

The City contributes annually an amount equal to the pay-as-you-go cost of retiree benefits. The City has not contributed any amounts for advance funding of future liabilities. The Annual OPEB cost is actuarially determined. For year ending June 30, 2017 the City contributed \$342,027 or 1.77% of the covered payroll for employees of \$19,347,185 under the plan.

The required schedule of funding progress, immediately following these notes, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017  
(Continued)

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the plan year ended June 30, 2017 is shown below:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Plan year ended:			
June 30, 2017	\$ 1,322,498	25.86%	\$ 3,736,515
June 30, 2016	\$ 1,010,431	100.61%	\$ 2,756,044
June 30, 2015	\$ 1,010,431	71.10%	\$ 2,762,229

The net OPEB obligation for the fiscal year ended June 30, 2017 was developed as follows, based on an actuarial valuation date of January 1, 2017:

Annual required contribution	\$ 1,430,086
Interest on the net OPEB obligation	110,242
Adjustment of ARC	<u>(217,830)</u>
Annual OPEB cost	1,322,498
Actual contribution	<u>342,027</u>
Increase (decrease) in OPEB obligation	980,471
Net OPEB obligation at beginning of year	<u>2,756,044</u>
Net OPEB obligation at year end	<u>\$ 3,736,515</u>

D. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial valuation date	January 1, 2017	January 1, 2015	January 1, 2013
Actuarial value of assets	\$ 0	\$ 0	\$ 0
Actuarial accrued liability	\$ 10,879,548	\$ 8,735,319	\$ 6,879,030
Total unfunded actuarial liability	\$ 10,879,548	\$ 8,735,319	\$ 6,879,030
Funded ratio	0%	0%	0%
Annual covered payroll	\$ 19,347,185	\$ 17,665,259	\$ 15,915,617
Ratio of the unfunded actuarial liability to annual covered payroll	56.23%	49.45%	43.22%

E. Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, actuarial calculations reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual required contribution of the plan are as follows:

Actuarial Cost Method	Projected unit credit
Amortization Method	25-year level dollar amortization, closed
Remaining Amortization Period	17 years as of July 1, 2016

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017  
(Continued)

Asset Valuation Method	Market value
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	3.25%
Salary growth	3.25%
Medical and drug cost trend rate	7.00% graded to 4.50% over 5 years

Of the employees eligible to retire and receive subsidized post-retirement welfare coverage, 75% were assumed to participate in the plan. Calculations are based on the types of benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The City has not entered into any long-term contracts for contributions to the Plan with any party, and accordingly, there were not amounts of contractually required contributions outstanding at the report date.

18. PRIOR PERIOD ADJUSTMENTS

The Statement of revenues, expenses, and changes in fund net position – Proprietary Funds is restated by \$201,235 pertaining to inventory being understated at June 30, 2016. This also affects the restatement of the net position on the Statement of Activities for business-type activities.



**LAGRANGE**  
GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
DEFINED BENEFIT PENSION PLAN  
Year Ended June 30, 2017

	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 566,691	\$ 601,117	\$ 576,632
Interest	3,467,194	3,246,447	3,069,127
Difference between expected and actual experience	1,246,142	1,221,867	894,970
Change in assumptions	-	-	(190,059)
Changes of benefit terms	-	-	-
Benefit payments, including refunds	(2,317,271)	(2,124,885)	(2,000,469)
Net change in total pension liability	2,962,756	2,944,546	2,350,201
Total pension liability - beginning	45,896,624	42,952,078	40,601,877
Total pension liability - ending	48,859,380	45,896,624	42,952,078
<b>Plan fiduciary net position</b>			
Contributions:			
Employer	2,119,251	1,967,135	1,850,496
Employee	-	-	-
Net investment income	3,396,335	353,223	3,132,262
Benefit payments, including refunds	(2,317,271)	(2,124,885)	(2,000,469)
Administrative expense	(44,222)	(49,424)	(38,786)
Other	-	-	-
Net change in plan fiduciary net position	3,154,093	146,049	2,943,503
Plan fiduciary net position - beginning	30,609,436	30,463,387	27,519,884
Plan fiduciary net position - ending	33,763,529	30,609,436	30,463,387
Net pension liability - ending	\$ 15,095,851	\$ 15,287,188	\$ 12,488,691
Plan fiduciary net position as a % of total pension liability	69.10%	66.69%	70.92%
Covered employee payroll	\$ 19,666,770	\$ 18,344,451	\$ 18,116,297
Net pension liability as a % of covered-employee payroll	76.76%	83.33%	68.94%

Changes in assumptions

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on actuarial experience study covering the period January 1, 2010 to June 30, 2014. The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.



CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLAN  
Year Ended June 30, 2017

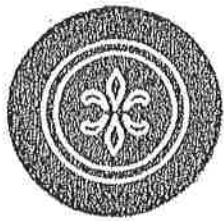
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,213,688	\$ 2,080,493	\$ 1,929,349
Contributions in relation to actuarially determined contribution	\$ 2,213,688	\$ 2,085,952	\$ 1,929,349
Contribution deficiency (excess)	\$ -	\$ (5,459)	\$ -
Covered-employee payroll	\$ 19,666,770	\$ 18,344,451	\$ 18,116,297
Contributions as a percentage of covered-employee payroll	11.26%	11.37%	10.65%

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time, this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
Year Ended June 30, 2017

	Actuarial Valuation Date		
	January 1, 2017	January 1, 2015	January 1, 2013
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 10,879,548	\$ 8,735,319	\$ 6,879,030
Total unfunded actuarial liability (or funding excess)	\$ 10,879,548	\$ 8,735,319	\$ 6,879,030
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	0%	0%	0%
Annual covered payroll	\$ 19,347,185	\$ 17,665,259	\$ 15,915,617
Ratio of the unfunded actuarial liability (or funding excess) to covered payroll	56.23%	49.45%	43.22%
Employer contributions	\$ 342,027	\$ 718,449	\$ 341,401

## SUPPLEMENTARY INFORMATION



**LAGRANGE**  
**GEORGIA**

## NONMAJOR GOVERNMENTAL FUNDS

**Capital Projects Funds** - Capital projects funds account for the accumulation of resources and the subsequent disbursements of such resources in obtaining or renovating major capital assets (other than those financed by the Enterprise Funds).

- **Capital Projects Fund:** This fund accounts for the accumulation of resources and the subsequent disbursement of such resources in obtaining or renovating major capital assets (other than those financed by the Enterprise Funds).
- **Special Purpose Local Option Sales Tax "SPLOST" Fund:** The purpose of this fund is to account for the City's portion of a countywide 1% local options sales tax for construction projects and capital improvements.

**Special Revenue Funds** - Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purposes. They are as follows:

- **Community Development Fund:** This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.
- **Hotel/Motel Tax Fund:** This fund is used to account for the City's share of hotel/motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.
- **Grant Fund:** This fund is used to account for certain grant activity that is legally restricted for particular purposes or required by state law to be presented as a special revenue fund.
- **Tax Allocation Fund:** This fund is used to account for resources devoted to construction of capital improvements in a district located in the City's downtown. Incremental property tax revenues derived from the increase in market values of property located within the district will be devoted to capital improvements.

CITY OF LAGRANGE, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2017

	Capital Projects		Special Revenue				Total Nonmajor Governmental Funds
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund	
<u>ASSETS</u>							
Cash and cash equivalents	\$ 319,787	\$ 3,522,145	\$ 101,824				\$ 3,943,756
Investments			1,141,638				1,141,638
Receivables:							
Intergovernmental		1,092,040					1,092,040
Total assets	\$ 319,787	\$ 4,614,185	\$ 1,243,462	\$ -	\$ -	\$ -	\$ 6,177,434
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 2,900	\$ 504,783	\$ 32				\$ 507,715
Due to other funds	442,000						442,000
Advances to other funds						\$ 2,595,496	2,595,496
Total liabilities	444,900	504,783	32	\$ -	\$ -	2,595,496	3,545,211
Fund balance:	(125,113)					(2,595,496)	(2,720,609)
Unrestricted							
Restricted for:							
Capital projects		4,109,402	1,243,430				4,109,402
Community development							1,243,430
Total fund balance	(125,113)	4,109,402	1,243,430	-	-	(2,595,496)	2,632,223
Total liabilities and fund balance	\$ 319,787	\$ 4,614,185	\$ 1,243,462	\$ -	\$ -	\$ -	\$ 6,177,434

CITY OF LAGRANGE, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	Capital Projects		Special Revenue				Total
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund	Nonmajor Governmental Funds
Revenues:							
Hotel/Motel tax	\$ 757,553		\$ 82,755	\$ 993,808			\$ 993,808
Rental income	231,458	\$ 3,205,545			\$ 124,895		840,308
Intergovernmental	1,395	16,008	11,939			\$ 1,046	3,561,898
Investment income	315,945		5,765				30,388
Miscellaneous	1,306,351	3,221,553	100,459	993,808	124,895	1,046	321,710
Total revenues							5,748,112
Expenditures:							
Current:							
Community development			69,003	607,084		2,596,542	3,272,629
Redevelopment and housing			228,000		124,895		352,895
Debt service:							
Principal retirement	1,009,677						1,009,677
Interest and fees	251,583						251,583
Capital outlay:							
General government	86,136						86,136
Public safety		365,210					365,210
Public service		1,678,189					1,678,189
Community development	687,038	1,215,359	297,003	607,084	124,895	2,596,542	1,902,397
Total expenditures	2,034,434	3,258,758					8,918,716
Excess of revenues over (under) expenditures	(728,083)	(37,205)	(196,544)	386,724	-	(2,595,496)	(3,170,604)
Other financing sources (uses):							
Capital lease	254,445						254,445
Transfers in	381,000			607,084			988,084
Transfers out	(190,000)			(993,808)			(1,183,808)
Total other financing sources	445,445	-	-	(386,724)	-	-	58,721
Net change in fund balance	(282,638)	(37,205)	(196,544)	-	-	(2,595,496)	(3,111,883)
Fund balance, beginning of year	157,525	4,146,607	1,439,974				5,744,106
Fund balance, end of year	\$ (125,113)	\$ 4,109,402	\$ 1,243,430	\$ -	\$ -	\$ (2,595,496)	\$ 2,632,223

CITY OF LAGRANGE, GEORGIA  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$ 319,787	\$ 158,455
Total assets	<u>\$ 319,787</u>	<u>\$ 158,455</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,900	\$ 930
Due to other funds	<u>442,000</u>	
Total liabilities	<u>444,900</u>	<u>930</u>
Fund balance:		
Unrestricted	(125,113)	
Restricted for:		
Capital projects		<u>157,525</u>
Total fund balance	<u>(125,113)</u>	<u>157,525</u>
Total liabilities and fund balance	<u>\$ 319,787</u>	<u>\$ 158,455</u>



CITY OF LAGRANGE, GEORGIA  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2017 and 2016

	2017	2016
Revenues:		
Rental income	\$ 757,553	\$ 874,121
Interest	1,395	5,158
Intergovernmental	231,458	11,015
Miscellaneous	315,945	128,006
Total revenues	<u>1,306,351</u>	<u>1,018,300</u>
Expenditures:		
Debt service:		
Principal retirement	1,009,677	732,500
Interest and fees	251,583	223,235
Capital outlay:		
General government	86,136	65,389
Public service	196	196
Community development	687,038	2,384,982
Total expenditures	<u>2,034,434</u>	<u>3,406,302</u>
Excess of revenues over expenditures	<u>(728,083)</u>	<u>(2,388,002)</u>
Other financing sources (uses):		
Capital lease	254,445	2,290,555
Transfers in	381,000	
Transfers out	(190,000)	(185,000)
Total other financing sources (uses)	<u>445,445</u>	<u>2,105,555</u>
Net change in fund balance	(282,638)	(282,447)
Fund balance, beginning of year	<u>157,525</u>	<u>439,972</u>
Fund balance, end of year	<u>\$ (125,113)</u>	<u>\$ 157,525</u>

CITY OF LAGRANGE, GEORGIA  
SPLOST FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,522,145	\$ 3,646,137
Receivables:		
Intergovernmental	<u>1,092,040</u>	<u>530,858</u>
Total assets	<u>\$ 4,614,185</u>	<u>\$ 4,176,995</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 504,783</u>	<u>\$ 30,388</u>
Total liabilities	<u>504,783</u>	<u>30,388</u>
Fund balance:		
Restricted for capital project	<u>4,109,402</u>	<u>4,146,607</u>
Total fund balance	<u>4,109,402</u>	<u>4,146,607</u>
Total liabilities and fund balance	<u>\$ 4,614,185</u>	<u>\$ 4,176,995</u>

CITY OF LAGRANGE, GEORGIA  
SPLOST FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental	\$ 3,205,545	\$ 2,987,372
Investment income (loss)	<u>16,008</u>	<u>11,947</u>
Total revenues	<u>3,221,553</u>	<u>2,999,319</u>
Expenditures:		
Capital outlay:		
Public safety	365,210	853,931
Public service	1,678,189	920,204
Community development	<u>1,215,359</u>	<u>760,318</u>
Total expenditures	<u>3,258,758</u>	<u>2,534,453</u>
Excess of revenues over (under) expenditures	<u>(37,205)</u>	<u>464,866</u>
Net change in fund balance	(37,205)	464,866
Fund balance, beginning of year	<u>4,146,607</u>	<u>3,681,741</u>
Fund balance, end of year	<u><u>\$ 4,109,402</u></u>	<u><u>\$ 4,146,607</u></u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 101,824	\$ 1,441,793
Investments	<u>1,141,638</u>	
Total assets	<u>\$ 1,243,462</u>	<u>\$ 1,441,793</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 32</u>	<u>\$ 1,819</u>
Total liabilities	<u>32</u>	<u>1,819</u>
Fund balance:		
Restricted for:		
Community development	<u>1,243,430</u>	<u>1,439,974</u>
Total fund balance	<u>1,243,430</u>	<u>1,439,974</u>
Total liabilities and fund balance	<u>\$ 1,243,462</u>	<u>\$ 1,441,793</u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Rental income	\$ 82,755	\$ 65,201
Investment income	11,939	2,261
Miscellaneous	<u>5,765</u>	<u>12,170</u>
Total revenues	<u>100,459</u>	<u>79,632</u>
Expenditures:		
Current:		
Community development	69,003	72,926
Redevelopment and housing	<u>228,000</u>	<u>228,000</u>
Total expenditures	<u>297,003</u>	<u>300,926</u>
Excess of revenues over (under) expenditures	<u>(196,544)</u>	<u>(221,294)</u>
Net change in fund balance	(196,544)	(221,294)
Fund balance, beginning of year	<u>1,439,974</u>	<u>1,661,268</u>
Fund balance, end of year	<u><u>\$ 1,243,430</u></u>	<u><u>\$ 1,439,974</u></u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2017

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	\$ 75,840	\$ 82,755	\$ 6,915
Investment income	2,000	11,939	9,939
Miscellaneous	3,000	5,765	2,765
Total revenues	80,840	100,459	19,619
Expenditures:			
Current:			
Community development	65,120	69,003	(3,883)
Redevelopment and housing	228,000	228,000	-
Total expenditures	293,120	297,003	(3,883)
Excess of revenue over (under) expenditures	(212,280)	(196,544)	15,736
Net change in fund balance	(212,280)	(196,544)	15,736
Fund balance, beginning of year	1,439,974	1,439,974	-
Fund balance, end of year	\$ 1,227,694	\$ 1,243,430	\$ 15,736

CITY OF LAGRANGE, GEORGIA  
HOTEL/MOTEL TAX FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2017 and 2016

	2017	2016
Revenues:		
Hotel/Motel tax	\$ 993,808	\$ 916,803
Total revenues	993,808	916,803
Expenditures:		
Current:		
Community development	607,084	578,079
Total expenditures	607,084	578,079
Excess of revenues over (under) expenditures	386,724	338,724
Other financing sources (uses):		
Transfers in	607,084	578,079
Transfers out	(993,808)	(916,803)
Total other financing sources (uses)	(386,724)	(338,724)
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA  
HOTEL/MOTEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2017

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	\$ 910,000	\$ 993,808	\$ 83,808
Total revenues	910,000	993,808	83,808
Expenditures:			
Current:			
Community development	568,750	607,084	(38,334)
Total expenditures	568,750	607,084	(38,334)
Excess of revenue over (under) expenditures	341,250	386,724	45,474
Other financing sources (uses):			
Transfers in	568,750	607,084	38,334
Transfers out	(910,000)	(993,808)	(83,808)
Total other financing sources (uses)	(341,250)	(386,724)	(45,474)
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	\$ -	\$ -



CITY OF LAGRANGE, GEORGIA  
GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2017

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 125,000	\$ 124,895	\$ (105)
Total revenues	125,000	124,895	(105)
Expenditures:			
Current:			
Redevelopment and housing	125,000	124,895	105
Total expenditures	125,000	124,895	105
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA  
TAX ALLOCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2017

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 2,500	\$ 1,046	\$ (1,454)
Total revenues	2,500	1,046	(1,454)
Expenditures:			
Current:			
Community development	2,750,000	2,596,542	153,458
Total expenditures	2,750,000	2,596,542	153,458
Excess of revenue over (under) expenditures	(2,747,500)	(2,595,496)	152,004
Net change in fund balance	(2,747,500)	(2,595,496)	152,004
Fund balance, beginning of year			-
Fund balance, end of year	\$ (2,747,500)	\$ (2,595,496)	\$ 152,004

## MAJOR GOVERNMENTAL FUNDS

**General Fund** - This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF LAGRANGE, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 3,371,352	\$ 2,026,052
Investments	15,217,261	67,229
Receivables:		
Taxes	1,145,201	1,066,056
Intergovernmental		135,000
Other	9,513	9,364
Due from other funds	66,533	
Inventory	195,491	183,753
Restricted cash and cash equivalents	51,038	56,244
Restricted investments	881,084	879,517
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 20,937,473</u>	<u>\$ 4,423,215</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 709,660	\$ 510,853
Due to other governmental entities	16,190,015	
Accrued liabilities	122,843	60,499
Unearned revenue	884,361	528,679
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>17,906,879</u>	<u>1,100,031</u>
Fund balance:		
Nonspendable:		
Inventory	195,491	183,753
Restricted for:		
Perpetual care	885,451	884,182
Public safety	46,671	51,877
Unassigned	1,902,981	2,203,372
	<u>                    </u>	<u>                    </u>
Total fund balance	<u>3,030,594</u>	<u>3,323,184</u>
Total liabilities and fund balance	<u>\$ 20,937,473</u>	<u>\$ 4,423,215</u>

CITY OF LAGRANGE, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2017 and 2016

	2017	2016
Revenues:		
Taxes:		
Sales	\$ 4,968,287	\$ 4,769,502
Franchise	1,083,001	1,110,440
Insurance premium	1,837,659	1,695,770
Alcoholic beverage	718,706	713,178
Ad valorem	260,587	409,323
Other	775,698	810,824
Licenses and permits	252,318	153,323
Intergovernmental	205,106	207,928
Fines and forfeitures	1,115,505	1,133,181
Charges for services	253,768	310,653
Investment income	36,842	34,850
Miscellaneous	247,000	285,419
Total revenues	<u>11,754,477</u>	<u>11,634,391</u>
Expenditures:		
Current:		
General government	1,964,022	1,901,425
Public safety	16,935,100	15,947,584
Public service	3,253,462	2,941,310
Culture and recreation	945,898	944,873
Community development	1,644,853	1,398,232
Telecommunications	443,359	422,411
Debt service:		
Principal retirement	356,550	245,991
Interest and fees	7,905	2,980
Capital outlay:		
General government	62,194	91,064
Public safety	526,286	324,813
Public service	13,013	268,257
Telecommunications	6,264	21,661
Culture and recreation	63,173	8,634
Total expenditures	<u>26,222,079</u>	<u>24,519,235</u>
Excess of expenditures over (under) revenues	<u>(14,467,602)</u>	<u>(12,884,844)</u>
Other financing sources (uses):		
Sale of capital assets	29,306	4,984
Capital lease	458,982	435,152
Transfers in	14,293,808	12,916,803
Transfers out	(607,084)	(578,079)
Total other financing sources (uses)	<u>14,175,012</u>	<u>12,778,860</u>
Net change in fund balance	(292,590)	(105,984)
Fund balance, beginning of year	<u>3,323,184</u>	<u>3,429,168</u>
Fund balance, end of year	<u>\$ 3,030,594</u>	<u>\$ 3,323,184</u>



**LAGRANGE**  
**GEORGIA**

## **SUPPLEMENTAL INFORMATION ENTERPRISE FUNDS**

**Utility Fund** - This fund accounts for the provision of utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, financing and related debt service, and billing and collection.

**Water and Sewerage Fund** - This fund accounts for the operation of the City's water and sewerage activities.

**Sanitation Fund** - This fund accounts for the operation of the City's solid waste disposal activities.

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 2,396,337	\$ 1,134,066
Investments	24,245,514	29,833,239
Receivables:		
Accounts	7,999,322	7,755,757
Due from other funds	322,000	
Prepays	48,332	62,187
Inventory	1,157,048	1,109,102
Restricted assets:		
Restricted investments	2,824,702	5,123,147
Total current assets	<u>38,993,255</u>	<u>45,017,498</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,574,302	1,574,303
Capital assets, being depreciated	35,945,786	36,483,022
Advances to other funds	2,595,496	
Total noncurrent assets	<u>40,115,584</u>	<u>38,057,325</u>
Total assets	<u>79,108,839</u>	<u>83,074,823</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	320,928	238,984
Difference between projected and actual earnings on investments		157,115
Contributions after measurement date	<u>255,183</u>	<u>246,226</u>
Total deferred outflows of resources	<u>576,111</u>	<u>642,325</u>

(Continued...)



CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016  
(Continued)

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	3,955,474	3,859,572
Customer deposits	2,014,809	1,901,283
Accrued liabilities	30,612	14,764
Accrued compensated absences	73,392	91,689
Unearned revenue	4,819,602	7,402,613
Capital leases, current	247,775	301,278
Intergovernmental agreement payable, current	270,000	255,000
Liabilities payable from restricted assets:		
Accrued interest payable	61,800	131,263
Revenue bonds, current	850,000	825,000
Total current liabilities	<u>12,323,464</u>	<u>14,782,462</u>
Noncurrent liabilities:		
Compensated absences	110,088	137,535
Revenue bonds, long-term	5,740,000	6,590,000
Capital leases, long-term	297,228	508,378
Intergovernmental agreement payable, long-term	2,670,000	2,940,000
Advances from other funds	918,468	1,009,041
Net OPEB obligation	574,302	434,904
Net pension liability	2,320,233	2,412,318
Total noncurrent liabilities	<u>12,630,319</u>	<u>14,032,176</u>
Total liabilities	<u>24,953,783</u>	<u>28,814,638</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between projected and actual earnings on investments	4,566	
Changes of assumptions	<u>11,686</u>	<u>17,995</u>
Total deferred outflows of resources	<u>16,252</u>	<u>17,995</u>
<u>NET POSITION</u>		
Net investment in capital assets	30,385,085	29,832,669
Unrestricted	<u>24,329,830</u>	<u>25,051,846</u>
Total net position	<u>\$ 54,714,915</u>	<u>\$ 54,884,515</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Years Ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Gas system	\$ 11,706,422	\$ 11,402,218
Electric system	48,432,344	50,452,566
Telecommunications	3,082,439	2,998,812
Other sales	667,853	410,510
	<u>63,889,058</u>	<u>65,264,106</u>
Total operating revenues	63,889,058	65,264,106
Operating expenses:		
Gas system	9,056,590	8,024,447
Electric system	42,814,281	42,485,679
Telecommunications	2,547,363	2,620,796
Depreciation	2,141,474	2,092,404
	<u>56,559,708</u>	<u>55,223,326</u>
Total operating expenses	56,559,708	55,223,326
Operating income	<u>7,329,350</u>	<u>10,040,780</u>
Nonoperating revenues (expenses):		
Investment income	262,286	102,716
Gain (loss) on sale of assets		(25,865)
Interest expense	(392,288)	(426,015)
	<u>(130,002)</u>	<u>(349,164)</u>
Total nonoperating revenues (expenses)	(130,002)	(349,164)
Net income before transfers	7,199,348	9,691,616
Transfers in	2,420,451	2,178,048
Transfers out	(9,789,399)	(9,270,671)
	<u>(169,600)</u>	<u>2,598,993</u>
Change in net position	(169,600)	2,598,993
Net position, beginning of year	<u>54,884,515</u>	<u>52,285,522</u>
Net position, end of year	<u>\$ 54,714,915</u>	<u>\$ 54,884,515</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 60,854,008	\$ 63,393,290
Cash paid to employees	(3,182,006)	(3,020,365)
Cash paid to suppliers	(51,092,529)	(50,253,506)
Net cash provided (used) by operating activities	<u>6,579,473</u>	<u>10,119,419</u>
Cash flows from noncapital financing activities:		
Repayment of advance to (from) other funds	(90,573)	(86,055)
Advances to other funds	(2,595,496)	
Transfers in	2,420,451	2,178,048
Transfers out	(9,789,399)	(9,270,671)
Net cash provided (used) by noncapital financing activities	<u>(10,055,017)</u>	<u>(7,178,678)</u>
Cash flows from capital and related financing activities:		
Principal payments on revenue bonds	(825,000)	(800,000)
Proceeds from sale of assets		15,450
Acquisition of capital assets	(1,567,612)	(763,315)
Capital lease payments	(301,278)	(392,978)
Payments on intergovernmental agreement	(255,000)	(240,000)
Interest paid	(461,751)	(372,763)
Net cash provided (used) by capital and related financing activities	<u>(3,410,641)</u>	<u>(2,553,606)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	7,886,170	(2,885,594)
Investment income	262,286	102,716
Net cash provided (used) by investing activities	<u>8,148,456</u>	<u>(2,782,878)</u>
Net increase (decrease) in cash	1,262,271	(2,395,743)
Cash, beginning of year	<u>1,134,066</u>	<u>3,529,809</u>
Cash, end of year	<u>\$ 2,396,337</u>	<u>\$ 1,134,066</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016  
(Continued)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 7,329,350	\$ 10,040,780
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,141,474	2,092,404
Changes in operating assets and liabilities:		
Accounts receivable	(243,565)	630,850
Inventory	(47,946)	(27,746)
Prepaid expense	13,855	13,005
Accounts payable	95,902	(175,418)
Accrued vacation	(45,744)	35,950
Due from other funds	(322,000)	500,000
Unearned revenue	(2,583,011)	(3,156,736)
Other accrued expenses	15,848	(61,280)
Customer deposits	113,526	155,070
Net OPEB obligation	139,398	12,007
Net pension liability	(27,614)	60,533
	<u>\$ 6,579,473</u>	<u>\$ 10,119,419</u>
Net cash provided by operating activities		

Supplemental disclosure of non-cash investing and financing activities:

In 2017 and 2016, the City incurred debt of \$36,626 and \$0, respectively, in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
SCHEDULE OF OPERATING INCOME  
Year Ended June 30, 2017

	Electric System	Gas System	Telecom- municatons	Total
Operating revenues	<u>\$ 48,812,549</u>	<u>\$ 11,994,070</u>	<u>\$ 3,082,439</u>	<u>\$ 63,889,058</u>
Operating expenses:				
Electricity and natural gas purchase	33,198,647	7,578,751		40,777,398
Depreciation	609,963	1,103,289	428,222	2,141,474
Other operating	9,615,634	1,477,839	2,547,363	13,640,836
	<u>43,424,244</u>	<u>10,159,879</u>	<u>2,975,585</u>	<u>56,559,708</u>
Operating income	<u>\$ 5,388,305</u>	<u>\$ 1,834,191</u>	<u>\$ 106,854</u>	<u>\$ 7,329,350</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE  
Year Ended June 30, 2017

	Historical Cost			Allowance of Depreciation			Net Asset Value
	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Expenses	Deletions	
Gas system	\$ 34,816,895	\$ 137,754		\$ 34,954,649	\$ (1,103,289)	\$ (14,950,145)	\$ 20,004,504
Electric system	22,855,167	1,000,853		23,856,020	(609,963)	(12,461,738)	11,394,282
Telecommunications	10,118,205	465,630		10,583,835	(428,222)	(4,462,533)	6,121,302
	<u>\$ 67,790,267</u>	<u>\$ 1,604,237</u>	<u>\$ -</u>	<u>\$ 69,394,504</u>	<u>\$ (2,141,474)</u>	<u>\$ -</u>	<u>\$ 37,520,088</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE SCHEDULES OF REVENUES  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Gas system:		
Gas sales	\$ 11,706,422	\$ 11,402,218
Miscellaneous	287,648	292,193
	<u>11,994,070</u>	<u>11,694,411</u>
Electric system:		
Electricity sales	43,761,058	49,269,044
Street and security lights	1,224,874	1,183,822
Miscellaneous	3,826,617	118,017
	<u>48,812,549</u>	<u>50,570,883</u>
Telecommunications:		
Internet services	1,822,667	1,642,587
Other telecommunications services	1,259,772	1,356,225
	<u>3,082,439</u>	<u>2,998,812</u>
 Total operating revenues	 <u><u>\$ 63,889,058</u></u>	 <u><u>\$ 65,264,106</u></u>

CITY OF LAGRANGE, GEORGIA  
WATER AND SEWERAGE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,998,049	\$ 8,049,334
Investments	10,612,954	3,507,749
Receivables:		
Accounts	1,959,130	1,997,663
Inventory	1,205,014	864,516
Total current assets	<u>15,775,147</u>	<u>14,419,262</u>
Noncurrent assets:		
Capital assets, not being depreciated	720,507	509,643
Capital assets, being depreciated	72,271,465	75,279,704
Total noncurrent assets	<u>72,991,972</u>	<u>75,789,347</u>
Total assets	<u>88,767,119</u>	<u>90,208,609</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	263,717	204,757
Difference between projected and actual earnings on plan investments		134,613
Contributions after measurement date	<u>209,691</u>	<u>210,962</u>
Total deferred outflows of resources	<u>473,408</u>	<u>550,332</u>

(Continued...)



CITY OF LAGRANGE, GEORGIA  
WATER AND SEWERAGE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016  
(Continued)

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	287,783	108,701
Customer deposits	594,371	526,920
Accrued liabilities	25,839	12,143
Accrued compensated absences	42,656	49,485
Notes payable, current	794,383	780,564
Total current liabilities	<u>1,745,032</u>	<u>1,477,813</u>
Noncurrent liabilities:		
Compensated absences	63,984	74,228
Notes payable, long-term	15,176,320	15,970,673
Net OPEB obligation	471,922	372,617
Net pension liability	1,906,606	2,066,828
Total noncurrent liabilities	<u>17,618,832</u>	<u>18,484,346</u>
Total liabilities	<u>19,363,864</u>	<u>19,962,159</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between projected and actual earnings on investments	3,752	
Changes of assumptions	<u>9,603</u>	<u>15,418</u>
Total deferred inflows of resources	<u>13,355</u>	<u>15,418</u>
<u>NET POSITION</u>		
Net investment in capital assets	57,021,269	59,038,110
Unrestricted	<u>12,842,039</u>	<u>11,743,254</u>
Total net position	<u>\$ 69,863,308</u>	<u>\$ 70,781,364</u>

CITY OF LAGRANGE, GEORGIA  
WATER AND SEWERAGE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Water and sewerage system	\$ 16,552,907	\$ 16,077,224
Other sales	<u>107,527</u>	<u>88,686</u>
Total operating revenues	<u>16,660,434</u>	<u>16,165,910</u>
Operating expenses:		
Water and sewerage system	8,779,723	8,858,461
Depreciation	<u>3,657,404</u>	<u>3,352,980</u>
Total operating expenses	<u>12,437,127</u>	<u>12,211,441</u>
Operating income (loss)	<u>4,223,307</u>	<u>3,954,469</u>
Nonoperating revenues (expenses):		
Investment income	104,901	
Gain (loss) on sale of assets	6,807	7,713
Interest expense	<u>(277,612)</u>	<u>(287,993)</u>
Total nonoperating revenues (expenses)	<u>(165,904)</u>	<u>(280,280)</u>
Net income before contributions and transfers	4,057,403	3,674,189
Transfers in	453,757	422,169
Transfers out	<u>(5,630,451)</u>	<u>(5,393,048)</u>
Change in net position	(1,119,291)	(1,296,690)
Net position, beginning of year, restated	<u>70,982,599</u>	<u>72,078,054</u>
Net position, end of year	<u><u>\$ 69,863,308</u></u>	<u><u>\$ 70,781,364</u></u>

CITY OF LAGRANGE, GEORGIA  
WATER AND SEWERAGE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 16,766,418	\$ 16,150,205
Cash paid to employees	(4,090,371)	(4,025,598)
Cash paid to suppliers	(4,638,966)	(5,183,063)
Net cash provided (used) by operating activities	<u>8,037,081</u>	<u>6,941,544</u>
Cash flows from noncapital financing activities:		
Transfers in	453,757	422,169
Transfers out	(5,630,451)	(5,393,048)
Net cash provided (used) by noncapital financing activities	<u>(5,176,694)</u>	<u>(4,970,879)</u>
Cash flows from capital and related financial activities:		
Proceeds from debt		1,879,881
Proceeds from sale of assets	14,893	7,713
Acquisition of capital assets	(868,115)	(2,611,059)
Payments on notes payable	(780,534)	(437,501)
Interest paid	(277,612)	(287,993)
Net cash provided (used) by capital and related financing activities	<u>(1,911,368)</u>	<u>(1,448,959)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(7,105,205)	(12,813)
Investment income	104,901	
Net cash provided (used) by investing activities	<u>(7,000,304)</u>	<u>(12,813)</u>
Net increase (decrease) in cash	(6,051,285)	508,893
Cash, beginning of year	<u>8,049,334</u>	<u>7,540,441</u>
Cash, end of year	<u>\$ 1,998,049</u>	<u>\$ 8,049,334</u>
Cash flows from operating activities:		
Operating income	\$ 4,223,307	\$ 3,954,469
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,657,404	3,352,980
Changes in operating assets and liabilities:		
Accounts receivable	38,533	(128,753)
Inventory	(139,263)	(100,751)
Accounts payable	179,082	(194,173)
Accrued vacation	(17,073)	27,673
Other accrued expenses	13,696	(42,190)
Customer deposits	67,451	113,048
Net OPEB obligation	99,305	(9,952)
Net pension liability	(85,361)	(30,807)
Net cash provided by operating activities	<u>\$ 8,037,081</u>	<u>\$ 6,941,544</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,807,152	\$ 1,594,180
Receivables:		
Accounts receivable	677,052	719,806
Total current assets	<u>2,484,204</u>	<u>2,313,986</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,465,630	1,437,733
Capital assets, being depreciated	<u>23,894,497</u>	<u>25,102,606</u>
Total noncurrent assets	<u>25,360,127</u>	<u>26,540,339</u>
 Total assets	 <u>27,844,331</u>	 <u>28,854,325</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	119,852	85,113
Difference between projected and actual earnings on plan investments		55,956
Contributions after measurement date	<u>95,300</u>	<u>87,693</u>
 Total deferred outflows of resources	 <u>215,152</u>	 <u>228,762</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016  
(Continued)

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	71,478	190,960
Customer deposits	1,530	1,530
Accrued liabilities	12,703	6,310
Accrued compensated absences	21,092	24,540
Due to other funds	26,533	
Notes payable, current	170,953	166,229
Capital leases, current	400,183	593,453
Landfill postclosure liability, current	42,705	41,062
Total current liabilities	<u>747,177</u>	<u>1,024,084</u>
Noncurrent liabilities:		
Compensated absences	31,638	36,810
Notes payable, long-term	3,035,320	3,206,289
Capital leases, long-term	705,422	1,194,205
Landfill postclosure liability	8,151,375	7,816,660
Net OPEB obligation	214,476	154,890
Net pension liability	866,502	859,140
Total noncurrent liabilities	<u>13,004,733</u>	<u>13,267,994</u>
Total liabilities	<u>13,751,910</u>	<u>14,292,078</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between projected and actual earnings on investments	1,706	
Changes of assumptions	<u>4,363</u>	<u>6,409</u>
Total deferred inflows of resources	<u>6,069</u>	<u>6,409</u>
<u>NET POSITION</u>		
Net investment in capital assets	21,048,249	21,380,163
Unrestricted	<u>(6,746,745)</u>	<u>(6,595,563)</u>
Total net position	<u>\$ 14,301,504</u>	<u>\$ 14,784,600</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Years Ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Sanitation	\$ 9,311,919	\$ 9,336,924
Other sales	91,449	119,898
Total operating revenues	<u>9,403,368</u>	<u>9,456,822</u>
Operating expenses:		
Sanitation	7,108,083	7,642,173
Depreciation	<u>1,728,834</u>	<u>1,631,490</u>
Total operating expenses	<u>8,836,917</u>	<u>9,273,663</u>
Operating income	<u>566,451</u>	<u>183,159</u>
Nonoperating revenues (expenses):		
Investment income	3,324	293
Gain (loss) on sale of assets	3,550	63,889
Interest expense	<u>(111,063)</u>	<u>(110,839)</u>
Total nonoperating revenues (expenses)	<u>(104,189)</u>	<u>(46,657)</u>
Net income (loss) before transfers	462,262	136,502
Transfers in	254,642	248,502
Transfers out	<u>(1,200,000)</u>	<u></u>
Change in net position	(483,096)	385,004
Net position, beginning of year	<u>14,784,600</u>	<u>14,399,596</u>
Net position, end of year	<u>\$ 14,301,504</u>	<u>\$ 14,784,600</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 9,472,655	\$ 9,470,578
Cash paid to employees	(2,189,529)	(2,257,377)
Cash paid to suppliers	(4,623,687)	(5,603,422)
Net cash provided (used) by operating activities	<u>2,659,439</u>	<u>1,609,779</u>
Cash flows from noncapital financing activities:		
Transfers in	254,642	248,502
Transfers out	(1,200,000)	
Net cash provided (used) by noncapital financing activities	<u>(945,358)</u>	<u>248,502</u>
Cash flows from capital and related financing activities:		
Proceeds from debt		510,661
Proceeds from sale of assets	14,653	236,882
Acquisition of capital assets	(559,725)	(1,624,935)
Capital lease payments	(682,053)	(649,677)
Payments on notes payable	(166,245)	(125,418)
Interest paid	(111,063)	(110,839)
Net cash provided (used) by capital and related financing activities	<u>(1,504,433)</u>	<u>(1,763,326)</u>
Cash flows from investing activities:		
Investment income	3,324	293
Net cash provided (used) by investing activities	<u>3,324</u>	<u>293</u>
Net increase (decrease) in cash	212,972	95,248
Cash, beginning of year	<u>1,594,180</u>	<u>1,498,932</u>
Cash, end of year	<u>\$ 1,807,152</u>	<u>\$ 1,594,180</u>
Cash flows from operating activities:		
Operating income	\$ 566,451	\$ 183,159
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,728,834	1,631,490
Changes in operating assets and liabilities:		
Accounts receivable	42,754	13,756
Accounts payable	(119,482)	(516,137)
Accrued vacation	(8,620)	(6,892)
Due to other funds	26,533	
Other accrued expenses	6,393	(19,780)
Closure/postclosure	336,358	387,871
Net OPEB obligation	59,586	(13,330)
Net pension liability	20,632	(50,358)
Net cash provided by operating activities	<u>\$ 2,659,439</u>	<u>\$ 1,609,779</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2017 and 2016, the City incurred debt of \$0 and \$765,240, respectively, in the form of capital leases in connection with the acquisition of new equipment.



**LAGRANGE**  
GEORGIA



## **SUPPLEMENTAL INFORMATION INTERNAL SERVICE FUNDS**

**Group Insurance Fund** - To account for the City's partial self-insurance of employees' medical claims.

**Property and Casualty Insurance Fund** - To account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2017

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 526,146	\$ 1,312,466	\$ 1,838,612
Investments		530,417	530,417
Receivables-other	39,800		39,800
Due from other funds		1,080,000	1,080,000
Prepays	16,435		16,435
Advances to other funds		918,468	918,468
	<u>582,381</u>	<u>3,841,351</u>	<u>4,423,732</u>
Total assets			
	<u>582,381</u>	<u>3,841,351</u>	<u>4,423,732</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable		1,686	1,686
Claims reserve	700,000	600,000	1,300,000
Due to other funds	1,000,000		1,000,000
	<u>1,700,000</u>	<u>601,686</u>	<u>2,301,686</u>
Total liabilities			
	<u>1,700,000</u>	<u>601,686</u>	<u>2,301,686</u>
<u>NET POSITION</u>			
Net position:			
Unrestricted	<u>(1,117,619)</u>	<u>3,239,665</u>	<u>2,122,046</u>
Total net position	<u>\$ (1,117,619)</u>	<u>\$ 3,239,665</u>	<u>\$ 2,122,046</u>

CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Year Ended June 30, 2017

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Premiums	\$ 7,241,592	\$ 986,732	\$ 8,228,324
Operating expenses:			
Administrative services	167,947	67,091	235,038
Risk management	6,827,042	916,689	7,743,731
Total operating expenses	6,994,989	983,780	7,978,769
Operating income (loss)	246,603	2,952	249,555
Nonoperating revenues:			
Investment income	1,797	65,110	66,907
Total nonoperating revenues	1,797	65,110	66,907
Change in net position	248,400	68,062	316,462
Net position, beginning of year	(1,366,019)	3,171,603	1,805,584
Net position, end of year	\$ (1,117,619)	\$ 3,239,665	\$ 2,122,046

CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2017

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 7,237,872	\$ 906,732	\$ 8,144,604
Cash paid to suppliers	(6,994,989)	(982,969)	(7,977,958)
Net cash provided (used) by operating activities	<u>242,883</u>	<u>(76,237)</u>	<u>166,646</u>
Cash flows from noncapital financing activities:			
Repayments of advances to other funds		90,573	90,573
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>90,573</u>	<u>90,573</u>
Cash flows from investing activities:			
Purchase of investments		(530,417)	(530,417)
Investment income	1,797	65,110	66,907
Net cash provided (used) by investing activities	<u>1,797</u>	<u>(465,307)</u>	<u>(463,510)</u>
Net increase (decrease) in cash	244,680	(450,971)	(206,291)
Cash, beginning of year	<u>281,466</u>	<u>1,763,437</u>	<u>2,044,903</u>
Cash, end of year	<u>\$ 526,146</u>	<u>\$ 1,312,466</u>	<u>\$ 1,838,612</u>
Cash flows form operating activities:			
Operating income (loss)	\$ 246,603	\$ 2,952	\$ 249,555
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	(3,720)		(3,720)
(Increase) decrease in due from other funds		(80,000)	(80,000)
Increase (decrease) in accounts payable		811	811
Net cash provided (used) by operating activities	<u>\$ 242,883</u>	<u>\$ (76,237)</u>	<u>\$ 166,646</u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 526,146	\$ 281,466
Receivables-other	39,800	36,080
Prepaid expense	<u>16,435</u>	<u>16,435</u>
Total assets	<u>582,381</u>	<u>333,981</u>
<u>LIABILITIES</u>		
Current liabilities:		
Claims reserve	700,000	700,000
Due to other funds	<u>1,000,000</u>	<u>1,000,000</u>
Total current liabilities	<u>1,700,000</u>	<u>1,700,000</u>
<u>NET POSITION</u>		
Net position:		
Unrestricted	<u>(1,117,619)</u>	<u>(1,366,019)</u>
Total net position	<u>\$ (1,117,619)</u>	<u>\$ (1,366,019)</u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Premiums	<u>\$ 7,241,592</u>	<u>\$ 6,934,362</u>
Operating expenses:		
Administrative services	167,947	292,939
Risk management	<u>6,827,042</u>	<u>6,779,576</u>
Total operating expenses	<u>6,994,989</u>	<u>7,072,515</u>
Operating income (loss)	<u>246,603</u>	<u>(138,153)</u>
Nonoperating revenues:		
Investment income	<u>1,797</u>	<u>1,962</u>
Total nonoperating revenues	<u>1,797</u>	<u>1,962</u>
Change in net position	248,400	(136,191)
Net position, beginning of year	<u>(1,366,019)</u>	<u>(1,229,828)</u>
Net position, end of year	<u><u>\$ (1,117,619)</u></u>	<u><u>\$ (1,366,019)</u></u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,237,872	\$ 6,907,469
Cash paid to suppliers	<u>(6,994,989)</u>	<u>(7,074,910)</u>
Net cash provided (used) by operating activities	<u>242,883</u>	<u>(167,441)</u>
 Cash flows from investing activities:		
Investment income	<u>1,797</u>	<u>1,962</u>
Net cash provided (used) by investing activities	<u>1,797</u>	<u>1,962</u>
 Net increase (decrease) in cash	244,680	(165,479)
 Cash, beginning of year	<u>281,466</u>	<u>446,945</u>
 Cash, end of year	<u><u>\$ 526,146</u></u>	<u><u>\$ 281,466</u></u>
 Cash flows from operating activities:		
Operating income (loss)	\$ 246,603	\$ (138,153)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	(3,720)	(26,893)
(Increase) decrease in prepaid expense		(2,195)
Increase (decrease) in accounts payable	<u>(200)</u>	<u>(200)</u>
Net cash provided (used) by operating activities	<u><u>\$ 242,883</u></u>	<u><u>\$ (167,441)</u></u>

CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,312,466	\$ 1,763,437
Investments	530,417	
Due from other funds	1,080,000	1,000,000
Advances to other funds	<u>918,468</u>	<u>1,009,041</u>
Total assets	<u>3,841,351</u>	<u>3,772,478</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	1,686	875
Claims reserve	<u>600,000</u>	<u>600,000</u>
Total liabilities	<u>601,686</u>	<u>600,875</u>
<u>NET POSITION</u>		
Net position:		
Unrestricted	<u>3,239,665</u>	<u>3,171,603</u>
Total net position	<u>\$ 3,239,665</u>	<u>\$ 3,171,603</u>



CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Premiums	<u>\$ 986,732</u>	<u>\$ 968,924</u>
Operating expenses:		
Administrative services	67,091	48,713
Risk management	<u>916,689</u>	<u>1,204,462</u>
Total operating expenses	<u>983,780</u>	<u>1,253,175</u>
Operating income (loss)	<u>2,952</u>	<u>(284,251)</u>
Nonoperating revenues:		
Investment income	<u>65,110</u>	<u>60,489</u>
Total nonoperating revenues	<u>65,110</u>	<u>60,489</u>
Change in net position	68,062	(223,762)
Net position, beginning of year	<u>3,171,603</u>	<u>3,395,365</u>
Net position, end of year	<u><u>\$ 3,239,665</u></u>	<u><u>\$ 3,171,603</u></u>

CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 906,732	\$ 968,924
Cash paid to suppliers	(982,969)	(1,254,266)
Net cash provided (used) by operating activities	<u>(76,237)</u>	<u>(285,342)</u>
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	90,573	86,055
Net cash provided (used) by noncapital financing activities	<u>90,573</u>	<u>86,055</u>
Cash flows from investing activities:		
Purchase of investments	(530,417)	
Investment income	65,110	60,489
Net cash provided (used) by investing activities	<u>(465,307)</u>	<u>60,489</u>
Net increase (decrease) in cash	(450,971)	(138,798)
Cash, beginning of year	<u>1,763,437</u>	<u>1,902,235</u>
Cash, end of year	<u>\$ 1,312,466</u>	<u>\$ 1,763,437</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 2,952	\$ (284,251)
Adjustments to reconcile operating income (loss) to net cash		
(used in) provided by operating activities:		
(Increase) decrease in due from other funds	(80,000)	
Increase (decrease) in accounts payable	811	(1,091)
Net cash provided (used) by operating activities	<u>\$ (76,237)</u>	<u>\$ (285,342)</u>

**SUPPLEMENTAL INFORMATION  
CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

CITY OF LAGRANGE, GEORGIA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS\*  
COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE  
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Governmental fund capital assets:		
Land	\$ 12,726,493	\$ 13,737,811
Construction in progress	18,258	2,290,804
Buildings	22,123,536	22,123,536
Machinery and equipment	13,485,531	10,680,440
Vehicles	4,046,872	3,733,886
Infrastructure	<u>47,925,340</u>	<u>45,152,644</u>
Total governmental fund capital assets	<u>\$ 100,326,030</u>	<u>\$ 97,719,121</u>
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 13,131,162	\$ 12,824,088
General obligation bonds	3,000,000	3,000,000
Capital projects fund	61,448,597	59,234,262
Special revenues fund	4,429,256	4,429,256
Donations	<u>18,317,015</u>	<u>18,231,515</u>
Total governmental fund capital assets	<u>\$ 100,326,030</u>	<u>\$ 97,719,121</u>

\*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS\*  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
June 30, 2017

Function and Activity	Total	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Vehicles	Infrastructure
General government	\$ 13,724,744	\$ 4,095,471	\$ 12,998	\$ 6,364,488	\$ 2,853,459	\$ 398,328	
Public safety	8,364,520	21,465		2,266,959	3,155,647	2,797,389	\$ 123,060
Public service	12,089,385	636,261			2,110,696	457,818	8,884,610
Culture and recreation	5,086,441	1,737,735		206,943	493,614	301,199	2,346,950
Community development	61,060,940	6,235,561	5,260	13,285,146	4,872,115	92,138	36,570,720
Total governmental funds capital assets	\$ 100,326,030	\$ 12,726,493	\$ 18,258	\$ 22,123,536	\$ 13,485,531	\$ 4,046,872	\$ 47,925,340

\*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS\*  
SCHEDULE OF CHANGE IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2017

Function and Activity	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
General government	\$ 14,880,580	\$ 62,194	\$ (1,218,030)	\$ 13,724,744
Public safety	8,189,075	539,300	(363,855)	8,364,520
Public service	12,089,385			12,089,385
Culture and recreation	5,023,268	63,173		5,086,441
Community development	57,536,813	6,069,437	(2,545,310)	61,060,940
Total governmental funds capital assets	<u>\$ 97,719,121</u>	<u>\$ 6,734,104</u>	<u>\$ (4,127,195)</u>	<u>\$ 100,326,030</u>

\*This schedule presents only the capital asset balances related to governmental funds.

## **ADDITIONAL DATA**

The following data is required by either state statute, specific grant audit requirements, or auditing standards:

**Special Local Option Sales Tax Funds** - Disclosure required by State of Georgia law.

**CHIP Schedules** – Disclosures required by specific grant audit requirements.

CITY OF LAGRANGE, GEORGIA  
SPECIAL LOCAL OPTION SALES TAX FUNDS  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2017

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	\$ 10,550,000	\$ 3,276,195	\$ 1,475,109	\$ 4,751,304
Utility relocation	3,000,000	97,918	203,080	300,998
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	1,601,060	1,215,359	2,816,419
Public safety facilities and equipment	3,400,000	1,730,229	365,210	2,095,439



CITY OF LAGRANGE, GEORGIA  
COMMUNITY HOME INVESTMENT PROGRAM GRANT  
SOURCE AND APPLICATION OF FUNDS STATUS REPORT  
Year Ended June 30, 2017

**CHIP CH14XLAGR-01**

Total grant	\$ 391,000
Less, total program funds drawn down by recipient for the year ended: June 30, 2017	<u>(124,895)</u>
Program funds available for future draw down	<u><u>\$ 266,105</u></u>
 Total program funds drawn down by recipient for the year ended June 30, 2017	 \$ 124,895
Add, program income applicable to the year ended June 30, 2017	<u>0</u>
Total program funds drawn by recipient and program income for the year ended June 30, 2017	<u><u>\$ 124,895</u></u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY HOME INVESTMENT PROGRAM GRANT  
PROJECT COST SCHEDULE  
Year Ended June 30, 2017

Activity	Budgeted Expenditures	Actual Expenditures Year Ended June 30, 2017	Questioned Cost
CHIP CH14XLAGR-01			
Rehab	\$ 385,000	\$ 122,446	None
Admin	6,000	2,449	None
	<u>\$ 391,000</u>	<u>\$ 124,895</u>	

# STATISTICAL SECTION

This part of the City of LaGrange'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 government's overall financial health.

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### Sources:

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

CITY OF LAGRANGE, GEORGIA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Net investment										
in capital assets										
Restricted	\$ 29,417,747	\$ 31,406,673	\$ 33,802,402	\$ 37,274,638	\$ 40,409,288	\$ 43,576,398	\$ 43,561,422	\$ 53,207,058	\$ 61,734,629	\$ 62,112,183
Unrestricted	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954
Total governmental activities net position	(2,034,791)	(1,855,322)	(3,029,985)	(2,908,655)	(3,461,667)	(3,311,359)	(3,569,275)	(9,893,218)	(10,317,280)	(30,591,947)
Total governmental activities net position	\$ 34,326,775	\$ 37,644,866	\$ 37,918,669	\$ 41,871,410	\$ 43,476,627	\$ 45,146,398	\$ 46,471,649	\$ 49,909,505	\$ 58,097,514	\$ 37,805,190
<b>Business-type activities:</b>										
Net investment										
in capital assets										
Restricted	\$ 87,979,264	\$ 88,744,568	\$ 103,765,331	\$ 113,856,456	\$ 114,889,792	\$ 113,861,863	\$ 112,233,680	\$ 112,527,782	\$ 110,250,942	\$ 108,454,603
Unrestricted	11,166,623	19,395,224	15,548,813	16,249,506	21,208,735	23,220,112	26,522,639	26,235,390	30,199,537	30,425,124
Total business-type activities net position	\$ 99,145,887	\$ 108,139,792	\$ 119,314,144	\$ 130,105,962	\$ 136,098,527	\$ 137,081,975	\$ 138,756,319	\$ 138,763,172	\$ 140,450,479	\$ 138,879,727
Primary government:										
Net investment										
in capital assets										
Restricted	\$ 117,397,011	\$ 120,151,241	\$ 137,567,733	\$ 151,131,094	\$ 155,299,080	\$ 157,438,261	\$ 155,795,102	\$ 165,734,840	\$ 171,985,571	\$ 170,566,786
Unrestricted	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954
Total primary government net position	9,131,832	17,539,902	12,518,828	13,340,851	17,747,068	19,908,753	22,953,364	16,342,172	19,882,257	(166,823)
Total primary government net position	\$ 133,472,662	\$ 145,784,658	\$ 157,232,813	\$ 171,977,372	\$ 179,575,154	\$ 182,228,373	\$ 185,227,968	\$ 188,672,677	\$ 198,547,993	\$ 176,684,917



**LAGRANGE**  
**GEORGIA**

**CITY OF LAGRANGE, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended June 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government										
Public safety	\$ 2,071,915	\$ 2,214,134	\$ 2,202,176	\$ 2,023,144	\$ 2,447,844	\$ 2,374,352	\$ 2,702,167	\$ 2,640,850	\$ 2,538,687	\$ 2,151,318
Public service	12,927,862	13,152,404	14,074,285	13,941,126	14,477,949	15,583,597	16,512,002	15,435,028	16,528,248	17,995,155
Culture and recreation	2,822,341	2,708,868	2,746,773	2,829,962	3,129,297	2,925,579	2,855,304	2,762,723	3,281,515	3,582,226
Community development	1,201,017	1,097,198	1,092,616	990,442	1,103,386	1,090,148	1,156,457	993,631	1,009,469	1,024,270
Redevelopment and housing	5,320,867	2,151,152	2,480,853	2,317,269	2,590,079	2,885,126	3,160,331	3,330,554	3,547,065	25,296,195
Miscellaneous	818,825	890,116	748,224	817,226	377,065	577,942	335,399	228,000	228,000	352,895
Interest on long-term debt	874,110	615,465	621,623	502,255	600,050	398,890	415,457	403,159	438,347	443,353
Total governmental activities expenses	26,036,937	22,829,337	23,966,550	23,421,424	25,228,948	26,419,214	27,464,367	26,120,696	27,801,873	51,378,541
Business-type activities:										
Water and sewerage	11,535,187	11,711,112	11,357,660	12,069,015	12,730,898	12,813,505	13,023,085	12,275,364	12,491,721	12,714,739
Gas	18,427,268	16,769,452	14,631,785	13,832,177	11,155,625	12,078,193	14,847,586	13,030,969	9,585,058	10,552,167
Electric system	33,811,521	33,071,620	35,065,463	37,470,631	40,414,968	42,433,294	45,996,684	46,100,926	43,771,606	43,424,244
Sanitation	6,192,524	6,937,117	6,844,824	7,507,351	8,672,057	9,325,713	8,239,045	8,093,325	9,320,613	8,947,980
Telecommunications	2,229,256	2,120,507	2,256,707	2,320,373	2,464,663	2,393,405	2,104,518	1,890,481	2,318,542	2,975,585
Total business-type activities expenses	72,195,756	70,609,808	70,156,439	73,199,547	75,438,211	79,044,110	84,210,918	81,391,065	77,487,540	78,614,715
Total primary government expenses	\$ 98,232,693	\$ 93,439,145	\$ 94,122,989	\$ 96,620,971	\$ 100,667,159	\$ 105,463,324	\$ 111,675,285	\$ 107,511,761	\$ 105,289,413	\$ 129,993,256
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 404,484	\$ 165,722	\$ 100,601	\$ 152,279	\$ 270,308	\$ 119,827	\$ 202,638	\$ 196,652	\$ 356,953	\$ 366,991
Public safety	2,193,003	2,224,272	2,119,124	2,001,184	2,056,481	2,089,613	1,871,655	1,829,624	1,464,613	1,438,475
Public service	301,184	252,565	170,271	279,526						
Culture and recreation	72,083	75,000	26,250		66,275	148,511	63,435	61,170	61,010	44,875
Community development	2,438,571	1,244,589	1,064,311	1,080,982	1,104,382	1,248,930	1,232,586	1,238,348	1,079,498	1,162,818
Redevelopment and housing	56,702	77,150	64,071							
Operating grants and contributions	120,626	8,000	259,664	459,031	680,012	812,440	338,610	74,335	218,943	586,037
Capital grants and contributions	530,796	151,634	3,427,141	3,571,714	3,560,013	3,174,313	3,036,190	10,357,243	10,525,756	3,307,053
Total government activities program revenues	6,117,449	4,198,932	7,231,433	7,544,716	7,717,471	7,593,634	6,745,114	13,557,312	13,706,773	6,906,249
Business-type activities:										
Charges for services:										
Water and sewerage	15,235,164	16,438,835	15,235,935	16,516,255	16,229,302	14,844,920	15,430,172	15,634,665	16,165,910	16,667,241
Gas system	21,265,823	18,472,311	16,205,246	17,013,290	13,459,998	14,643,762	17,545,344	16,825,600	11,694,411	11,994,070
Electric system	39,330,658	41,105,416	46,379,093	50,266,129	49,744,322	49,578,253	53,274,874	54,659,256	50,570,883	48,812,549
Sanitation	6,894,842	7,277,443	7,030,912	7,645,580	8,368,771	8,533,923	8,420,551	8,731,986	9,456,822	9,406,918
Telecommunications	4,402,924	2,369,796	3,096,680	2,672,258	2,861,178	2,933,962	3,050,010	2,755,585	2,998,812	3,082,439
Operating grants and contributions	452,189				151,268					
Capital grants and contributions		2,750,000	1,171,307	248,729						
Total business-type activities program revenues	87,581,600	88,413,801	89,119,173	94,362,241	90,814,839	90,534,820	97,720,951	98,607,092	90,886,838	89,963,217
Total primary government program revenues	\$ 93,699,049	\$ 92,612,733	\$ 96,350,606	\$ 101,906,957	\$ 98,532,310	\$ 98,128,454	\$ 104,466,065	\$ 112,164,404	\$ 104,593,611	\$ 96,969,466

Fiscal Year Ended June 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (expense) revenue</b>										
Governmental activities	\$ (19,919,488)	\$ (18,630,405)	\$ (16,735,117)	\$ (15,876,708)	\$ (17,511,477)	\$ (18,825,580)	\$ (20,719,253)	\$ (12,563,384)	\$ (14,095,100)	\$ (44,472,292)
Business-type activities	15,385,844	17,803,993	18,962,734	21,162,894	15,376,628	11,490,710	13,510,033	17,216,027	13,399,298	11,348,502
Total primary government net expense	<u>\$ (4,533,644)</u>	<u>\$ (826,412)</u>	<u>\$ 2,227,617</u>	<u>\$ 5,285,986</u>	<u>\$ (2,134,849)</u>	<u>\$ (7,334,870)</u>	<u>\$ (7,209,220)</u>	<u>\$ 4,652,643</u>	<u>\$ (695,802)</u>	<u>\$ (33,123,790)</u>
<b>General Revenues and Other Changes</b>										
<b>Net Position</b>										
Governmental activities:										
Taxes:										
General purpose taxes	\$ 2,981,632	\$ 3,294,587	\$ 3,203,491	\$ 3,322,394	\$ 3,460,477	\$ 3,833,147	\$ 4,249,366	\$ 4,395,627	\$ 4,545,898	\$ 4,586,458
Sales tax	9,591,123	8,184,516	4,777,940	4,871,868	5,067,756	4,950,107	4,795,388	5,021,093	4,769,502	4,968,287
Franchise taxes	1,097,656	1,240,566	1,010,406	1,099,653	1,082,666	1,057,342	1,090,820	1,204,116	1,110,440	1,083,001
Unrestricted investment earnings	233,222	147,708	106,833	48,205	30,635	132,379	29,289	35,789	42,269	51,222
Gain on sale of capital assets	(24,291)									
Transfers	8,717,307	9,081,129	7,910,240	10,487,329	9,475,160	10,522,376	11,879,641	13,073,728	11,815,000	13,491,000
Total governmental activities	<u>22,596,649</u>	<u>21,948,506</u>	<u>17,008,910</u>	<u>19,829,449</u>	<u>19,116,694</u>	<u>20,495,351</u>	<u>22,044,504</u>	<u>23,730,353</u>	<u>22,283,109</u>	<u>24,179,968</u>
Business-type activities:										
Unrestricted investment earnings	646,735	271,041	121,858	116,453	91,097	15,114	43,952	72,298	103,009	370,511
Gain on sale of capital assets	(90,650)									
Transfers	(8,717,307)	(9,081,129)	(7,910,240)	(10,487,329)	(9,475,160)	(10,522,376)	(11,879,641)	(13,073,728)	(11,815,000)	(13,491,000)
Total business-type activities	<u>(8,161,222)</u>	<u>(8,810,088)</u>	<u>(7,788,382)</u>	<u>(10,370,876)</u>	<u>(9,384,063)</u>	<u>(10,507,262)</u>	<u>(11,835,689)</u>	<u>(13,001,430)</u>	<u>(11,711,991)</u>	<u>(13,120,489)</u>
Total primary government	<u>\$ 14,435,427</u>	<u>\$ 13,138,418</u>	<u>\$ 9,220,528</u>	<u>\$ 9,458,573</u>	<u>\$ 9,732,631</u>	<u>\$ 9,988,089</u>	<u>\$ 10,208,815</u>	<u>\$ 10,728,923</u>	<u>\$ 10,571,118</u>	<u>\$ 11,059,479</u>
<b>Change in Net Position</b>										
Governmental activities	2,677,161	3,318,101	273,793	3,952,741	1,605,217	1,669,771	1,325,251	11,166,969	8,188,009	(20,292,324)
Business-type activities	7,224,622	8,993,905	11,174,352	10,791,818	5,992,565	983,448	1,674,344	4,214,597	1,687,307	(1,771,987)
Total primary government	<u>\$ 9,901,783</u>	<u>\$ 12,312,006</u>	<u>\$ 11,448,145</u>	<u>\$ 14,744,559</u>	<u>\$ 7,597,782</u>	<u>\$ 2,653,219</u>	<u>\$ 2,999,595</u>	<u>\$ 15,381,566</u>	<u>\$ 9,875,316</u>	<u>\$ (22,064,311)</u>

CITY OF LAGRANGE, GEORGIA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		Fiscal Year Ended June 30									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:											
Nonspendable	\$	223,642	\$ 212,344	\$ 223,439	\$ 248,238	\$ 185,692	\$ 203,335	\$ 197,596	\$ 200,254	\$ 183,753	\$ 195,491
Restricted		619,478	580,738	628,958	776,590	861,865	876,905	865,860	812,684	936,059	932,122
Unassigned		1,967,494	2,475,461	1,621,469	1,674,201	1,045,441	1,451,702	1,532,232	2,416,230	2,203,372	1,902,981
Total general fund	\$	2,810,614	\$ 3,268,543	\$ 2,473,866	\$ 2,699,029	\$ 2,092,998	\$ 2,531,942	\$ 2,595,688	\$ 3,429,168	\$ 3,323,184	\$ 3,030,594
All other governmental funds											
Nonspendable, reported in:											
Debt service	\$	36,482									
Capital projects											
Restricted, reported in:											
Special revenue		3,889,854	\$ 3,448,272	\$ 3,068,134	\$ 2,736,199	\$ 2,432,329	\$ 2,202,206	\$ 1,896,347	\$ 1,661,268	\$ 1,439,974	\$ 1,243,430
Debt service		1,509,928	1,466,784	1,203,952	928,295	692,818					
Capital projects		888,077	2,597,721	2,245,208	3,070,853	2,563,696	1,802,248	3,717,295	4,121,713	4,304,132	4,109,402
Unassigned					(6,510)	(85)	(34,510)	60,474			(2,720,609)
Total all other governmental funds	\$	6,324,341	\$ 7,512,777	\$ 6,517,294	\$ 6,728,837	\$ 5,688,758	\$ 3,969,944	\$ 5,674,116	\$ 5,782,981	\$ 5,744,106	\$ 2,632,223



**CITY OF LAGRANGE, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended June 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes, licenses and permits	\$ 13,971,595	\$ 12,972,234	\$ 9,162,108	\$ 9,446,194	\$ 9,768,301	\$ 9,960,423	\$ 10,273,853	\$ 10,746,345	\$ 10,579,163	\$ 10,890,064
Intergovernmental	1,791,439	1,444,399	3,757,242	4,886,129	4,127,929	3,983,314	3,364,073	3,258,124	3,206,315	3,767,004
Charges for services	389,462	386,410	402,548	284,338	281,683	260,968	257,906	250,170	310,653	253,768
Fines and forfeitures	1,783,541	1,817,862	1,696,576	1,716,846	1,774,798	1,828,645	1,613,749	1,376,112	1,133,181	1,115,505
Investment income	233,222	147,708	106,833	52,899	36,484	135,818	39,445	43,704	54,216	67,230
Grants and subsidies				187,920	50,954					
Lease income	410,000				1,085,582	1,083,639	1,091,631	1,140,108	939,322	840,308
Miscellaneous	1,441,823	297,696	1,204,796	310,939	233,274	313,802	269,320	197,361	425,595	568,710
<b>Total revenues</b>	<b>20,021,082</b>	<b>17,066,309</b>	<b>16,330,103</b>	<b>16,885,265</b>	<b>17,359,005</b>	<b>17,566,609</b>	<b>16,909,977</b>	<b>17,011,924</b>	<b>16,648,445</b>	<b>17,502,589</b>
<b>Expenditures</b>										
General government	1,580,930	1,494,994	1,604,065	1,425,924	1,805,045	1,652,312	2,059,938	2,100,858	1,901,425	1,964,022
Public safety	12,611,373	12,432,950	13,393,140	13,498,540	14,244,396	15,176,234	15,754,520	15,552,037	15,947,584	16,935,100
Public service	2,308,335	2,156,083	2,207,494	2,306,871	2,759,993	2,493,475	2,540,906	2,507,788	2,941,310	3,253,462
Culture and recreation	1,003,840	884,840	885,939	818,368	946,692	942,167	1,006,218	959,879	944,873	945,898
Community development	1,424,745	1,549,630	1,568,676	1,525,229	1,674,357	1,815,776	1,769,655	1,987,811	2,049,237	4,917,482
Redevelopment and housing	519,307	599,055	436,144	480,592	503,278	577,942	335,399	228,000	228,000	352,895
Telecommunications and technology	294,671	276,701	296,011	326,362	367,318	386,117	392,945	405,217	422,411	443,359
Debt service:										
Principal	1,285,445	1,290,625	1,304,204	1,272,643	1,220,330	1,478,499	1,196,251	3,420,721	978,491	1,366,227
Interest	736,547	626,348	633,156	585,208	542,588	597,633	371,047	357,059	226,215	259,488
Capital outlay	4,619,200	3,477,743	3,910,773	4,917,057	4,612,883	4,486,441	2,069,941	4,189,642	5,699,449	4,702,862
<b>Total expenditures</b>	<b>26,384,393</b>	<b>24,788,969</b>	<b>26,239,602</b>	<b>27,156,794</b>	<b>28,676,870</b>	<b>29,606,596</b>	<b>27,496,820</b>	<b>31,709,012</b>	<b>31,338,995</b>	<b>35,140,795</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(6,363,311)</b>	<b>(7,722,660)</b>	<b>(9,909,499)</b>	<b>(10,271,529)</b>	<b>(11,317,865)</b>	<b>(12,039,987)</b>	<b>(10,586,843)</b>	<b>(14,697,088)</b>	<b>(14,690,550)</b>	<b>(17,638,206)</b>
<b>Other financing sources (uses)</b>										
Refunding bonds issued								2,299,000		
Capital lease	1,268,232	257,752	195,276	214,753	176,496	235,475	474,797	238,972	2,725,707	713,427
Proceeds from sale of assets	81,855	30,144	13,823	6,153	20,099	2,266	347	36,733	4,984	29,306
Transfers in	11,346,232	11,903,713	10,661,802	13,148,673	12,448,340	14,173,836	14,920,980	14,727,220	13,494,882	15,281,892
Transfers out	(2,628,925)	(2,822,584)	(2,751,562)	(2,661,344)	(2,973,180)	(3,651,460)	(3,041,363)	(1,653,492)	(1,679,882)	(1,790,892)
<b>Total other financing sources (uses)</b>	<b>10,067,394</b>	<b>9,369,025</b>	<b>8,119,339</b>	<b>10,708,235</b>	<b>9,671,755</b>	<b>10,760,117</b>	<b>12,354,761</b>	<b>15,648,433</b>	<b>14,545,691</b>	<b>14,233,733</b>
<b>Net change in fund balances</b>	<b>\$ 3,704,083</b>	<b>\$ 1,646,365</b>	<b>\$ (1,790,160)</b>	<b>\$ 436,706</b>	<b>\$ (1,646,110)</b>	<b>\$ (1,279,870)</b>	<b>\$ 1,767,918</b>	<b>\$ 951,345</b>	<b>\$ (144,859)</b>	<b>\$ (3,404,473)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>9.29%</b>	<b>9.00%</b>	<b>8.68%</b>	<b>8.35%</b>	<b>7.33%</b>	<b>8.26%</b>	<b>6.16%</b>	<b>13.65%</b>	<b>4.69%</b>	<b>5.24%</b>

CITY OF LAGRANGE, GEORGIA  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Property Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
2008	-	\$ 5,097,403	\$ 4,493,720	\$ 1,097,656	-	\$ 673,950	\$ 441,436	\$ 11,804,165
2009	-	4,807,415	3,377,101	1,240,566	-	703,676	422,387	10,551,145
2010	-	4,777,940	3,016,067	1,010,406	-	696,307	396,511	9,897,231
2011	-	4,871,868	2,985,768	1,099,653	-	725,737	517,277	10,200,303
2012	-	5,067,756	3,117,039	1,082,666	-	725,536	644,444	10,637,441
2013	-	4,950,107	3,074,143	1,057,342	-	723,504	785,900	10,590,996
2014	-	4,795,388	3,020,767	1,090,820	-	732,169	733,326	10,372,470
2015	-	5,021,093	3,147,315	1,204,116	-	713,873	893,124	10,979,521
2016	-	4,769,502	2,987,372	1,110,440	-	713,178	916,803	10,497,295
2017	-	4,968,287	3,205,545	1,083,001	-	718,706	993,808	10,969,347



**LAGRANGE**  
**GEORGIA**

CITY OF LAGRANGE, GEORGIA  
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS  
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>WATER &amp; SEWER FUND:*</b>										
<b>FINANCIAL RATIOS:</b>										
Water & sewer profit margin (%)	26.0	27.0	25.0	25.0	21.0	14.0	16.0	21.0	14.0	14.0
Return on total assets (%)			8.0	6.0	5.0	3.0	3.0	4.0	3.0	3.0
Return on equity (%)			9.0	6.0	5.0	3.0	3.0	5.0	3.0	4.0
Liabilities/Assets (%)			17.0	11.0	6.0	5.0	11.0	20.0	22.0	22.0
Current ratio (x)			1.3	1.2	9.6	12.5	5.1	8.4	9.8	9.0
Receivables avg. days outstanding			54.4	43.5	44.5	46.9	42.9	43.6	45.1	42.9
General fund transfer (% of Income)			22.0	9.0	19.0	67.0	87.0	107.0	157.0	145.0
General fund transfer (% of Revenue)			8.0	2.0	4.0	9.0	14.0	23.0	22.0	22.0
Cash and investments(\$)			3,590	2,133	4,446	6,600	9,354	11,035	11,557	12,611
Net Equity Transfers Out (\$)			1,250	388	681	1,353	2,089	3,579	3,585	3,600
Capital investment versus depreciation (x)			1.4	1.0	0.2	0.5	1.9	2.7	0.8	0.2
Capitalization (\$)			73,941	73,403	76,200	76,699	80,607	86,571	86,217	85,039
Working Capital (\$)			1,732	1,097	6,435	8,523	9,669	12,040	12,941	14,030
<b>OPERATING INFORMATION:</b>										
Water MMGAL sales	2,261	2,087	2,102	2,187	2,076	1,913	1,891	1,924	1,918	2,017
Sewer MMGAL sales	1,462	1,288	1,179	1,144	1,088	1,073	1,104	1,106	1,093	1,104
Revenues \$/MMGAL sold	4.09	4.75	4.64	4.81	5.01	4.97	5.15	5.16	5.37	5.34
Water and Sewer Operating/MMGAL	3.02	3.46	3.46	3.62	3.97	4.29	4.35	4.05	3.69	3.57
Divisional operating expenses \$/Kgal sold	2.10	2.46	2.56	2.70	3.04	3.26	3.28	2.97	3.40	3.32
Installed Water meters	19,262	19,324	19,342	19,544	19,584	19,607	19,660	19,733	19,783	19,892
Water distribution employees	17	17	17	17	17	17	17	17	17	17
Water production employees	13	13	13	13	13	13	13	13	13	13
meters/distribution employee	1,133	1,137	1,138	1,150	1,152	1,153	1,156	1,161	1,164	1,170
meters/production employee	1,482	1,486	1,488	1,503	1,506	1,508	1,512	1,518	1,522	1,530
MMGAL/distribution employee	133	123	124	129	122	112	111	113	113	119
MMGAL/production employee	174	160	162	168	160	147	145	148	148	155
<b>UTILITY FUND:</b>										
<b>FINANCIAL RATIOS:</b>										
Gas profit margin (%)	13.0	9.0	9.0	15.0	15.0	16.0	13.0	23.0	19.0	13.0
Electric profit margin (%)	14.0	19.9	25.0	25.0	18.0	16.0	15.0	16.0	17.0	13.0
Telecom profit margin (%)	43.0	8.0	27.0	13.0	13.0	14.0	10.0	31.0	1.0	6.0
Return on total assets (%)	10.0	11.3	17.0	18.0	14.0	13.0	13.0	16.0	14.0	12.0
Return on equity (%)	16.0	17.7	34.0	32.0	24.0	20.0	22.0	25.0	21.0	16.0
Liabilities/Assets (%)	42.0	40.7	52.0	46.0	45.0	43.0	42.0	39.0	35.0	32.0
Current ratio (x)	2.4	1.9	3.4	4.2	3.8	3.6	4.0	4.4	4.8	4.3
Receivables avg. days outstanding	48.4	42.4	49.4	49.9	53.1	49.2	42.0	41.0	43.7	46.2

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund transfer (% of Income)	51.0	62.0	58.0	62.0	113.0	95.0	98.0	73.0	77.0	102.0
General fund transfers (% of Revenue)	9.0	13.0	11.0	12.0	17.0	12.0	12.0	11.0	11.0	11.0
Cash & Investments (\$)	10,728	14,422	15,268	16,504	18,853	20,942	24,982	27,618	30,967	26,642
Net Equity Transfers Out (\$)	7,600	10,927	8,984	10,136	13,688	9,780	10,769	9,678	8,600	9,081
Capital investment versus depreciation (x)	1.2	1.5	2.4	0.5	0.4	1.0	0.3	0.5	0.4	0.7
Capitalization (\$)	122,009	127,250	60,618	66,172	63,749	63,722	62,757	63,706	64,297	63,423
Working Capital (\$)	15,172	12,354	18,289	24,186	22,705	22,831	26,199	29,083	31,505	27,747
OPERATING INFORMATION:										
Electric MWH purchases ^	497,201	485,857	515,880	532,868	515,529	525,329	535,331	547,324	548,879	543,805
Electric MWH sales	477,031	462,132	494,628	511,050	492,216	505,156	514,629	532,395	535,192	531,624
Electric \$/MWH sold	82.45	88.72	93.78	98.07	100.23	97.81	103.13	102.66	94.27	91.10
Electric operating \$/MWH sold	70.84	71.55	70.70	73.51	81.75	82.60	88.11	86.59	78.29	79.21
Electric purchases expense \$/MWH sold	64.310	64.66	63.83	67.68	74.46	74.16	79.54	76.51	71.08	72.06
Electric divisional operating expenses \$/MWH sold	5.800	6.14	6.13	4.90	6.28	7.41	7.48	8.98	6.11	6.01
Installed electric meters	13,127	13,288	13,369	13,499	13,581	13,561	13,582	13,583	13,594	13,612
Electric distribution employees	12	12	12	12	12	12	12	12	12	12
Electric right-of-way employees		3	3	5	5	5	5	5	6	6
meters/employee	1,094	1,107	1,114	1,125	1,132	1,130	1,132	1,132	1,133	1,134
MWHs/employee	39,753	38,511	41,219	42,588	41,018	42,096	42,886	44,366	44,599	44,302
Gas Dth purchases ^	1,983,793	1,871,114	2,237,482	2,259,628	2,045,060	2,157,212	2,157,212	2,281,697	2,072,075	1,934,894
Gas Dth sales	1,968,043	1,813,037	2,164,172	2,211,191	1,957,928	2,145,567	2,145,567	2,215,146	2,037,322	1,914,494
Gas revenue \$/Dth sold	10.81	10.17	7.49	7.45	6.81	6.81	8.00	7.59	5.60	6.11
Gas operating expense \$/Dth sold	9.37	9.22	6.80	6.33	5.78	5.70	6.92	5.88	4.56	5.34
Gas purchases expense \$/Dth sold	7.98	7.39	5.11	4.76	4.05	3.92	5.36	4.45	3.27	3.96
Gas divisional operating expenses \$/Dth sold	0.80	1.18	0.89	0.76	0.83	0.77	0.82	0.72	0.54	0.61
Installed Gas meters	9,560	9,552	9,543	9,497	9,444	9,460	9,460	9,500	9,496	9,526
Gas employees	12	12	12	11	10	10	8	8	8	8
meters/employee	797	796	795	863	944	946	1,183	1,188	1,187	1,191
Dth/employee	164,004	151,086	180,348	201,017	195,793	214,557	268,196	276,893	254,665	239,312
Boring Crew							2	2	2	2
Customer Service Reps	6	6	6	6	6	6	6	6	6	6
Meters/CSR	6,992	7,027	7,042	7,090	7,102	7,105	7,117	7,136	7,146	7,172
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	25,841	26,730	25,188	25,473	26,759	26,188	22,337	20,816	19,649	18,719
Meters/Service Worker	4,661	4,685	4,695	4,727	4,734	4,736	4,745	4,757	4,764	4,781
Orders per USW	2,871	2,970	2,808	2,725	2,725	2,910	2,482	2,313	2,183	2,080

Data Source: City Utility Department

\* Prior to fiscal year June 30, 2010 the Water and Sewer Fund was a part of the Utility Fund; therefore, some data is not available for the Water and Sewer Fund for prior years. In time this schedule will present the required 10 years of data.

^ Electric and gas energy purchases are reported on a cash rather than accrual basis.

CITY OF LAGRANGE, GEORGIA  
PRINCIPAL WATER CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

Customer	2017			2008		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 552,437	1	3.3%	\$ 1,065,928	1	7.0%
Troup County Commissioners	296,367	2	1.8%	252,230	2	1.7%
City of Greenville	242,803	3	1.4%	177,438	4	1.2%
West Georgia Health	193,438	4	1.1%	117,682	3	1.2%
City of Hogansville	159,265	5	0.9%	71,648	8	0.5%
LaGrange College	116,308	6	0.7%	71,868	7	0.5%
Kimberly Clark	115,620	7	0.7%	121,919	5	0.8%
Troup Co. School System	110,194	8	0.7%			
Jindal Films America	95,007	9	0.6%			
Lee Crossing Apartments	93,233	10	0.6%	68,118	10	0.5%
LaGrange Development Authority				119,183	6	0.8%
Laurel Ridge Development LP				70,619	9	0.5%
	<u>\$ 1,974,672</u>		<u>11.8%</u>	<u>\$ 2,136,633</u>		<u>14.7%</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA  
PRINCIPAL NATURAL GAS CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
	Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank
	Milliken & Co.	\$ 2,428,955	1	20.64%	\$ 7,131,198	1
	KIA Motor Corporation	2,363,552	2	20.08%		
	Mountville Mills, Inc.	802,678	3	6.82%	711,602	4
	Jindal Films America	455,700	4	3.87%		
	Interface Flooring Systems	323,233	5	2.75%	619,642	6
	Kimberly Clark	305,695	6	2.60%	1,303,640	2
	West Georgia Health	289,134	7	2.46%	650,006	5
	CW Matthews Contraction Co, Inc.	199,101	8	1.69%		
	Troup Co. Commissioners	111,633	9	0.95%		
	Wal-Mart	102,616	10	0.87%		
	Exxon Mobil				865,339	3
	LaGrange Moulding Co.				400,603	7
	City of LaGrange				329,622	8
	Kleen Tex #2				279,128	9
	Emerson Network Power				274,708	10
		<u>\$ 7,382,297</u>		<u>62.73%</u>	<u>\$ 12,565,488</u>	
					<u>58.60%</u>	

Data Source: City Utility Department  
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CITY OF LAGRANGE, GEORGIA  
PRINCIPAL ELECTRIC CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

Customer	2017			2008		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	\$ 3,259,175	1	6.64%			
Duracell USA	2,253,450	2	4.59%	\$ 1,748,577	2	4.50%
West Georgia Health	1,529,931	3	3.11%	1,335,594	4	3.40%
Sewon America, Inc.	1,407,407	4	2.87%			
Wal-Mart	1,386,750	5	2.82%	1,327,423	5	3.40%
Interface Flooring Systems	1,187,120	6	2.42%	1,227,974	6	3.10%
Troup Co. School System	1,022,190	7	2.08%	750,462	8	1.90%
SAFA	1,005,705	8	2.05%	733,202	9	1.90%
LaGrange College	808,852	9	1.65%	680,466	10	1.80%
Mountville Mills, Inc.	673,879	10	1.37%			
Exxon Mobil				3,024,338	1	7.80%
City of LaGrange				1,483,134	3	3.80%
Freudenberg NOK				797,093	7	2.10%
	<u>\$ 14,534,459</u>		<u>29.60%</u>	<u>\$ 13,108,263</u>		<u>33.70%</u>

Data Source: City Utility Department



CITY OF LAGRANGE, GEORGIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases	Notes Payable				
2008	\$ 6,550,000	\$ 4,268,307	\$ 3,015,000	\$ 26,135,000	\$ 4,790,000	\$ 2,934,297	\$ 5,425,407	\$ 53,118,011	9.74%	1,899	
2009	6,342,500	3,622,934	2,835,000	26,975,000	4,625,000	2,339,656	5,749,878	52,489,968	11.11%	1,848	
2010	6,125,000	2,931,506	2,635,000	21,875,000	4,455,000	1,854,440	7,250,517	47,126,463	9.54%	1,593	
2011	5,892,500	2,336,116	2,405,000	14,375,000	4,275,000	2,399,862	4,166,600	35,850,078	7.13%	1,186	
2012	5,647,500	1,787,282	2,155,000	10,130,701	4,080,000	2,565,141	3,988,148	30,353,772	6.02%	1,012	
2013	5,442,500	1,029,258	1,875,000	9,735,000	3,875,000	2,837,662	3,804,272	28,598,692	5.66%	953	
2014	5,140,000	920,304	1,565,000	8,985,000	3,660,000	2,754,936	7,553,825	30,579,065	6.03%	1,019	
2015	4,932,500	576,055	1,225,000	8,215,000	3,435,000	2,874,729	18,296,132	39,554,416	7.80%	1,318	
2016	4,570,000	3,055,771	855,000	7,415,000	3,195,000	2,597,314	20,123,755	41,811,840	8.25%	1,394	
2017	21,120,000	3,182,971	445,000	6,590,000	2,940,000	1,650,608	19,176,976	55,105,555	10.87%	1,837	

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

\*\* See Demographic and Economic Statistics on page 112 for personal income and population data.

CITY OF LAGRANGE, GEORGIA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 4,607,824	45%	\$ 2,073,521
Troup County Board of Public Education	-	45%	-
Subtotal, overlapping debt			<u>2,073,521</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			24,747,971
LaGrange Development Authority			<u>24,747,971</u>
Subtotal, direct debt			<u>\$ 26,821,492</u>
Total direct and overlapping debt			

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of LaGrange, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire 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.

\* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$90,770,301	\$ 93,574,966	\$107,048,174	\$103,939,639	\$103,123,860	\$104,653,160	\$104,177,955	\$111,425,800	\$112,451,537	\$ 115,964,793
Total net debt applicable to limit										
Total net debt margin	\$90,770,301	\$ 93,574,966	\$107,048,174	\$103,939,639	\$103,123,860	\$104,653,160	\$104,177,955	\$111,425,800	\$112,451,537	\$ 115,964,793
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>										
Net assessed value										\$ 1,013,426,673
Add Back: Exempt real property										146,221,256
Total assessed value										<u>\$ 1,159,647,929</u>
Debt limit (10% of total assessed value)										\$ 115,964,793
Debt applicable to limit:										
General obligation bonds										-
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>-</u>
Legal debt margin										<u>\$ 115,964,793</u>

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

CITY OF LAGRANGE, GEORGIA  
 PLEDGED-REVENUE COVERAGE  
 WATER AND SEWER DEBT  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Total Revenue *	Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
2008	\$ 15,339,308	\$ 8,015,028	\$ 7,324,280	\$ 3,575,000	\$ 746,152	\$ 4,321,152	1.69
2009	16,442,162	8,218,102	8,224,060	3,705,000	608,890	4,313,890	1.91
2010	15,240,285	8,294,471	6,945,814	3,850,000	449,507	4,299,507	1.62
2011	16,519,380	8,987,982	7,531,398	4,610,000	281,585	4,891,585	1.54
2012	16,383,600	9,613,720	6,769,880	3,595,000	89,875	3,684,875	1.84

\* Operating and non operating revenue available for debt service.

\*\* Operating expenses other than interest on debt, depreciation and amortization.

\*\*\* Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that year.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.

Note: The Water and Sewer Bonds were paid off in fiscal year ended June 30, 2012.

CITY OF LAGRANGE, GEORGIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
2008	27,977	\$ 545,411,615	\$ 19,495	32.8	N/A	12,395	9.2%
2009	28,401	472,592,640	16,640	32.8	N/A	12,646	9.5%
2010	29,588	494,119,600	16,700	33.0	N/A	12,572	13.5%
2011	30,232	502,500,000	16,621	33.0	N/A	12,730	12.8%
2012	30,000	504,520,000	16,817	33.0	N/A	12,727	12.2%
2013	30,000	504,900,000	16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%
2015	30,000	506,900,000	16,897	33.0	N/A	12,506	6.3%
2016	30,000	506,900,000	16,897	33.0	N/A	12,386	5.2%
2017	30,000	506,900,000	16,897	33.0	N/A	12,204	4.9%

N/A = Not Available

Data Sources:

\* 2010 U.S. Census: other years - LaGrange Planning Office.

\*\* Board of Education

\*\*\* Troup County Department of Labor (latest completed calendar year, City of LaGrange)

CITY OF LAGRANGE, GEORGIA  
PRINCIPAL EMPLOYERS BY NUMBER OF EMPLOYEES  
CURRENT YEAR AND TEN YEARS AGO

Employer	Type of Business	2017			2008		
		Employees	Rank	Percentage	Employees	Rank	Percentage
Troup County School System	Education	1,825	1	19.17%	1,860	1	15.67%
West Georgia Health	Medical Services	1,500	2	15.75%	1,300	4	10.95%
Interface Flooring Systems	Floor coverings	1,000	3	10.50%	1,080	5	9.10%
Mountville Mills, Inc.	Carpet	965	4	10.14%			
Wal-Mart Distribution Center	Warehousing	960	5	10.08%	1,600	3	13.48%
Milliken & Co.	Textiles	924	6	9.70%	1,660	2	13.98%
Sewon America, Inc.	Car Manufacturing Supplier	912	7	9.58%			
Caterpillar	Heavy Equipment	515	8	5.41%			
Troup County Board of Commissioners	Government	492	9	5.17%	543	7	4.57%
Duracell	Batteries	428	10	4.50%	475	8	4.00%
Intercall	Wec Conferencing Provider				700	6	5.90%
City of LaGrange	Government				423	9	3.56%
Emerson Network Power	Energy				400	10	3.37%

Data Source: LaGrange - Troup Chamber of Commerce

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

Function	Fiscal Year Ended June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government										
Public safety:										
Police	19	18	16	16	16	16	16	16	16	16
Fire	97	94	94	96	95	95	95	99	105	105
Animal control	60	58	58	58	58	57	57	57	57	57
Court services	3	3	3	3	4	4	4	4	4	4
Probation services	3	3	3	3	3	3	3	3	3	3
Public service:	4	4	4	5	5	5	5	5	5	5
Landscaping & cemeteries	15	12	9	8	8	8	8	8	8	9
Highways & streets	20	19	19	18	17	17	17	17	17	17
Traffic control	2	2	2	3	3	3	3	3	3	3
Trash and refuse	9	8	8	8	8	8	8	8	8	8
Recycling	*	*	*	*	*	*	*	3	3	3
Engineering	1	2	2	2	2	2	2	2	2	2
Community development:										
Life & building safety	0	0	0	0	0	0	0	0	0	0
Housing & inspections	2	2	1	1	1	1	0	0	0	0
Economic development	2	2	1	1	1	1	1	1	1	1
Community and economic development	9	9	8	7	7	7	8	8	8	8
Other governmental services:										
Vehicle maintenance	15	15	16	16	16	16	16	16	16	17
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	263	253	246	247	246	245	245	252	258	260
Business-type activities:										
Water & sewerage	62	62	64	64	64	64	64	63	63	63
Electric	12	15	18	17	17	17	17	17	17	17
Gas	12	11	12	10	10	10	10	8	8	8
Telecommunications	4	6	6	6	6	5	6	8	8	8
Sanitation	33	33	32	32	32	32	32	31	31	31
Business-type activities support services	28	28	27	27	27	27	27	29	29	29
Total business-type activities	151	155	159	156	156	155	156	156	156	156
Grand total	414	408	405	403	402	400	401	408	414	416

Data Source: City Finance Office  
\* Information not available

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

Function	Fiscal Year Ended June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Physical arrests	5,417	5,826	5,795	4,769	5,451	6,111	5,780	5,431	4,519	4,018
Parking violations	571	564	639	215	185	424	298	255	255	391
Traffic violations	17,486	18,945	17,920	15,163	17,491	20,060	14,488	13,363	12,625	12,955
Fire:										
Number of calls answered	3,020	3,436	3,332	3,724	4,223	4,723	4,477	4,705	4,634	4,607
Inspections	3,201	2,842	2,427	3,242	2,925	2,715	2,715	2,289	2,479	2,451
Health and welfare:										
Animal control (captured animals-City)	1,329	1,464	1,616	1,370	1,448	1,446	1,331	1,209	1,163	1,132
Highways and streets:										
Street resurfacing (miles)	1	15	15	17	12	23	3	2	2	5
Potholes repaired	520	500	350	150	89	57	71	53	74	58
Water and sewerage:										
New water connections	114	93	116	166	57	7	36	105	111	144
New sewage connections	299	275	132	11	120	22	31	22	28	29
Average daily consumption (thousands of gallons)	6,195	5,719	5,760	5,992	5,688	5,242	5,179	5,271	5,288	5,526
Average daily sewage treatment (thousands of gallons)	5,280	5,465	5,870	4,710	4,550	4,370	4,940	4,270	5,120	4,900
Gas:										
Breaks on gas main	15	21	10	13	14	1	2	5	6	-
Solid waste:										
Refuse collected (tons/day)	480	485	392	392	412	412	419	442	442	442
Recyclables collected (tons/day)	8	7	9	9	11	11	13	15	15	15

Data Sources: Various City Departments  
Note: Indicators not available for the general government function



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

Function	Fiscal Year Ended June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	83	86	86	83	86	82	77	89	86	89
Fire stations	4	5	5	5	5	5	5	5	5	5
Fire engines	10	10	10	10	10	10	10	10	11	11
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	6	6	6	6	6	6	6	6
Parks acreage	207	207	207	207	207	207	207	207	207	207
Parks	14	14	14	14	14	14	14	14	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	207	207	207	207	207	207	207	207	209	209
Streetlights (additions)	87	138	138	155	25	25	25	52	209	50
Traffic signals (City owned)	9	9	9	9	9	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	210	215	430	432	434	435	442	446	448	449
Fire hydrants	1,850	1,900	2,000	2,030	2,040	2,060	1,919	1,919	1,929	1,939
Maximum daily water capacity	13,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
(thousands of gallons)										
Sanitary sewers (miles)	215	215	215	215	215	215	215	215	215	215
Storm sewers (miles)	57	57	57	57	57	57	57	57	57	57
Maximum daily sewer treatment capacity	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
(thousands of gallons)										
Gas:										
Gas lines (miles)	310	324	351	309	326	326	327	327	339	343
Number of distribution stations	11	11	13	13	13	14	17	18	19	19
Sanitation:										
Collection trucks	34	35	35	38	41	41	42	44	44	44

Data Sources: Various City Department  
Note: No capital asset statistics are available for the general government function.



**LAGRANGE**  
GEORGIA