

CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2017

Prepared by:
Keith Lee, Finance Director

INTRODUCTORY SECTION



CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2017

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LAWRENCEVILLE

Letter of Transmittal



April 3, 2018

To the Mayor, Members of Council and the Citizens of the City of Lawrenceville:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended August 31, 2017. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The CAFR contains three primary sections: introductory, financial and statistical. A compliance section is included to satisfy other legal requirements. The introductory section consists of the letter of transmittal and the organizational chart for the City of Lawrenceville. The financial section contains the independent auditor's report, management's discussion and analysis, the basic financial statements, the notes to the financial statements, and combining and individual fund statements and schedules. The statistical section presents historical financial and demographic information providing readers a better understanding the City's economic condition.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Designed to complement the Management Discussion and Analysis (MD&A) section, this Letter of Transmittal should be read in conjunction with it.

CITY PROFILE

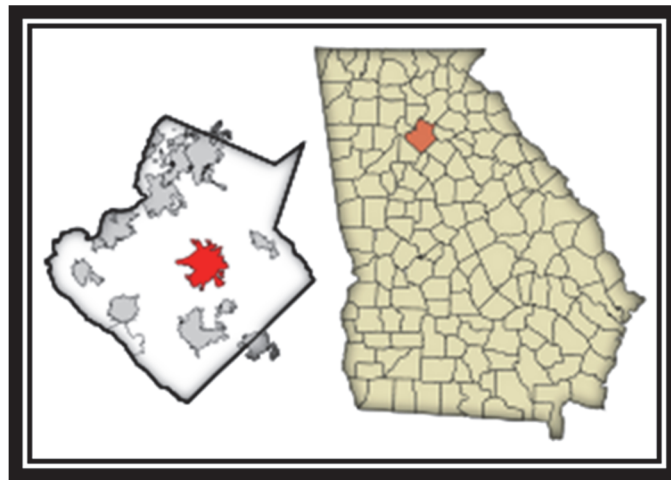
The City is a municipal corporation created and existing under the laws of the State of Georgia and has as its formal name the "City of Lawrenceville, Georgia." Chartered on December 15, 1821, the City is the oldest city in the metropolitan Atlanta area. Lawrenceville was named after Captain James Lawrence, commander of the USS Chesapeake during the War of 1812.



LAWRENCEVILLE

GEORGIA

The City is located in the north central portion of the State of Georgia approximately 34 miles northeast of Atlanta, Georgia and 40 miles west of Athens, Georgia. The City is the county seat of Gwinnett County, which is the second largest Georgia County by population. The City presently has a land area of approximately 13.1 square miles. The City is part of the Atlanta Standard Metropolitan Statistical Area, as designated by the Bureau of the Census of the U.S. Department of Commerce. The City's elevation averages 1,060 feet above sea level, and its terrain is rolling.



Conveniently Located Northeast of Atlanta

CITY ADMINISTRATION AND OFFICIALS

The affairs of the City are conducted by a City Council consisting of a Mayor and four councilmembers. Under the City's Charter, all powers of government of the City are vested in the City Council. The Mayor and the other councilmembers serve four-year terms of office. No person elected in 2012 or thereafter may serve as Mayor or as a councilmember for more than 12 consecutive years. No person is eligible to serve as Mayor or as a councilmember unless he or she was a resident of the City immediately prior to the date of election, the person continues to reside in the City during the term of office, and is registered and qualified to vote in municipal elections of the City.

Posts numbered one through four designate all councilmember positions. Candidates for election to councilmember positions must designate, at the time of qualifying, the post to which they are seeking election. The Mayor and all councilmembers are elected at large.

The Mayor is a member of the City Council, presides at all meetings of the City Council, and votes on matters before the City Council. The current Mayor is Mrs. Judy Jordan Johnson who has served as Mayor since January 2011.

The City Manager is appointed by the City Council, is responsible for the day-to-day operations of the City. Chuck Warbington has served as City Manager since April 2016.



Prior to his appointment as City Manager, Mr. Warbington served as the Executive Director of the Gwinnett Village Community Improvement District. He also currently presides as the Chairperson of the Gwinnett County Planning Commission. Steve North has served as Deputy City Manager for the City since 2012. Mr. North has over 30 years' experience in local government management. From 1996 to 2011, he worked for Gwinnett County, Georgia in a variety of management positions.

CITY SERVICES

The City provides a range of municipal government services to its residents. The City is responsible for police protection services to residents of the City. Fire protection is provided by Gwinnett County. The City also offers water service, storm water management, sanitation services, electric, and natural gas services to the citizens of Lawrenceville. Additionally, gas service is supplied to residents outside the City. The City also offers recreational and cultural activities, traffic control, municipal court, and E911 services to its residents and acquires, constructs, and maintains roads and infrastructure. The City provides building inspection, code enforcement, and community development services to its residents.

Private entities and other governmental entities provide services and facilities to residents of the City in addition to those provided by the City. Gwinnett County provides sanitary sewer service throughout the City, although some households and businesses in older areas of the City remain on septic systems. There are four privately operated landfills and several private recycling facilities in Gwinnett County.



Lawrenceville Police Department Constructed Using 2005 SPLOST Funds

CITY FACILITIES

The City maintains approximately 92.26 miles of streets and approximately 2,000 streetlights. The City's police department had, as of August 31, 2016, one police station, 72 sworn police officers, 25 civilian employees, and 132 vehicles. The City owns three parks (Bartow Jenkins Park, a portion of Rhodes Jordan Park, and Lawrenceville Lawn) comprised of approximately 12.5 acres, one amphitheater, one playground, one fountain, two sand volley ball courts, 1.1 miles of pedestrian trails, and one picnic area. Rhodes



LAWRENCEVILLE

GEORGIA

Jordan Park is maintained and operated by Gwinnett County. Bartow Jenkins Park is a passive park consisting of a one-mile walking trail along with outdoor exercise equipment to promote wellness for the citizens of Lawrenceville. Lawrenceville Lawn consists of seven acres of park and event space near the center of the City's downtown area. Now in its fourth year of operation, Lawrenceville Lawn hosts concerts, movies, festivals, and provides general outdoor recreation for City residents and tourists.



Rock'n Ribville, an annual festival drawing thousands to Lawrenceville

The City owns and operates a water supply, treatment, and distribution system that serves an area that includes the corporate limits of the City and certain designated areas outside the City's corporate limits. The City has several wells and purchases water from Gwinnett County to supplement its water supply. The City's water system has approximately 7,000 customers, including residential, commercial, and industrial customers. The major assets of the City's water system consist of approximately 100 miles of distribution pipeline and 750 fire hydrants.

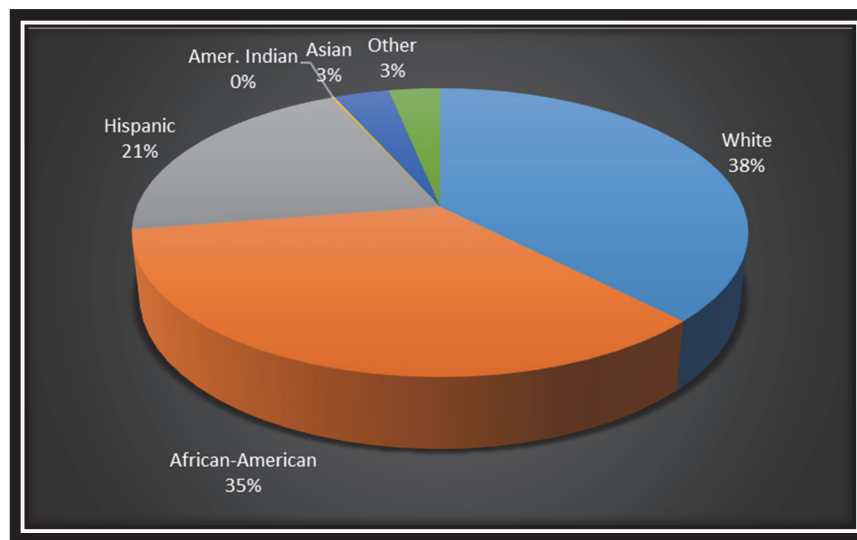
The City also owns and operates a retail electric distribution system that serves an area including most of the corporate limits of the City and certain designated areas outside the City's corporate limits. The City's electric system has approximately 10,400 customer accounts. The major assets of the City's electric system consist of four substations with a combined 15 circuits and approximately 170 miles of distribution line.

The City also operates a retail natural gas distribution system that serves an area that includes the corporate limits of the City and certain designated areas outside the City's corporate limits, including portions of Gwinnett County, Rockdale County, and Walton County. The City's gas system serves an approximately 230 square mile area containing an estimated population in excess of 115,000 and has approximately 49,000 customer accounts. The major assets of the City's gas system consist of three delivery points, 135 regulator stations, 58 miles of high-pressure pipeline, and approximately 1,352 miles of distribution pipeline.



DEMOGRAPHIC INFORMATION

According to the population estimates provided by the United States Census Bureau for 2016, the population in Lawrenceville is 30,782. From 2010 until 2015, the City has added 2,391 residents, a 8.4% increase. The median age of the residents of the City is 35.1 years, and 52.2% of the population is female while 47.8% is male. The following chart demonstrates the racial composition of the City.



Racial Composition of the City of Lawrenceville

ECONOMIC INFORMATION

The City has historically been known as an economic hub for Gwinnett County due to its central location and its status as the county seat. Due to the presence of Gwinnett Medical Center, Georgia Gwinnett College and the Gwinnett County government and court system, the economic base is primarily represented by health care and social services, government services, and education, which represents more than 55% of the employment in Lawrenceville.

In preparation for issuing its Series 2015 Lawrenceville Building Authority Revenue Bonds in September 2015, the City of Lawrenceville was issued a bond rating of AA- from Standard & Poor's (S&P) and a rating of Aa3 from Moody's. According to S&P, this rating is due in part to the City's "strong management, with 'good' financial policies and practices."

The Council has continued to seek out new methods of encouraging growth and development within the City. In September 2015, the City developed an Economic Development Strategic Plan, which is supported by elected officials and key stakeholders within the community. The purpose of the strategic plan is to serve as a framework to



guide the City in recruiting new business, retaining current businesses, and improving the quality of life for both current and future residents while simultaneously preserving the City's cultural and historic assets. Some of the key components of the strategic plan include Downtown revitalization, creating diverse housing opportunities, and workforce development.

Niche.com named the City of Lawrenceville one of its "Best Suburbs in Atlanta Metro" for 2016. The City was given "A" or "A-" grades for Public Schools, Diversity, Health and Fitness, Nightlife, and Family Amenities. Following the Great Recession, the City of Lawrenceville has experienced a resurgence in construction activity. Trulia indicates the City has seen a 11.67% rise in median sales price for 2017 with a median sales price of \$201,000 in August 2017.

CITY AMENITIES

The Gwinnett County Historic Courthouse Grounds, maintained by Gwinnett County, is located at the center of the City's historic downtown area. The downtown area offers residents and visitors an array of sightseeing, shopping, dining, and other entertainment opportunities within walking distance of the historic courthouse. The Aurora Theatre is located in the downtown area. Sleepy Hollow, a popular television show, has also filmed in downtown Lawrenceville.



Gwinnett County Historic Courthouse

The Gwinnett County Library System serves the City with one branch inside the corporate limits of the City and two additional branches located in unincorporated Gwinnett County just outside the City.



Several nearby hospitals and medical centers are available to residents of the City. Gwinnett Medical Center, with its flagship, full-service hospital located in the City limits, is a 553-bed, not-for-profit health care network that provides a wide array of high-quality healthcare services and facilities. Gwinnett Medical Center is also home to a Level II trauma center. The Lawrenceville campus includes the Strickland Heart Center, which performs open-heart surgery, Gwinnett Day Surgery, the Gwinnett Extended Care Center, and the Gwinnett Women's Pavilion, a free-standing hospital for women. In addition, Gwinnett Medical Center operates a community hospital in Duluth, Georgia, approximately seven miles north of the City, which provides acute and emergency care services. Eastside Medical Center is located six miles away in Snellville, Georgia.

The City is well connected to the region via multiple roadways that extend through the City. Highways serving the City, which include U.S. Interstate 85, U.S. Route 29, and State Routes 20, 120, 124, and 316, provide connections with the interstate system in the metro area. The Metropolitan Atlanta Rapid Transit Authority ("MARTA") provides bus and heavy rail transportation in neighboring DeKalb and Fulton Counties. The Gwinnett County Bus System is designed to provide linkages with the MARTA system. The closest MARTA rail station to the City is located approximately 20 miles south. Private air service is available at the Gwinnett County Airport-Briscoe Field, located in the City and DeKalb-Peachtree Airport, located 23 miles away in Chamblee, Georgia. Commercial air service is available at Hartsfield-Jackson Atlanta International Airport and is located approximately 50 miles south of the City.

Access to Several Major Highways

Public education in the City is provided by the Gwinnett County School District, which is the largest public school system in Georgia. There are three high schools (Central Gwinnett, Phoenix, and Discovery) located in the City limits and three more (Mountain View, Collins Hill, and Archer) that serve the surrounding area. Three middle schools (Jordan, Moore, and Richards) and eight elementary schools (Benefield, Baggett, Alford, Cedar Hill, Lawrenceville, Simonton, Margaret Winn Holt, and Jenkins) currently support the high schools in the City limits. In addition, a public charter school, the Gwinnett School of Math, Science, and Technology (GSMST), is located just outside the City limits. The Washing Post ranked GSMST the most challenging school in the State of Georgia and 27th nationally.

Georgia Gwinnett College, a four-year, bachelor-degree granting institution of the University System of Georgia, is located in the City and has an enrollment of approximately 12,000 students. Gwinnett Technical College, the flagship vocational school for the Technical College System of Georgia, is located just outside the corporate limits of the City and serves approximately 10,000 students. Many additional colleges, universities, and vocational schools serving the Atlanta area are located within a fifty-mile radius of the City.



Daniel J. Kaufman Library & Learning Center at Georgia Gwinnett College

FINANCIAL INFORMATION

In accordance with the laws of the State of Georgia, the City adopts annual appropriated budgets for all governmental funds. These budgets are created on a basis consistent with generally accepted accounting principles and adopted through the passage of an annual budget ordinance. The budgets are adopted by the Council with the legal level of control being set at the department level. The Lawrenceville Downtown Development Authority (DDA) is a separate entity from the City.

City management is responsible for maintaining an internal accounting control system. Its purpose is to ensure that City assets are protected from loss, theft and misuse, and to make sure that sufficient accounting data is collected to allow for the preparation of financial statements that fairly represent the City's position in conformity with generally accepted accounting principles. These controls should provide reasonable assurance that these objectives are met. Reasonable assurance indicates that the cost of a control should not exceed its perceived benefit and that the evaluation of costs and benefits requires estimates and judgment by management.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. Mauldin & Jenkins, LLC issued an unmodified opinion on the financial statements for the fiscal year ended August 31, 2016.



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 Lawrenceville, Georgia, for its CAFR for fiscal years 2015 and 2016. This was the second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

ACKNOWLEDGEMENTS

The preparation of this document would not be possible without the cooperation of all City departments. We appreciate the dedication of each member of these departments for their contribution in preparing this report.

Respectfully,

Keith Lee
Finance Director

CITY OF LAWRENCEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS AUGUST 31, 2017

Mayor Judy Jordan Johnson

City Council

Bob Clark

Tony Powell

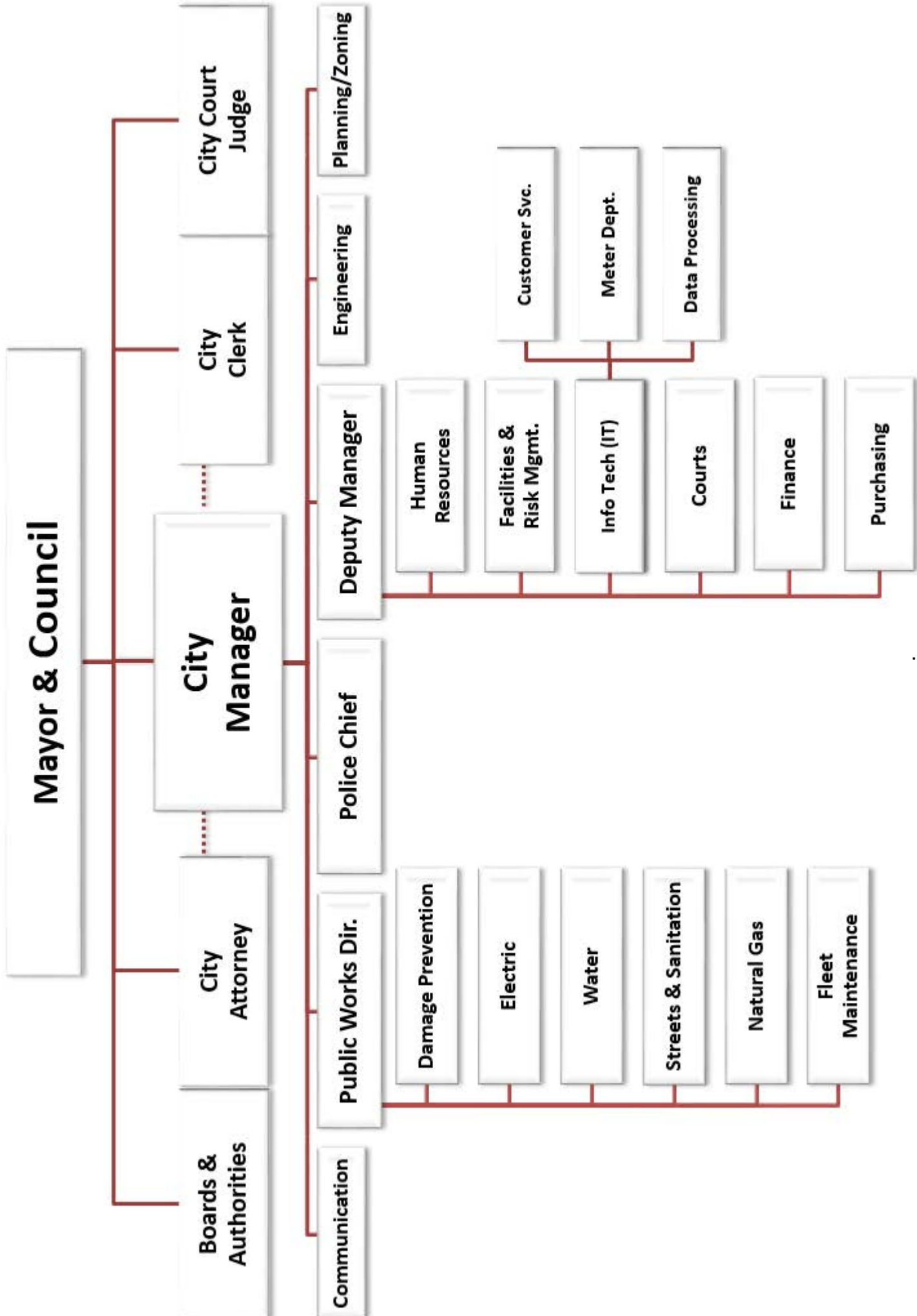
Keith Roche

David Still

Management

Chuck Warbington, City Manager

Steve North, Deputy City Manager





Government Finance Officers Association

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

Presented to

**City of Lawrenceville
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Of City Council
City of Lawrenceville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Lawrenceville, Georgia (the "City")** as of and for the year ended August 31, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceville, Georgia as of August 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 and the schedule of funding progress on pages 4 through 14 and 57, respectively, 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 Lawrenceville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedule of expenditures of special purpose local option sales tax proceeds (the “supplementary 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 supplementary information is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2018, on our consideration of the City of Lawrenceville, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lawrenceville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lawrenceville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 3, 2018

**CITY OF LAWRENCEVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2017**



Within this section of the City of Lawrenceville, Georgia's (the "City") basic financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended August 31, 2017. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government. Unless otherwise noted, component units, related organization, and joint ventures reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The accounting, financial reporting, and significant practices of the City are discussed in subsequent sections, and the remainder of the Notes are organized to provide explanations and other required disclosures for the City's financial activities.

The City's assets exceeded its liabilities and deferred inflows of resources by \$332,355,409 (net position) as of the end of the fiscal year reported. This compares to the previous year when assets exceeded liabilities and deferred inflows of resources by \$330,634,626.

Total net position is comprised of the following:

- (1) Net investment in capital assets of \$312,029,776 includes land, construction in progress, improvements, vehicles, equipment, and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$29,680,915 is restricted by constraints imposed from outside the City such as grantors, laws, or regulations.
- (3) Unrestricted net position of **-\$9,355,282** represents the portion not available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported total ending fund balance of \$49,351,840 this year. This compares to the prior year ending fund balance of \$68,026,173 showing a decrease of \$18,674,333 during the current year. Unassigned fund balance of \$8,036,097 as of the fiscal year ended August 31, 2017 shows an increase of \$11,631,252 from the prior year.

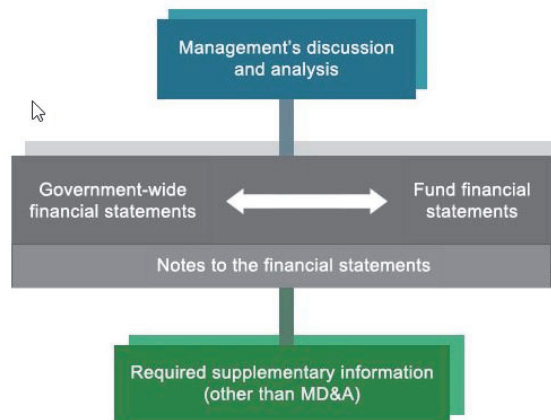
At the end of the fiscal year, unassigned fund balance for the General Fund was \$8,036,097 or 29.26% of total General Fund expenditures.



Total liabilities of the City increased by \$6,857,474 to \$109,704,533 during the fiscal year. Accounts Payable and OPEB obligations were the primary contributing factor to the increase. The net OPEB obligation due increased by \$3,696,117 due to increasing projected retiree health insurance costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.



Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the City-wide statement of position presenting information that includes all of the City's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash was received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.



Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues such as grants from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, court, planning and development, communications and community development, public safety, and public works. Business-type activities include electric system, gas system, water system utilities, storm water, and solid waste disposal and management.

The City's financial reporting includes the funds of the City (primary government) and organizations for which the City is accountable (component units). The city had three reportable component units. Other organizations such as related organizations and joint ventures are reported separately and are not included in the City's overall reporting entity.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City Has Two Kinds Of Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the difference between these two perspectives.

A budgetary comparison statement is included in the basic financial statements for the general fund. Budgetary comparison schedules for special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budgets.



Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds - enterprise funds and internal service funds. The City utilizes only enterprise funds. Enterprise funds essentially encompass the same functions as reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as electric, gas, and water utilities, solid waste disposal and management, and storm water management. These statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds. The City has no internal service funds and two non-major enterprise funds.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other information

Other supplementary information includes details by non-major fund. Supplementary information follows the notes to the financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's net position (governmental and business-type activities) at fiscal year-end is \$332,355,409. This is an increase of \$1,720,783 from last year's net position of \$330,634,626. The following table provides a summary of the City's net position:

City of Lawrenceville Statement of Net Position							
	Governmental Activities		Business-type Activities		Total		Percent of Total
	2017	2016	2017	2016	2017	2016	
Assets:							
Current assets	\$ 63,826,667	\$ 80,124,659	\$ 63,654,869	\$ 66,904,147	\$ 127,481,536	\$ 147,028,806	29%
Capital assets, net	256,618,307	234,587,027	59,799,128	53,649,357	316,417,435	288,236,384	71%
Total assets	320,444,974	314,711,686	123,453,997	120,553,504	443,898,971	435,265,190	
Liabilities							
Current liabilities	11,809,207	9,905,469	7,434,441	5,711,395	19,243,648	15,616,864	18%
Long-term liabilities, net	31,850,270	26,230,704	58,610,615	60,999,671	90,460,885	87,230,375	82%
Total liabilities	43,659,477	36,136,173	66,045,056	66,711,066	109,704,533	102,847,239	
Deferred Inflows of Resources							
Unearned property tax	1,839,029	1,783,325	-	-	1,839,029	1,783,325	100%
Total deferred inflows of resources	1,839,029	1,783,325	-	-	1,839,029	1,783,325	
Net Position							
Net investment in capital assets	256,488,338	234,587,027	55,541,438	9,040,636	312,029,776	243,627,663	94%
Restricted	29,680,915	45,598,469	-	-	29,680,915	45,598,469	9%
Unrestricted	(11,222,785)	(3,393,308)	1,867,503	44,801,802	(9,355,282)	41,408,494	-3%
Total net position	\$ 274,946,468	\$ 276,792,188	\$ 57,408,941	\$ 53,842,438	\$ 332,355,409	\$ 330,634,626	



The City reported positive balances in net position for both governmental and business-type activities. Net position decreased by \$1,845,720 for governmental activities and increased by \$3,566,503 for business-type activities. The City's overall financial position increased by \$1,720,783 during the fiscal year ended August 31, 2017. For governmental activities, current assets decreased by \$16,297,992. The decrease is due the use of construction of bond proceeds and SPLOST projects during the fiscal year. The current assets were used in the increases in capital assets. Capital assets for the fiscal year increased by \$22,031,280 as a result of bond project and SPLOST project construction.

Liabilities for governmental activities increased \$7,523,304. The primary reason for this increase is due to an increase in the estimated net OPEB obligation by \$3,696,117, due in more than one year. Additionally an increase in notes payable increased by \$2,600,000 due to a DDA contract for the purchase of property in the downtown area.

In the business-type activities, total assets increased by \$2,900,493 to \$123,453,997. Current assets saw a decrease from the prior year of \$3,249,278 to \$63,654,869. Cash and cash equivalents and investments decreased by \$2,852,851. The decrease in cash is attributed to contributions to the General Fund. Capital assets increased \$6,149,771. The increase is due to construction in progress as well as completed capital projects.

Total liabilities for business-type activities decreased \$666,010 to \$66,045,056. Current liabilities increased \$1,723,046 to \$7,434,441 resulting primarily from increases of \$1,402,177 in accounts payable. Long-term liabilities decreased \$2,389,056 to \$58,610,615. This decrease is a result of the City's continued annual debt service on the revenue bonds, and the amortization of the related premiums.



LAWRENCEVILLE

GEORGIA

The following table provides a summary of the City's changes in net position:

City of Lawrenceville Changes in Net Position								
	Governmental Activities		Business-type Activities		Total		Percent of Total	
	2017	2016	2017	2016	2017	2016		
Revenues:								
Program revenues:								
Charges for services	\$ 2,810,694	\$ 3,440,022	\$ 79,124,603	\$ 74,927,515	\$ 81,935,297	\$ 78,367,537	84.9%	
Operating grants & contributions	1,115,667	1,109,317	-	-	1,115,667	1,109,317	1.2%	
Capital grants & contributions	6,206,304	4,945,347	-	-	6,206,304	4,945,347	6.4%	
General revenues:								
Property taxes	2,352,464	2,284,639	-	-	2,352,464	2,284,639	2.4%	
Franchise taxes	1,022,454	1,076,929	-	-	1,022,454	1,076,929	1.1%	
Excise taxes	788,365	824,788	-	-	788,365	824,788	0.8%	
Hotel/Motel taxes	339,272	323,791	-	-	339,272	323,791	0.4%	
Insurance premium tax	1,772,000	1,635,902	-	-	1,772,000	1,635,902	1.8%	
Financial institution taxes	223,386	283,985	-	-	223,386	283,985	0.2%	
Other taxes	132,660	131,173	-	-	132,660	131,173	0.1%	
Unrestricted interest	243,690	252,781	63,254	62,762	306,944	315,543	0.3%	
Miscellaneous	80,391	30,156	198,627	452	279,018	30,608	0.3%	
Gain on sale of assets	-	-	63,114	7,025	63,114	7,025	0.1%	
Total revenues	17,087,347	16,338,830	79,449,598	74,997,754	96,536,945	91,336,584	100%	
Expenses:								
General government	10,718,859	6,888,155	-	-	10,718,859	6,888,155	11.3%	
Judicial	808,415	1,157,349	-	-	808,415	1,157,349	0.9%	
Public safety	11,128,397	13,025,259	-	-	11,128,397	13,025,259	11.7%	
Public works	9,794,500	11,126,532	-	-	9,794,500	11,126,532	10.3%	
Culture and recreation	171,374	141,659	-	-	171,374	141,659	0.2%	
Housing and development	5,183,274	3,180,125	-	-	5,183,274	3,180,125	5.5%	
Interest on long-term debt	154,560	173,229	-	-	154,560	173,229	0.2%	
Water & Sewer	-	-	5,000,957	5,203,776	5,000,957	5,203,776	5.3%	
Electric	-	-	25,654,604	26,363,870	25,654,604	26,363,870	27.1%	
Gas	-	-	24,120,780	26,280,121	24,120,780	26,280,121	25.4%	
Solid waste	-	-	2,011,371	2,287,331	2,011,371	2,287,331	2.1%	
Stormwater	-	-	69,071	77,875	69,071	77,875	0.1%	
Total expenses	37,959,379	35,692,308	56,856,783	60,212,973	94,816,162	95,905,281	100%	
Excess (deficiency) of revenues over (under) expenditures before transfers	(20,872,032)	(19,353,478)	22,592,815	14,784,781	1,720,783	(4,568,697)		
Transfers in (out)	19,026,312	60,494,070	(19,026,312)	(60,494,070)	-	-		
Change in net position	(1,845,720)	41,140,592	3,566,503	(45,709,289)	1,720,783	(4,568,697)		
Net position, beginning	276,792,188	241,025,122	53,842,438	94,189,403	330,634,626	335,214,525		
Restatement	-	(5,373,526)	-	5,362,324	-	(11,202)		
Net position, ending	<u>\$ 274,946,468</u>	<u>\$ 276,792,188</u>	<u>\$ 57,408,941</u>	<u>\$ 53,842,438</u>	<u>\$ 332,355,409</u>	<u>\$ 330,634,626</u>		

Governmental Revenues

Transfers from business-type activities are the main source of revenue for the operations of the City. Transfers provided 73.23% of the City's total governmental revenues (including transfers in) during the fiscal year. Transfers decreased by \$ 41,467,758 as the prior year recognized proceeds from the Series 2015 Capital Projects Fund. Transfers from the Gas System Fund and Electric Fund to the General Fund increased by \$10,252,000 and \$8,760,000 respectively. The largest decrease in the governmental revenues was noted in the Judicial function, Court Revenue decreased by \$660,538 or 41.50%. This decrease was associated with the number of tickets issued. The largest increase in governmental revenues occurred with the insurance premium tax



with an increase of \$136,098. This increase is due to a combination of increased population and rising insurance premiums. The Georgia Commissioner of Insurance distributes this tax annually based on premiums, which are allocated using a population ratio formula.

Governmental Expenses

Total governmental activities costs for the current fiscal year were \$37,959,379, an increase of \$2,267,071 or 6.35% over the prior year. Of this amount, public safety with \$11,128,397 was the largest operating cost, at 29.32% of the total cost for services provided during the fiscal year ending August 31, 2017. The largest increase occurred in the General government function where expenses increased by \$3,830,704 over the prior year. This increase is primarily attributed to acquisition of property and capital projects.

Business-Type Revenues

Program revenues for the combined business-type activities increased from the prior year; saw an increase of approximately 5.6% or \$4,197,088. The largest increase was within the Gas System Fund where charges for services rose by \$4,169,790 or 12.02% from the prior year resulting from increased rates.

Business-Type Expenses

The expenses of the Water System Fund decreased by \$202,819 or 3.90%. The increase in the Water System Fund was due to a change in calculating postage costs for utility bills and internal service fund for group insurance. The gas system expenses declined by \$2,159,341 or 8.22%. The decrease in the Gas System Fund was also due to few costs associated with the improvements at the wholesale delivery points. The expenses of the Electrical System Fund decreased by \$709,266 or 2.69% resulting from a decrease in electricity purchases as well as lower costs for salaries and benefits.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflows and outflows of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$49,351,840. Of this year-end total, \$8,036,097 is unassigned indicating availability for continuing City service requirements. Nonspendable fund balances include \$222,354 for prepaid items; \$3,150,531 for advances to other funds; and \$3,500,000 for land held for resale. Restricted fund balances include \$243,818 for road improvements; \$4,761,943 for housing and development; \$308,289 for emergency telephone system activities; and \$28,594,750 for capital projects.



The total ending fund balances of governmental funds show a decrease of \$18,358,247 over the prior year. This decrease is primarily the result of the events and programs described with the analysis of the City's governmental activities, in particular, the activity related to the Series 2015 Revenue Bonds and the construction of bond and SPLOST projects. The City has initiated and undertaken several new large improvement projects, which are utilizing the proceeds from the Series 2015 Project Fund and much of the fund balance of the SPLOST 2014 Fund.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance of the General Fund increased by \$1,270,240 for the year ended August 31, 2017. Net transfers in from the enterprise funds of \$19,026,312 helped to increase the fund balance of the General Fund from the prior year while providing resources for governmental expenditures. The General Fund's increase in unassigned fund balance is a result of the sale of property used held for resale. General Fund revenues decreased \$219,703 with the most significant decrease occurring with a \$415,834 decline in intergovernmental revenues, a result of construction progress on the two-way conversion of downtown streets. General Fund expenditures increased \$3,441,882 with the City Manager function having the largest increase in the amount of \$1,558,316 due to on going capital projects.

For the second year, The Downtown Development Authority's fund balance decreased. The decrease was \$2,388,480 for the year ended August 31, 2017. This decrease is primarily a result of reduction in land held for resale in the amount of \$2,085,715. Two parcels were sold for development, with a book value of \$1,155,025. A \$452,494 loss on sales of the land held for resale was recognized, and a reduction in the estimated market value of the remaining land held for resale was made in the amount of \$930,690.

The SPLOST 2014 Fund had a fund balance of \$1,474,084 at the end of the fiscal year. The City continues to collect SPLOST revenues from the 2014 SPLOST and the expenditures of the fund exceeded collections by \$4,920,886 as the City continues to expend the SPLOST revenues on the eligible SPLOST projects.

The Series 2015 Project Fund had a fund balance of \$23,390,887 at the end of the fiscal year. The fund received \$161,396 in interest income and expensed \$12,443,190 on bond projects. This resulted in a decline in the fund balance of \$12,281,794.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.



Major Proprietary Funds

The Electrical System Fund provides electricity to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing electric utility services. The City's electric utilities are reported within business-type activities in the government-wide statements. The fund reported a decrease in net position of \$941,261, which was an intentional spend down of available fund to support capital projects in the General Fund. Total assets decreased \$1,308,267 mainly from decreases in cash in the amount of \$3,219,879; however, increases in investments totaled \$2,836,603. Total liabilities decreased \$387,170 due to reductions in accounts payable.

The Gas System Fund provides natural gas to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing natural gas utility services. The City's gas utilities are reported within business-type activities in the government-wide statements. The fund reported an increase in net position of \$3,270,562. Total assets increased \$3,220,263 resulting from an increase of \$10,027,560 in cash offset by a \$13,035,194 decrease in investments; a \$1,068,496 decrease in prepaid items; and a \$6,608,962 increase in capital assets. Total liabilities decreased \$107,691 primarily due to reduction in notes payable of \$2,454,960 and increases in accounts payable of \$1,922,936, caused by the timing of gas purchases.

The Water System Fund provides water to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing safe drinking water. The City's water utilities are reported within business-type activities in the government-wide statements. Net position increased \$545,288; however, the fund still reports a negative unrestricted net position of \$159,991 as of August 31, 2017. Total assets increased \$164,523, which is attributed to a \$366,049 increase in cash accompanied by a \$75,420 decrease in other current assets, and a \$126,106 decrease in capital assets. The decrease in capital assets is a result of increases in accumulated depreciation. Total liabilities decreased \$394,725 due to reductions in accounts payable and advances from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund had an approved revenue budget of \$11,561,380, of which \$9,599,034 was received. The main variation with budget was fines and forfeitures. The City budgeted \$3,094,800 for fines and forfeitures, but collected \$1,333,278 or 43.08% of the anticipated revenue. The reason for the variation was due to fewer court cases. The General Fund received \$6,124,346 in tax revenue, which was 98.18% of the approved budget of \$6,238,025. The City transferred \$19,269,529 from its enterprise funds, which was 87.91% of the approved budget. The variance was related to the Gas Fund transfers. The funds were retained by the Gas Fund to meet the fund's "working capital" requirement of 16.67% of expenses, based on the City's working capital policy for enterprise funds.



The General Fund had an approved expenditure budget of \$30,529,625 and expensed \$27,463,962 or 89.96%. Savings of \$1,139,595 were recognized in the City Manager and Information Technology functions due to savings in capital projects. The Administrative function did not report expenditures as the budget expenditures were not amended to show as increases in the approved transfers out to the DDA (blended component unit). This was a \$1,026,500 budgeted item. The Planning and development function was \$371,378 due to savings in the Code Enforcement activities. The Economic development function was \$781,110 over budget due to the loss recognized on the sale of property which was previously reported as land held for resale.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's net investment in capital assets for governmental and business-type activities as of August 31, 2017 was \$256,618,307 and \$59,799,128, respectively. The total increase in this net investment was 9.39% for governmental and an increase of 11.46% for business-type activities. The overall increase was 9.78% for the City as a whole. See Note 6 for additional details.

Capital Assets, Net of Accumulated Depreciation

	Capital Assets (Net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 98,033,669	\$ 79,407,165	\$ 1,275,444	\$ 1,246,977	\$ 99,309,113	\$ 80,654,142
Construction in progress	10,702,915	1,987,666	6,924,074	655,121	17,626,989	2,642,787
Plants and buildings	28,488,547	29,064,384	14,069,102	14,041,447	42,557,649	43,105,831
Improvements	6,444,303	6,509,970	-	-	6,444,303	6,509,970
Vehicles	1,497,188	1,928,483	1,328,807	1,525,958	2,825,995	3,454,441
Equipment	2,231,806	2,334,027	3,586,273	4,309,798	5,818,079	6,643,825
Infrastructure	109,219,879	113,355,332	-	-	109,219,879	113,355,332
Utility systems	-	-	32,615,428	31,870,056	32,615,428	31,870,056
Total	\$ 256,618,307	\$ 234,587,027	\$ 59,799,128	\$ 53,649,357	\$ 316,417,435	\$ 288,236,384

Long-term Debt

The City reports the governmental long-term debt of the Downtown Development Authority (the "DDA"), a blended component unit of the City. The DDA's long-term debt as of August 31, 2017 was \$5,705,000 of economic development bonds. The City has agreed, through an intergovernmental agreement, to pay the debt service of the DDA bonds to the extent the DDA does not have resources to make such payments. See Note 7 for further details.

The City also reports the long-term debt of the Lawrenceville Building Authority (LBA), a blended component unit of the City reported as a proprietary fund type as part of the Gas System Fund. In September 2015, the LBA issued the Series 2015 Revenue Bonds for \$56,740,000. The City made debt service payments in the amount of \$1,875,000 during the fiscal year ended August 31, 2017, reducing the outstanding balance to \$51,900,000. The City has agreed to make payments to the LBA sufficient to pay the debt service of the bonds. The City has also pledged



to levy an additional ad valorem tax on all taxable property located within the City limits, should it be necessary to make the debt service payments. See Note 7 for further details.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGETS

The general outlook for the City of Lawrenceville, Georgia's economy for next year is moderate growth. The City has a low to moderate cost of living and relatively low unemployment. The City has not experienced any major downturns in the economy and has a stable economic environment.

For the fiscal year 2018, the City Council approved a total budget of \$182.3 million. This budget includes operating and non-operating funds. The General Fund budget is \$40.0 million, which includes approximately \$24.6 million operating transfers from business-type activities (Proprietary Funds). The City's budgets and relative fund balances are maintained in compliance with the City's adopted financial policies.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City Director of Finance, at P. O. Box 2200, Lawrenceville, Georgia 30046.

CITY OF LAWRENCEVILLE, GEORGIA

STATEMENT OF NET POSITION AUGUST 31, 2017

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 40,788,801	\$ 20,671,481	\$ 61,460,282
Investments	8,016,679	34,830,759	42,847,438
Taxes receivable, net of allowances	1,820,775	-	1,820,775
Accounts receivable, net of allowances	919,635	10,007,318	10,926,953
Due from other governments	1,219,634	-	1,219,634
Internal balances	1,854,689	(1,854,689)	-
Land held for resale	8,925,720	-	8,925,720
Prepaid items	280,734	-	280,734
Capital assets:			
Non-depreciable	108,736,584	8,199,518	116,936,102
Depreciable, net of accumulated depreciation	147,881,723	51,599,610	199,481,333
Total assets	<u>320,444,974</u>	<u>123,453,997</u>	<u>443,898,971</u>
LIABILITIES			
Accounts payable	2,971,430	6,339,092	9,310,522
Accrued liabilities	1,290,617	1,089,974	2,380,591
Customer deposits	7,547,160	5,375	7,552,535
Interest payable	14,758	992,432	1,007,190
Net OPEB obligation due in more than one year	22,507,099	-	22,507,099
Compensated absences, due within one year	282,750	90,724	373,474
Compensated absences, due in more than one year	282,750	90,720	373,470
Claims and judgments payable, due within one year	327,944	-	327,944
Capital lease payable, due within one year	56,109	-	56,109
Capital lease payable, due in more than one year	73,860	-	73,860
Note payable, due within one year	100,000	-	100,000
Note payable, due in more than one year	2,500,000	-	2,500,000
Bonds payable, due within one year	895,000	1,930,000	2,825,000
Bonds payable, due in more than one year	4,810,000	55,506,739	60,316,739
Total liabilities	<u>43,659,477</u>	<u>66,045,056</u>	<u>109,704,533</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	1,839,029	-	1,839,029
Total deferred inflows of resources	<u>1,839,029</u>	<u>-</u>	<u>1,839,029</u>
NET POSITION			
Net investment in capital assets	256,488,338	55,541,438	312,029,776
Restricted for:			
Public safety	450,504	-	450,504
Road improvements	243,818	-	243,818
Emergency telephone activities	308,289	-	308,289
Culture and recreation	83,554	-	83,554
Capital projects	28,594,750	-	28,594,750
Unrestricted	(11,222,785)	1,867,503	(9,355,282)
Total net position	<u>\$ 274,946,468</u>	<u>\$ 57,408,941</u>	<u>\$ 332,355,409</u>

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

CITY OF LAWRENCEVILLE, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for	Operating	Capital
		Services	Grants and	Grants and
			Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$ 10,718,859	\$ 1,633,271	\$ -	\$ 272,456
Judicial	808,415	931,111	-	-
Public safety	11,128,397	190,976	1,115,667	-
Public works	9,794,500	4,725	-	2,440,440
Culture and recreation	171,374	50,611	-	3,493,408
Housing and development	5,183,274	-	-	-
Interest on long-term debt	154,560	-	-	-
Total governmental activities	37,959,379	2,810,694	1,115,667	6,206,304
Business-type activities:				
Water & Sewer	5,000,957	5,347,618	-	-
Electric	25,654,604	33,460,867	-	-
Gas	24,120,780	38,861,072	-	-
Solid waste	2,011,371	684,316	-	-
Stormwater	69,071	770,730	-	-
Total business-type activities	56,856,783	79,124,603	-	-
Total primary government	\$ 94,816,162	\$ 81,935,297	\$ 1,115,667	\$ 6,206,304

General revenues:

Property taxes

Franchise taxes

Excise taxes

Hotel/Motel occupancy taxes

Insurance premium tax

Financial institution taxes

Other taxes

Unrestricted investment earnings

Miscellaneous

Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, restated

Net position, end of year

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

Net (Expenses) Revenues and		
Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (8,813,132)	\$ -	\$ (8,813,132)
122,696	-	122,696
(9,821,754)	-	(9,821,754)
(7,349,335)	-	(7,349,335)
3,372,645	-	3,372,645
(5,183,274)	-	(5,183,274)
(154,560)	-	(154,560)
(27,826,714)	-	(27,826,714)
-	346,661	346,661
-	7,806,263	7,806,263
-	14,740,292	14,740,292
-	(1,327,055)	(1,327,055)
-	701,659	701,659
-	22,267,820	22,267,820
(27,826,714)	22,267,820	(5,558,894)
\$ 2,352,464	\$ -	\$ 2,352,464
1,022,454	-	1,022,454
788,365	-	788,365
339,272	-	339,272
1,772,000	-	1,772,000
223,386	-	223,386
132,660	-	132,660
243,690	63,254	306,944
-	198,627	198,627
80,391	63,114	143,505
19,026,312	(19,026,312)	-
25,980,994	(18,701,317)	7,279,677
(1,845,720)	3,566,503	1,720,783
276,792,188	53,842,438	330,634,626
\$ 274,946,468	\$ 57,408,941	\$ 332,355,409

CITY OF LAWRENCEVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2017**

ASSETS	General Fund	Downtown Development Authority	SPLOST 2014 Fund	Series 2015 Project Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 9,290,540	\$ 335,396	\$ 1,666,212	\$ 25,253,224	\$ 4,115,199	\$ 40,660,571
Investments	8,016,679	-	-	-	-	8,016,679
Taxes receivable, net of allowance	1,778,632	4,880	-	-	37,263	1,820,775
Accounts receivables, net of allowance	619,635	300,000	-	-	-	919,635
Due from other governments	166,649	-	284,436	-	768,549	1,219,634
Due from other funds	45,006	-	-	-	4,900	49,906
Advances to other funds	3,150,531	-	-	-	-	3,150,531
Prepaid items	204,946	-	-	-	17,408	222,354
Land held for resale	3,500,000	5,425,720	-	-	-	8,925,720
Total assets	\$ 26,772,618	\$ 6,065,996	\$ 1,950,648	\$ 25,253,224	\$ 4,943,319	\$ 64,985,805
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,203,131	\$ 4,053	\$ 184,980	\$ 1,267,583	\$ 311,083	\$ 2,970,830
Accrued liabilities	666,520	-	7,148	594,754	22,195	1,290,617
Customer deposits	7,547,160	-	-	-	-	7,547,160
Due to other funds	4,900	-	-	-	20,507	25,407
Advances from other funds	-	1,300,000	-	-	-	1,300,000
Total liabilities	9,421,711	1,304,053	192,128	1,862,337	353,785	13,134,014
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - other	18,100	-	-	-	-	18,100
Unavailable revenue - fines receivable	193,022	-	-	-	-	193,022
Unavailable revenue - intergovernmental	165,364	-	284,436	-	-	449,800
Unearned revenue - property taxes	1,839,029	-	-	-	-	1,839,029
Total deferred inflows of resources	2,215,515	-	284,436	-	-	2,499,951
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	204,946	-	-	-	17,408	222,354
Advances to other funds	3,150,531	-	-	-	-	3,150,531
Land held for resale	3,500,000	-	-	-	-	3,500,000
Restricted:						
Public safety	-	-	-	-	450,504	450,504
Road improvements	243,818	-	-	-	-	243,818
Emergency telephone system activities	-	-	-	-	308,289	308,289
Capital projects	-	-	1,474,084	23,390,887	3,729,779	28,594,750
Culture and recreation	-	-	-	-	83,554	83,554
Assigned - Housing and development	-	4,761,943	-	-	-	4,761,943
Unassigned	8,036,097	-	-	-	-	8,036,097
Total fund balances	15,135,392	4,761,943	1,474,084	23,390,887	4,589,534	49,351,840
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,772,618	\$ 6,065,996	\$ 1,950,648	\$ 25,253,224	\$ 4,943,319	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	256,618,307
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	660,922
Internal service funds are used by the City at charge cost to other funds. The assets and liabilities are included in the governmental activities.	(17,275)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(31,667,326)

Net position of governmental activities	<u>\$ 274,946,468</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF LAWRENCEVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

	General Fund	Downtown Development Authority	SPLOST 2014 Fund	Series 2015 Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 6,124,346	\$ -	\$ -	\$ -	\$ 512,457	\$ 6,636,803
Licenses and permits	405,945	-	-	-	-	405,945
Intergovernmental	357,152	-	2,693,367	-	2,688,580	5,739,099
Fines and forfeitures	1,333,278	-	-	-	154,985	1,488,263
Charges for services	748,150	50,611	-	-	-	798,761
Interest income	80,115	457	7,249	161,396	8,962	258,179
Miscellaneous	550,048	-	-	-	-	550,048
Total revenues	<u>9,599,034</u>	<u>51,068</u>	<u>2,700,616</u>	<u>161,396</u>	<u>3,364,984</u>	<u>15,877,098</u>
EXPENDITURES						
Current:						
General government	8,335,880	-	-	-	-	8,335,880
Judicial	808,895	-	-	-	-	808,895
Public safety	8,905,083	-	-	-	1,548,708	10,453,791
Public works	6,641,013	-	-	-	-	6,641,013
Culture and recreation	-	-	-	-	171,374	171,374
Housing and development	2,773,091	5,981,833	-	-	-	8,754,924
Capital outlay	-	-	7,450,204	12,443,190	310,186	20,203,580
Debt service:						
Principal retirements	-	870,000	-	-	63,290	933,290
Interest	-	153,500	-	-	-	153,500
Total expenditures	<u>27,463,962</u>	<u>7,005,333</u>	<u>7,450,204</u>	<u>12,443,190</u>	<u>2,093,558</u>	<u>56,456,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,864,928)</u>	<u>(6,954,265)</u>	<u>(4,749,588)</u>	<u>(12,281,794)</u>	<u>1,271,426</u>	<u>(40,579,149)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	85,245	-	-	-	-	85,245
Issuance of note payable	-	2,600,000	-	-	-	2,600,000
Issuance of capital lease	193,259	-	-	-	-	193,259
Transfers in	19,269,529	1,965,785	78,702	-	250,000	21,564,016
Transfers out	(2,030,175)	-	(250,000)	-	(257,529)	(2,537,704)
Total other financing sources (uses)	<u>17,517,858</u>	<u>4,565,785</u>	<u>(171,298)</u>	<u>-</u>	<u>(7,529)</u>	<u>21,904,816</u>
Net change in fund balance	(347,070)	(2,388,480)	(4,920,886)	(12,281,794)	1,263,897	(18,674,333)
FUND BALANCES, beginning of year, as restated	<u>15,482,462</u>	<u>7,150,423</u>	<u>6,394,970</u>	<u>35,672,681</u>	<u>3,325,637</u>	<u>68,026,173</u>
FUND BALANCES, end of year	<u>\$ 15,135,392</u>	<u>\$ 4,761,943</u>	<u>\$ 1,474,084</u>	<u>\$ 23,390,887</u>	<u>\$ 4,589,534</u>	<u>\$ 49,351,840</u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

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

Net change in fund balances - total governmental funds	\$	(18,674,333)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		20,830,218
The net effect of various miscellaneous transactions involving capital assets (i.e., donations, disposal, and sales) is to decrease net position.		1,201,062
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(76,058)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents repayments of the principal of long-term debt.		(1,859,969)
Internal service funds are used by management to charge the costs of insurance plans, workers' compensation insurance, administrative costs, and fleet maintenance costs to individual funds. The net expense of the internal service funds is reported with governmental activities.		423,244
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(3,689,884)</u>
Change in net position - governmental activities	\$	<u><u>(1,845,720)</u></u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,238,025	\$ 6,238,025	\$ 6,124,346	\$ (113,679)
Licenses and permits	322,900	322,900	405,945	83,045
Fines and forfeitures	3,094,800	3,094,800	1,333,278	(1,761,522)
Charges for services	1,068,500	1,068,500	748,150	(320,350)
Intergovernmental	494,620	494,620	357,152	(137,468)
Interest income	70,000	70,000	80,115	10,115
Miscellaneous	272,535	272,535	550,048	277,513
Total revenues	11,561,380	11,561,380	9,599,034	(1,962,346)
EXPENDITURES				
Current:				
General government:				
Administration	1,026,500	1,066,850	-	1,066,850
Mayor	33,350	33,350	34,530	(1,180)
City council	114,770	114,770	120,706	(5,936)
City manager	5,561,630	5,362,685	4,508,539	854,146
City clerk	259,140	259,140	242,504	16,636
Information technology	1,665,750	1,665,750	1,380,301	285,449
Facilities and risk management	801,090	801,090	519,343	281,747
Human resources	471,365	469,133	410,925	58,208
Purchasing	173,930	173,930	168,951	4,979
Financial services	997,220	997,220	937,540	59,680
Elections	16,200	24,995	12,541	12,454
Total general government	11,120,945	10,968,913	8,335,880	2,633,033
Court services	894,710	894,710	808,895	85,815
Police	9,032,883	9,032,883	8,905,083	127,800
Public works:				
Meter	928,900	928,900	890,860	38,040
Garage	758,890	758,890	729,493	29,397
Street	1,823,970	3,667,120	3,208,256	458,864
Damage prevention	1,310,910	1,310,910	1,247,970	62,940
Public works/engineering	2,446,940	603,940	564,434	39,506
Total public works	7,269,610	7,269,760	6,641,013	628,747
Housing and development:				
Planning and development	1,504,145	1,499,414	1,128,036	371,378
Economic development	863,945	863,945	1,645,055	(781,110)
Total housing and development	2,368,090	2,363,359	2,773,091	(409,732)
Total expenditures	30,686,238	30,529,625	27,463,962	3,065,663
Deficiency of revenues over expenditures	(19,124,858)	(18,968,245)	(17,864,928)	1,103,317
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,350,000	1,350,000	85,245	(1,264,755)
Issuance of capital lease	-	-	193,259	193,259
Transfers in	21,919,468	21,919,468	19,269,529	(2,649,939)
Transfers out	(1,370,510)	(1,370,510)	(2,030,175)	(659,665)
Total other financing sources (uses)	21,898,958	21,898,958	17,517,858	(4,381,100)
Net change in fund balances	2,774,100	2,930,713	(347,070)	(3,277,783)
FUND BALANCES, beginning of year	15,482,462	15,482,462	15,482,462	-
FUND BALANCES, end of year	\$ 18,256,562	\$ 18,413,175	\$ 15,135,392	\$ (3,277,783)

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2017**

ASSETS	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	Totals	
CURRENT ASSETS						
Cash	\$ 1,112,811	\$ 4,343,413	\$ 12,917,441	\$ 2,297,816	\$ 20,671,481	\$ 128,230
Investments	39,016	34,791,743	-	-	34,830,759	-
Accounts receivable, net of allowance	1,502,297	5,265,793	3,049,947	189,281	10,007,318	-
Prepaid items	-	-	-	-	-	58,380
Total current assets	2,654,124	44,400,949	15,967,388	2,487,097	65,509,558	186,610
CAPITAL ASSETS						
Non-depreciable	1,415,860	11,316	6,768,842	3,500	8,199,518	-
Depreciable, net of accumulated depreciation	15,470,884	12,771,582	19,604,702	3,752,442	51,599,610	-
	16,886,744	12,782,898	26,373,544	3,755,942	59,799,128	-
Total assets	19,540,868	57,183,847	42,340,932	6,243,039	125,308,686	186,610
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	688,462	2,798,341	2,774,045	78,244	6,339,092	600
Accrued liabilities	251,622	18,686	808,529	11,137	1,089,974	-
Interest payable	-	-	992,432	-	992,432	-
Deposits payable	-	5,375	-	-	5,375	-
Due to other funds	-	-	-	4,158	4,158	20,341
Claims payable	-	-	-	-	-	182,944
Compensated absences payable, current	11,750	30,662	30,371	17,941	90,724	-
Bonds payable, current	-	-	1,930,000	-	1,930,000	-
Total current liabilities	951,834	2,853,064	6,535,377	111,480	10,451,755	203,885
NONCURRENT LIABILITIES						
Bonds payable, net	-	-	55,506,739	-	55,506,739	-
Compensated absences payable	11,750	30,655	30,370	17,945	90,720	-
Advance from other funds	1,850,531	-	-	-	1,850,531	-
Total noncurrent liabilities	1,862,281	30,655	55,537,109	17,945	57,447,990	-
Total liabilities	2,814,115	2,883,719	62,072,486	129,425	67,899,745	203,885
NET POSITION (DEFICIT)						
Net investment in capital assets	16,886,744	12,782,898	22,115,854	3,755,942	55,541,438	-
Unrestricted (deficit)	(159,991)	41,517,230	(41,847,408)	2,357,672	1,867,503	(17,275)
Total net position (deficit)	\$ 16,726,753	\$ 54,300,128	\$ (19,731,554)	\$ 6,113,614	\$ 57,408,941	\$ (17,275)

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017**

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	Totals	
OPERATING REVENUE						
Charges for sales and services	\$ 5,199,585	\$ 33,295,602	\$ 37,217,339	\$ 1,367,351	\$ 77,079,877	\$ -
Other fees	148,033	165,265	1,643,733	87,695	2,044,726	7,150,038
Total operating revenue	5,347,618	33,460,867	38,861,072	1,455,046	79,124,603	7,150,038
OPERATING EXPENSES						
Salaries and benefits	798,541	1,367,260	2,897,058	955,068	6,017,927	-
General operating expenses	3,435,370	23,301,605	17,781,125	915,765	45,433,865	444,235
Claims	-	-	-	-	-	5,432,279
Insurance premiums	-	-	-	-	-	850,280
Depreciation and amortization	767,046	985,739	1,027,947	209,609	2,990,341	-
Total operating expenses	5,000,957	25,654,604	21,706,130	2,080,442	54,442,133	6,726,794
Operating income (loss)	346,661	7,806,263	17,154,942	(625,396)	24,682,470	423,244
NON-OPERATING REVENUE (EXPENSES)						
Gain on disposal of assets	-	12,476	26,016	24,622	63,114	-
Interest expense	-	-	(2,414,650)	-	(2,414,650)	-
Interest income	-	-	63,254	-	63,254	-
Miscellaneous revenues	198,627	-	-	-	198,627	-
Total non-operating revenues (expenses)	198,627	12,476	(2,325,380)	24,622	(2,089,655)	-
Net income (loss) before transfers	545,288	7,818,739	14,829,562	(600,774)	22,592,815	423,244
Transfers in	-	-	-	1,307,000	1,307,000	-
Transfers out	-	(8,760,000)	(11,559,000)	(14,312)	(20,333,312)	-
Total transfers	-	(8,760,000)	(11,559,000)	1,292,688	(19,026,312)	-
Change in net position	545,288	(941,261)	3,270,562	691,914	3,566,503	423,244
Total net position (deficit), beginning of year, restated	16,181,465	55,241,389	(23,002,116)	5,421,700	53,842,438	(440,519)
Total net position (deficit), end of year	\$ 16,726,753	\$ 54,300,128	\$ (19,731,554)	\$ 6,113,614	\$ 57,408,941	\$ (17,275)

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017**

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 5,423,279	\$ 33,707,901	\$ 38,173,641	\$ 1,424,024	\$ 78,728,845	\$ 7,150,038
Payments to suppliers	(3,527,390)	(23,611,214)	(14,330,469)	(1,006,622)	(42,475,695)	(7,021,808)
Payments to employees	(806,817)	(1,424,657)	(2,906,119)	(1,008,462)	(6,146,055)	-
Net cash provided by (used in) operating activities	1,089,072	8,672,030	20,937,053	(591,060)	30,107,095	128,230
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	-	-	-	1,307,000	1,307,000	-
Transfers out to other funds	-	(8,760,000)	(11,559,000)	(14,312)	(20,333,312)	-
Repayment of long-term advances	(280,469)	-	-	-	(280,469)	-
Net cash provided by (used in) non-capital financing activities	(280,469)	(8,760,000)	(11,559,000)	1,292,688	(19,306,781)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(722,783)	(307,782)	(8,161,869)	(554,481)	(9,746,915)	-
Principal payments	-	-	(1,875,000)	-	(1,875,000)	-
Interest payments	-	-	(2,438,088)	-	(2,438,088)	-
Proceeds from sale of material	280,470	12,476	26,016	24,622	343,584	-
Net cash used in capital and related financing activities	(442,313)	(295,306)	(12,448,941)	(529,859)	(13,716,419)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	-	-	63,254	-	63,254	-
Purchase and sale of investments	(241)	(2,836,603)	13,035,194	-	10,198,350	-
Net cash provided by (used in) investing activities	(241)	(2,836,603)	13,098,448	-	10,261,604	-
Net increase (decrease) in cash	366,049	(3,219,879)	10,027,560	171,769	7,345,499	128,230
Cash, beginning of year	746,762	7,563,292	2,889,881	2,126,047	13,325,982	-
Cash, end of year	\$ 1,112,811	\$ 4,343,413	\$ 12,917,441	\$ 2,297,816	\$ 20,671,481	\$ 128,230
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 346,661	\$ 7,806,263	\$ 17,154,942	\$ (625,396)	\$ 24,682,470	\$ 423,244
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	767,046	985,739	1,027,947	209,609	2,990,341	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	75,661	247,034	(687,431)	(31,022)	(395,758)	-
(Increase) decrease in prepaid items	-	-	1,068,496	-	1,068,496	(58,380)
Increase (decrease) in accounts payable	(92,020)	(312,009)	1,922,936	(95,015)	1,423,892	600
Increase (decrease) in accrued liabilities	(8,085)	(9,862)	459,224	(31,292)	409,985	-
Increase in due to other funds	-	-	-	4,158	4,158	20,341
Increase in customer deposits payable	-	2,400	-	-	2,400	-
Decrease in claims payable	-	-	-	-	-	(257,575)
Decrease in compensated absences payable	(191)	(47,535)	(9,061)	(22,102)	(78,889)	-
Net cash provided by (used in) operating activities	\$ 1,089,072	\$ 8,672,030	\$ 20,937,053	\$ (591,060)	\$ 30,107,095	\$ 128,230

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

CITY OF LAWRENCEVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Incorporated on December 15, 1821, under the laws of the State of Georgia, the City of Lawrenceville operates under a Council/Manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, and general and administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations.

Blended Component Units

The Lawrenceville Development Authority (the “LDA”) is responsible for promoting and further developing trade and has been included as a blended component unit, reported as a special revenue fund in the accompanying financial statements. The LDA operates under a seven member board, which is all appointed by the City Council members who can impose their will on the LDA. There was no activity for the LDA for the fiscal year ended August 31, 2017 and therefore is not included in the financial report.

The Lawrenceville Downtown Development Authority (the “DDA”) is responsible for promoting and further developing trade, commerce, industry, and employment opportunities within the City of Lawrenceville, Georgia. The DDA operates under a seven-member board, which is all appointed by the City Council members who can impose their will on the DDA. The majority of the DDA's debt service payments is expected to be repaid with the City's resources and will be reported as a blended component unit of the City. The DDA does not issue separate financial statements and is included as a blended component unit in the City's financial report. The DDA is presented as a governmental fund type.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Lawrenceville Building Authority (the “LBA”) is responsible for financing the acquisition and construction of various system improvements to the City of Lawrenceville, Georgia’s capital assets. The LBA operates under a five-member board, which is all appointed by the City Council members who can impose their will on the LBA. The majority of the LBA’s debt service payments are expected to be repaid with the City’s resources and will be reported as a blended component unit of the City. The LBA does not issue separate financial statements and is included as a blended component unit in the City’s financial report. The LBA is presented as a proprietary fund type as part of the Gas System Fund.

B. Government-wide and Fund Financial Statements

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Separate financial statements are provided for governmental funds and proprietary funds.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The **Downtown Development Authority** accounts for the expenditures incurred in acquiring land to be held for future third party development and the related financing of those acquisitions.

The **Series 2015 Project Fund** accounts for the construction and improvements to the City's governmental activities using proceeds from the City's 2015 Series Revenue Bonds.

The **SPLOST 2014 Fund** accounts for the revenues from the 2014 special purpose local option sales tax and the related expenditures of the taxes.

The City reports the following major proprietary funds:

The **Water System Fund** accounts for the operation, maintenance, and development of the City's water and sewer system and services.

The **Electrical System Fund** accounts for the operation, maintenance, and development of the City's electrical system.

The **Gas System Fund** accounts for the operation, maintenance, and development of the City's natural gas system.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City also reports the following fund types:

The **special revenue funds** are used to account for specific revenues, such as confiscations and forfeitures, E911 revenues, hotel/motel tax revenues, and auto excise tax revenues, which are legally restricted or committed to expenditures for particular purposes.

The **capital project funds** account for financial resources to be used for the acquisition and construction of major capital projects.

The **Solid Waste Fund** accounts for the activities associated with the collection of residential and commercial garbage, including recyclables, non-recyclables, and yard waste. Activity is rendered on a user charge basis.

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

In accounting and reporting for its proprietary operations, the government applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Annual appropriated budgets are adopted for all governmental funds, except for the Lawrenceville Downtown Development Authority and the Lawrenceville Building Authority, which are separate entities from the City and are not legally required to adopt annual budgets. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each year through the passage of an annual budget ordinance and amended as required.

All appropriations lapse at the end of each year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

E. Deposits and Investments

The City's cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Any deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

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

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Receivables and Payables

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

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2017 are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has reported infrastructure consistent with the retroactive infrastructure reporting requirements of GASB Statement 34.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

Assets	Years
Plants and Buildings	20-50
Machinery and equipment	5-8
Vehicles	3-5
Utility Systems and Infrastructure	20-50

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from business licenses, fines, and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and government-wide statement of net position will report unearned property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed, non-exchange revenue transaction received or reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off. Employees are paid at their regular rate of pay for all accrued and accumulated paid time off upon separation from the City. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. 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 accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council has retained the authority to make assignments of fund balance.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. The following calculations provide further detail into the net investment in capital assets reported by the City:

	Governmental Activities	Water System	Electrical System	Gas System	Nonmajor Enterprise
Capital assets, net of depreciation	\$ 256,618,307	\$ 16,886,744	\$ 12,782,898	\$ 26,373,544	\$ 3,755,942
Less - capital lease payable	(129,969)	-	-	-	-
Less - bonds payable	-	-	-	(57,436,739)	-
Plus - unspent proceeds	-	-	-	11,264,791	-
Plus - proceeds used for governmental activities assets	-	-	-	41,914,258	-
Net investment in capital assets	<u>\$ 256,488,338</u>	<u>\$ 16,886,744</u>	<u>\$ 12,782,898</u>	<u>\$ 22,115,854</u>	<u>\$ 3,755,942</u>

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

N. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$31,667,326 difference are as follows:

Bonds payable	\$ (5,705,000)
Capital lease payable	(129,969)
Accrued interest payable	(14,758)
Compensated absences	(565,500)
Notes payable	(2,600,000)
Claims and judgments payable	(145,000)
Net OPEB obligation	<u>(22,507,099)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (31,667,326)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$20,830,218 difference are as follows:

Capital outlay	\$ 27,380,439
Depreciation expense	<u>(6,550,221)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 20,830,218</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net position.” The details of this \$1,201,062 difference are as follows:

Disposal of capital assets	\$ (4,854)
Donation of capital assets	<u>1,205,916</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,201,062</u>

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,859,969 difference are as follows:

Issuance of capital lease	\$ (193,259)
Issuance of note payable	(2,600,000)
Principal payment capital lease	63,290
Principal payment of bonds payable	<u>870,000</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (1,859,969)</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$3,689,884 difference are as follows:

Compensated absences (i.e., vacation)	\$ 7,293
Accrued interest	(1,060)
Net OPEB Obligation	<u>(3,696,117)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (3,689,884)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category require approval of the governing body in the form of amendments to the budget resolution.

The following departments had expenditures in excess of the approved budgets:

General Fund:

Mayor	\$	1,180
City Council		5,936
Economic development		781,110
Transfers out		659,665
2014 SPLOST Fund		6,997,704

The above excesses were funded with savings in other departments or fund reserves.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of August 31, 2017 are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$	61,460,282
Investments		42,847,438
	\$	<u>104,307,720</u>
Deposits with financial institutions	\$	66,340,893
Investments in the Municipal Competitive Trust		37,966,827
	\$	<u>104,307,720</u>

Credit risk. State statutes and the City's policies authorize the City to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States, obligations of any corporation of the U.S. government, prime bankers' acceptances, the local government investment pool established by state law, repurchase agreements, and obligations of other political subdivisions of the State of Georgia. The City does not have a credit rating policy which provides restrictions or limitations on credit ratings for the City's investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2017, the City had the following investments:

Investment	Rating	Amount	Weighted Average Maturity
Certificates of deposit	n/a	\$ 8,055,695	12 months
Municipal Competitive Trust	AA+	37,966,827	4.64 years
Total		<u>\$ 46,022,522</u>	

\$3,175,084 of the Municipal Competitive Trust is considered a cash equivalent.

Interest rate risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of August 31, 2017, the City's deposits are insured or collateralized as required by state law.

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of August 31, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust (Intermediate)	\$ -	\$ 31,934	\$ -	\$ 31,934
Municipal Competitive Trust (Intermediate Extended)	-	37,934,893	-	37,934,893
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 37,966,827</u>	<u>\$ -</u>	<u>\$ 37,966,827</u>
Investments recorded at cost:				
Certificate of Deposit				8,055,695
Total investments				<u>\$ 46,022,522</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on October 1 of each year. Property taxes are recorded as receivables and unearned revenues when assessed. Revenues are recognized in the period for which the tax levy relates for the government-wide statements and in the period for which the tax levy relates and is available for the governmental fund statements.

Receivables at August 31, 2017 for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Due From Other Governments	Allowance for Uncollectibles	Net Receivable
General Fund	\$ 1,866,630	\$ 962,960	\$ 166,649	\$ (431,323)	\$ 2,564,916
Downtown Development Authority	4,880	300,000	-	-	304,880
2014 SPLOST Fund	-	-	284,436	-	284,436
Other governmental funds	-	37,262	768,549	-	805,811
Water System Fund	-	1,510,373	-	(8,076)	1,502,297
Electrical System Fund	-	5,274,716	-	(8,923)	5,265,793
Gas System Fund	-	3,061,125	-	(11,178)	3,049,947
Nonmajor enterprise funds	-	227,129	-	(37,848)	189,281
	<u>\$ 1,871,510</u>	<u>\$ 11,373,565</u>	<u>\$ 1,219,634</u>	<u>\$ (497,348)</u>	<u>\$ 13,967,361</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended August 31, 2017 is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 79,407,165	\$ 18,626,504	\$ -	\$ -	\$ 98,033,669
Construction in progress	1,987,666	8,715,249	-	-	10,702,915
Total	<u>81,394,831</u>	<u>27,341,753</u>	<u>-</u>	<u>-</u>	<u>108,736,584</u>
Capital assets, being depreciated:					
Buildings	34,481,808	3,118	-	-	34,484,926
Improvements	8,008,934	171,177	-	-	8,180,111
Vehicles	7,409,716	304,156	-	(442,217)	7,271,655
Equipment	4,885,617	398,497	-	(238,450)	5,045,664
Infrastructure	222,659,431	367,654	-	-	223,027,085
Total	<u>277,445,506</u>	<u>1,244,602</u>	<u>-</u>	<u>(680,667)</u>	<u>278,009,441</u>
Less accumulated depreciation for:					
Buildings	(5,417,424)	(578,955)	-	-	(5,996,379)
Improvements	(1,498,964)	(236,844)	-	-	(1,735,808)
Vehicles	(5,481,233)	(730,597)	-	437,363	(5,774,467)
Equipment	(2,551,590)	(500,718)	-	238,450	(2,813,858)
Infrastructure	(109,304,099)	(4,503,107)	-	-	(113,807,206)
Total	<u>(124,253,310)</u>	<u>(6,550,221)</u>	<u>-</u>	<u>675,813</u>	<u>(130,127,718)</u>
Total capital assets, being depreciated, net	<u>153,192,196</u>	<u>(5,305,619)</u>	<u>-</u>	<u>(4,854)</u>	<u>147,881,723</u>
Governmental activities capital assets, net	<u>\$ 234,587,027</u>	<u>\$ 22,036,134</u>	<u>\$ -</u>	<u>\$ (4,854)</u>	<u>\$ 256,618,307</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,246,977	\$ 29,467	\$ -	\$ (1,000)	\$ 1,275,444
Construction in Progress	655,121	7,767,804	(1,498,851)	-	6,924,074
Total	<u>1,902,098</u>	<u>7,797,271</u>	<u>(1,498,851)</u>	<u>(1,000)</u>	<u>8,199,518</u>
Capital assets, being depreciated:					
Plants and Buildings	18,698,746	-	551,981	(242,989)	19,007,738
Utility Systems	64,219,391	1,685,991	946,870	-	66,852,252
Vehicles	4,754,919	214,122	-	(413,403)	4,555,638
Machinery and equipment	7,083,789	49,531	-	-	7,133,320
Total	<u>94,756,845</u>	<u>1,949,644</u>	<u>1,498,851</u>	<u>(656,392)</u>	<u>97,548,948</u>
Less accumulated depreciation for:					
Plants and Buildings	(4,657,299)	(443,483)	-	162,146	(4,938,636)
Utility Systems	(32,349,335)	(1,887,489)	-	-	(34,236,824)
Vehicles	(3,228,961)	(411,273)	-	413,403	(3,226,831)
Machinery and equipment	(2,773,991)	(773,056)	-	-	(3,547,047)
Total	<u>(43,009,586)</u>	<u>(3,515,301)</u>	<u>-</u>	<u>575,549</u>	<u>(45,949,338)</u>
Total capital assets, being depreciated, net	<u>51,747,259</u>	<u>(1,565,657)</u>	<u>1,498,851</u>	<u>(80,843)</u>	<u>51,599,610</u>
Business-type activities capital assets, net	<u>\$ 53,649,357</u>	<u>\$ 6,231,614</u>	<u>\$ -</u>	<u>\$ (81,843)</u>	<u>\$ 59,799,128</u>

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

Governmental activities:	
General government	\$ 621,123
Public safety	1,163,987
Public works	4,755,702
Judicial	4,829
Housing and development	4,580
Total depreciation expense - governmental activities	<u>\$ 6,550,221</u>
Business-type activities:	
Water System Fund	\$ 767,046
Electrical System Fund	985,739
Gas System Fund	1,552,907
Solid Waste Fund	147,464
Stormwater Fund	62,145
Total depreciation expense - business-type activities	<u>\$ 3,515,301</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Primapry Government

Long-term liability activity for the year ended August 31, 2017 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 6,575,000	\$ -	\$ (870,000)	\$ 5,705,000	\$ 895,000
Capital lease payable	-	193,259	(63,290)	129,969	56,109
DDA Promissory Note	-	2,600,000	-	2,600,000	100,000
Compensated absences	572,793	565,000	(572,793)	565,000	282,750
Claims and judgments	145,000	-	-	145,000	145,000
Net OPEB obligation	18,810,982	3,851,244	(155,127)	22,507,099	-
Governmental activities Long-term liabilities	<u>\$ 26,103,775</u>	<u>\$ 7,209,503</u>	<u>\$ (1,661,210)</u>	<u>\$ 31,652,068</u>	<u>\$ 1,478,859</u>

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue Bonds	\$ 53,775,000	\$ -	\$ (1,875,000)	\$ 51,900,000	\$ 1,930,000
Original issue premium	6,061,699	-	(524,960)	5,536,739	512,848
Net revenue bonds	59,836,699	-	(2,399,960)	57,436,739	2,442,848
Compensated absences	260,333	181,444	(260,333)	181,444	90,724
Business-type activities Long-term liabilities	<u>\$ 60,097,032</u>	<u>\$ 181,444</u>	<u>\$ (2,660,293)</u>	<u>\$ 57,618,183</u>	<u>\$ 2,533,572</u>

The City has restated opening balances of the OPEB obligation for governmental and business-type activities for the change in accounting principle for the retiree benefits. The full liability is now being reported in the governmental activities, see Note 18 for further discussion. For governmental activities, compensated absences, claims and judgments, and OPEB obligations are liquidated by the General Fund.

Governmental Activities

Revenue bonds. On December 13, 2012, the Lawrenceville Downtown Development Authority (“DDA”) issued \$9,035,000 in Series 2012 Economic Development Revenue Bonds bearing interest at a rate 2.50% per annum payable each February 1 and August 1 with principal payable annually on February 1. The bonds were issued for the purpose of purchasing land (which is being held for resale) in the downtown area to redevelop the business district of the City to promote trade, commerce, industry and employment opportunities in the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Revenue bonds (Continued). Concurrent with the issuance of the Series 2012 Economic Development Revenue Bonds, the City and the DDA entered into an intergovernmental agreement whereby the City is required to make payments to the DDA to enable the DDA to pay 100% of the principal and interest payments on the bonds to the extent that the DDA's debt service reserves are insufficient to cover the full amount of principal and interest payments on the bonds.

The debt service requirements to maturity on the bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending August 31,			
2018	\$ 895,000	\$ 131,438	\$ 1,026,438
2019	915,000	108,813	1,023,813
2020	940,000	85,625	1,025,625
2021	960,000	61,875	1,021,875
2022	985,000	37,563	1,022,563
2023-2027	1,010,000	12,625	1,022,625
Total	<u>\$ 5,705,000</u>	<u>\$ 437,939</u>	<u>\$ 6,142,939</u>

Capital lease. In December 2016, the City entered into a capital lease agreement with Dell for the purchase of \$193,259 of new equipment. The lease term is thirty-seven months ending January of 2020. The lease bears interest at 5.50% with annual payments due \$63,290. As of August 31, 2017 the City has \$193,259 of assets held under capital lease, with associated accumulated depreciation of \$18,118 included in the capital assets. The annual amortization of the leased assets is included as a component of depreciation expense.

The capital lease debt service requirements are as follows:

	<u>Payment</u>
Year Ending June 30,	
2018	\$ 63,290
2019	63,290
2020	15,461
Total payments	142,041
Less interest expense	(12,072)
Total principal	<u>\$ 129,969</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Revenue bonds. On September 1, 2015, the Lawrenceville Building Authority (LBA) issued Revenue Bonds, Series 2015 for \$56,740,000 to fund the costs of acquiring, constructing, and equipping gas system improvements and acquisition, construction and installation of (1) a new public works facility and (2) a new parkway to be known as the “College Corridor.” The bonds require semiannual interest payments due on April 1 and October 1, with principal payments due annually on April 1, commencing on April 1, 2016, with interest rates ranging from 2.00% to 5.00%. The bonds mature in 2035.

The Series 2015 Bonds are special limited obligations of the LBA payable solely from installment payments of purchase price to be made by the City to the LBA pursuant to an agreement. The City’s obligation to make installment payments of purchase price to the LBA sufficient in time and amount to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2015 Bonds is absolute and unconditional and will not expire so long as any of the Series 2015 Bonds remain outstanding and unpaid. Under the Agreement, the City has agreed to levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, at such rates, without limitation, as may be necessary to make the installment payments of purchase price required by the Agreement.

The debt service requirements to maturity on the bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending August 31,			
2018	\$ 1,930,000	\$ 2,381,838	\$ 4,311,838
2019	2,005,000	2,304,638	4,309,638
2020	2,090,000	2,224,438	4,314,438
2021	2,190,000	2,119,938	4,309,938
2022	2,300,000	2,010,438	4,310,438
2023-2027	13,360,000	8,206,688	21,566,688
2028-2032	16,285,000	5,273,475	21,558,475
2033-2035	11,740,000	1,193,000	12,933,000
Total	<u>\$ 51,900,000</u>	<u>\$ 25,714,453</u>	<u>\$ 77,614,453</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2017 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other governmental funds	General Fund	\$ 4,900
General Fund	Other governmental funds	\$ 20,507
General Fund	Internal service funds	20,341
General Fund	Nonmajor enterprise funds	4,158
		<u>\$ 45,006</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and when payments between funds are made.

Advances to/from other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water System Fund	\$ 1,850,531
General Fund	Downtown Development Authority	1,300,000
		<u>\$ 3,150,531</u>

The amounts payable from the Water System Fund to the General Fund relate to loans made to cover prior year operating shortages which are being repaid over a period of more than one year. Additionally, the General Fund loaned the DDA Fund funds for the purpose of purchasing, renovating and redeveloping properties located in the downtown district. The loan will be repaid over a period of more than one year using proceeds from the sale and leasing of the purchased properties.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 257,529
General Fund	Electrical System Fund	8,760,000
General Fund	Gas System Fund	10,252,000
		<u>\$ 19,269,529</u>
Downtown Development Authority	General Fund	<u>\$ 1,965,785</u>

continued

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers (Continued):

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
2014 SPLOST Fund	General Fund	\$ 64,390
2014 SPLOST Fund	Nonmajor enterprise funds	14,312
		<u>\$ 78,702</u>
Other governmental funds	2014 SPLOST Fund	<u>\$ 250,000</u>
Nonmajor enterprise funds	Gas System Fund	<u>\$ 1,307,000</u>

Transfers are used to (1) use unrestricted General Fund revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, (2) move revenues from the fund that statutes require to collect them to the fund that statute or budget requires to expend them, and (3) move unrestricted gas and electric service revenues to the General Fund to supplant General Fund property tax revenues and (4) move unrestricted gas service revenues to support capital projects of governmental activities.

NOTE 9. PENSION PLAN

The City of Lawrenceville's Internal Revenue Code Section 401(a) and 457(b) Plans are deferred compensation plans and qualify as a defined contribution pension plan. The Plans are administered by the Government Employees Benefit Corporation (GEBCorp) for all full time employees, excluding elected officials. Monthly contributions to the 401(a) plan are equivalent to 4.00% of regular full-time employees' pay and are 100% contributed by the City. The City's 457(b) plan is voluntary and for participants who elect to contribute a minimum of 4% of their annual compensation, the City will contribute an additional 6% of employee earnings into the 401(a) plan, for a total City contribution of 10%. For those employees who have reached the age of 45 with 10 years of consecutive service, the City will contribute an additional 4.00% of their base salary in the City's 401(a) plan for a total City contribution of 14% of employee earnings. Employees are fully vested at the age of 65. Employees less than 65 years of age vest at the following scale: employees with less than three years of service are not vested; employees with three to four years of service are 20% vested; employees with four to five years of service are 40% vested; employees with five to six years of service are 60% vested; employees with six to seven years of service are 80% vested; and employees with over seven years of service are 100% vested. Plan provisions and contribution requirements are established and may be amended by the City's Council. At August 31, 2017, there were 341 plan members. During the year ending August 31, 2017, employee contributions were \$939,105 and employer contributions were \$1,369,737.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City of Lawrenceville's OPEB Plan is a single-employer defined benefit healthcare plan administered by Blue Cross Blue Shield for retirees under the age of 65 and by Aetna for retirees over 65. The City provides medical, dental, and vision insurance to retirees and spouses, at no cost to the retiree. Substantially all of the City's employees may become eligible for those benefits after 20 years of service with a minimum retirement age of 55. As of August 31, 2017, the date of the most recent actuarial valuation, there were 39 retirees eligible for the benefits and 277 active employees. The City Council has the authority to establish and amend benefit provisions. The City has not elected to advance fund the plan but rather maintains the plan on a "pay as you go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds.

The Plan does not issue separate financial statements.

The following schedule reflects membership for the OPEB Plan as of August 31, 2017, the most recent actuarial valuation:

Active participants	277
Retirees and beneficiaries currently receiving benefits	39
Total	<u>316</u>

The following is a schedule of funding progress:

Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
08/31/17	\$ -	\$ 33,200,417	\$ 33,200,417	0%	\$ 13,857,035	239.6%

The above schedule of funding progress serves as a surrogate for the funded status and the funding progress of the Plan. See required supplementary information for a history of funding progress which presents a multi-year trend about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

	For The Plan Year Ending August 31, 2017
Annual required contribution	\$ 3,797,510
Interest on net OPEB obligation	752,439
Adjustments to annual required contribution	<u>(698,705)</u>
Annual OPEB cost	3,851,244
Contributions made	<u>(155,127)</u>
Increase in net OPEB obligation	3,696,117
Net OPEB obligation, beginning of year	<u>18,810,982</u>
Net OPEB obligation, end of year	<u><u>\$ 22,507,099</u></u>

The recommended contribution was determined as part of the August 31, 2017 actuarial valuation. The chart below shows the annual OPEB cost for the current and two preceding years, along with the percentage actually contributed by the City.

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
August 31, 2015	\$ 5,709,000	\$ 301,840	5.3%	\$ 13,051,079
August 31, 2016	5,920,002	160,099	2.7%	18,810,982
August 31, 2017	3,851,244	155,127	4.0%	22,507,099

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of August 31, 2017 and the current sharing pattern of costs between employer and employee. The assumptions used in the August 31, 2017 actuarial valuation are as follows:

Cost Method:	Projected unit credit
Discount Rate:	4.00% per annum
Inflation Rate:	3.00% per annum
Payroll Increase:	3.50% per annum
Select Healthcare Trend Rate:	8.00% – 3.00%
Ultimate Healthcare Trend Rate:	5.00% per annum
Year of Ultimate Trend Rate:	2026
Amortization Method:	Level Percentage of Pay, Open
Remaining Amortization Period:	30 years

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Gwinnett County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, natural disasters, injuries to employees, and losses resulting from providing accident and health benefits to employees and their dependents.

The City provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the City covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The City has purchased commercial insurance for claims in excess of coverage provided by the City. During the year ended August 31, 2016, excess coverage was obtained for any individual claims in excess of \$75,000. The City pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following describes the activity for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2017	\$ 440,519	\$ 4,957,636	\$ 5,215,211	182,944
2016	344,547	5,235,359	5,139,387	440,519

The City carries commercial insurance policies covering all other risks of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in various lawsuits. One lawsuit is probable, with the City expecting to be responsible for the insurance deductible of \$25,000. The outcome of the remaining lawsuits is not presently determinable, but the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Judgments Payable:

During the 2015 fiscal year, the City received a notice from the Georgia Department of Natural Resources Environmental Protection Division (GEPD), of the State of Georgia. The GEPD requested the City to take action to enter into a voluntary remediation program regarding a tract of undeveloped land located on Paper Mill Road, within the City. The City has contracted with a private company to provide the professional services required of this remediation. The estimated liability for the remediation and the related attorney fees are approximately \$145,000. These are the estimates provided to the City and could increase based on the noted contamination levels.

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at August 31, 2017, the City has contractual commitments on uncompleted contracts of approximately \$18,109,588.

Grant Contingencies:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia:

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2017, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs is based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to \$15,898,906 in the fiscal year ended August 31, 2017.

At August 31, 2017, the outstanding debt of MGAG was approximately \$222 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$24 million at August 31, 2017.

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued):

As of August 31, 2017, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. 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. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$22,713,356 in the fiscal year ended August 31, 2017.

At August 31, 2017, the outstanding debt of MEAG was approximately \$6.01 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$175 million at August 31, 2017.

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$339,272 for the year ended August 31, 2017. Of this amount, 75%, or \$255,718, was used on the promotion of tourism as required by O.C.G.A. 48-13-51.

NOTE 15. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the year ended August 31, 2017, the City received \$173,185 in motor vehicle excise taxes. Of this amount, 100%, or \$173,185, was used for these purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. FUND DEFICITS

For the year ended August 31, 2017, the Gas System Fund had a deficit of \$19,731,554 and the Health Insurance Fund had a deficit of \$54,714. The fund deficits will be reduced by the service charge being charged to the fund's customers.

NOTE 17. RELATED ORGANIZATION

The Lawrenceville Housing Authority (the Authority) is a related organization of the City of Lawrenceville. The City Council appoints a voting majority of the Board for the Authority; however, the City is not able to impose the City Council's will on the Authority. The City is not financially liable for the operating deficits or the debt of the Authority. There were no payments to the Housing Authority for the fiscal year ended August 31, 2017.

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLES

During the current year, the City created an internal service fund in order to track the expenses of the City's partially self-insured health insurance plan and the workers compensation plan. With the creation of the health insurance plan, the City has reported the full health insurance claims payable estimate in the fund, and will no longer report the health insurance claims payable in the General Fund, Water System Fund, Electrical System Fund, Gas System Fund, and Stormwater Fund. Additionally, with the creation of the health insurance fund, the City has determined the claims for retirees and future disbursements of the claims will be settled by the General Fund and therefore the OPEB obligation has been reported fully in the governmental activities of the City. Below are the changes in the opening balances for each of the funds:

	Water System Fund	Electrical System Fund	Gas System Fund
Net position, beginning of year	\$ 15,557,645	\$ 54,377,877	\$ (25,883,137)
Change in reporting of net OPEB obligation	609,860	843,348	2,823,629
Change in reporting of claims payable	13,960	20,164	57,392
Net position, end of year	<u>\$ 16,181,465</u>	<u>\$ 55,241,389</u>	<u>\$ (23,002,116)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLES (CONTINUED)

	Solid Waste Fund	Business-type Activities
Net position, beginning of year	\$ (573,717)	\$ 48,480,114
Change in reporting of net OPEB obligation	972,256	5,249,093
Change in reporting of claims payable	21,715	113,231
Net position, end of year	<u>\$ 420,254</u>	<u>\$ 53,842,438</u>

	General Fund	E911 Fund
Net position, beginning of year	\$ 15,172,236	\$ 527,904
Change in reporting of net OPEB obligation	-	-
Change in reporting of claims payable	310,226	17,062
No activity in LDA	-	-
Net position, end of year	<u>\$ 15,482,462</u>	<u>\$ 544,966</u>

In addition to the restatement of the opening balances for the net OPEB obligation and the health insurance claims payable, the formerly reported Lawrenceville Development Authority (LDA) has no activity and the balances were deemed immaterial to the City and thus excluded from the City's financial statements.

	Health Insurance Fund	Governmental Activities
Net position, beginning of year	\$ -	\$ 282,165,714
Change in reporting of net OPEB obligation	-	(5,249,093)
Change in reporting of claims payable	(440,519)	(113,231)
No activity in LDA	-	(11,202)
Net position, end of year	<u>\$ (440,519)</u>	<u>\$ 276,792,188</u>

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF LAWRENCEVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS**

**SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED AUGUST 31, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
9/1/2012	\$ -	\$ 21,919,498	\$ 21,919,498	0.00%	\$ 10,590,572	207.0%
9/1/2015	-	42,285,000	42,285,000	0.00%	12,437,000	340.0%
8/31/2017	-	33,200,417	33,200,417	0.00%	13,857,035	239.6%

Note 1: See assumptions used for the above schedule in Note 10 to the financial statements.

Note 2: The actuarial valuation performed on September 1, 2012 was for the fiscal years ended August 31, 2013 and August 31, 2014. The actuarial valuation performed on September 1, 2015 was for the fiscal year ended August 31, 2015 and the fiscal year ending August 31, 2016.

CITY OF LAWRENCEVILLE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Confiscated Assets Fund – To account for the City's share of monies that has been forfeited through the court system that is restricted for law enforcement purposes.

E911 Fund – To account for the collection and expenditure of E911 fees which are restricted by state law.

Hotel/Motel Fund – To account for the 8% lodging tax levied in the City which is restricted by state law.

Auto Excise Tax Fund – To account for auto excise tax collections which are restricted by state law.

Capital Projects Fund

2009 SPLOST Fund – The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures related to the City's 2009 Special Purpose Local Options Sales Tax referendums.

2017 SPLOST Fund – The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures related to the City's 2017 Special Purpose Local Options Sales Tax referendums.

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2017

ASSETS	Special Revenue Funds			
	Confiscated	E911	Hotel/Motel	Auto
	Assets Fund	Fund	Fund	Excise Tax Fund
Cash and cash equivalents	\$ 507,825	\$ 323,436	\$ 72,581	\$ 11,498
Taxes receivable	-	-	28,254	9,009
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	16,196	1,212	-	-
Total assets	<u>\$ 524,021</u>	<u>\$ 324,648</u>	<u>\$ 100,835</u>	<u>\$ 20,507</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 57,321	\$ 2,103	\$ 17,281	\$ -
Accrued liabilities	-	13,044	-	-
Due to other funds	-	-	-	20,507
Total liabilities	<u>57,321</u>	<u>15,147</u>	<u>17,281</u>	<u>20,507</u>
FUND BALANCES				
Fund Balances:				
Nonspendable:				
Prepaid items	16,196	1,212	-	-
Restricted:				
Public safety	450,504	-	-	-
Culture and recreation	-	-	83,554	-
Emergency telephone system activities	-	308,289	-	-
Capital projects	-	-	-	-
Total fund balances	<u>466,700</u>	<u>309,501</u>	<u>83,554</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 524,021</u>	<u>\$ 324,648</u>	<u>\$ 100,835</u>	<u>\$ 20,507</u>

Capital Project Funds		
SPLOST 2009 Fund	SPLOST 2017 Fund	Total Nonmajor Governmental Funds
\$ 2,148,900	\$ 1,050,959	\$ 4,115,199
-	-	37,263
-	768,549	768,549
-	4,900	4,900
-	-	17,408
<u>\$ 2,148,900</u>	<u>\$ 1,824,408</u>	<u>\$ 4,943,319</u>
\$ 203,269	\$ 31,109	\$ 311,083
9,151	-	22,195
-	-	20,507
<u>212,420</u>	<u>31,109</u>	<u>353,785</u>
-	-	17,408
-	-	450,504
-	-	83,554
-	-	308,289
<u>1,936,480</u>	<u>1,793,299</u>	<u>3,729,779</u>
<u>1,936,480</u>	<u>1,793,299</u>	<u>4,589,534</u>
\$ 2,148,900	\$ 1,824,408	\$ 4,943,319

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2017

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Hotel/Motel Fund	Auto Excise Tax Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 339,272	\$ 173,185
Fines and forfeitures	154,985	-	-	-
Intergovernmental	-	801,047	-	-
Interest	1,722	-	-	-
Total revenues	156,707	801,047	339,272	173,185
EXPENDITURES				
Current				
Public safety	512,196	1,036,512	-	-
Culture and recreation	-	-	171,374	-
Capital outlay	-	-	-	-
Debt service - principal	63,290	-	-	-
Total expenditures	575,486	1,036,512	171,374	-
Excess (deficiency) of revenues over (under) expenditures	(418,779)	(235,465)	167,898	173,185
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(84,344)	(173,185)
Total other financing sources (uses)	-	-	(84,344)	(173,185)
Net change in fund balances	(418,779)	(235,465)	83,554	-
FUND BALANCES, beginning of year, restated	885,479	544,966	-	-
FUND BALANCES, end of year	<u>\$ 466,700</u>	<u>\$ 309,501</u>	<u>\$ 83,554</u>	<u>\$ -</u>

Capital Project Funds		Total Nonmajor Governmental Funds
SPLOST 2009 Fund	SPLOST 2017 Fund	
\$ -	\$ -	\$ 512,457
-	-	154,985
-	1,887,533	2,688,580
7,045	195	8,962
7,045	1,887,728	3,364,984
-	-	1,548,708
-	-	171,374
215,757	94,429	310,186
-	-	63,290
215,757	94,429	2,093,558
(208,712)	1,793,299	1,271,426
250,000	-	250,000
-	-	(257,529)
250,000	-	(7,529)
41,288	1,793,299	1,263,897
1,895,192	-	3,325,637
<u>\$ 1,936,480</u>	<u>\$ 1,793,299</u>	<u>\$ 4,589,534</u>

CITY OF LAWRENCEVILLE, GEORGIA
CONFISCATED ASSETS FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 154,985	\$ 154,985
Interest	-	-	1,722	1,722
Total revenues	-	-	156,707	156,707
EXPENDITURES				
Public safety	540,432	601,729	512,196	89,533
Debt service - principal	-	-	63,290	(63,290)
Total expenditures	540,432	601,729	575,486	26,243
Net change in fund balances	(540,432)	(601,729)	(418,779)	182,950
FUND BALANCES, beginning of year	885,479	885,479	885,479	-
FUND BALANCES, end of year	<u>\$ 345,047</u>	<u>\$ 283,750</u>	<u>\$ 466,700</u>	<u>\$ 182,950</u>

CITY OF LAWRENCEVILLE, GEORGIA

E911 FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,096,233	\$ 1,096,233	\$ 801,047	\$ (295,186)
Total revenues	1,096,233	1,096,233	801,047	(295,186)
EXPENDITURES				
Public safety	1,096,033	1,096,033	1,036,512	59,521
Net change in fund balances	200	200	(235,465)	(235,665)
FUND BALANCES, beginning of year, restated	544,966	544,966	544,966	-
FUND BALANCES, end of year	<u>\$ 545,166</u>	<u>\$ 545,166</u>	<u>\$ 309,501</u>	<u>\$ (235,665)</u>

CITY OF LAWRENCEVILLE, GEORGIA
HOTEL/MOTEL FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 269,900	\$ 269,900	\$ 339,272	\$ 69,372
Total revenues	269,900	269,900	339,272	69,372
EXPENDITURES				
Culture and recreation	185,556	185,538	171,374	14,164
Total expenditures	185,556	185,538	171,374	14,164
Excess of revenues over expenditures	84,344	84,362	167,898	83,536
OTHER FINANCING USES				
Transfer out	(84,344)	(84,344)	(84,344)	-
Net change in fund balance	-	18	83,554	83,536
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 83,554</u>	<u>\$ 83,536</u>

CITY OF LAWRENCEVILLE, GEORGIA

AUTO EXCISE TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 175,000	\$ 175,000	\$ 173,185	\$ (1,815)
Total revenues	175,000	175,000	173,185	(1,815)
OTHER FINANCING USES				
Transfer out	(175,000)	(175,000)	(173,185)	1,815
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF LAWRENCEVILLE, GEORGIA

2014 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 452,500	\$ 452,500	\$ 2,693,367	\$ 2,240,867
Interest	-	-	7,249	7,249
Total revenues	452,500	452,500	2,700,616	2,248,116
EXPENDITURES				
Capital outlay	452,500	452,500	7,450,204	(6,997,704)
Total expenditures	452,500	452,500	7,450,204	(6,997,704)
Deficiency of revenues over expenditures	-	-	(4,749,588)	(4,749,588)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	78,702	78,702
Transfers out	-	-	(250,000)	(250,000)
Total other financing sources (uses)	-	-	(171,298)	(171,298)
Net change in fund balances	-	-	(4,920,886)	(4,920,886)
FUND BALANCES, beginning of year	6,394,970	6,394,970	6,394,970	-
FUND BALANCES, end of year	<u>\$ 6,394,970</u>	<u>\$ 6,394,970</u>	<u>\$ 1,474,084</u>	<u>\$ (4,920,886)</u>

CITY OF LAWRENCEVILLE, GEORGIA

SERIES 2015 PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 54,822	\$ 54,822	\$ 161,396	\$ 106,574
Total revenues	54,822	54,822	161,396	106,574
EXPENDITURES				
Capital outlay	22,794,500	22,794,500	12,443,190	10,351,310
Total expenditures	22,794,500	22,794,500	12,443,190	10,351,310
Net change in fund balances	(22,739,678)	(22,739,678)	(12,281,794)	10,457,884
FUND BALANCES, beginning of year	35,672,681	35,672,681	35,672,681	-
FUND BALANCES, end of year	<u>\$ 12,933,003</u>	<u>\$ 12,933,003</u>	<u>\$ 23,390,887</u>	<u>\$ 10,457,884</u>

CITY OF LAWRENCEVILLE, GEORGIA

2009 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,571,760	\$ 2,571,760	\$ -	\$ (2,571,760)
Interest	-	-	7,045	7,045
Total revenues	2,571,760	2,571,760	7,045	(2,564,715)
EXPENDITURES				
Capital outlay	2,571,760	2,571,760	215,757	2,356,003
Total expenditures	2,571,760	2,571,760	215,757	2,356,003
Net change in fund balances	-	-	(208,712)	(208,712)
OTHER FINANCING SOURCES				
Transfers in	-	-	250,000	250,000
Net change in fund balances	-	-	41,288	41,288
FUND BALANCES, beginning of year	1,895,192	1,895,192	1,895,192	-
FUND BALANCES, end of year	<u>\$ 1,895,192</u>	<u>\$ 1,895,192</u>	<u>\$ 1,936,480</u>	<u>\$ 41,288</u>

CITY OF LAWRENCEVILLE, GEORGIA
2017 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,887,533	\$ 387,533
Interest	-	-	195	195
Total revenues	1,500,000	1,500,000	1,887,728	387,728
EXPENDITURES				
Capital outlay	255,000	255,000	94,429	160,571
Total expenditures	255,000	255,000	94,429	160,571
Net change in fund balances	1,245,000	1,245,000	1,793,299	548,299
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ 1,245,000</u>	<u>\$ 1,245,000</u>	<u>\$ 1,793,299</u>	<u>\$ 548,299</u>

CITY OF LAWRENCEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED AUGUST 31, 2017

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
2009 SPLOST						
Roads, Streets, and Bridges	\$ 11,334,450	\$ 7,042,462	\$ 5,218,507	\$ 215,757	\$ 5,434,264	77 %
Public Safety Facilities and Equipment	6,900,000	6,418,109	6,418,109	-	6,418,109	100 %
Recreational Facilities	4,400,000	4,400,000	4,400,000	-	4,400,000	100 %
Water and Sewer Capital Improvements	2,408,353	1,919,056	1,919,279	-	1,919,279	100 %
TOTAL 2009 SPLOST	\$ 25,042,803	\$ 19,779,627	\$ 17,955,895	\$ 215,757	\$ 18,171,652	
2014 SPLOST						
Roads, Streets, and Bridges	\$ 13,458,662	\$ 11,658,662	\$ 3,839,164	\$ 6,776,070	\$ 10,615,234	91.05 %
Recreational Facilities	1,495,407	1,495,407	517,445	509,913	1,027,358	68.70 %
TOTAL 2014 SPLOST	\$ 14,954,069	\$ 13,154,069	\$ 4,356,609	7,285,983	\$ 11,642,592	
Non-SPLOST expenditures funded with intergovernmental revenues				414,221		
Total SPLOST 2014 expenditures				\$ 7,700,204		
2017 SPLOST						
Administrative Facilities	\$ 126,744	\$ 126,744	\$ -	\$ -	\$ -	- %
Cultural Facilities	15,840,889	15,840,889	-	23,455	23,455	0.15 %
Parking Facilities	3,907,402	3,907,402	-	-	-	- %
Recreational Facilities	1,056,152	1,056,152	-	-	-	- %
Roads, Streets & Bridges	7,016,748	7,016,748	-	70,974	70,974	1.01 %
TOTAL 2017 SPLOST	\$ 27,947,935	\$ 27,947,935	\$ -	\$ 94,429	\$ 94,429	

CITY OF LAWRENCEVILLE, GEORGIA

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Solid Waste Fund - accounts for the collection of refuse fees for the operation, maintenance, and development of the City's sanitation system.

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

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS AUGUST 31, 2017

	Business-type Activities - Enterprise Funds		
ASSETS	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CURRENT ASSETS			
Cash	\$ -	\$ 2,297,816	\$ 2,297,816
Accounts receivable, net of allowance	66,027	123,254	189,281
Total current assets	66,027	2,421,070	2,487,097
CAPITAL ASSETS			
Non-depreciable	-	3,500	3,500
Depreciable, net of accumulated depreciation	471,238	3,281,204	3,752,442
	471,238	3,284,704	3,755,942
Total assets	537,265	5,705,774	6,243,039
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	61,263	16,981	78,244
Accrued liabilities	11,137	-	11,137
Due to other funds	4,158	-	4,158
Compensated absences payable, current	17,941	-	17,941
Total current liabilities	94,499	16,981	111,480
NONCURRENT LIABILITIES			
Compensated absences payable	17,945	-	17,945
Total noncurrent liabilities	17,945	-	17,945
Total liabilities	112,444	16,981	129,425
NET POSITION			
Investment in capital assets	471,238	3,284,704	3,755,942
Unrestricted (deficit)	(46,417)	2,404,089	2,357,672
Total net position	\$ 424,821	\$ 5,688,793	\$ 6,113,614

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2017

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
OPERATING REVENUE			
Charges for sales and services	\$ 610,898	\$ 756,453	\$ 1,367,351
Other fees	73,418	14,277	87,695
Total operating revenue	684,316	770,730	1,455,046
OPERATING EXPENSES			
Salaries and benefits	953,939	1,129	955,068
General operating expenses	909,968	5,797	915,765
Depreciation	147,464	62,145	209,609
Total operating expenses	2,011,371	69,071	2,080,442
Operating income (loss)	(1,327,055)	701,659	(625,396)
NONOPERATING REVENUES			
Gain on disposal of capital assets	24,622	-	24,622
Total nonoperating revenues	24,622	-	24,622
Net income (loss) before transfers	(1,302,433)	701,659	(600,774)
Transfers in	1,307,000	-	1,307,000
Transfers out	-	(14,312)	(14,312)
Total transfers	1,307,000	(14,312)	1,292,688
Change in net position	4,567	687,347	691,914
Total net position (deficit), beginning of year	420,254	5,001,446	5,421,700
Total net position (deficit), end of year	\$ 424,821	\$ 5,688,793	\$ 6,113,614

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2017

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 693,517	\$ 730,507	\$ 1,424,024
Payments to suppliers	(1,017,806)	11,184	(1,006,622)
Payments to employees	(1,007,333)	(1,129)	(1,008,462)
Net cash provided by (used in) operating activities	(1,331,622)	740,562	(591,060)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	1,307,000	-	1,307,000
Transfers out from other funds	-	(14,312)	(14,312)
Net cash provided by (used in) non-capital financing activities	1,307,000	(14,312)	1,292,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(554,481)	(554,481)
Proceeds from sale of capital assets	24,622	-	24,622
Net cash provided by (used in) capital and related financing activities	24,622	(554,481)	(529,859)
Net increase in cash	-	171,769	171,769
Cash, beginning of year	-	2,126,047	2,126,047
Cash, end of year	\$ -	\$ 2,297,816	\$ 2,297,816
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,327,055)	\$ 701,659	\$ (625,396)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	147,464	62,145	209,609
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	9,201	(40,223)	(31,022)
Increase (decrease) in accounts payable	(111,996)	16,981	(95,015)
Decrease in accrued liabilities	(31,292)	-	(31,292)
Increase in due to other funds	4,158	-	4,158
Decrease in compensated absences payable	(22,102)	-	(22,102)
Net cash provided by (used in) operating activities	\$ (1,331,622)	\$ 740,562	\$ (591,060)

CITY OF LAWRENCEVILLE, GEORGIA

INTERNAL SERVICE FUNDS

Workers' Compensation Fund - accounts for the claims incurred and paid by the City on-behalf of the employees of the City.

Health Insurance Fund - accounts for the internal charges and claims incurred by the City's partially self-insured health care plan for the employees.

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2017**

ASSETS	Workers Compensation Fund	Health Insurance Fund	Total Internal Service Funds
CURRENT ASSETS			
Cash	\$ -	\$ 128,230	\$ 128,230
Prepaid items	58,380	-	58,380
Total assets	58,380	128,230	186,610
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	600	-	600
Claims payable	-	182,944	182,944
Due to other funds	20,341	-	20,341
Total liabilities	20,941	182,944	203,885
NET POSITION (DEFICIT)			
Unrestricted (deficit)	37,439	(54,714)	(17,275)
Total net position (deficit)	\$ 37,439	\$ (54,714)	\$ (17,275)

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017**

	Workers Compensation Fund	Health Insurance Fund	Internal Service Totals
OPERATING REVENUE			
Other fees	\$ 718,294	\$ 6,431,744	\$ 7,150,038
Total operating revenue	<u>718,294</u>	<u>6,431,744</u>	<u>7,150,038</u>
OPERATING EXPENSES			
General operating expenses	25,025	419,210	444,235
Claims	561,754	4,870,525	5,432,279
Insurance premiums	<u>94,076</u>	<u>756,204</u>	<u>850,280</u>
Total operating expenses	<u>680,855</u>	<u>6,045,939</u>	<u>6,726,794</u>
Change in net position	37,439	385,805	423,244
Total net position (deficit), beginning of year, restated	<u>-</u>	<u>(440,519)</u>	<u>(440,519)</u>
Total net position (deficit), end of year	<u><u>\$ 37,439</u></u>	<u><u>\$ (54,714)</u></u>	<u><u>\$ (17,275)</u></u>

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017**

	Workers Compensation Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 718,294	\$ 6,431,744	\$ 7,150,038
Payments to suppliers	(718,294)	(6,303,514)	(7,021,808)
Net cash provided by operating activities	-	128,230	128,230
Net increase in cash	-	128,230	128,230
Cash, beginning of year	-	-	-
Cash, end of year	\$ -	\$ 128,230	\$ 128,230
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 37,439	\$ 385,805	\$ 423,244
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in prepaid items	(58,380)	-	(58,380)
Increase in accounts payable	600	-	600
Increase in due to other funds	20,341	-	20,341
Decrease in claims payable	-	(257,575)	(257,575)
Net cash provided by operating activities	\$ -	\$ 128,230	\$ 128,230

STATISTICAL SECTION

This part of City of Lawrenceville’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.

Page

Financial Trends 77-88

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

Revenue Capacity 89-98

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

Debt Capacity 99-103

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

Demographic and Economic Information 104 and 105

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

Operating Information..... 106-108

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

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

City of Lawrenceville, Georgia
Net Position by Activity Type
Last Ten Fiscal Years

	2008	2009	2010	2011
Primary government - governmental activities				
Net investment in capital assets	\$ 172,506,550	\$ 176,609,278	\$ 185,634,619	\$ 187,916,543
Restricted	-	-	-	562,901
Unrestricted (deficit)	28,076,403	31,717,500	21,761,883	23,830,982
Total governmental activities net position	<u>200,582,953</u>	<u>208,326,778</u>	<u>207,396,502</u>	<u>212,310,426</u>
Primary government - business-type activities				
Net investment in capital assets	46,165,578	46,244,833	45,935,848	49,825,048
Restricted	-	-	-	17,740,893
Unrestricted	162,400	2,415,216	12,407,009	2,084,425
Total business-type activities net position	<u>46,327,978</u>	<u>48,660,049</u>	<u>58,342,857</u>	<u>69,650,366</u>
Total primary government				
Net investment in capital assets	218,672,128	222,854,111	231,570,467	237,741,591
Restricted	-	-	-	18,303,794
Unrestricted (deficit)	28,238,803	34,132,716	34,168,892	25,915,407
Total primary government net position	<u>\$ 246,910,931</u>	<u>\$ 256,986,827</u>	<u>\$ 265,739,359</u>	<u>\$ 281,960,792</u>

Note - the August 31, 2016 balances have been restated to reflect the change in the reporting of the Health Insurance Claims and net OPEB obligation in the governmental activities.

2012	2013	2014	2015	2016 - Restated	2017
\$ 190,617,824	\$ 226,760,901	\$ 228,329,233	\$ 233,116,575	\$ 234,587,027	\$ 256,488,338
883,860	7,024,476	6,814,080	10,015,367	45,598,469	29,680,915
26,039,736	16,071,181	9,625,901	(2,106,820)	(3,393,308)	(11,222,785)
217,541,420	249,856,558	244,769,214	241,025,122	276,792,188	274,946,468
49,143,494	51,500,331	52,959,314	53,261,897	9,040,636	55,541,438
16,492,114	-	-	-	-	-
2,986,803	27,850,551	34,944,033	40,927,506	44,801,802	1,867,503
68,622,411	79,350,882	87,903,347	94,189,403	53,842,438	57,408,941
239,761,318	278,261,232	281,288,547	286,378,472	243,627,663	312,029,776
17,375,974	7,024,476	6,814,080	10,015,367	45,598,469	29,680,915
29,026,539	43,921,732	44,569,934	38,820,686	41,408,494	(9,355,282)
\$ 286,163,831	\$ 329,207,440	\$ 332,672,561	\$ 335,214,525	\$ 330,634,626	\$ 332,355,409

City of Lawrenceville, Georgia
Changes in Net Position
Last Ten Fiscal Years

	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 6,270,873	\$ 8,164,765	\$ 7,197,689	\$ 7,373,018
Planning and zoning	2,319,871	499,549	357,925	348,482
Judicial	-	-	-	-
Public safety	9,225,835	10,329,891	10,228,690	12,110,803
Public works	332,999	896,389	2,093,223	1,071,239
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Total governmental activities expenses	<u>18,149,578</u>	<u>19,890,594</u>	<u>19,877,527</u>	<u>20,903,542</u>
Business-type activities:				
Water and sewer	4,111,093	4,215,540	7,321,400	4,328,598
Electric	20,753,576	19,200,601	19,137,886	17,075,636
Gas	35,991,268	31,864,685	33,823,518	31,268,109
Solid waste	1,576,124	1,616,906	1,700,961	1,689,352
Stormwater	157,534	210,392	239,563	52,343
Total business-type activities expenses	<u>62,589,595</u>	<u>57,108,124</u>	<u>62,223,328</u>	<u>54,414,038</u>
Total primary government expenses	<u>\$ 80,739,173</u>	<u>\$ 76,998,718</u>	<u>\$ 82,100,855</u>	<u>\$ 75,317,580</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 756,478	\$ 839,981	\$ 839,780	\$ 778,280
Planning and zoning	388,387	337,974	277,683	285,264
Judicial	-	-	-	-
Public safety	2,964,549	3,470,709	2,504,173	6,577,967
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	153,883	3,749,065	3,891,534	3,899,476
Total governmental activities program revenue	<u>4,263,297</u>	<u>8,397,729</u>	<u>7,513,170</u>	<u>11,540,987</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,717,958	3,772,871	4,231,669	4,496,110
Electric	25,879,873	24,507,099	28,133,721	28,054,430
Gas	42,498,914	41,435,617	42,583,588	38,165,349
Solid waste	1,057,567	1,039,204	1,049,966	1,015,705
Stormwater	678,998	691,214	709,160	667,389
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	1,652,087
Total business-type activities program revenues	<u>73,833,310</u>	<u>71,446,005</u>	<u>76,708,104</u>	<u>74,051,070</u>
Total primary government program revenues	<u>\$ 78,096,607</u>	<u>\$ 79,843,734</u>	<u>\$ 84,221,274</u>	<u>\$ 85,592,057</u>
Total primary government net expense	<u>\$ (2,642,566)</u>	<u>\$ 2,845,016</u>	<u>\$ 2,120,419</u>	<u>\$ 10,274,477</u>

2012	2013	2014	2015	2016	2017
\$ 6,837,474 ⁽¹⁾	\$ 7,752,325	\$ 7,435,877	\$ 8,401,997	\$ 6,888,155 ⁽⁵⁾	\$ 10,718,859
516,335 ⁽¹⁾	-	-	-	-	-
- ⁽²⁾	948,876	791,195	984,769	1,157,349	808,415
12,535,965 ⁽²⁾	11,374,379	10,748,892	12,384,360	13,025,259	11,128,397
2,122,411 ⁽³⁾	6,981,826	8,205,138	8,775,978	11,126,532 ⁽⁵⁾	9,794,500
-	259,618	254,371	132,685	141,659	171,374
-	464,048	714,604	1,488,240	3,180,125 ⁽⁵⁾	5,183,274
-	-	214,446	194,213	173,229	154,560
<u>22,012,185</u>	<u>27,781,072</u>	<u>28,364,523</u>	<u>32,362,242</u>	<u>35,692,308</u>	<u>37,959,379</u>
4,487,656	4,149,089	4,612,198	5,107,221	5,203,776	5,000,957
23,244,876	24,775,235	25,038,603	26,543,376	26,363,870	25,654,604
26,311,839	28,661,647	32,696,627	26,050,393	26,280,121	24,120,780
1,721,036	1,783,331	1,717,250	1,974,062	2,287,331	2,011,371
113,016	142,973	144,407	78,996	77,875	69,071
<u>55,878,423</u>	<u>59,512,275</u>	<u>64,209,085</u>	<u>59,754,048</u>	<u>60,212,973</u>	<u>56,856,783</u>
<u>\$ 77,890,608</u>	<u>\$ 87,293,347</u>	<u>\$ 92,573,608</u>	<u>\$ 92,116,290</u>	<u>\$ 95,905,281</u>	<u>\$ 94,816,162</u>
\$ 839,076 ⁽¹⁾	\$ 1,246,518	\$ 1,401,359	\$ 1,485,410	\$ 1,341,312	\$ 1,633,271
299,330 ⁽¹⁾	-	-	-	-	-
- ⁽²⁾	1,849,733	1,913,998	2,453,774	1,591,649	931,111
3,761,396 ⁽²⁾	116,849	156,722	71,926	448,461	190,976
-	2,450	3,825	3,025	5,700	4,725
-	-	2,480	5,670	52,900	50,611
-	-	-	-	-	-
-	-	-	-	-	-
-	1,594,450 ⁽⁴⁾	1,189,949	1,109,020	1,109,317	1,115,667
<u>6,673,325</u>	<u>5,015,115</u>	<u>5,012,641</u>	<u>5,066,750</u>	<u>4,945,347</u>	<u>6,206,304</u>
<u>11,573,127</u>	<u>9,825,115</u>	<u>9,680,974</u>	<u>10,195,575</u>	<u>9,494,686</u>	<u>10,132,665</u>
4,823,600	4,803,739	5,059,486	5,179,551	5,326,614	5,347,618
29,917,820	30,633,625	32,085,457	32,579,922	33,515,170	33,460,867
31,415,141	34,866,922	41,330,437	37,510,172	34,691,282	38,861,072
1,031,024	1,079,058	1,184,127	954,231	680,669	684,316
690,111	686,432	715,681	716,213	713,780	770,730
-	-	-	-	-	-
-	-	39,868	-	-	-
<u>67,877,696</u>	<u>72,069,776</u>	<u>80,415,056</u>	<u>76,940,089</u>	<u>74,927,515</u>	<u>79,124,603</u>
<u>\$ 79,450,823</u>	<u>\$ 81,894,891</u>	<u>\$ 90,096,030</u>	<u>\$ 87,135,664</u>	<u>\$ 84,422,201</u>	<u>\$ 89,257,268</u>
<u>\$ 1,560,215</u>	<u>\$ (5,398,456)</u>	<u>\$ (2,477,578)</u>	<u>\$ (4,980,626)</u>	<u>\$ (11,483,080)</u>	<u>\$ (5,558,894)</u>

Continued

City of Lawrenceville, Georgia
Changes in Net Position (Continued)
Last Ten Fiscal Years

	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes:				
Property taxes	\$ 2,108,111	\$ 2,159,932	\$ 1,900,278	\$ 1,744,314
Franchise taxes	855,844	1,029,779	1,000,589	978,793
Excise taxes	-	-	-	-
Alcoholic beverage taxes	609,954	595,516	578,043	576,018
Insurance premium taxes	1,224,195	1,253,520	1,241,760	1,205,671
Hotel/motel & motor vehicle rental taxes	331,400	291,002	389,019	402,038
Financial institution taxes	-	-	-	-
Other taxes	544,762	519,048	446,682	465,877
Interest and investment earnings	1,069,611	679,349	393,619	303,686
Miscellaneous	285,669	171,712	269,845	142,719
Gain on sales of capital assets	-	-	-	-
Transfers	11,000,000	12,536,832	5,214,246	8,457,363
Total governmental activities	18,029,546	19,236,690	11,434,081	14,276,479
Business-type activities:				
Interest and investment earnings	-	-	-	-
Miscellaneous	901,854	531,022	412,278	127,840
Gain on sale of capital assets	-	-	-	-
Transfers	(11,000,000)	(12,536,832)	(5,214,246)	(8,457,363)
Total business-type activities	(10,098,146)	(12,005,810)	(4,801,968)	(8,329,523)
Total primary government	\$ 7,931,400	\$ 7,230,880	\$ 6,632,113	\$ 5,946,956
Changes in Net Position				
Governmental activities	\$ 4,143,265	\$ 7,743,825	\$ (930,276)	\$ 4,913,924
Business-type activities	1,145,569	2,332,071	9,682,808	11,307,509
Total primary government	\$ 5,288,834	\$ 10,075,896	\$ 8,752,532	\$ 16,221,433

⁽¹⁾In the 2012 and prior fiscal years, the City was reporting planning and zoning as a function of governmental activities. Beginning in 2013, planning and zoning was combined into the general government function.

⁽²⁾In the 2012 and prior fiscal years, judicial activities were reported as a component of public safety. In the 2013 fiscal year, these were broken out separately.

⁽³⁾In the 2013 fiscal year, it was determined the estimated life for the infrastructure of the City's governmental capital assets was being inappropriately applied and resulted in a restatement for previously underdepreciated assets. The increase is to show the appropriate depreciation expense.

⁽⁴⁾Intergovernmental revenues from the County were previously reported as public safety charges for services.

⁽⁵⁾In 2016 the City changed the departments assigned to each function code.

	2012	2013	2014	2015	2016	2017
\$	1,544,764	\$ 2,187,024	\$ 2,374,343	\$ 2,514,239	\$ 2,284,639	\$ 2,352,464
	1,013,346	1,005,159	983,876	1,061,585	1,076,929	1,022,454
	-	820,590	800,987	804,926	824,788	788,365
	597,321	-	-	-	-	-
	1,338,927	1,422,165	1,472,516	1,531,262	1,635,902	1,772,000
	429,077	264,737	290,510	307,997	323,791	339,272
	-	139,610	145,515	128,810	283,985	223,386
	442,208	84,405	81,865	210,586	131,173	132,660
	201,714	153,744	139,571	101,141	252,781	243,690
	689,475	-	-	-	30,156	-
	-	-	-	847,957	-	80,391
	9,413,220	9,836,829	7,474,819	10,914,072	60,494,070	19,026,312
	15,670,052	15,914,263	13,764,002	18,422,575	67,338,214	25,980,994
	-	-	-	-	62,762	63,254
	504,240	-	-	14,087	452	198,627
	-	70,657	7,255	-	7,025	63,114
	(9,413,220)	(9,836,829)	(7,474,819)	(10,914,072)	(60,494,070)	(19,026,312)
	(8,908,980)	(9,766,172)	(7,467,564)	(10,899,985)	(60,423,831)	(18,701,317)
\$	6,761,072	\$ 6,148,091	\$ 6,296,438	\$ 7,522,590	\$ 6,914,383	\$ 7,279,677
\$	5,230,994	\$ (2,041,694)	\$ (4,919,547)	\$ (3,744,092)	\$ 41,140,592	\$ (1,845,720)
	3,090,293	2,791,329	8,738,407	6,286,056	(45,709,289)	3,566,503
\$	8,321,287	\$ 749,635	\$ 3,818,860	\$ 2,541,964	\$ (4,568,697)	\$ 1,720,783

City of Lawrenceville, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2008	2009	2010	2011 ⁽¹⁾
General Fund				
Reserved	\$ 237,707	\$ 267,640	\$ 88,561	\$ -
Unreserved	21,137,715	24,214,048	21,715,718	-
Nonspendable	-	-	-	228,121
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	21,153,925
Total General Fund	<u>\$ 21,375,422</u>	<u>\$ 24,481,688</u>	<u>\$ 21,804,279</u>	<u>\$ 21,382,046</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-
Special revenue fund	143,666	460,239	97,796	-
Capital projects fund	6,040,110	5,954,236	881,926	-
Nonspendable	-	-	-	-
Restricted	-	-	-	4,366,365
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(36,872)
Total all other governmental funds	<u>\$ 6,183,776</u>	<u>\$ 6,414,475</u>	<u>\$ 979,722</u>	<u>\$ 4,329,493</u>

⁽¹⁾For FY 2011, GASB Statement No. 54 was implemented requiring additional classification of fund balance.

⁽²⁾The City elected to transfer less funds from the proprietary funds than in the prior year.

⁽³⁾The City purchased approximately \$5,000,000 of land held for resale, which increased the nonspendable portion of fund balance.

⁽⁴⁾The City created an internal service fund for the health insurance claims and the related liabilities were reflected in the internal service fund.

2012	2013	2014	2015	2016 ⁽⁴⁾	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
85,511	3,981,887	5,019,611	10,111,204 ⁽³⁾	8,162,561	6,855,477
-	-	184,621	235,451	243,818	243,818
-	-	-	-	-	-
25,089,170	16,674,036	9,595,958 ⁽²⁾	(4,122,753) ^{(2)/(3)}	7,076,083	8,036,097
<u>\$ 25,174,681</u>	<u>\$ 20,655,923</u>	<u>\$ 14,800,190</u>	<u>\$ 6,223,902</u>	<u>\$ 15,482,462</u>	<u>\$ 15,135,392</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,024,476	9,029,592	9,083,394	3,032,777	17,408
5,384,966	-	6,629,459	9,779,916	45,360,511	29,437,097
-	-	-	-	7,150,423	4,761,943
-	-	(438,903)	(578,760)	-	-
<u>\$ 5,384,966</u>	<u>\$ 7,024,476</u>	<u>\$ 15,220,148</u>	<u>\$ 18,284,550</u>	<u>\$ 55,543,711</u>	<u>\$ 34,216,448</u>

City of Lawrenceville, Georgia
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years

	2008	2009	2010	2011
Revenues				
Taxes	\$ 10,375,747	\$ 5,546,067	\$ 5,834,191	\$ 4,698,502
Licenses and permits	388,387	337,974	277,683	285,264
Intergovernmental	153,883	3,749,065	3,891,534	3,930,634
Fines and forfeitures	2,964,549	3,470,709	2,504,173	6,577,967
Charges for services	756,478	839,981	839,780	778,280
Interest income	1,233,829	655,717	443,142	285,337
Miscellaneous	285,669	171,712	269,845	142,719
Total revenues	<u>16,158,542</u>	<u>14,771,225</u>	<u>14,060,348</u>	<u>16,698,703</u>
Expenditures				
General government	6,005,328	8,628,998	8,676,074	6,220,262
Planning and zoning	2,325,774	493,370	335,517	321,817
Judicial	-	-	-	-
Public safety	9,472,988	12,622,019	17,365,574 ⁽²⁾	11,061,098
Public works	777,496	2,226,705	1,767,199	4,625,351
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>18,581,586</u>	<u>23,971,092</u>	<u>28,144,364</u>	<u>22,228,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,423,044)</u>	<u>(9,199,867)</u>	<u>(14,084,016)</u>	<u>(5,529,825)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Issuance of note payable	-	-	-	-
Issuance of capital lease	-	-	-	-
Transfers in	11,000,000	12,536,832	5,214,246	8,457,363
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>11,000,000</u>	<u>12,536,832</u>	<u>5,214,246</u>	<u>8,457,363</u>
Net change in fund balance	<u>\$ 8,576,956</u>	<u>\$ 3,336,965</u>	<u>\$ (8,869,770)</u>	<u>\$ 2,927,538</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

⁽¹⁾The increase in expenditures for the General Government in FY 2007 is due to \$5.8 million spent for the capital project related to the Aurora Theatre and the Downtown Parking Deck.

⁽²⁾The increase in Public Safety expenditures is due to the completion of the new police station during FY 2010 with an approximate cost of \$9 million.

⁽³⁾The increase in expenditures for the General Government in FY 2015 is due to several property acquisitions.

⁽⁴⁾In 2016 the City changed the departments assigned to each function code.

⁽⁵⁾In 2017 the City began expending much of the restricted proceeds in the 2015 Project Fund.

2012	2013	2014	2015	2016	2017
\$ 6,718,371	\$ 6,213,742	\$ 6,180,080	\$ 6,566,666	\$ 6,556,654	\$ 6,636,803
299,330	304,915	316,544	308,055	349,397	405,945
6,673,325	6,549,884	5,901,584	6,076,690	6,025,477	5,739,099
3,761,396	1,926,374	1,900,549	2,160,300	1,972,529	1,488,263
839,076	815,650	856,187	975,722	993,272	798,761
187,748	184,222	146,824	116,056	277,326	258,179
689,475	163,043	224,836	264,778	85,296	550,048
19,168,721	16,157,830	15,526,604	16,468,267	16,259,951	15,877,098
8,234,883	7,115,045	6,934,671	11,255,362 ⁽³⁾	6,258,780 ⁽⁴⁾	8,335,880 ⁽⁴⁾
498,690	-	-	-	-	-
-	908,584	788,299	802,333	956,357	808,895
11,313,850	11,219,586	10,986,581	9,823,919	10,760,389	10,453,791
2,803,594	3,142,693	5,568,464	3,820,148	5,846,498 ⁽⁴⁾	6,641,013 ⁽⁴⁾
-	259,618	254,371	132,685	141,659	171,374
-	464,048	988,752	1,212,472	2,852,829 ⁽⁴⁾	8,754,924 ⁽⁴⁾
-	1,903,968	3,121,801	5,841,364	5,760,141	20,203,580
-	-	780,000	830,000	850,000	933,290
-	-	216,071	195,942	175,000	153,500
22,851,017	25,013,542	29,639,010	33,914,225	33,601,653	56,456,247
(3,682,296)	(8,855,712)	(14,112,406)	(17,445,958)	(17,341,702)	(40,579,149)
-	128,001	91,500	1,020,000	49,267	85,245
-	-	-	-	-	2,600,000
-	-	-	-	-	193,259
8,530,404	10,864,686	9,443,839	12,964,985	61,660,087	21,564,016
-	(1,027,857)	(1,969,020)	(2,050,913)	(1,166,017)	(2,537,704)
8,530,404	9,964,830	7,566,319	11,934,072	60,543,337	21,904,816
\$ 4,848,108	\$ 1,109,118	\$ (6,546,087)	\$ (5,511,886)	\$ 43,201,635	\$ (18,674,333)
0.00%	0.00%	4.60%	4.52%	4.03%	3.74%

City of Lawrenceville, Georgia
General Government Tax Revenues by Source (Governmental Activities)
Last Ten Fiscal Years

Year	Property Taxes	Franchise Taxes	Excise Taxes	Insurance Premium Taxes	Hotel/Motel & Motor Vehicle Taxes	Financial Institution Taxes	Other Taxes	Total
2008	\$ 2,108,111	\$ 855,844	\$ 609,954	\$ 1,224,195	\$ 331,400	\$ -	\$ 544,762	\$ 5,674,266
2009	1,857,202	1,029,779	595,516	1,253,520	291,002	135,754	383,294	5,546,067
2010	2,178,098	1,000,589	578,043	1,241,760	389,019	125,294	321,388	5,834,191
2011	1,070,105	978,793	576,018	1,205,671	402,038	138,026	327,851	4,698,502
2012	2,897,492	1,013,346	597,321	1,338,927	429,077	132,441	309,767	6,718,371
2013	2,861,258	1,005,159	576,018	1,422,165	264,737	145,515	(61,110)	6,213,742
2014	2,404,811	983,876	800,987	1,472,516	290,510	145,515	81,865	6,180,080
2015	2,521,500	1,061,585	804,926	1,531,262	307,997	128,810	210,586	6,566,666
2016	2,280,086	1,076,929	824,788	1,635,902	323,791	283,985	131,173	6,556,654
2017	2,352,464	1,022,454	788,365	1,772,000	339,272	223,386	132,660	6,630,601

City of Lawrenceville, Georgia
General Government Revenues by Source (Governmental Funds)
Last Ten Fiscal Years

	Taxes	Licenses and Permits	Intergovernmental	Fines & Forfeitures	Charges for Services	Interest Income	Miscellaneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2008	10,375,747	388,387	153,883	2,964,549	756,478	1,233,829	285,669	16,158,542
2009	5,546,067 ⁽¹⁾	337,974	3,749,065	3,470,709	839,981	655,717	171,712	14,771,225
2010	5,834,191	277,683	3,891,534	2,504,173	839,780	443,142	269,845	14,060,348
2011	4,698,502	285,264	3,930,634	6,577,967 ⁽²⁾	778,280	285,337	142,719	16,698,703
2012	6,718,371	299,330	6,673,325	3,761,396 ⁽³⁾	839,076	187,748	689,475	19,168,721
2013	6,213,742	304,915	6,549,884	1,926,374	815,650	184,222	163,043	16,157,830
2014	6,180,080	316,544	5,901,584	1,900,549	856,187	146,824	224,836	15,526,604
2015	6,566,666	308,055	6,076,690	2,160,300	975,722	116,056	264,778	16,468,267
2016	6,556,654	349,397	6,025,477	1,972,529	993,272	277,326	85,296	16,259,951
2017	6,636,803	405,945	5,739,099	1,488,263	798,761	258,179	550,048	15,877,098

⁽¹⁾The decrease in taxes is due to the special option sales tax being reported in the Intergovernmental category beginning in FY 2009 as opposed to the Taxes category. The special option sales tax contributed \$3.9 million in FY 2006, \$6 million in FY 2007 and \$4.2 million in FY 2008 to the Taxes category.

⁽²⁾Confiscated assets in the amount of \$4,774,166 were reported for FY 2011.

⁽³⁾Confiscated assets in the amount of \$1,985,902 were reported for FY 2012.

City of Lawrenceville, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Calendar Year	Real Property	Personal Property	Motor Vehicle	Mobile Homes	Other
2007	\$ 869,462,464	\$ 176,138,180	\$ 70,030,630	\$ 1,180,280	\$ -
2008	917,823,158	194,491,220	72,113,190	735,480	-
2009	896,843,690	178,460,330	73,388,390	719,280	88,800
2010	839,960,980	165,870,090	60,612,840	712,920	88,800
2011	748,823,880	160,000,000	57,833,300	707,400	58,040
2012	635,406,725	175,000,000	59,999,060	659,520	999,200
2013	643,768,870	155,000,000	64,849,010	565,720	103,500
2014	711,875,120	160,000,000	56,785,530	653,320	60,700
2015	732,161,640	168,500,000	40,393,160	638,280	131,200
2016	807,136,280	173,000,000	30,106,490	402,480	1,822,800

⁽¹⁾Gwinnett County assesses property at 40% of actual value for all types of personal and real property.

Source: Consolidated Digest Reports from the Gwinnett County Tax Commissioner's Office

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽¹⁾
\$ 90,123,350	\$ 1,026,688,204	2.2000	\$ 2,566,720,510	40%
88,443,230	1,096,719,818	2.1600	2,741,799,545	40%
89,361,000	1,060,139,490	2.1600	2,650,348,725	40%
89,142,050	978,103,580	2.1600	2,445,258,950	40%
86,399,670	881,022,950	2.1600	2,202,557,375	40%
80,862,100	791,202,405	2.1600	1,978,006,013	40%
83,067,200	781,219,900	2.1600	1,953,049,750	40%
83,738,650	845,636,020	2.0760	2,114,090,050	40%
83,116,810	858,707,470	2.0250	2,146,768,675	40%
82,470,862	929,997,188	2.0250	2,324,992,970	40%

City of Lawrenceville, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years

Calendar Year	City of Lawrenceville Millage	Overlapping Rates												Total Direct & Overlapping Rates	
		Gwinnett County Millage						Gwinnett County School Board Millage							State
		Development						Total							
		Operating	Debt Service	Fire Protection	Police Services	District	Recreation	Operations	Debt Service	Total	Operations	Debt Service	Total		
2007	2.200	9.81	0.47	0.00	0.00	0.00	0.80	11.08	1.30	20.55	19.25	1.30	20.55	0.25	
2008	2.160	9.72	0.46	0.00	0.00	0.00	0.79	10.97	1.30	20.55	19.25	1.30	20.55	0.25	
2009	2.160	11.78	0.47	0.00	0.00	0.00	1.00	13.25	1.30	20.55	19.25	1.30	20.55	0.25	
2010	2.160	11.78	0.47	0.00	0.00	0.00	1.00	13.25	1.30	20.55	19.25	1.30	20.55	0.25	
2011	2.160	11.78	0.24	0.00	0.00	0.00	1.00	13.02	1.30	20.55	19.25	1.30	20.55	0.25	
2012	2.160	11.78	0.24	0.00	0.00	0.00	1.00	13.02	1.30	20.55	19.25	1.30	20.55	0.20	
2013	2.160	7.40	0.24	3.20	0.00	0.00	0.95	11.79	2.05	21.85	19.80	2.05	21.85	0.15	
2014	2.076	7.40	0.24	3.20	0.00	0.00	0.95	11.79	2.05	21.85	19.80	2.05	21.85	0.10	
2015	2.025	7.23	0.24	3.20	0.00	0.00	0.95	11.62	2.05	21.85	19.80	2.05	21.85	0.05	
2016	2.025	6.83	0.24	3.20	0.00	0.00	0.95	11.22	2.05	21.85	19.80	2.05	21.85	0.00	
2017	2.025	7.40	0.00	3.20	0.00	0.00	0.95	11.55	2.05	21.85	19.80	2.05	21.85	0.00	
														35.43	

Source: Gwinnett County Tax Commissioner website

City of Lawrenceville, Georgia
Top Ten Property Taxpayers
Current and Nine Years Ago (Calendar Year)

Taxpayer	2016 Tax Year			2007 Tax Year		
	Taxable Assessed Value	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total City Taxable Assessed Value
Elysian at Ten Oaks LP	\$ 12,656,040	1	1.36%			
Lund International	10,935,950	2	1.18%	\$ 8,927,860	2	0.87%
C P O Commerce Inc	10,330,630	3	1.11%			
CMK Terrace Park LLC	8,369,000	4	0.90%			
Aramark Uniform Services Inc	8,016,390	5	0.86%			
Gwinnett Retirement Inv LLC	7,675,160	6	0.83%	7,675,160	5	0.75%
Leica Geosystems Inc	6,482,350	7	0.70%			
Gwinnett Medical Properties Inc	6,349,720	8	0.68%			
National Vision Inc	5,762,550	9	0.62%			
Atlanta Attachment Company	5,715,650	10	0.61%			
BellSouth Telecommunications				9,427,740	1	0.92%
Hurricane/316 LLC				8,835,760	3	0.86%
Benefield C E ETAL				8,225,240	4	0.80%
SCI Sugarloaf-Rolando Fund LLC ETAL				7,340,840	6	0.72%
Bostic Dev @ Philip Blvd LLC				6,990,600	7	0.68%
CLPF-MMIC Gwinnett MOB LP				6,136,080	8	0.60%
Tara Materials				6,000,930	9	0.58%
BlueLinx Corporation				5,908,160	10	0.58%

Source: Gwinnett County Tax Commissioner's Office

City of Lawrenceville, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years ⁽¹⁾

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years		Total Collection to Date	
		Amount	Percentage	Amount	Percentage of Levy	Amount	Percentage of Levy
2008	\$ 2,381,906	\$ 401,942	16.87%	\$ 1,979,964		\$ 2,381,906	100.00%
2009	2,367,199	0	0.00%	2,367,199.00		2,367,199	100.00%
2010	2,165,070	157,636	7.28%	2,006,874.00		2,164,510	99.97%
2011	1,925,783	170,218	8.84%	1,754,222.00		1,924,440	99.93%
2012	1,746,602	13,654	0.78%	1,731,148.00		1,744,802	99.90%
2013	1,889,584	113,364	6.00%	1,774,069.00		1,887,433	99.89%
2014	1,762,441	97,695	5.54%	1,660,476.00		1,758,171	99.76%
2015	1,744,117	73,586	4.22%	1,665,007.71		1,738,594	99.68%
2016	1,816,850	99,125	5.46%	1,696,983.43		1,796,108	98.86%
2017	1,839,029	96,170	5.23%	N/A		96,170	5.23%

⁽²⁾Taxes are levied in July of the fiscal year but are not due until October. This results in a low percentage of taxes collected within the fiscal year of the levy.

Note: Taxes levied have been adjusted to include subsequent bills. If an assessment is in appeal at the time of the billing, the City bills 85% of the taxable amount. When the appeal is settled, the City then sends a bill for the increased amount, if applicable.

Source: Consolidated Digest Reports provided by the Gwinnett County Tax Commissioner.

City of Lawrenceville, Georgia
Largest Natural Gas Customers
Current and Nine Years Ago

Taxpayer	2017			2008		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Ricoh Electronics	\$ 1,293,310	1	3.33%	\$ 1,042,127	1	2.45%
Gwinnett Co. Justice & Admin Center	998,319	2	2.57%	753,430	3	1.77%
Gwinnett Hospital System	803,246	3	2.07%	703,559	4	1.66%
Lund Inc	532,988	4	1.37%			
Publix Warehouse	461,124	5	1.19%	827,959	2	1.95%
Gwinnett County Jail	408,920	6	1.05%	593,011	5	1.40%
All American Poly of GA	396,692	7	1.02%	310,359	6	0.73%
Gwinnett Physicians Center	300,338	8	0.77%			
Ingles Market Inc	291,800	9	0.75%			
Kroger	262,107	10	0.67%			
Formex Manufacturing				289,646	7	0.68%
Dolco Packaging Co.				276,477	8	0.65%
Gwinnett Womens Pavilion				271,998	9	0.64%
Block USA - GA Division				244,682	10	0.58%

Source: Information obtained from the City's billing system.

City of Lawrenceville, Georgia
Largest Electric Customers
Current and Nine Years Ago

Taxpayer	2017			2008		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Gwinnett Hospital System	\$ 2,375,817	1	7.10%	\$ 1,143,640	1	4.42%
Auto Ventshade Co.	1,721,072	2	5.14%	838,686	2	3.24%
Rehrig Pacific Company	1,572,402	3	4.70%			
Gwinnett Co. Justice & Admin Center	998,319	4	2.98%	753,430	3	2.91%
Vista Eyecare Inc	433,826	5	1.30%	195,336	8	0.75%
Discovery High School	397,788	6	1.19%			
All American Poly of GA	396,692	7	1.19%	310,359	4	1.20%
BST-F5618	316,065	8	0.94%			
Terrace Park Properties I LLC	302,619	9	0.90%			
Gwinnett Physician's Center	300,338	10	0.90%			
Formex Manufacturing Inc.				289,646	5	1.12%
Block USA - GA Division				244,682	6	0.95%
Ingles Market Inc				236,584	7	0.91%
White Lightning Products				194,032	9	0.75%
Kroger Store GA-352				193,250	10	0.75%

Source: Information obtained from the City's billing system.

City of Lawrenceville, Georgia
Electric Rates
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Commercial (per month) FY 2007-FY 2009										
Base Charge	\$ 10.00	\$ 10.00								
First 200 Hours Use of Demand										
First 3,000 kWh or less	0.11200	0.11200								
Next 7,000 kWh	0.10300	0.10300								
Next 190,000 kWh	0.09000	0.09000								
Over 200,000 kWh	0.07333	0.07333								
Next 200 Hours Use of Demand										
All kWh	0.02261	0.02261								
Next 200 Hours Use of Demand										
All kWh	0.02085	0.02085								
Over 600 Hours Use of Demand										
All kWh	0.01913	0.01913								
Commercial Small Power FY 2010-Current										
Base Charge			\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Demand Charge (per kW of billing demand)			2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
All consumption (kWh) not greater than 200 hours times the billing demand			0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand			0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Consumption (kWh) in excess of 400 hours times the billing demand			0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.048
Commercial Medium Power FY 2010-Current										
Base Charge			30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Demand Charge (per kW of billing demand)			2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
All consumption (kWh) not greater than 200 hours times the billing demand			0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.093
First 6,000 kWh			0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.083
Over 6,000 kWh										
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand			0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.048
Consumption (kWh) in excess of 400 hours times the billing demand			0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.043
Commercial Large Power FY 2010-Current										
Base Charge			50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Demand Charge (per kW of billing demand)			3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
All consumption (kWh) not greater than 200 hours times the billing demand			0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.075
First 100,000 kWh			0.062	0.062	0.062	0.062	0.062	0.062	0.062	0.065
Over 100,000 kWh										
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand			0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.043
Consumption (kWh) in excess of 400 hours and not greater than 600 hours times the billing demand			0.036	0.036	0.036	0.036	0.036	0.036	0.036	0.039
Consumption (kWh) in excess of 600 hours times the billing demand			0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032
Temporary Service Rate										
Base Charge	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	18.00
First 3,000 kWh	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1325
Over 3,000 kWh	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1225
Residential (per month) FY 2007-FY 2009										
Base Charge	7.15	7.15								
June-September										
First 650 kWh or less	0.0552	0.0552								
Next 350 kWh	0.0853	0.0853								
Over 1,000 kWh	0.0875	0.0875								
October-May										
First 650 kWh or less	0.0552	0.0552								
Next 350 kWh	0.0488	0.0488								
Over 1,000 kWh	0.0482	0.0482								
Residential (per month) FY 2010-FY 2015										
Base Charge										
May-October			8.00	8.00	8.00	8.00	8.00	8.00	8.00	14.00
First 650 kWh or less			0.074	0.074	0.074	0.074	0.074	0.074	0.074	0.079
Next 350 kWh			0.096	0.096	0.096	0.096	0.096	0.096	0.096	0.101
Over 1,000 kWh			0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.112
November-April										
First 650 kWh or less			0.074	0.074	0.074	0.074	0.074	0.074	0.074	0.074
Next 350 kWh			0.066	0.066	0.066	0.066	0.066	0.066	0.066	0.071
Over 1,000 kWh			0.064	0.064	0.064	0.064	0.064	0.064	0.064	0.069

Source: Information obtained from the City's billing system.

City of Lawrenceville, Georgia
Gas Rates⁽¹⁾
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Residential/Commercial	\$ 14.09	\$ 10.10	\$ 10.44	\$ 10.27
Hospital	14.06	9.80	10.14	9.97

⁽¹⁾Gas rates vary from month to month based on market price. The rates presented are an average of the rates for the fiscal year. Rates are per CCF (centum cubic foot).

Source: Information obtained from the City's billing system.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 9.72	\$ 9.64	\$ 9.81	\$ 8.21	\$ 8.24	\$ 9.22
9.42	9.34	9.51	7.91	7.94	8.92

City of Lawrenceville, Georgia
Ratio of General Bonded Debt Outstanding⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	Revenue Bonds	Capital Lease	Note Payable	Revenue Bonds					
2008	-	-	-	-	-	-	0.00%	-	-
2009	-	-	-	-	-	-	0.00%	-	-
2010	-	-	-	-	-	-	0.00%	-	-
2011	-	-	-	-	-	-	0.00%	-	-
2012	-	-	-	-	-	-	0.00%	-	-
2013	\$ 9,035,000	\$ -	\$ -	\$ -	\$ -	\$ 9,035,000	1.14%	1.74%	520.06
2014	8,255,000	-	-	-	-	8,255,000	1.06%	1.59%	480.22
2015	7,425,000	-	-	-	-	7,425,000	0.88%	1.27%	387.16
2016	6,575,000	-	-	59,836,699	66,411,699	66,411,699	7.73%	11.00%	3,385.59
2017	5,705,000	129,969	2,600,000	57,436,739	65,871,708	65,871,708	7.08%	n/a	n/a

⁽¹⁾ Prior to FY 2013, there were no long-term debt obligations. The Series 2012 Economic Development Revenue Bonds were issued during FY 2013.

⁽²⁾ Details of estimated actual taxable value of property can be found on the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

⁽³⁾ Details of population data can be found on the Schedule of Demographics and Economic Statistics.

City of Lawrenceville, Georgia
Direct and Overlapping Governmental Activities Debt
August 31, 2017

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt			
Series 2012 Economic Development Revenue Bonds	\$ 5,705,000	100%	\$ 5,705,000
Total Direct Debt	<u>5,705,000</u>		<u>5,705,000</u>
Overlapping Debt ⁽¹⁾			
Gwinnett County GO Bonds, Leases Payable	93,858,000	3.59%	3,369,718
Gwinnett County Board of Education GO Bonds, Certificates of Participation	<u>1,377,529,625</u>	3.59%	<u>49,456,434</u>
Total Overlapping Debt	<u>1,471,387,625</u>	3.59%	<u>52,826,152</u>
Total Direct and Overlapping Debt	<u>\$ 1,482,797,625</u>		<u>\$ 58,531,152</u>

⁽¹⁾ The percentage of overlapping debt chargeable to property in the City is calculated by dividing the net M&O assessed value of property in the City by the net M&O assessed value of property in the overlapping entity.

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2016

Gwinnett County Board of Education Comprehensive Annual Financial Report for June 30, 2017

City of Lawrenceville, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011
Assessed value of all taxable property	\$ 1,026,688,204	\$ 1,096,719,818	\$ 1,060,139,490	\$ 978,103,580
Debt limit: 10% of assessed value	102,668,820	109,671,982	106,013,949	97,810,358
Total net debt applicable to limit ⁽¹⁾	-	-	-	-
Legal debt margin	102,668,820	109,671,982	106,013,949	97,810,358
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

⁽¹⁾ The only long-term debt obligations as of August 31, 2017 are the Series 2012 Economic Development Revenue Bonds which is not subject to the legal debt limit in the State of Georgia.

	2012		2013		2014		2015		2016		2017
\$	881,022,950	\$	791,202,405	\$	781,219,900	\$	845,636,020	\$	858,707,470	\$	929,997,188
	88,102,295		79,120,241		78,121,990		84,563,602		85,870,747		92,999,719
	-		-		-		-		-		-
	88,102,295		79,120,241		78,121,990		84,563,602		85,870,747		92,999,719
	0%		0%		0%		0%		0%		0%

City of Lawrenceville, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years

Downtown Development Authority Series 2012 Economic Development Revenue Bonds⁽¹⁾

Fiscal Year	Transfers from City	Issuance of Notes Payable	Less: Housing and Development Expenditures	Net Available Revenue	Principal	Interest	Coverage
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	1,042,832	-	345,386	697,446	780,000	216,071	0.70
2015	1,078,950	-	145,834	933,116	830,000	195,942	0.91
2016	705,973	-	207,775	498,198	850,000	175,000	0.49
2017	1,965,785	2,600,000	5,981,833	(1,416,048)	870,000	153,500	(1.38)

⁽¹⁾ The Downtown Development Authority is a blended component unit of the City. While the debt is not attributed to the primary government, the City has an intergovernmental agreement whereby the City pays the debt service of the bonds to the extent the Authority does not have the resources for the payments.

City of Lawrenceville, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2008	29,268	\$ 18,201	\$ 532,699,437	8.1%
2009	29,837	17,514	522,560,847	15.3%
2010	28,546	18,147	518,019,721	14.1%
2011	28,946	18,208	527,055,396	13.2%
2012	29,404	17,247	507,137,328	11.0%
2013	29,868	17,373	518,901,032	9.7%
2014	30,212	17,190	519,346,103	8.4%
2015	30,493	19,178	584,794,754	6.6%
2016 ⁽⁴⁾	30,782	19,616	603,819,712	5.1%
2017	N/A	N/A	N/A	4.7%

⁽¹⁾ United States Census Bureau

⁽²⁾ Personal income calculated by multiplying population by per capita personal income.

⁽³⁾ United States Bureau of Labor Statistics. Rate is for the month of August.

⁽⁴⁾ FY 2017 data was not available at the time of publication.

City of Lawrenceville, Georgia
Top Ten Employers⁽¹⁾
Current and Seven Years Ago⁽²⁾

Employer	2016			2008		
	Number of Employees	Rank	% of Total Employment ⁽³⁾	Number of Employees	Rank	% of Total Employment
Lund Int'l (Auto Ventshade)	558	1	4.01%	383	2	2.79%
Life Care Center of L'ville	219	2	1.57%			
Averitt Express	211	3	1.52%	150	8	1.09%
Atlanta Attachment Company	202	4	1.45%			
Encompass Supply Chain Solutions, Inc	202	5	1.45%			
Plumbing Distributors	196	6	1.41%			
Wal-Mart Stores East, LP	170	7	1.22%	650	1	4.73%
Coca Cola Bottling Company United-East LLC	169	8	1.21%	143	10	1.04%
Gunter Contruction Company Inc	167	9	1.20%			
Hayes Chrysler Dodge Jeep Inc	150	10	1.08%	175	6	1.27%
Tara Materials				290	3	2.11%
National Vision				190	4	1.38%
Browning-Ferris Industries of Georgia				185	5	1.35%
Dolco Packaging				162	7	1.18%
Medical Arts Health Facility of Lawrenceville				146	9	1.06%
	<u>2,244</u>		<u>16.13%</u>	<u>2,474</u>		<u>17.99%</u>

⁽¹⁾Data obtained from City of Lawrenceville business licenses.

⁽²⁾Data for top employers is only available back to 2008. 2016 numbers are the latest available at the time of publication.

⁽³⁾Total employment numbers provided by the Bureau of Labor Statistics. The Gwinnett County Board of Commissioners, Gwinnett Medical Center, and the Gwinnett Board of Education are located in the City of Lawrenceville. However, many of their employees work in locations all over Gwinnett County. All employees are included in these numbers.

City of Lawrenceville, Georgia
Government Employees by Function
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General government	35	36	34	34	34	39	35	37	37	42
Planning and zoning	6	6	6	5	11	7	7	8	6	11
Judicial	14	14	13	12	10	7	8	9	11	7
Public safety	93	97	95	90	92	106	92	94	97	97
Public works	48	48	51	51	55	54	53	50	58	59
Housing and development	-	-	-	-	2	3	6	6	6	-
Utilities										
Water and sewer	8	8	9	9	9	9	8	9	9	9
Electric	12	12	12	12	11	12	10	9	14	14
Gas	26	27	27	28	31	40	32	38	43	43
Solid waste	16	15	15	15	14	14	13	14	14	14
	258	263	262	256	269	291	264	274	295	296

Source: Human Resources Department

City of Lawrenceville, Georgia
Performance Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Administration										
Checks Processed	5,538	5,736	5,933	5,513	5,623	6,104	6,107	5,637	6,375	6,416
Public Safety										
Calls for Service	108,284	107,584	108,209	96,485	96,065	90,869	79,006	77,227	87,878	82,387
Cases Referred to Investigative Division	2,356	2,362	2,218	1,986	2,029	1,798	1,911	2,728	2,465	2,363
Public Works ⁽¹⁾										
Gas Department:										
Leaks Repaired	NA	NA	NA	NA	1,566	1,548	1,643	1,775	1,911	1,369
Number of Set New Meters	NA	NA	NA	NA	301	255	271	672	1,011	956
Damage Prevention:										
Locate Requests	NA	NA	NA	NA	22,136	28,688	32,187	38,049	35,319	39,403
Housing and Development										
Building Permits Processed	341	278	294	352	312	232	247	318	350	389

⁽¹⁾Data not available prior to FY 2012.

Source: City departments

City of Lawrenceville, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Administration										
Vehicles	1	1	1	2	2	2	2	2	2	2
Public Safety										
Patrol Vehicles	39	54	62	85	104	118	129	134	146	70
Public Works										
Vehicles	186	180	135	143	150	139	144	154	161	147
Streets (miles) ⁽¹⁾	N/A	N/A	84.91	84.91	84.91	87.63	87.63	87.27	92.26	92.26
Water Lines (miles)	84	84	84	84	84	84	84	84	100.6	100.6
Housing and Development										
Vehicles	4	5	3	3	4	3	2	2	4	-

⁽¹⁾Data is unavailable for the miles of streets maintained by the City prior to FY 2010.

Source: City departments