

CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2018

Prepared by:
Keith Lee, Finance Director

INTRODUCTORY SECTION



CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2018

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LAWRENCEVILLE

Letter of Transmittal



February 28, 2019

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, 2018. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on 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.

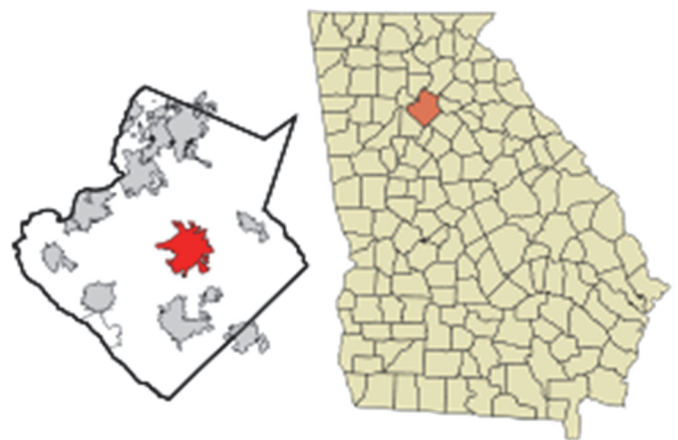
The Comprehensive Annual Financial Report (CAFR) contains three primary sections: an introduction, the financials and the statistics. A compliance section is included to satisfy other legal requirements. The introductory section consists of the letter of transmittal and the organizational chart for the 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 both combined as well as 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 a 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.



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 square miles. The City is part of



LAWRENCEVILLE

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the Atlanta Standard Metropolitan Statistical Area (MSA), 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.

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, 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.

CITY FACILITIES

The City maintains approximately 100 miles of streets and approximately 2,000 streetlights. The City's police department had, as of August 31, 2018, one police station, 71 sworn police officers and 26



civilian employees. The City owns three parks (Bartow Jenkins Park, a portion of Rhodes Jordan Park, and Lawrenceville Lawn). Rhodes 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 fifth year of operation, Lawrenceville Lawn hosts concerts, movies, festivals, and provides general outdoor recreation for City residents and tourists.

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.

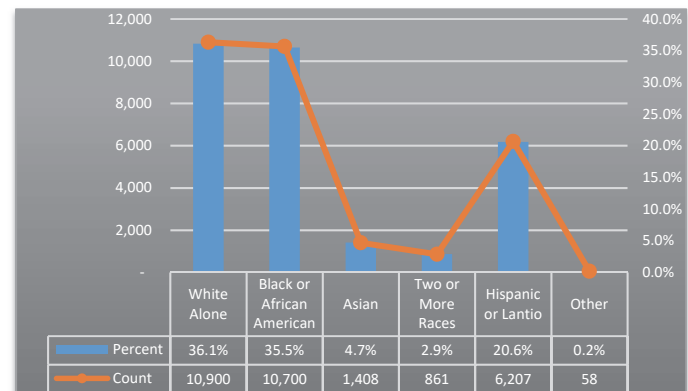
The City also owns and operates a retail electric distribution system that serves an area including most of the corporate limits of the City and certain designated areas outside the City's corporate limits. The City's electric system has approximately 10,400 customer accounts. The major assets of the 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, an 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.



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.



LAWRENCEVILLE

GEORGIA

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.



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.



ACCESS TO TRANSPORTATION

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. Chartered 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.

PUBLIC EDUCATION



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 Washington 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 11,000 students. Many additional colleges, universities, and vocational schools serving the Atlanta area are located within a fifty-mile radius of the City.

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 Downtown Development Authority of Lawrenceville Georgia (LDDA) is a separate entity from the City and adopts its own budget from which to operate.

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, 2018.

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, 2016 and 2017. This was the third 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.
- 2019 Live Work Play City Award from GMA (Georgia Municipal Assoc.)
- 2019 Top Festival & Event – St. Paddy's on Perry from STS (Southeast Tourism Society)
- 2018 Redevelopment Champion of the Year – Downtown Development Authority from MARS (Metro Atlanta Redevelopment Summit)
- 2018 Georgia 811 Damage Prevention Advocacy Award from GUCC (Georgia Utility Coordinating Council)
- 2018 Top Safety Award from APGA (American Public Gas Association)
- 2017 Top Festival – Rock'n Ribville from SFEA (Southeast Festival & Events Assoc.)

- 2017 Best Event Photography – Hometown Christmas Parade from SFEA (Southeast Festival & Events Assoc.)
- 2017 Top Safety Award from APGA (American Public Gas Association)
- 2016 Top Safety Award from APGA (American Public Gas Association)
- 2016 Public Safety Unit of the Year – Crime Suppression Unit from Gwinnett Chamber Valor Awards
- 2015 Top Safety Award from APGA (American Public Gas Association)
- 2015 Police Chief of the Year from GACP (Georgia Association of Chiefs of Police)
- 2012 Government of the Year from GCB (Gwinnett Clean and Beautiful)

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, 2018

Mayor Judy Jordan Johnson

City Council

Bob Clark

Tony Powell

Keith Roche

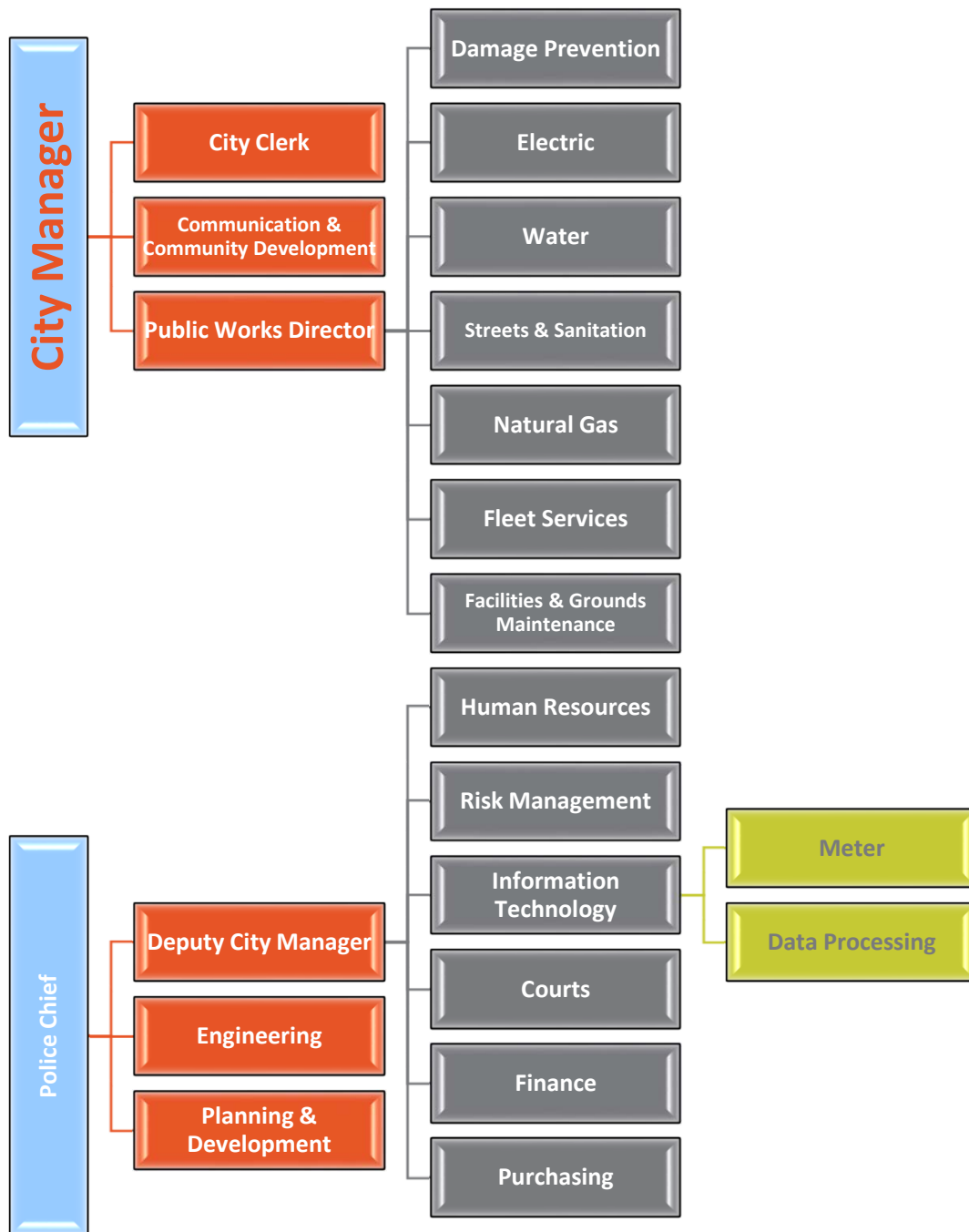
David Still

Management

Chuck Warbington, City Manager

Steve North, Deputy City Manager

**CITY OF LAWRENCEVILLE, GEORGIA
ORGANIZATIONAL CHART
AUGUST 31, 2018**





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, 2017

Christopher P. Morill

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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Notes 10 and 19, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of September 1, 2017. This standard significantly changed the accounting for the City's net other postemployment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

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 Changes in the City's Total OPEB Liability and related ratios on pages 4 through 13 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 February 25, 2019, 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
February 25, 2019

**CITY OF LAWRENCEVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2018**



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, 2018. 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 \$329,693,486 (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 \$314,653,200.

Total net position is comprised of the following:

- (1) Net investment in capital assets of \$326,823,682 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 \$20,100,971 is restricted by constraints imposed from outside the City such as grantors, laws, or regulations.
- (3) Unrestricted net position of **-\$17,231,167** represents the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported total ending fund balance of \$44,311,964 this year. This compares to the prior year ending fund balance of \$49,351,840 showing a decrease of \$5,039,876 during the current year.

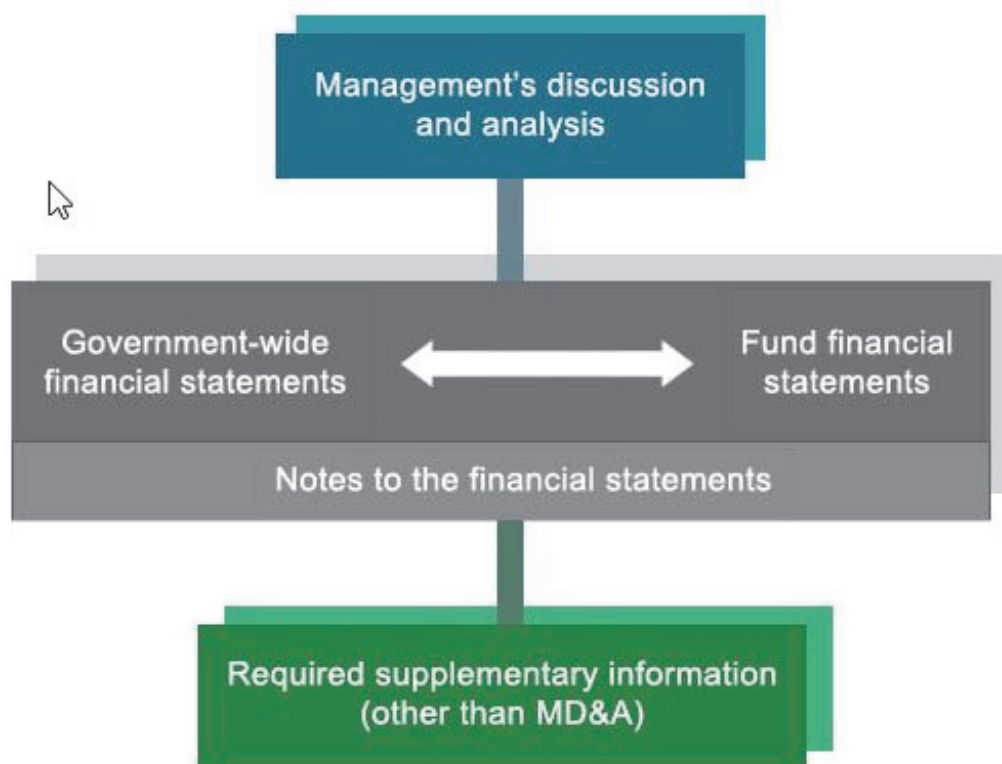


At the end of the fiscal year, unassigned fund balance for the General Fund was \$11,734,694 or 30.70% of total General Fund expenditures. Total liabilities of the City decreased by \$1,537,752 to \$125,868,990 during the fiscal year. The total OPEB liability was the primary contributing factor to the increase. The total OPEB liability due increased by \$20,281,793. The Governmental Accounting Standards Board ("GASB") adopted Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. GASB 75 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statement of the employer.

Unassigned fund balance of \$11,734,694 as of the fiscal year ended August 31, 2018 shows an increase of \$3,698,597 from the prior year.

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. 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 two 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 \$329,693,486. This is an increase of \$15,040,286 from last year's net position of \$314,653,200. 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	
	2018	2017 - Restated	2018	2017	2018	2017 - Restated
Assets:						
Current assets	\$ 57,968,248	\$ 63,826,667	\$ 60,540,051	\$ 63,654,869	\$ 118,508,299	\$ 127,481,536
Capital assets, net	270,831,408	256,618,307	66,391,676	59,799,128	337,223,084	316,417,435
Total assets	328,799,656	320,444,974	126,931,727	123,453,997	455,731,383	443,898,971
Liabilities						
Current liabilities	9,596,987	11,809,207	9,819,640	7,434,441	19,416,627	19,243,648
Long-term liabilities, net	53,376,831	49,552,479	53,075,532	58,610,615	106,452,363	108,163,094
Total liabilities	62,973,818	61,361,686	62,895,172	66,045,056	125,868,990	127,406,742
Deferred Inflows of Resources						
Resources	168,907	1,839,029	-	-	168,907	1,839,029
Total deferred inflows of resources	168,907	1,839,029	-	-	168,907	1,839,029
Net Position						
Net investment in capital assets	270,595,127	256,488,338	56,228,555	55,541,438	326,823,682	312,029,776
Restricted	20,100,971	29,680,915	-	-	20,100,971	29,680,915
Unrestricted	(25,039,167)	(28,924,994)	7,808,000	1,867,503	(17,231,167)	(27,057,491)
Total net position	\$ 265,656,931	\$ 257,244,259	\$ 64,036,555	\$ 57,408,941	\$ 329,693,486	\$ 314,653,200

The City reported positive balances in net position for both governmental and business-type activities. Net position increased by \$8,412,672 for governmental activities and increased by \$6,627,614 for business-type activities. The City's overall financial position increased by \$15,040,286 during the fiscal year ended August 31, 2018.

For governmental activities, current assets decreased by \$5,858,419. The decrease is due the investments in capital projects such as the two way conversion of Perry and Clayton Streets for improved pedestrian mobility during the fiscal year. Capital assets for the fiscal year increased by \$14,213,101 as a result of general fund, bond fund projects and SPLOST fund projects.

Liabilities for governmental activities increased \$1,612,132. The primary reason for this increase is due to the assessment of OPEB liabilities.

In the business-type activities, total assets increased by \$3,447,730 to \$126,931,727. Current assets saw a decrease from the prior year of \$3,114,818 to \$60,540,051. The decrease in cash is attributed to capital projects for the business-type funds. Capital assets increased \$6,592,548. The increase is due to construction in progress as well as completed capital projects.



LAWRENCEVILLE

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Total liabilities for business-type activities decreased \$3,149,884. Current liabilities increased \$2,385,199 resulting primarily from increases in accounts payable. Long-term liabilities decreased \$5,535,083. This decrease is a result of reductions in the outstanding balance of the 2015 Series Gas Fund Bonds.

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
	2018	2017	2018	2017	2018	2017	Total
Revenues:							
Program revenues:							
Charges for services	\$ 3,677,945	\$ 2,810,694	\$ 90,484,694	\$ 79,124,603	\$ 94,162,639	\$ 81,935,297	79.5%
Grants & contributions	10,446,457	7,321,971	-	-	10,446,457	7,321,971	8.8%
General revenues:							
Property taxes	2,674,368	2,352,464	-	-	2,674,368	2,352,464	2.3%
Franchise taxes	922,334	1,022,454	-	-	922,334	1,022,454	0.8%
Excise taxes	733,857	788,365	-	-	733,857	788,365	0.6%
Hotel/Motel taxes	346,744	339,272	-	-	346,744	339,272	0.3%
Insurance premium tax	1,886,893	1,772,000	-	-	1,886,893	1,772,000	1.6%
Financial institution taxes	210,338	223,386	-	-	210,338	223,386	0.2%
Other taxes	282,364	132,660	-	-	282,364	132,660	0.2%
Unrestricted interest	650,003	243,690	293,690	63,254	943,693	306,944	0.8%
Miscellaneous	5,579,557	80,391	-	198,627	5,579,557	279,018	4.7%
Gain on sale of assets	147,392	-	76,161	63,114	223,553	63,114	0.2%
Total revenues	27,558,252	17,087,347	90,854,545	79,449,598	118,412,797	96,536,945	100%
Expenses:							
General government	13,947,530	10,718,859	-	-	13,947,530	10,718,859	13.5%
Judicial	775,555	808,415	-	-	775,555	808,415	0.8%
Public safety	10,676,640	11,128,397	-	-	10,676,640	11,128,397	10.3%
Public works	9,610,238	9,794,500	-	-	9,610,238	9,794,500	9.3%
Culture and recreation	165,451	171,374	-	-	165,451	171,374	0.2%
Housing and development	7,302,413	5,183,274	-	-	7,302,413	5,183,274	7.1%
Interest on long-term debt	135,516	154,560	-	-	135,516	154,560	0.1%
Water & Sewer	-	-	5,005,601	5,000,957	5,005,601	5,000,957	4.8%
Electric	-	-	27,057,259	25,654,604	27,057,259	25,654,604	26.2%
Gas	-	-	26,618,018	24,120,780	26,618,018	24,120,780	25.7%
Solid waste	-	-	1,926,418	2,011,371	1,926,418	2,011,371	1.9%
Stormwater	-	-	151,872	69,071	151,872	69,071	0.1%
Total expenses	42,613,343	37,959,379	60,759,168	56,856,783	103,372,511	94,816,162	100%
Excess (deficiency) of revenues over (under) expenditures before transfers	(15,055,091)	(20,872,032)	30,095,377	22,592,815	15,040,286	1,720,783	
Transfers in (out)	23,467,763	19,026,312	(23,467,763)	(19,026,312)	-	-	
Change in net position	8,412,672	(1,845,720)	6,627,614	3,566,503	15,040,286	1,720,783	
Net position, beginning	257,244,259	276,792,188	57,408,941	53,842,438	314,653,200	330,634,626	
Restatement	-	(17,702,209)	-	-	-	(17,702,209)	
Net position, ending	\$ 265,656,931	\$ 257,244,259	\$ 64,036,555	\$ 57,408,941	\$ 329,693,486	\$ 314,653,200	

Governmental Revenues

Transfers from business-type activities are the main source of revenue for the operations of the City. Transfers provided 45.99% of the City's total governmental sources of funds (including transfers in) during the fiscal year. Transfers increased by \$4,441,451 as the invested in capital projects such as the two way conversion of Perry and Clayton Streets for improved pedestrian



mobility. The largest decrease in the governmental revenues was noted in franchise taxes as the mild year impacted electric sales for Georgia Power and Jackson EMC. The largest increase in governmental revenues occurred with the Miscellaneous Revenue with an increase of \$5,499,166. This increase is due the Downtown Develop Authority's activities related to redevelopment. These revenues are one-time type revenues and are used for one-time expenses.

Governmental Expenses

Total governmental activities costs for the current fiscal year were \$42,613,343 , an increase of \$4,653,964 or 12.26% over the prior year. Of this amount, general government with \$13,947,530 was the largest operating cost, at 32.73% of the total cost for services provided during the fiscal year ending August 31, 2018. The largest increase occurred in the general government function where expenses increased by \$3,228,671 over the prior year. This increase is primarily attributed to capital projects such as the relocation of the Lawrenceville Housing Authority Development, and Sewer Expansion needed for the redevelopment activity in Lawrenceville.

Business-Type Revenues

Program revenues for the combined business-type activities increased from the prior year of approximately 14.4% or \$11,360,091. The largest increase was within the Gas System Fund where charges for services rose by \$10,235,203 or 26.34% from the prior year resulting from rate increases and increased gas sales due to the colder than normal winter months. The Gas System experienced a growth in customer base of 800 customers or 1.63%

Business-Type Expenses

The expenses of the Water System Fund increased by \$4,644. The gas system expenses increased by \$2,497,238 or 10.35%. The increase was related purchased gas for resale which saw a year of year jump of 16.11%. The expenses of the Electrical System Fund increased by \$1,402,155 or 5.47% resulting from fixed costs expenses billed through MEAG. The fixed costs expenses will decline for the next ten plus years as debt service declines on various energy plants.

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 \$44,311,964. Of this year-end total, \$11,734,694 is unassigned indicating availability for continuing City service requirements. Nonspendable fund balances include \$183,331 for prepaid items; \$3,150,531 for advances to other funds. Restricted fund



balances include \$137,412 for road improvements, \$376,738 for public safety, \$83,554 for culture and recreation, \$162,594 for emergency telephone system activities, and \$19,327,620 for capital projects. The City reports an assignment of fund balance of \$9,155,490 for housing and development,

The total ending fund balances of governmental funds show a decrease of \$5,039,876 over the prior year. This decrease is primarily the result of the activity related to the Series 2015 Revenue Bonds and the construction of SPLOST projects.

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 \$3,698,597 for the year ended August 31, 2018. Transfers in from the enterprise funds of \$24,044,076 were budgeted and planned for the operations of General Fund. The General Fund's increase in unassigned fund balance is a result of the efficient use of government resources, which resulted in budgetary savings in the City Manager's Budget, Planning and Development and Engineering.

The Downtown Development Authority's fund balance increased by \$4,393,547 for the year ended August 31, 2018. This increase is primarily a result of reduction in land held for resale in the amount of property sales and redevelopment activity.

The Series 2015 Project Fund had a fund balance of \$12,728,983 at the end of the fiscal year. The fund received \$64,370 in interest income and expensed \$10,726,274 on bond projects. This resulted in a decline in the fund balance of \$10,661,904.

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's electric utilities are reported within business-type activities in the government-wide statements. The fund reported an increase in net position of \$942,977. Total assets increased \$1,045,315 mainly from increases in investments in the amount of \$1,275,072. Total liabilities increased \$102,338 due to increases in accounts payable.

The Gas System Fund provides natural gas to the City's residential and commercial customers. 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 \$4,387,192. Total assets increased \$485,528 resulting from an increase of \$6,461,055 in capital assets offset by a \$5,993,456 decrease in cash. Total



liabilities decreased \$3,901,664 primarily due to reduction in notes payable.

The Water System Fund provides water to the City's residential and commercial customers. The City's water utilities are reported within business-type activities in the government-wide statements. Net position increased \$245,330. Total assets increased \$578,258. Total liabilities increased \$332,928 due to increases in accounts payable.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund had an approved revenue budget of \$13,548,910, of which \$14,895,275 was received. The main variation with budget was Taxes and Intergovernmental Revenue. The City budgeted \$6,095,825 for taxes, but collected \$6,587,753 or 108% of the anticipated revenue. The reason for the variation was increased receipts for Motor Vehicle Tax and Insurance Premium Tax. The General Fund received \$1,435,450 in fines and forfeitures, which was 72.45% of the approved budget of \$1,981,200. The City transferred \$26,265,445 from its enterprise funds and the Downtown Development Authority, which was 105% of the approved budget. The variance was related to the sale of property by the Downtown Development Authority.

The General Fund had an approved expenditure budget of \$39,346,658 and expensed \$38,228,475 or 97.16%. Savings were recognized in the City Manager and Information Technology functions due to savings in capital projects. The Planning and development function was \$264,409 under budget due to savings in professional services.

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, 2018 was \$270,831,408 and \$66,391,676, respectively. The total increase in this net investment was 5.54% for governmental and an increase of 1.10% for business-type activities. The overall increase was 4.74% 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 97,323,606	\$ 98,033,669	\$ 1,243,888	\$ 1,275,444	\$ 98,567,494	\$ 99,309,113
Construction in progress	27,498,368	10,702,915	14,268,977	6,924,074	41,767,345	17,626,989
Plants and buildings	28,556,893	28,488,547	14,006,079	14,069,102	42,562,972	42,557,649
Improvements	6,414,479	6,444,303	-	-	6,414,479	6,444,303
Vehicles	1,511,194	1,497,188	1,023,434	1,328,807	2,534,628	2,825,995
Equipment	2,044,345	2,231,806	2,983,855	3,586,273	5,028,200	5,818,079
Infrastructure	107,482,523	109,219,879	-	-	107,482,523	109,219,879
Utility systems	-	-	32,865,443	32,615,428	32,865,443	32,615,428
Total	\$ 270,831,408	\$ 256,618,307	\$ 66,391,676	\$ 59,799,128	\$ 337,223,084	\$ 316,417,435



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, 2018 was \$4,810,000 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 \$1,930,000 during the fiscal year ended August 31, 2018, reducing the outstanding balance to \$49,970,000. 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, 2018

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 41,170,060	\$ 16,132,186	\$ 57,302,246
Investments	-	36,105,831	36,105,831
Taxes receivable, net of allowances	1,963,362	-	1,963,362
Accounts receivable, net of allowances	1,104,699	10,152,565	11,257,264
Due from other governments	1,834,649	-	1,834,649
Internal balances	1,850,531	(1,850,531)	-
Land held for resale	9,815,736	-	9,815,736
Prepaid items	229,211	-	229,211
Capital assets:			
Non-depreciable	124,821,974	15,512,865	140,334,839
Depreciable, net of accumulated depreciation	146,009,434	50,878,811	196,888,245
Total assets	328,799,656	126,931,727	455,731,383
LIABILITIES			
Accounts payable	1,296,779	5,089,264	6,386,043
Accrued liabilities	773,393	1,661,086	2,434,479
Customer deposits	7,526,815	3,200	7,530,015
Interest payable	11,654	960,266	971,920
Retainage payable	162,421	14,183	176,604
Unearned revenue - property taxes	1,864,324	-	1,864,324
Total OPEB liability due in more than one year	42,788,892	-	42,788,892
Compensated absences, due within one year	290,098	86,641	376,739
Compensated absences, due in more than one year	290,098	86,641	376,739
Claims and judgments payable, due within one year	485,484	-	485,484
Capital lease payable, due within one year	59,209	-	59,209
Capital lease payable, due in more than one year	14,651	-	14,651
Note payable, due within one year	1,000,000	-	1,000,000
Note payable, due in more than one year	1,600,000	-	1,600,000
Bonds payable, due within one year	915,000	2,005,000	2,920,000
Bonds payable, due in more than one year	3,895,000	52,988,891	56,883,891
Total liabilities	62,973,818	62,895,172	125,868,990
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	168,907	-	168,907
Total deferred inflows of resources	168,907	-	168,907
NET POSITION			
Net investment in capital assets	270,595,127	56,228,555	326,823,682
Restricted for:			
Road improvements	137,412	-	137,412
Public safety	376,738	-	376,738
Emergency telephone activities	162,594	-	162,594
Culture and recreation	83,554	-	83,554
Capital projects	19,340,673	-	19,340,673
Unrestricted	(25,039,167)	7,808,000	(17,231,167)
Total net position	\$ 265,656,931	\$ 64,036,555	\$ 329,693,486

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,947,530	\$ 1,807,750	\$ -	\$ 684,750
Judicial	775,555	1,604,700	-	-
Public safety	10,676,640	205,161	1,168,818	-
Public works	9,610,238	9,799	-	5,712,465
Culture and recreation	165,451	50,535	-	2,880,424
Housing and development	7,302,413	-	-	-
Interest on long-term debt	135,516	-	-	-
Total governmental activities	42,613,343	3,677,945	1,168,818	9,277,639
Business-type activities:				
Water & Sewer	5,005,601	5,258,103	-	-
Electric	27,057,259	33,834,050	-	-
Gas	26,618,018	49,096,275	-	-
Solid waste	1,926,418	1,076,692	-	-
Stormwater	151,872	1,219,574	-	-
Total business-type activities	60,759,168	90,484,694	-	-
Total primary government	\$ 103,372,511	\$ 94,162,639	\$ 1,168,818	\$ 9,277,639

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
\$ (11,455,030)	\$ -	\$ (11,455,030)
829,145	-	829,145
(9,302,661)	-	(9,302,661)
(3,887,974)	-	(3,887,974)
2,765,508	-	2,765,508
(7,302,413)	-	(7,302,413)
(135,516)	-	(135,516)
(28,488,941)	-	(28,488,941)
-	252,502	252,502
-	6,776,791	6,776,791
-	22,478,257	22,478,257
-	(849,726)	(849,726)
-	1,067,702	1,067,702
-	29,725,526	29,725,526
(28,488,941)	29,725,526	1,236,585
\$ 2,674,368	\$ -	\$ 2,674,368
922,334	-	922,334
733,857	-	733,857
346,744	-	346,744
1,886,893	-	1,886,893
210,338	-	210,338
282,364	-	282,364
650,003	293,690	943,693
5,579,557	-	5,579,557
147,392	76,161	223,553
23,467,763	(23,467,763)	-
36,901,613	(23,097,912)	13,803,701
8,412,672	6,627,614	15,040,286
257,244,259	57,408,941	314,653,200
\$ 265,656,931	\$ 64,036,555	\$ 329,693,486

CITY OF LAWRENCEVILLE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2018

	General	Downtown	Series 2015	Other	Total
	Fund	Development	Project	Governmental	Governmental
ASSETS		Authority	Fund	Funds	Funds
Cash and cash equivalents	\$ 18,222,227	\$ 1,216,328	\$ 13,095,987	\$ 7,036,438	\$ 39,570,980
Taxes receivable, net of allowance	1,891,942	31,835	-	39,585	1,963,362
Accounts receivables, net of allowance	804,699	300,000	-	-	1,104,699
Due from other governments	994,383	-	-	840,266	1,834,649
Due from other funds	922,300	-	-	4,900	927,200
Advances to other funds	3,150,531	-	-	-	3,150,531
Prepaid items	179,407	-	-	3,924	183,331
Land held for resale	-	9,815,736	-	-	9,815,736
Total assets	<u>\$ 26,165,489</u>	<u>\$ 11,363,899</u>	<u>\$ 13,095,987</u>	<u>\$ 7,925,113</u>	<u>\$ 58,550,488</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 396,024	\$ 4,752	\$ 362,304	\$ 524,564	\$ 1,287,644
Accrued liabilities	754,616	-	4,700	14,077	773,393
Retainage payable	36,592	-	-	125,829	162,421
Customer deposits	7,523,315	3,500	-	-	7,526,815
Due to other funds	4,900	900,157	-	22,143	927,200
Advances from other funds	-	1,300,000	-	-	1,300,000
Total liabilities	<u>8,715,447</u>	<u>2,208,409</u>	<u>367,004</u>	<u>686,613</u>	<u>11,977,473</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	16,153	-	-	-	16,153
Unavailable revenue - other	5,249	-	-	-	5,249
Unavailable revenue - fines receivable	362,272	-	-	-	362,272
Unavailable revenue - intergovernmental	-	-	-	13,053	13,053
Deferred revenue - property taxes	1,864,324	-	-	-	1,864,324
Total deferred inflows of resources	<u>2,247,998</u>	<u>-</u>	<u>-</u>	<u>13,053</u>	<u>2,261,051</u>
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	179,407	-	-	3,924	183,331
Advances to other funds	3,150,531	-	-	-	3,150,531
Restricted:					
Road improvements	137,412	-	-	-	137,412
Public safety	-	-	-	376,738	376,738
Emergency telephone system activities	-	-	-	162,594	162,594
Capital projects	-	-	12,728,983	6,598,637	19,327,620
Culture and recreation	-	-	-	83,554	83,554
Assigned - Housing and development	-	9,155,490	-	-	9,155,490
Unassigned	11,734,694	-	-	-	11,734,694
Total fund balances	<u>15,202,044</u>	<u>9,155,490</u>	<u>12,728,983</u>	<u>7,225,447</u>	<u>44,311,964</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,165,489</u>	<u>\$ 11,363,899</u>	<u>\$ 13,095,987</u>	<u>\$ 7,925,113</u>	

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.	270,831,408
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	396,727
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.	1,295,341
The total OPEB liability and related deferred inflows of resources are resources related to the City's OPEB plan which are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(42,957,799)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(8,220,710)
Net position of governmental activities	<u>\$ 265,656,931</u>

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, 2018

	General Fund	Downtown Development Authority	Series 2015 Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,587,753	\$ -	\$ -	\$ 452,992	\$ 7,040,745
Licenses and permits	835,611	-	-	-	835,611
Intergovernmental	4,801,543	-	-	6,007,774	10,809,317
Fines and forfeitures	1,435,450	-	-	169,142	1,604,592
Charges for services	625,510	50,535	-	-	676,045
Interest income	204,110	380,908	64,370	12,962	662,350
Miscellaneous	405,298	5,579,557	-	-	5,984,855
Total revenues	<u>14,895,275</u>	<u>6,011,000</u>	<u>64,370</u>	<u>6,642,870</u>	<u>27,613,515</u>
EXPENDITURES					
Current:					
General government	15,157,403	-	-	-	15,157,403
Judicial	796,578	-	-	-	796,578
Public safety	9,398,867	-	-	1,268,247	10,667,114
Public works	10,579,083	-	-	-	10,579,083
Culture and recreation	-	-	-	165,451	165,451
Housing and development	2,233,253	7,637,958	-	-	9,871,211
Capital outlay	-	-	10,726,274	3,771,149	14,497,423
Debt service:					
Principal retirements	56,109	895,000	-	-	951,109
Interest	7,182	131,438	-	-	138,620
Total expenditures	<u>38,228,475</u>	<u>8,664,396</u>	<u>10,726,274</u>	<u>5,204,847</u>	<u>62,823,992</u>
Excess (deficiency) of revenues over (under) expenditures	(23,333,200)	(2,653,396)	(10,661,904)	1,438,023	(35,210,477)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	140,273	7,127,532	-	11,347	7,279,152
Transfers in	26,265,445	3,005,866	-	-	29,271,311
Transfers out	(3,005,866)	(3,086,455)	-	(287,541)	(6,379,862)
Total other financing sources (uses)	<u>23,399,852</u>	<u>7,046,943</u>	<u>-</u>	<u>(276,194)</u>	<u>30,170,601</u>
Net change in fund balance	66,652	4,393,547	(10,661,904)	1,161,829	(5,039,876)
FUND BALANCES, beginning of year	<u>15,135,392</u>	<u>4,761,943</u>	<u>23,390,887</u>	<u>6,063,618</u>	<u>49,351,840</u>
FUND BALANCES, end of year	<u>\$ 15,202,044</u>	<u>\$ 9,155,490</u>	<u>\$ 12,728,983</u>	<u>\$ 7,225,447</u>	<u>\$ 44,311,964</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, 2018**

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

Net change in fund balances - total governmental funds	\$	(5,039,876)
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.		20,707,007
The net effect of various miscellaneous transactions involving capital assets (i.e., donations, disposal, and sales) is to decrease net position.		(6,493,906)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(264,195)
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.		951,109
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.		1,312,616
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.		(2,760,083)
Change in net position - governmental activities	\$	<u>8,412,672</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, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 6,095,825	\$ 6,095,825	\$ 6,587,753	\$ 491,928
Licenses and permits	410,500	410,500	835,611	425,111
Fines and forfeitures	1,981,200	1,981,200	1,435,450	(545,750)
Charges for services	673,770	673,770	625,510	(48,260)
Intergovernmental	4,069,745	4,069,745	4,801,543	731,798
Interest income	80,000	80,000	204,110	124,110
Miscellaneous	237,870	237,870	405,298	167,428
Total revenues	13,548,910	13,548,910	14,895,275	1,346,365
EXPENDITURES				
Current:				
General government:				
Administration	1,028,438	1,028,438	-	1,028,438
Mayor	35,040	37,820	38,287	(467)
City council	127,270	127,270	173,498	(46,228)
City manager	9,145,049	7,393,327	6,771,540	621,787
City clerk	318,250	318,250	265,570	52,680
Information technology	1,843,735	1,843,735	1,606,668	237,067
Facilities and risk management	1,344,710	1,339,285	865,686	473,599
Human resources	825,885	825,885	987,594	(161,709)
Purchasing	186,150	186,150	178,382	7,768
Financial services	1,498,965	1,445,604	1,347,116	98,488
Elections	25,470	25,470	9,207	16,263
Investment expense	1,182,000	1,182,000	2,913,855	(1,731,855)
Total general government	17,560,962	15,753,234	15,157,403	595,831
Court services	1,541,675	1,541,675	796,578	745,097
Police	9,329,580	9,329,580	9,398,867	(69,287)
Public works:				
Meter	901,800	901,500	803,681	97,819
Garage	894,120	894,120	787,623	106,497
Street	5,558,466	5,558,551	6,674,465	(1,115,914)
Damage prevention	1,464,035	1,464,035	1,392,631	71,404
Public works/engineering	1,316,240	1,316,240	920,683	395,557
Total public works	10,134,661	10,134,446	10,579,083	(444,637)
Housing and development:				
Planning and development	1,459,350	1,526,993	1,262,584	264,409
Economic development	1,060,730	1,060,730	970,669	90,061
Total housing and development	2,520,080	2,587,723	2,233,253	354,470
Debt service:				
Principal	-	-	56,109	(56,109)
Interest	-	-	7,182	(7,182)
Total debt service	-	-	63,291	(63,291)
Total expenditures	41,086,958	39,346,658	38,228,475	1,118,183
Deficiency of revenues over expenditures	(27,538,048)	(25,797,748)	(23,333,200)	2,464,548
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	525,000	525,000	140,273	(384,727)
Transfers in	24,905,048	24,905,048	26,265,445	1,360,397
Transfers out	-	-	(3,005,866)	(3,005,866)
Total other financing sources (uses)	25,430,048	25,430,048	23,399,852	(2,030,196)
Net change in fund balances	(2,108,000)	(367,700)	66,652	434,352
FUND BALANCES, beginning of year	15,135,392	15,135,392	15,135,392	-
FUND BALANCES, end of year	\$ 13,027,392	\$ 14,767,692	\$ 15,202,044	\$ 434,352

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2018**

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	\$ 2,557,224	\$ 4,155,309	\$ 6,923,985	\$ 2,495,668	\$ 16,132,186	\$ 1,599,080
Investments	39,016	36,066,815	-	-	36,105,831	-
Accounts receivable, net of allowance	1,414,016	5,392,755	3,067,876	277,918	10,152,565	-
Prepaid items	-	-	-	-	-	45,880
Total current assets	4,010,256	45,614,879	9,991,861	2,773,586	62,390,582	1,644,960
CAPITAL ASSETS						
Non-depreciable	1,410,259	5,064	13,712,480	385,062	15,512,865	-
Depreciable, net of accumulated depreciation	14,698,611	12,609,219	19,122,119	4,448,862	50,878,811	-
	16,108,870	12,614,283	32,834,599	4,833,924	66,391,676	-
Total assets	20,119,126	58,229,162	42,826,460	7,607,510	128,782,258	1,644,960
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	1,026,419	2,897,510	779,350	385,985	5,089,264	9,135
Accrued liabilities	253,557	26,879	1,368,805	11,845	1,661,086	-
Interest payable	-	-	960,266	-	960,266	-
Deposits payable	-	3,200	-	-	3,200	-
Retainage payable	-	-	-	14,183	14,183	-
Claims payable	-	-	-	-	-	340,484
Compensated absences payable, current	8,268	29,234	34,255	14,884	86,641	-
Bonds payable, current	-	-	2,005,000	-	2,005,000	-
Total current liabilities	1,288,244	2,956,823	5,147,676	426,897	9,819,640	349,619
NONCURRENT LIABILITIES						
Bonds payable, net	-	-	52,988,891	-	52,988,891	-
Compensated absences payable	8,268	29,234	34,255	14,884	86,641	-
Advance from other funds	1,850,531	-	-	-	1,850,531	-
Total noncurrent liabilities	1,858,799	29,234	53,023,146	14,884	54,926,063	-
Total liabilities	3,147,043	2,986,057	58,170,822	441,781	64,745,703	349,619
NET POSITION (DEFICIT)						
Net investment in capital assets	16,108,870	12,614,283	22,685,661	4,819,741	56,228,555	-
Unrestricted	863,213	42,628,822	(38,030,023)	2,345,988	7,808,000	1,295,341
Total net position (deficit)	\$ 16,972,083	\$ 55,243,105	\$ (15,344,362)	\$ 7,165,729	\$ 64,036,555	\$ 1,295,341

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, 2018

	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	\$ 5,103,149	\$ 33,650,412	\$ 47,641,087	\$ 2,212,265	\$ 88,606,913	\$ -
Other fees	154,954	183,638	1,455,188	84,001	1,877,781	7,245,008
Total operating revenue	5,258,103	33,834,050	49,096,275	2,296,266	90,484,694	7,245,008
OPERATING EXPENSES						
Salaries and benefits	763,013	1,477,841	3,158,642	946,793	6,346,289	-
General operating expenses	3,460,763	24,616,606	20,044,178	909,319	49,030,866	178,257
Claims	-	-	-	-	-	4,950,897
Insurance premiums	-	-	-	-	-	803,238
Depreciation and amortization	781,825	962,812	1,065,527	222,178	3,032,342	-
Total operating expenses	5,005,601	27,057,259	24,268,347	2,078,290	58,409,497	5,932,392
Operating income	252,502	6,776,791	24,827,928	217,976	32,075,197	1,312,616
NON-OPERATING REVENUE (EXPENSES)						
Gain on disposal of assets	860	382	61,990	12,929	76,161	-
Interest expense	-	-	(2,349,671)	-	(2,349,671)	-
Interest income	-	270,820	22,870	-	293,690	-
Transfer of capital assets	(8,032)	(6,251)	(554,621)	(7,410)	(576,314)	-
Total non-operating revenues (expenses)	(7,172)	264,951	(2,819,432)	5,519	(2,556,134)	-
Net income before transfers	245,330	7,041,742	22,008,496	223,495	29,519,063	1,312,616
Transfers in	-	-	-	828,620	828,620	-
Transfers out	-	(6,098,765)	(17,621,304)	-	(23,720,069)	-
Total transfers	-	(6,098,765)	(17,621,304)	828,620	(22,891,449)	-
Change in net position	245,330	942,977	4,387,192	1,052,115	6,627,614	1,312,616
Total net position (deficit), beginning of year	16,726,753	54,300,128	(19,731,554)	6,113,614	57,408,941	(17,275)
Total net position (deficit), end of year	\$ 16,972,083	\$ 55,243,105	\$ (15,344,362)	\$ 7,165,729	\$ 64,036,555	\$ 1,295,341

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, 2018

	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	\$ 5,346,384	\$ 33,707,088	\$ 49,078,346	\$ 2,207,629	\$ 90,339,447	\$ 7,245,008
Payments to suppliers	(3,122,806)	(24,519,612)	(21,478,597)	(605,736)	(49,726,751)	(5,774,158)
Payments to employees	(768,042)	(1,472,497)	(3,150,873)	(952,203)	(6,343,615)	-
Net cash provided by operating activities	1,455,536	7,714,979	24,448,876	649,690	34,269,081	1,470,850
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	-	-	-	828,620	828,620	-
Transfers out to other funds	-	(6,098,765)	(17,621,304)	-	(23,720,069)	-
Net cash provided by (used in) non-capital financing activities	-	(6,098,765)	(17,621,304)	828,620	(22,891,449)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(12,523)	(800,448)	(8,596,750)	(1,293,387)	(10,703,108)	-
Principal payments	-	-	(1,930,000)	-	(1,930,000)	-
Interest payments	-	-	(2,381,837)	-	(2,381,837)	-
Proceeds from sale of material	1,400	382	64,689	12,929	79,400	-
Net cash used in capital and related financing activities	(11,123)	(800,066)	(12,843,898)	(1,280,458)	(14,935,545)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	-	270,820	22,870	-	293,690	-
Purchase and sale of investments	-	(1,275,072)	-	-	(1,275,072)	-
Net cash provided by (used in) investing activities	-	(1,004,252)	22,870	-	(981,382)	-
Net increase (decrease) in cash	1,444,413	(188,104)	(5,993,456)	197,852	(4,539,295)	1,470,850
Cash, beginning of year	1,112,811	4,343,413	12,917,441	2,297,816	20,671,481	128,230
Cash, end of year	\$ 2,557,224	\$ 4,155,309	\$ 6,923,985	\$ 2,495,668	\$ 16,132,186	\$ 1,599,080
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income	\$ 252,502	\$ 6,776,791	\$ 24,827,928	\$ 217,976	\$ 32,075,197	\$ 1,312,616
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation and amortization	781,825	962,812	1,065,527	222,178	3,032,342	-
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	88,281	(126,962)	(17,929)	(88,637)	(145,247)	-
Decrease in prepaid items	-	-	-	-	-	12,500
Increase (decrease) in accounts payable	337,957	99,169	(1,994,695)	307,741	(1,249,828)	8,535
Increase in accrued liabilities	1,935	8,193	560,276	708	571,112	-
Decrease in due to other funds	-	-	-	(4,158)	(4,158)	(20,341)
Decrease in customer deposits payable	-	(2,175)	-	-	(2,175)	-
Increase in claims payable	-	-	-	-	-	157,540
Increase (decrease) in compensated absences payable	(6,964)	(2,849)	7,769	(6,118)	(8,162)	-
Net cash provided by operating activities	\$ 1,455,536	\$ 7,714,979	\$ 24,448,876	\$ 649,690	\$ 34,269,081	\$ 1,470,850
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Donation of capital assets to component unit	\$ 8,032	\$ 6,251	\$ 554,621	\$ 7,410	\$ 576,314	\$ -

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

CITY OF LAWRENCEVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

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, 2018 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 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.

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, 2018 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 deferred 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.

The City also has deferred inflows and outflows related to the recording of changes in its total OPEB liability. Certain changes in the total OPEB liability are recognized as OPEB expense over time instead of all being recognized in the year of occurrence. Changes in the proportion and differences between the City's contributions and the City's proportionate share of contributions are deferred and amortized against pension expense over the remaining estimated service life of the active employees. Experience gains or losses and changes in assumptions related to the pension plan are deferred and amortized against pension and OPEB expense over the remaining estimated service life of the active employees.

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	\$ 270,831,408	\$ 16,108,870	\$ 12,614,283	\$ 32,834,599	\$ 4,833,924
Less - capital lease payable	(73,860)	-	-	-	-
Less - retainage payable	(162,421)				(14,183)
Less - bonds payable	-	-	-	(54,993,891)	-
Plus - unspent proceeds	-	-	-	2,930,695	-
Plus - proceeds used for governmental activities assets	-	-	-	41,914,258	-
Net investment in capital assets	<u>\$ 270,595,127</u>	<u>\$ 16,108,870</u>	<u>\$ 12,614,283</u>	<u>\$ 22,685,661</u>	<u>\$ 4,819,741</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 \$8,220,710 difference are as follows:

Bonds payable	\$ (4,810,000)
Capital lease payable	(73,860)
Accrued interest payable	(11,654)
Compensated absences	(580,196)
Notes payable	(2,600,000)
Claims and judgments payable	<u>(145,000)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (8,220,710)</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 \$20,707,007 difference are as follows:

Capital outlay	\$ 28,035,231
Depreciation expense	<u>(7,328,224)</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>\$ 20,707,007</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 \$6,493,906 difference are as follows:

Disposal of capital assets	\$ (7,131,760)
Capital assets transferred from business-type activities	576,314
Donation of capital assets	<u>61,540</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (6,493,906)</u></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 \$951,109 difference are as follows:

Principal payment capital lease	\$ 56,109
Principal payment of bonds payable	<u>895,000</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><u>\$ 951,109</u></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 \$2,760,083 difference are as follows:

Compensated absences (i.e., vacation)	\$ (14,696)
Accrued interest	3,104
Total OPEB liability	<u>(2,748,491)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (2,760,083)</u></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	\$	467
Human resources		161,709
Police		69,287
Street		1,115,914
Confiscated Assets Fund		130,416
Hotel Motel Fund		42,995

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

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of August 31, 2018 are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$	57,302,246
Investments		36,105,831
	\$	<u>93,408,077</u>
Deposits with financial institutions	\$	52,101,063
Investments in the Municipal Competitive Trust		41,307,014
	\$	<u>93,408,077</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

As of August 31, 2018, the City had the following investments:

Investment	Rating	Amount	Weighted Average Maturity
Municipal Competitive Trust	AA+	41,307,014	4.96 years
Certificates of deposit	n/a	39,016	12 months
Total		<u>\$ 41,346,030</u>	

Interest rate risk: The City's investment policy limits investment maturities to a period of no more than five (5) years from the purchase date, 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, 2018, the City's deposits are insured or collateralized as required by state law.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2018:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Municipal Competitive Trust (Intermediate)	\$ -	\$ 32,287	\$ -	\$ 32,287
Municipal Competitive Trust	-	41,274,727	-	41,274,727
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 41,307,014</u>	<u>\$ -</u>	<u>\$ 41,307,014</u>
Investments recorded at cost:				
Certificate of Deposit				<u>39,016</u>
Total investments				<u>\$ 41,346,030</u>

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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, 2018 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	\$ 1,904,959	\$ 1,027,453	\$ 994,383	\$ (235,771)	\$ 3,691,024
Downtown Development Authority	31,835	300,000	-	-	331,835
Other governmental funds	39,585	-	840,266	-	879,851
Water System Fund	-	1,420,124	-	(6,108)	1,414,016
Electrical System Fund	-	5,404,095	-	(11,340)	5,392,755
Gas System Fund	-	3,101,560	-	(33,684)	3,067,876
Nonmajor enterprise funds	-	302,519	-	(24,601)	277,918
	<u>\$ 1,976,379</u>	<u>\$ 11,555,751</u>	<u>\$ 1,834,649</u>	<u>\$ (311,504)</u>	<u>\$ 15,055,275</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, 2018 is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 98,033,669	\$ 5,322,184	\$ -	\$ (6,032,247)	\$ 97,323,606
Construction in progress	10,702,915	19,490,068	(2,694,615)	-	27,498,368
Total	<u>108,736,584</u>	<u>24,812,252</u>	<u>(2,694,615)</u>	<u>(6,032,247)</u>	<u>124,821,974</u>
Capital assets, being depreciated:					
Buildings	34,484,926	2,550,460	-	(3,216,549)	33,818,837
Improvements	8,180,111	254,624	-	(97,898)	8,336,837
Vehicles	7,271,655	660,732	-	(649,436)	7,282,951
Equipment	5,045,664	331,857	-	(185,331)	5,192,190
Infrastructure	223,027,085	63,160	2,694,615	-	225,784,860
Total	<u>278,009,441</u>	<u>3,860,833</u>	<u>2,694,615</u>	<u>(4,149,214)</u>	<u>280,415,675</u>
Less accumulated depreciation for:					
Buildings	(5,996,379)	(1,438,641)	-	2,173,076	(5,261,944)
Improvements	(1,735,808)	(251,228)	-	64,678	(1,922,358)
Vehicles	(5,774,467)	(623,906)	-	626,616	(5,771,757)
Equipment	(2,813,858)	(519,318)	-	185,331	(3,147,845)
Infrastructure	(113,807,206)	(4,495,131)	-	-	(118,302,337)
Total	<u>(130,127,718)</u>	<u>(7,328,224)</u>	<u>-</u>	<u>3,049,701</u>	<u>(134,406,241)</u>
Total capital assets, being depreciated, net	<u>147,881,723</u>	<u>(3,467,391)</u>	<u>2,694,615</u>	<u>(1,099,513)</u>	<u>146,009,434</u>
Governmental activities capital assets, net	<u>\$ 256,618,307</u>	<u>\$ 21,344,861</u>	<u>\$ -</u>	<u>\$ (7,131,760)</u>	<u>\$ 270,831,408</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	\$ 1,275,444	\$ 8,900	\$ -	\$ (40,456)	\$ 1,243,888
Construction in Progress	6,924,074	8,382,046	(1,037,143)	-	14,268,977
Total	<u>8,199,518</u>	<u>8,390,946</u>	<u>(1,037,143)</u>	<u>(40,456)</u>	<u>15,512,865</u>
Capital assets, being depreciated:					
Plants and Buildings	19,007,738	-	926,009	(1,390,157)	18,543,590
Utility Systems	66,852,252	2,041,311	111,134	-	69,004,697
Vehicles	4,555,638	109,524	-	(250,601)	4,414,561
Machinery and equipment	7,133,320	175,511	-	(177,656)	7,131,175
Total	<u>97,548,948</u>	<u>2,326,346</u>	<u>1,037,143</u>	<u>(1,818,414)</u>	<u>99,094,023</u>
Less accumulated depreciation for:					
Plants and Buildings	(4,938,636)	(452,634)	-	853,759	(4,537,511)
Utility Systems	(34,236,824)	(1,902,430)	-	-	(36,139,254)
Vehicles	(3,226,831)	(414,897)	-	250,601	(3,391,127)
Machinery and equipment	(3,547,047)	(775,229)	-	174,956	(4,147,320)
Total	<u>(45,949,338)</u>	<u>(3,545,190)</u>	<u>-</u>	<u>1,279,316</u>	<u>(48,215,212)</u>
Total capital assets, being depreciated, net	<u>51,599,610</u>	<u>(1,218,844)</u>	<u>1,037,143</u>	<u>(539,098)</u>	<u>50,878,811</u>
Business-type activities capital assets, net	<u>\$ 59,799,128</u>	<u>\$ 7,172,102</u>	<u>\$ -</u>	<u>\$ (579,554)</u>	<u>\$ 66,391,676</u>

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

Governmental activities:	
General government	\$ 620,424
Public safety	1,039,788
Public works	4,749,503
Judicial	4,829
Housing and development	913,680
Total depreciation expense - governmental activities	<u>\$ 7,328,224</u>
Business-type activities:	
Water System Fund	\$ 781,825
Electrical System Fund	962,812
Gas System Fund	1,578,375
Solid Waste Fund	147,464
Sanitation Fund	74,714
Total depreciation expense - business-type activities	<u>\$ 3,545,190</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended August 31, 2018 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 5,705,000	\$ -	\$ (895,000)	\$ 4,810,000	\$ 915,000
Capital lease payable	129,969	-	(56,109)	73,860	59,209
DDA Promissory Note	2,600,000	-	-	2,600,000	1,000,000
Compensated absences	565,000	838,253	(823,057)	580,196	290,098
Claims and judgments	327,944	5,048,108	(4,890,568)	485,484	485,484
Total OPEB liability	40,209,308	3,429,740	(850,156)	42,788,892	-
Governmental activities Long-term liabilities	<u>\$ 49,537,221</u>	<u>\$ 9,316,101</u>	<u>\$ (7,514,890)</u>	<u>\$ 51,338,432</u>	<u>\$ 2,749,791</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue Bonds	\$ 51,900,000	\$ -	\$ (1,930,000)	\$ 49,970,000	\$ 2,005,000
Original issue premium	5,536,739	-	(512,848)	5,023,891	496,226
Net revenue bonds	57,436,739	-	(2,442,848)	54,993,891	2,501,226
Compensated absences	181,444	339,063	(347,225)	173,282	86,641
Business-type activities Long-term liabilities	<u>\$ 57,618,183</u>	<u>\$ 339,063</u>	<u>\$ (2,790,073)</u>	<u>\$ 55,167,173</u>	<u>\$ 2,587,867</u>

The City has restated opening balances of the Net OPEB liability for governmental activities with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For more information, see Note 19. For governmental activities, compensated absences, claims and judgments, and OPEB liabilities 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,			
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	1,010,000	12,625	1,022,625
Total	<u>\$ 4,810,000</u>	<u>\$ 306,501</u>	<u>\$ 5,116,501</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, 2018 the City has \$193,259 of assets held under capital lease, with associated accumulated depreciation of \$42,275 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:

Year Ending Aug 31,	
2019	\$ 63,290
2020	15,461
Total payments	<u>78,751</u>
Less interest	<u>4,891</u>
Total principal	<u>\$ 73,860</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Notes payable. On March 23, 2017, the Downtown Development Authority (DDA) purchased land at 175 N Clayton Street under a promissory note of \$2,600,000. The note is payable in three installments, with the first installment of \$1,000,000 due on September 1, 2018 and the last installment due on March 22, 2020. The note is a 0% interest note and the imputed interest, using similar debt instruments for comparison, is immaterial to the fund and the statements as a whole. As part of the purchase and lending agreement, Peach State Credit Union, the occupant of the building, will stay in the building through the term of the note rent free, but responsible for all utilities and maintenance for the building and property. If the DDA misses the first payment of the note, Peach State Credit union can unilaterally extend their rental agreement until the note is paid.

The debt service requirements for the note payable are as follows:

	<u>Principal</u>
Year Ending Aug 31,	
2019	\$ 1,000,000
2020	800,000
2021	800,000
Total payments	<u>\$ 2,600,000</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

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,			
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	2,415,000	1,895,438	4,310,438
2024-2028	13,970,000	7,597,488	21,567,488
2029-2033	16,985,000	4,574,238	21,559,238
2034-2035	8,015,000	606,000	8,621,000
Total	<u>\$ 49,970,000</u>	<u>\$ 23,332,616</u>	<u>\$ 73,302,616</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2018 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	Nonmajor governmental funds	\$ 22,143
General Fund	Downtown Development Authority	900,157
		<u>\$ 922,300</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	Nonmajor governmental funds	\$ 287,541
General Fund	Electrical System Fund	6,098,765
General Fund	Gas System Fund	16,792,684
General Fund	Downtown Development Authority	3,086,455
		<u>\$ 26,265,445</u>
Downtown Development Authority	General Fund	<u>\$ 3,005,866</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>
Nonmajor enterprise funds	Gas System Fund	\$ 828,620
Government-wide transfers:		
Business-type activities	Governmental activities	\$ 576,314

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, (4) move unrestricted gas service revenues to support capital projects of governmental activities, and (5) to show the transfer of capital assets from business-type activities to the 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 10% of employee earnings into the 401(a) plan, for a total City contribution of 14%. 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 18% 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, 2018, there were 291 plan members. During the year ending August 31, 2018, employee contributions were \$974,694 and employer contributions were \$1,328,944.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Administration and Benefits. The City, as authorized by the City Council, administers a single-employer defined benefit Postemployment Healthcare Benefits Plan (the “PHCB Plan”). The PHCB Plan is administered by the City management, under the direction of the City’s Board of Commissioners. The City pays 100 percent of the cost for eligible retirees. Eligible Retirees are defined as meeting one of the following criteria: (1) employee with thirty (20) or more years of service with the City aged at least 55 years. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The City’s Council established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership. Membership of the PHCB Plan consisted of the following at August 31, 2018, the date of the latest actuarial valuation:

Active participants	282
Retirees and beneficiaries currently receiving benefits	48
Total	<u>330</u>

Contributions. The City Council has elected to fund the PHCB plan on a “pay as you go” basis. Plan members do not contribute to the cost of the Plan. Per a City resolution, the City is required to contribute the current year benefit costs of the Plan. For the year ended August 31, 2018, the City contributed \$657,450 for the pay as you go benefits for the PHCB Plan.

Total OPEB Liability of the City

Effective September 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the City’s accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City’s total OPEB liability was measured as of August 31, 2018 and was determined by an actuarial valuation as of August 31, 2018.

Actuarial assumptions. The total OPEB liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.69%
Healthcare Cost Trend Rate:	6.00% - 4.60%, Ultimate Trend in 2076
Inflation Rate:	3.00%
Salary increase:	3.00% including inflation
Participation rate:	100%

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Mortality rates for active employees were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate. Mortality rates for retirees were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate.

Discount rate. The discount rate used to measure the total OPEB liability was 3.69%. This rate was determined using the August 31, 2018 Fidelity General Obligation AA 20-Year Yield.

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended June 30, 2018, were as follows:

	Total OPEB Liability
Balances at 8/31/17	<u>\$ 40,209,308</u>
Changes for the year:	
Service cost	1,887,791
Interest	1,541,949
Differences between expected and actual experience	(192,706)
Benefit payments	<u>(657,450)</u>
Net changes	<u>2,579,584</u>
Balances at 8/31/18	<u><u>\$ 42,788,892</u></u>

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability	\$ 52,990,969	\$ 42,788,892	\$ 35,067,312

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5% decreasing to 3.6%) or 1-percentage-point higher (7% decreasing to 5.6%) than the current healthcare cost trend rates:

	1% Decrease (5% to 3.6%)	Discount Rate (6% to 4.6%)	1% Increase (7% to 5.6%)
Total OPEB liability	\$ 34,368,179	\$ 42,788,892	\$ 54,203,975

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of August 31, 2018 and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended August 31, 2018, the City recognized OPEB expense of \$3,405,941. At August 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 168,907
Total	<u>\$ -</u>	<u>\$ 168,907</u>

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

Year ending August 31:	
2019	\$ (23,799)
2020	(23,799)
2021	(23,799)
2022	(23,799)
2023	(23,799)
Thereafter	<u>(49,912)</u>
Total	<u>\$ (168,907)</u>

NOTES TO FINANCIAL STATEMENTS

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.

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 Health Insurance, Internal Service Fund's 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>
2018	\$ 182,944	\$ 5,048,108	\$ 4,890,568	\$ 340,484
2017	440,519	4,957,636	5,215,211	182,944

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 involved in various claims and matters of litigation, the majority of which, in the opinion of the City Attorney, the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City. However, subsequent to year-end the City has received notice from the U.S. Environmental Protection Agency (EPA) of a possible violation of the duties of enforcement and inspection related to the Clean Water Act. While the notice is has been provide to the City, the potential effect of any negative outcome associated with this case cannot be determined at this point.

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at August 31, 2018, the City has contractual commitments on uncompleted contracts of approximately \$5,139,526.

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 will be paid during the 2019 fiscal year. These are the estimates provided to the City and could increase based on the noted contamination levels.

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 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 2018, 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 \$18,460,422 in the fiscal year ended August 31, 2018. At August 31, 2018, the outstanding debt of MGAG was approximately \$196 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$21 million at August 31, 2018.

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 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.

As of August 31, 2018, 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 \$23,713,680 in the fiscal year ended August 31, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

At August 31, 2018, the outstanding debt of MEAG was approximately \$5.94 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$172 million at August 31, 2018.

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 \$346,744 for the year ended August 31, 2018. Of this amount, 100% 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, 2018, the City received \$106,248 in motor vehicle excise taxes. Of this amount, 100% was used for these purposes.

NOTE 16. FUND DEFICITS

For the year ended August 31, 2018, the Gas System Fund had a deficit of \$15,344,362. The fund deficit 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, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 18. CONDUIT DEBT

On June 1, 2018, the DDA issued Taxable Economic Development Revenue Bonds, Series 2018 for financial assistance in the construction of the Lawrenceville Southlawn Multifamily Project. Neither the DDA, the City, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds that are considered conduit debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total of the bonds issued and outstanding as of August 31, 2018 was \$74 million.

NOTE 19. RESTATEMENT

As discussed in Note 10 above, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits (OPEB) Other than Pensions. The new standard significantly changed the City's accounting for OPEB amounts.

As a result of this change in accounting principle, the City was required to restate beginning net position for the following:

Net position, governmental activities, as previously reported	\$ 274,946,468
City's total OPEB liability, beginning balance	(40,209,308)
Removal of net OPEB obligation under GASB Statement No. 45	22,507,099
Beginning net position, governmental activities, restated	<u>\$ 257,244,259</u>

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF LAWRENCEVILLE, GEORGIA

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

	2018
Total OPEB liability	
Service cost	\$ 1,887,791
Interest on total OPEB liability	1,541,949
Differences between expected and actual experience	(192,706)
Benefit payments	(657,450)
Net change in total OPEB liability	2,579,584
Total OPEB liability - beginning, restated	40,209,308
Total OPEB liability - ending	\$ 42,788,892
Covered-employee payroll	\$ 14,356,230
Total OPEB liability as a percentage of covered-employee payroll	298.1%

Notes to the Schedule:

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

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

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.

SPLOST 2014 Fund – The **Special Purpose Local Option Sales Tax Fund (SPLOST)** accounts for the revenues from the 2014 special purpose local option sales tax and the related expenditures of the taxes.

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, 2018

ASSETS	Special Revenue Funds			
	Confiscated	E911	Hotel/Motel	Auto
	Assets Fund	Fund	Fund	Excise Tax Fund
Cash and cash equivalents	\$ 437,247	\$ 178,322	\$ 80,080	\$ -
Taxes receivable	-	-	29,803	9,782
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	2,699	1,225	-	-
Total assets	<u>\$ 439,946</u>	<u>\$ 179,547</u>	<u>\$ 109,883</u>	<u>\$ 9,782</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 60,509	\$ 1,651	\$ 26,329	\$ -
Accrued liabilities	-	14,077	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	9,782
Total liabilities	<u>60,509</u>	<u>15,728</u>	<u>26,329</u>	<u>9,782</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund Balances:				
Nonspendable:				
Prepaid items	2,699	1,225	-	-
Restricted:				
Public safety	376,738	-	-	-
Culture and recreation	-	-	83,554	-
Emergency telephone system activities	-	162,594	-	-
Capital projects	-	-	-	-
Total fund balances	<u>379,437</u>	<u>163,819</u>	<u>83,554</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 439,946</u>	<u>\$ 179,547</u>	<u>\$ 109,883</u>	<u>\$ 9,782</u>

Capital Project Funds			
SPLOST 2009 Fund	SPLOST 2014 Fund	SPLOST 2017 Fund	Total Nonmajor Governmental Funds
\$ 1,231,427	\$ 409,606	\$ 4,699,756	\$ 7,036,438
-	-	-	39,585
-	-	840,266	840,266
-	-	4,900	4,900
-	-	-	3,924
<u>\$ 1,231,427</u>	<u>\$ 409,606</u>	<u>\$ 5,544,922</u>	<u>\$ 7,925,113</u>
\$ 348,892	\$ 56,070	\$ 31,113	\$ 524,564
-	-	-	14,077
-	125,829	-	125,829
-	12,361	-	22,143
<u>348,892</u>	<u>194,260</u>	<u>31,113</u>	<u>686,613</u>
-	-	13,053	13,053
-	-	13,053	13,053
-	-	-	3,924
-	-	-	376,738
-	-	-	83,554
-	-	-	162,594
<u>882,535</u>	<u>215,346</u>	<u>5,500,756</u>	<u>6,598,637</u>
<u>882,535</u>	<u>215,346</u>	<u>5,500,756</u>	<u>7,225,447</u>
<u>\$ 1,231,427</u>	<u>\$ 409,606</u>	<u>\$ 5,544,922</u>	<u>\$ 7,925,113</u>

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2018

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Hotel/Motel Fund	Auto Excise Tax Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 346,744	\$ 106,248
Fines and forfeitures	169,142	-	-	-
Intergovernmental	-	854,198	-	-
Interest	615	-	-	-
Total revenues	169,757	854,198	346,744	106,248
EXPENDITURES				
Current				
Public safety	268,367	999,880	-	-
Culture and recreation	-	-	165,451	-
Capital outlay	-	-	-	-
Total expenditures	268,367	999,880	165,451	-
Excess (deficiency) of revenues over (under) expenditures	(98,610)	(145,682)	181,293	106,248
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	11,347	-	-	-
Transfers out	-	-	(181,293)	(106,248)
Total other financing sources (uses)	11,347	-	(181,293)	(106,248)
Net change in fund balances	(87,263)	(145,682)	-	-
FUND BALANCES, beginning of year	466,700	309,501	83,554	-
FUND BALANCES, end of year	\$ 379,437	\$ 163,819	\$ 83,554	\$ -

Capital Project Funds			Total Nonmajor Governmental Funds
SPLOST 2009 Fund	SPLOST 2014 Fund	SPLOST 2017 Fund	
\$ -	\$ -	\$ -	\$ 452,992
-	-	-	169,142
-	409,737	4,743,839	6,007,774
5,050	4,202	3,095	12,962
5,050	413,939	4,746,934	6,642,870
-	-	-	1,268,247
-	-	-	165,451
1,058,995	1,672,677	1,039,477	3,771,149
1,058,995	1,672,677	1,039,477	5,204,847
(1,053,945)	(1,258,738)	3,707,457	1,438,023
-	-	-	11,347
-	-	-	(287,541)
-	-	-	(276,194)
(1,053,945)	(1,258,738)	3,707,457	1,161,829
1,936,480	1,474,084	1,793,299	6,063,618
\$ 882,535	\$ 215,346	\$ 5,500,756	\$ 7,225,447

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, 2018**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 169,142	\$ 169,142
Interest	-	-	615	615
Total revenues	-	-	169,757	169,757
EXPENDITURES				
Public safety	56,000	137,951	268,367	(130,416)
Total expenditures	56,000	137,951	268,367	(130,416)
Deficiency of revenues over expenditures	(56,000)	(137,951)	(98,610)	39,341
OTHER FINANCING USES				
Proceeds from sale of capital assets	-	-	11,347	(11,347)
Net change in fund balances	(56,000)	(137,951)	(87,263)	39,341
FUND BALANCES, beginning of year	466,700	466,700	466,700	-
FUND BALANCES, end of year	<u>\$ 410,700</u>	<u>\$ 328,749</u>	<u>\$ 379,437</u>	<u>\$ 39,341</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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,102,890	\$ 1,102,890	\$ 854,198	\$ (248,692)
Total revenues	1,102,890	1,102,890	854,198	(248,692)
EXPENDITURES				
Public safety	1,102,890	1,102,890	999,880	103,010
Net change in fund balances	-	-	(145,682)	(145,682)
FUND BALANCES, beginning of year	309,501	309,501	309,501	-
FUND BALANCES, end of year	\$ 309,501	\$ 309,501	\$ 163,819	\$ (145,682)

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, 2018**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 279,900	\$ 279,900	\$ 346,744	\$ 66,844
Total revenues	279,900	279,900	346,744	66,844
EXPENDITURES				
Culture and recreation	122,456	122,456	165,451	(42,995)
Total expenditures	122,456	122,456	165,451	(42,995)
Excess of revenues over expenditures	157,444	157,444	181,293	23,849
OTHER FINANCING USES				
Transfer out	(157,444)	(157,444)	(181,293)	(23,849)
Net change in fund balance	-	-	-	-
FUND BALANCES, beginning of year	83,554	83,554	83,554	-
FUND BALANCES, end of year	<u>\$ 83,554</u>	<u>\$ 83,554</u>	<u>\$ 83,554</u>	<u>\$ -</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, 2018**

	<u>Budget</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 150,000	\$ 150,000	\$ 106,248	\$ (43,752)
Total revenues	150,000	150,000	106,248	(43,752)
OTHER FINANCING USES				
Transfer out	(150,000)	(150,000)	(106,248)	43,752
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAWRENCEVILLE, GEORGIA
2009 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2018**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 2,071,700	\$ 2,071,700	\$ -	\$ (2,071,700)
Interest	-	-	5,050	5,050
Total revenues	2,071,700	2,071,700	5,050	(2,066,650)
EXPENDITURES				
Capital outlay	2,071,700	2,071,700	1,058,995	1,012,705
Total expenditures	2,071,700	2,071,700	1,058,995	1,012,705
Net change in fund balances	-	-	(1,053,945)	(1,053,945)
FUND BALANCES, beginning of year	1,936,480	1,936,480	1,936,480	-
FUND BALANCES, end of year	<u>\$ 1,936,480</u>	<u>\$ 1,936,480</u>	<u>\$ 882,535</u>	<u>\$ (1,053,945)</u>

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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,598,700	\$ 2,598,700	\$ 409,737	\$ (2,188,963)
Interest	-	-	4,202	4,202
Total revenues	2,598,700	2,598,700	413,939	(2,184,761)
EXPENDITURES				
Capital outlay	3,180,472	3,180,472	1,672,677	1,507,795
Total expenditures	3,180,472	3,180,472	1,672,677	1,507,795
Net change in fund balances	(581,772)	(581,772)	(1,258,738)	(676,966)
FUND BALANCES, beginning of year	1,474,084	1,474,084	1,474,084	-
FUND BALANCES, end of year	<u>\$ 892,312</u>	<u>\$ 892,312</u>	<u>\$ 215,346</u>	<u>\$ (676,966)</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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,450,000	\$ 5,450,000	\$ 4,743,839	\$ (706,161)
Interest	-	-	3,095	3,095
Total revenues	5,450,000	5,450,000	4,746,934	(703,066)
EXPENDITURES				
Capital outlay	5,700,000	6,200,000	1,039,477	5,160,523
Total expenditures	5,700,000	6,200,000	1,039,477	5,160,523
Net change in fund balances	(250,000)	(750,000)	3,707,457	4,457,457
FUND BALANCES, beginning of year	1,793,299	1,793,299	1,793,299	-
FUND BALANCES, end of year	<u>\$ 1,543,299</u>	<u>\$ 1,043,299</u>	<u>\$ 5,500,756</u>	<u>\$ 4,457,457</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, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 64,370	\$ 64,370
Total revenues	-	-	64,370	64,370
EXPENDITURES				
Capital outlay	16,506,300	16,506,300	10,726,274	5,780,026
Total expenditures	16,506,300	16,506,300	10,726,274	5,780,026
Net change in fund balances	(16,506,300)	(16,506,300)	(10,661,904)	5,844,396
FUND BALANCES, beginning of year	23,390,887	23,390,887	23,390,887	-
FUND BALANCES, end of year	\$ 6,884,587	\$ 6,884,587	\$ 12,728,983	\$ 5,844,396

CITY OF LAWRENCEVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED AUGUST 31, 2018

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
2009 SPLOST						
Roads, Streets, and Bridges	\$ 11,334,450	\$ 7,042,462	\$ 5,434,624	\$ 1,058,995	\$ 6,493,619	92 %
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	\$ 18,172,012	\$ 1,058,995	\$ 19,231,007	
2014 SPLOST						
Roads, Streets, and Bridges	\$ 13,458,662	\$ 11,909,217	\$ 10,365,234	\$ 1,543,983	\$ 11,909,217	100.00 %
Recreational Facilities	1,495,407	1,244,852	1,027,358	27,206	1,054,564	84.71 %
TOTAL 2014 SPLOST	\$ 14,954,069	\$ 13,154,069	\$ 11,392,592	1,571,189	\$ 12,963,781	
				Non-SPLOST expenditures funded with intergovernmental revenues	101,488	
				Total SPLOST 2014 expenditures	\$ 1,672,677	
2017 SPLOST						
Administrative Facilities	\$ 126,744	\$ 126,744	\$ -	\$ -	\$ -	- %
Cultural Facilities	15,840,889	15,840,889	23,455	858,347	881,802	5.57 %
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	95,778	166,752	2.38 %
TOTAL 2017 SPLOST	\$ 27,947,935	\$ 27,947,935	\$ 94,429	\$ 954,125	\$ 1,048,554	
				Non-SPLOST expenditures funded with intergovernmental revenues	85,352	
				Total SPLOST 2017 expenditures	\$ 1,039,477	

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, 2018

ASSETS	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CURRENT ASSETS			
Cash	\$ 41,818	\$ 2,453,850	\$ 2,495,668
Accounts receivable, net of allowance	130,208	147,710	277,918
Total current assets	172,026	2,601,560	2,773,586
CAPITAL ASSETS			
Non-depreciable	-	385,062	385,062
Depreciable, net of accumulated depreciation	316,364	4,132,498	4,448,862
	316,364	4,517,560	4,833,924
Total assets	488,390	7,119,120	7,607,510
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	37,543	348,442	385,985
Accrued liabilities	11,845	-	11,845
Retainage payable	-	14,183	14,183
Compensated absences payable, current	14,884	-	14,884
Total current liabilities	64,272	362,625	426,897
NONCURRENT LIABILITIES			
Compensated absences payable	14,884	-	14,884
Total noncurrent liabilities	14,884	-	14,884
Total liabilities	79,156	362,625	441,781
NET POSITION			
Investment in capital assets	316,364	4,503,377	4,819,741
Unrestricted	92,870	2,253,118	2,345,988
Total net position	\$ 409,234	\$ 6,756,495	\$ 7,165,729

CITY OF LAWRENCEVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2018

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
OPERATING REVENUE			
Charges for sales and services	\$ 1,015,756	\$ 1,196,509	\$ 2,212,265
Other fees	60,936	23,065	84,001
Total operating revenue	1,076,692	1,219,574	2,296,266
OPERATING EXPENSES			
Salaries and benefits	945,986	807	946,793
General operating expenses	832,968	76,351	909,319
Depreciation	147,464	74,714	222,178
Total operating expenses	1,926,418	151,872	2,078,290
Operating income (loss)	(849,726)	1,067,702	217,976
NONOPERATING REVENUES			
Gain on disposal of capital assets	12,929	-	12,929
Transfer of capital assets	(7,410)	-	(7,410)
Total nonoperating revenues	5,519	-	5,519
Net income (loss) before transfers	(844,207)	1,067,702	223,495
Transfers in	828,620	-	828,620
Total transfers	828,620	-	828,620
Change in net position	(15,587)	1,067,702	1,052,115
Total net position, beginning of year	424,821	5,688,793	6,113,614
Total net position, end of year	\$ 409,234	\$ 6,756,495	\$ 7,165,729

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018**

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,012,511	\$ 1,195,118	\$ 2,207,629
Payments to suppliers	(860,846)	255,110	(605,736)
Payments to employees	(951,396)	(807)	(952,203)
Net cash provided by (used in) operating activities	<u>(799,731)</u>	<u>1,449,421</u>	<u>649,690</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	828,620	-	828,620
Net cash provided by non-capital financing activities	<u>828,620</u>	<u>-</u>	<u>828,620</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(1,293,387)	(1,293,387)
Proceeds from sale of capital assets	12,929	-	12,929
Net cash provided by (used in) capital and related financing activities	<u>12,929</u>	<u>(1,293,387)</u>	<u>(1,280,458)</u>
Net increase in cash	41,818	156,034	197,852
Cash, beginning of year	-	2,297,816	2,297,816
Cash, end of year	<u>\$ 41,818</u>	<u>\$ 2,453,850</u>	<u>\$ 2,495,668</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (849,726)	\$ 1,067,702	\$ 217,976
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	147,464	74,714	222,178
Change in assets and liabilities:			
(Increase) in accounts receivable	(64,181)	(24,456)	(88,637)
Increase (decrease) in accounts payable	(23,720)	331,461	307,741
Increase in accrued liabilities	708	-	708
Decrease in due to other funds	(4,158)	-	(4,158)
Decrease in compensated absences payable	<u>(6,118)</u>	<u>-</u>	<u>(6,118)</u>
Net cash provided by (used in) operating activities	<u>\$ (799,731)</u>	<u>\$ 1,449,421</u>	<u>\$ 649,690</u>

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, 2018**

		Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
	ASSETS			
CURRENT ASSETS				
Cash		\$ 372,058	\$ 1,227,022	\$ 1,599,080
Prepaid items		45,880	-	45,880
Total assets		417,938	1,227,022	1,644,960
	LIABILITIES			
CURRENT LIABILITIES				
Accounts payable		9,135	-	9,135
Claims payable		-	340,484	340,484
Total liabilities		9,135	340,484	349,619
	NET POSITION			
Unrestricted		408,803	886,538	1,295,341
Total net position		\$ 408,803	\$ 886,538	\$ 1,295,341

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018**

	Workers' Compensation Fund	Health Insurance Fund	Internal Service Totals
OPERATING REVENUE			
Other fees	\$ 913,155	\$ 6,331,853	\$ 7,245,008
Total operating revenue	<u>913,155</u>	<u>6,331,853</u>	<u>7,245,008</u>
OPERATING EXPENSES			
General operating expenses	80,173	98,084	178,257
Claims	403,238	4,547,659	4,950,897
Insurance premiums	<u>58,380</u>	<u>744,858</u>	<u>803,238</u>
Total operating expenses	<u>541,791</u>	<u>5,390,601</u>	<u>5,932,392</u>
Change in net position	371,364	941,252	1,312,616
Total net position (deficit), beginning of year	<u>37,439</u>	<u>(54,714)</u>	<u>(17,275)</u>
Total net position, end of year	<u><u>\$ 408,803</u></u>	<u><u>\$ 886,538</u></u>	<u><u>\$ 1,295,341</u></u>

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018**

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 913,155	\$ 6,331,853	\$ 7,245,008
Payments to suppliers	(541,097)	(5,233,061)	(5,774,158)
Net cash provided by operating activities	372,058	1,098,792	1,470,850
Net increase in cash	372,058	1,098,792	1,470,850
Cash, beginning of year	-	128,230	128,230
Cash, end of year	\$ 372,058	\$ 1,227,022	\$ 1,599,080
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 371,364	\$ 941,252	\$ 1,312,616
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in prepaid items	12,500	-	12,500
Increase in accounts payable	8,535	-	8,535
Decrease in due to other funds	(20,341)	-	(20,341)
Increase in claims payable	-	157,540	157,540
Net cash provided by operating activities	\$ 372,058	\$ 1,098,792	\$ 1,470,850

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

	2009	2010	2011	2012
Primary government - governmental activities				
Net investment in capital assets	\$ 176,609,278	\$ 185,634,619	\$ 187,916,543	\$ 190,617,824
Restricted	-	-	562,901	883,860
Unrestricted (deficit)	31,717,500	21,761,883	23,830,982	26,039,736
Total governmental activities net position	<u>208,326,778</u>	<u>207,396,502</u>	<u>212,310,426</u>	<u>217,541,420</u>
Primary government - business-type activities				
Net investment in capital assets	46,244,833	45,935,848	49,825,048	49,143,494
Restricted	-	-	17,740,893	16,492,114
Unrestricted	2,415,216	12,407,009	2,084,425	2,986,803
Total business-type activities net position	<u>48,660,049</u>	<u>58,342,857</u>	<u>69,650,366</u>	<u>68,622,411</u>
Total primary government				
Net investment in capital assets	222,854,111	231,570,467	237,741,591	239,761,318
Restricted	-	-	18,303,794	17,375,974
Unrestricted (deficit)	34,132,716	34,168,892	25,915,407	29,026,539
Total primary government net position	<u>\$ 256,986,827</u>	<u>\$ 265,739,359</u>	<u>\$ 281,960,792</u>	<u>\$ 286,163,831</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.

Note - The 2017 Statement of Net Position was restated for the implementation of GASB Statement No. 75.

2013	2014	2015	2016 - Restated	2017 - restated	2018
\$ 226,760,901	\$ 228,329,233	\$ 233,116,575	\$ 234,587,027	\$ 256,488,338	\$ 270,595,127
7,024,476	6,814,080	10,015,367	45,598,469	29,680,915	20,100,971
16,071,181	9,625,901	(2,106,820)	(3,393,308)	(28,924,994)	(25,039,167)
249,856,558	244,769,214	241,025,122	276,792,188	257,244,259	265,656,931
51,500,331	52,959,314	53,261,897	9,040,636	55,541,438	56,228,555
-	-	-	-	-	-
27,850,551	34,944,033	40,927,506	44,801,802	1,867,503	7,808,000
79,350,882	87,903,347	94,189,403	53,842,438	57,408,941	64,036,555
278,261,232	281,288,547	286,378,472	243,627,663	312,029,776	326,823,682
7,024,476	6,814,080	10,015,367	45,598,469	29,680,915	20,100,971
43,921,732	44,569,934	38,820,686	41,408,494	(27,057,491)	(17,231,167)
<u>\$ 329,207,440</u>	<u>\$ 332,672,561</u>	<u>\$ 335,214,525</u>	<u>\$ 330,634,626</u>	<u>\$ 314,653,200</u>	<u>\$ 329,693,486</u>

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

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 8,164,765	\$ 7,197,689	\$ 7,373,018	\$ 6,837,474 ⁽¹⁾
Planning and zoning	499,549	357,925	348,482	516,335 ⁽¹⁾
Judicial	-	-	-	- ⁽²⁾
Public safety	10,329,891	10,228,690	12,110,803	12,535,965 ⁽²⁾
Public works	896,389	2,093,223	1,071,239	2,122,411 ⁽³⁾
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Total governmental activities expenses	<u>19,890,594</u>	<u>19,877,527</u>	<u>20,903,542</u>	<u>22,012,185</u>
Business-type activities:				
Water and sewer	4,215,540	7,321,400	4,328,598	4,487,656
Electric	19,200,601	19,137,886	17,075,636	23,244,876
Gas	31,864,685	33,823,518	31,268,109	26,311,839
Solid waste	1,616,906	1,700,961	1,689,352	1,721,036
Stormwater	210,392	239,563	52,343	113,016
Total business-type activities expenses	<u>57,108,124</u>	<u>62,223,328</u>	<u>54,414,038</u>	<u>55,878,423</u>
Total primary government expenses	<u>\$ 76,998,718</u>	<u>\$ 82,100,855</u>	<u>\$ 75,317,580</u>	<u>\$ 77,890,608</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 839,981	\$ 839,780	\$ 778,280	\$ 839,076 ⁽¹⁾
Planning and zoning	337,974	277,683	285,264	299,330 ⁽¹⁾
Judicial	-	-	-	- ⁽²⁾
Public safety	3,470,709	2,504,173	6,577,967	3,761,396 ⁽²⁾
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	3,749,065	3,891,534	3,899,476	6,673,325
Total governmental activities program revenue	<u>8,397,729</u>	<u>7,513,170</u>	<u>11,540,987</u>	<u>11,573,127</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,772,871	4,231,669	4,496,110	4,823,600
Electric	24,507,099	28,133,721	28,054,430	29,917,820
Gas	41,435,617	42,583,588	38,165,349	31,415,141
Solid waste	1,039,204	1,049,966	1,015,705	1,031,024
Stormwater	691,214	709,160	667,389	690,111
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	1,652,087	-
Total business-type activities program revenues	<u>71,446,005</u>	<u>76,708,104</u>	<u>74,051,070</u>	<u>67,877,696</u>
Total primary government program revenues	<u>\$ 79,843,734</u>	<u>\$ 84,221,274</u>	<u>\$ 85,592,057</u>	<u>\$ 79,450,823</u>
Total primary government net expense	<u>\$ 2,845,016</u>	<u>\$ 2,120,419</u>	<u>\$ 10,274,477</u>	<u>\$ 1,560,215</u>

2013	2014	2015	2016	2017	2018
\$ 7,752,325	\$ 7,435,877	\$ 8,401,997	\$ 6,888,155	\$ 10,718,859 ⁽⁵⁾	\$ 13,947,530
-	-	-	-	-	-
948,876	791,195	984,769	1,157,349	808,415	775,555
11,374,379	10,748,892	12,384,360	13,025,259	11,128,397	10,676,640
6,981,826	8,205,138	8,775,978	11,126,532	9,794,500 ⁽⁵⁾	9,610,238
259,618	254,371	132,685	141,659	171,374	165,451
464,048	714,604	1,488,240	3,180,125	5,183,274 ⁽⁵⁾	7,302,413
-	214,446	194,213	173,229	154,560	135,516
27,781,072	28,364,523	32,362,242	35,692,308	37,959,379	42,613,343
4,149,089	4,612,198	5,107,221	5,203,776	5,000,957	5,005,601
24,775,235	25,038,603	26,543,376	26,363,870	25,654,604	27,057,259
28,661,647	32,696,627	26,050,393	26,280,121	24,120,780	26,618,018
1,783,331	1,717,250	1,974,062	2,287,331	2,011,371	1,926,418
142,973	144,407	78,996	77,875	69,071	151,872
59,512,275	64,209,085	59,754,048	60,212,973	56,856,783	60,759,168
\$ 87,293,347	\$ 92,573,608	\$ 92,116,290	\$ 95,905,281	\$ 94,816,162	\$ 103,372,511
\$ 1,246,518	\$ 1,401,359	\$ 1,485,410	\$ 1,341,312	\$ 1,633,271	\$ 1,807,750
-	-	-	-	-	-
1,849,733	1,913,998	2,453,774	1,591,649	931,111	1,604,700
116,849	156,722	71,926	448,461	190,976	205,162
2,450	3,825	3,025	5,700	4,725	9,799
-	2,480	5,670	52,900	50,611	50,535
-	-	-	-	-	-
-	-	-	-	-	-
1,594,450 ⁽⁴⁾	1,189,949	1,109,020	1,109,317	1,115,667	1,168,818
5,015,115	5,012,641	5,066,750	4,945,347	6,206,304	9,277,639
9,825,115	9,680,974	10,195,575	9,494,686	10,132,665	14,124,403
4,803,739	5,059,486	5,179,551	5,326,614	5,347,618	5,258,103
30,633,625	32,085,457	32,579,922	33,515,170	33,460,867	33,834,050
34,866,922	41,330,437	37,510,172	34,691,282	38,861,072	49,096,275
1,079,058	1,184,127	954,231	680,669	684,316	1,076,962
686,432	715,681	716,213	713,780	770,730	1,219,574
-	-	-	-	-	-
-	39,868	-	-	-	-
72,069,776	80,415,056	76,940,089	74,927,515	79,124,603	90,484,964
\$ 81,894,891	\$ 90,096,030	\$ 87,135,664	\$ 84,422,201	\$ 89,257,268	\$ 104,609,367
\$ (5,398,456)	\$ (2,477,578)	\$ (4,980,626)	\$ (11,483,080)	\$ (5,558,894)	\$ 1,236,856

Continued

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

	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes:				
Property taxes	\$ 2,159,932	\$ 1,900,278	\$ 1,744,314	\$ 1,544,764
Franchise taxes	1,029,779	1,000,589	978,793	1,013,346
Excise taxes	-	-	-	-
Alcoholic beverage taxes	595,516	578,043	576,018	597,321
Insurance premium taxes	1,253,520	1,241,760	1,205,671	1,338,927
Hotel/motel & motor vehicle rental taxes	291,002	389,019	402,038	429,077
Financial institution taxes	-	-	-	-
Other taxes	519,048	446,682	465,877	442,208
Interest and investment earnings	679,349	393,619	303,686	201,714
Miscellaneous	171,712	269,845	142,719	689,475
Gain on sales of capital assets	-	-	-	-
Transfers	12,536,832	5,214,246	8,457,363	9,413,220
Total governmental activities	19,236,690	11,434,081	14,276,479	15,670,052
Business-type activities:				
Interest and investment earnings	-	-	-	-
Miscellaneous	531,022	412,278	127,840	504,240
Gain on sale of capital assets	-	-	-	-
Transfers	(12,536,832)	(5,214,246)	(8,457,363)	(9,413,220)
Total business-type activities	(12,005,810)	(4,801,968)	(8,329,523)	(8,908,980)
Total primary government	\$ 7,230,880	\$ 6,632,113	\$ 5,946,956	\$ 6,761,072
Changes in Net Position				
Governmental activities	\$ 7,743,825	\$ (930,276)	\$ 4,913,924	\$ 5,230,994
Business-type activities	2,332,071	9,682,808	11,307,509	3,090,293
Total primary government	\$ 10,075,896	\$ 8,752,532	\$ 16,221,433	\$ 8,321,287

⁽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.

	2013	2014	2015	2016	2017	2018
\$	2,187,024	\$ 2,374,343	\$ 2,514,239	\$ 2,284,639	\$ 2,352,464	\$ 2,674,368
	1,005,159	983,876	1,061,585	1,076,929	1,022,454	922,334
	820,590	800,987	804,926	824,788	788,365	733,857
	-	-	-	-	-	-
	1,422,165	1,472,516	1,531,262	1,635,902	1,772,000	1,886,893
	264,737	290,510	307,997	323,791	339,272	346,744
	139,610	145,515	128,810	283,985	223,386	210,338
	84,405	81,865	210,586	131,173	132,660	282,364
	153,744	139,571	101,141	252,781	243,690	650,003
	-	-	-	30,156	-	5,579,557
	-	-	847,957	-	80,391	147,392
	<u>9,836,829</u>	<u>7,474,819</u>	<u>10,914,072</u>	<u>60,494,070</u>	<u>19,026,312</u>	<u>23,467,763</u>
	<u>15,914,263</u>	<u>13,764,002</u>	<u>18,422,575</u>	<u>67,338,214</u>	<u>25,980,994</u>	<u>36,901,613</u>
	-	-	-	62,762	63,254	293,690
	-	-	14,087	452	198,627	-
	70,657	7,255	-	7,025	63,114	76,161
	<u>(9,836,829)</u>	<u>(7,474,819)</u>	<u>(10,914,072)</u>	<u>(60,494,070)</u>	<u>(19,026,312)</u>	<u>(23,427,846)</u>
	<u>(9,766,172)</u>	<u>(7,467,564)</u>	<u>(10,899,985)</u>	<u>(60,423,831)</u>	<u>(18,701,317)</u>	<u>(23,057,995)</u>
\$	<u>6,148,091</u>	<u>\$ 6,296,438</u>	<u>\$ 7,522,590</u>	<u>\$ 6,914,383</u>	<u>\$ 7,279,677</u>	<u>\$ 13,843,618</u>
\$	(2,041,694)	\$ (4,919,547)	\$ (3,744,092)	\$ 41,140,592	\$ (1,845,720)	\$ 8,412,672
	2,791,329	8,738,407	6,286,056	(45,709,289)	3,566,503	6,627,614
\$	<u>749,635</u>	<u>\$ 3,818,860</u>	<u>\$ 2,541,964</u>	<u>\$ (4,568,697)</u>	<u>\$ 1,720,783</u>	<u>\$ 15,040,286</u>

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

	2009	2010	2011	2012
General Fund				
Reserved	\$ 267,640	\$ 88,561	\$ -	\$ -
Unreserved	24,214,048	21,715,718	-	-
Nonspendable	-	-	228,121	85,511
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	21,153,925	25,089,170
Total General Fund	<u>\$ 24,481,688</u>	<u>\$ 21,804,279</u>	<u>\$ 21,382,046</u>	<u>\$ 25,174,681</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-
Special revenue fund	460,239	97,796	-	-
Capital projects fund	5,954,236	881,926	-	-
Nonspendable	-	-	-	-
Restricted	-	-	4,366,365	5,384,966
Assigned	-	-	-	-
Unassigned (deficit)	-	-	(36,872)	-
Total all other governmental funds	<u>\$ 6,414,475</u>	<u>\$ 979,722</u>	<u>\$ 4,329,493</u>	<u>\$ 5,384,966</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 approximate \$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.

2013	2014	2015	2016 (4)	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,981,887	5,019,611	10,111,204 ⁽³⁾	8,162,561	6,855,477	3,329,938
-	184,621	235,451	243,818	243,818	137,412
-	-	-	-	-	-
16,674,036	9,595,958 ⁽²⁾	(4,122,753) ^{(2)/(3)}	7,076,083	8,036,097	11,734,694
<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>	<u>\$ 15,202,044</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,024,476	9,029,592	9,083,394	3,032,777	17,408	3,924
-	6,629,459	9,779,916	45,360,511	29,437,097	19,950,506
-	-	-	7,150,423	4,761,943	9,155,490
-	(438,903)	(578,760)	-	-	-
<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>	<u>\$ 29,109,920</u>

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

	2009	2010	2011	2012
Revenues				
Taxes	\$ 5,546,067	\$ 5,834,191	\$ 4,698,502	\$ 6,718,371
Licenses and permits	337,974	277,683	285,264	299,330
Intergovernmental	3,749,065	3,891,534	3,930,634	6,673,325
Fines and forfeitures	3,470,709	2,504,173	6,577,967	3,761,396
Charges for services	839,981	839,780	778,280	839,076
Interest income	655,717	443,142	285,337	187,748
Miscellaneous	171,712	269,845	142,719	689,475
Total revenues	<u>14,771,225</u>	<u>14,060,348</u>	<u>16,698,703</u>	<u>19,168,721</u>
Expenditures				
General government	8,628,998	8,676,074	6,220,262	8,234,883
Planning and zoning	493,370	335,517	321,817	498,690
Judicial	-	-	-	-
Public safety	12,622,019	17,365,574 ⁽²⁾	11,061,098	11,313,850
Public works	2,226,705	1,767,199	4,625,351	2,803,594
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>23,971,092</u>	<u>28,144,364</u>	<u>22,228,528</u>	<u>22,851,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,199,867)</u>	<u>(14,084,016)</u>	<u>(5,529,825)</u>	<u>(3,682,296)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Issuance of note payable	-	-	-	-
Issuance of capital lease	-	-	-	-
Transfers in	12,536,832	5,214,246	8,457,363	8,530,404
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>12,536,832</u>	<u>5,214,246</u>	<u>8,457,363</u>	<u>8,530,404</u>
Net change in fund balance	<u>\$ 3,336,965</u>	<u>\$ (8,869,770)</u>	<u>\$ 2,927,538</u>	<u>\$ 4,848,108</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.

2013	2014	2015	2016	2017	2018
\$ 6,213,742	\$ 6,180,080	\$ 6,566,666	\$ 6,556,654	\$ 6,630,601	\$ 7,040,745
304,915	316,544	308,055	349,397	405,945	835,611
6,549,884	5,901,584	6,076,690	6,025,477	5,739,099	10,809,317
1,926,374	1,900,549	2,160,300	1,972,529	1,488,263	1,604,592
815,650	856,187	975,722	993,272	798,761	676,045
184,222	146,824	116,056	277,326	258,179	662,350
163,043	224,836	264,778	85,296	550,048	5,984,855
16,157,830	15,526,604	16,468,267	16,259,951	15,877,098	27,613,515
7,115,045	6,934,671	11,255,362 ⁽³⁾	6,258,780 ⁽⁴⁾	8,335,880	15,157,403
-	-	-	-	-	-
908,584	788,299	802,333	956,357	808,895	796,578
11,219,586	10,986,581	9,823,919	10,760,389	10,453,791	10,667,114
3,142,693	5,568,464	3,820,148	5,846,498 ⁽⁴⁾	6,641,013	10,579,083
259,618	254,371	132,685	141,659	171,374	165,451
464,048	988,752	1,212,472	2,852,829 ⁽⁴⁾	8,754,924 ⁽⁵⁾	9,871,211
1,903,968	3,121,801	5,841,364	5,760,141	20,203,580	14,497,423
-	780,000	830,000	850,000	933,290	951,109
-	216,071	195,942	175,000	153,500	138,620
25,013,542	29,639,010	33,914,225	33,601,653	56,456,247	62,823,992
(8,855,712)	(14,112,406)	(17,445,958)	(17,341,702)	(40,579,149)	(35,210,477)
128,001	91,500	1,020,000	49,267	85,245	7,279,152
-	-	-	-	2,600,000	-
-	-	-	-	193,259	-
10,864,686	9,443,839	12,964,985	61,660,087	21,564,016	29,271,311
(1,027,857)	(1,969,020)	(2,050,913)	(1,166,017)	(2,537,704)	(6,379,862)
9,964,830	7,566,319	11,934,072	60,543,337	21,904,816	30,170,601
\$ 1,109,118	\$ (6,546,087)	\$ (5,511,886)	\$ 43,201,635	\$ (18,674,333)	\$ (5,039,876)
0.00%	4.60%	4.52%	4.03%	3.74%	3.13%

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
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
2018	2,674,368	922,334	733,857	1,886,893	346,744	210,338	266,211	7,040,745

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
	\$	(1) \$	\$	\$	\$	\$	\$	\$
2009	5,546,067	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	6,630,601	405,945	5,739,099	1,488,263	798,761	258,179	550,048	15,870,896
2018	7,040,745	835,611	10,809,317	1,604,592	676,045	662,350	5,984,855	27,613,515

⁽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
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
2017	879,314,440	214,555,010	22,699,710	402,560	171,500

⁽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⁾
\$ 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%
83,077,937	1,034,065,283	1.9090	2,585,163,208	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											
		Development					Gwinnett County School Board Millage						
		Operating	Debt Service	Fire Protection	Police Services	District	Recreation	Total	Operations	Debt Service	Total		State
2008	2.160	9.72	0.46	0.00	0.00	0.00	0.79	10.97	19.25	1.30	20.55	0.25	33.93
2009	2.160	11.78	0.47	0.00	0.00	0.00	1.00	13.25	19.25	1.30	20.55	0.25	36.21
2010	2.160	11.78	0.47	0.00	0.00	0.00	1.00	13.25	19.25	1.30	20.55	0.25	36.21
2011	2.160	11.78	0.24	0.00	0.00	0.00	1.00	13.02	19.25	1.30	20.55	0.25	35.98
2012	2.160	11.78	0.24	0.00	0.00	0.00	1.00	13.02	19.25	1.30	20.55	0.20	35.93
2013	2.160	7.40	0.24	3.20	0.00	0.00	0.95	11.79	19.80	2.05	21.85	0.15	35.95
2014	2.076	7.40	0.24	3.20	0.00	0.00	0.95	11.79	19.80	2.05	21.85	0.10	35.82
2015	2.025	7.23	0.24	3.20	0.00	0.00	0.95	11.62	19.80	2.05	21.85	0.05	35.54
2016	2.025	6.83	0.24	3.20	0.00	0.00	0.95	11.22	19.80	2.05	21.85	0.00	35.09
2017	2.025	7.40	0.00	3.20	0.00	0.00	0.95	11.55	19.80	2.05	21.85	0.00	35.43
2018	1.909	7.21	0.00	3.20	0.00	0.00	0.95	11.36	19.80	1.95	21.75	0.00	35.02

Source: Gwinnett County Tax Commissioner website

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

Taxpayer	2018 Tax Year			2008 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	1.22%			
Lund International	10,962,310	2	1.06%	\$ 8,927,860	2	0.81%
Gwinnett Retirement Inv LLC	7,675,160	3	0.74%	7,675,160	5	0.70%
Aramark Uniform Services Inc	7,296,000	4	0.71%			
National Vision Inc	7,295,350	5	0.71%			
CMK Terrace Park LLC	7,113,650	6	0.69%			
Jackson EMC	7,033,040	7	0.68%			
Gwinnett Medical Properties Inc	6,349,720	8	0.61%			
3370 Sugarloaf Parkway Holdings LLC	5,206,520	9	0.50%			
BlueLinx Corporation	5,200,140	10	0.50%	5,908,160	10	0.54%
BellSouth Telecommunications				9,427,740	1	0.86%
Hurricane/316 LLC				8,835,760	3	0.81%
Benefield C E ETAL				8,225,240	4	0.75%
SCI Sugarloaf-Rolando Fund LLC ETAL				7,340,840	6	0.67%
Bostic Dev @ Philip Blvd LLC				6,990,600	7	0.64%
CLPF-MMIC Gwinnett MOB LP				6,136,080	8	0.56%
Tara Materials				6,000,930	9	0.55%

Source: Gwinnett County Tax Commissioner's Office

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

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy ⁽¹⁾		Total Collection to Date	
		Amount	Percentage	Amount	Percentage of Levy
2009	\$ 2,367,199	\$ -	0.00%	\$ 2,367,199	100.00%
2010	2,165,070	157,636	7.28%	2,164,510	99.97%
2011	1,925,783	170,218	8.84%	1,924,440	99.93%
2012	1,746,602	13,654	0.78%	1,744,802	99.90%
2013	1,889,584	113,364	6.00%	1,887,433	99.89%
2014	1,762,441	97,695	5.54%	1,758,171	99.76%
2015	1,744,117	73,586	4.22%	1,738,594	99.68%
2016	1,816,850	99,125	5.46%	1,796,108	98.86%
2017	1,859,127	116,268	6.25%	1,766,285	95.01%
2018	1,876,213	103,596	5.52%	103,596	5.52%

⁽¹⁾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	2018			2009		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Ricoh Electronics	\$ 1,323,795	1	2.70%	\$ 1,042,127	1	2.52%
Gwinnett Co. Justice & Admin Center	928,645	2	1.89%	753,430	3	1.82%
Gwinnett Hospital System	830,127	3	1.69%	703,559	4	1.70%
Publix Warehouse	824,595	4	1.68%	827,959	2	2.00%
Gwinnett County Jail	432,584	5	0.88%	593,011	5	1.43%
All American Poly of GA	404,861	6	0.82%	310,359	6	0.75%
Ingles Market Inc	294,931	7	0.60%			
Kroger	258,896	8	0.53%			
Formex Manufacturing	242,267	9	0.49%	289,646	7	0.70%
Gwinnett Co. Support SVS	226,525	10	0.46%			
Dolco Packaging Co.				276,477	8	0.67%
Gwinnett Womens Pavilion				271,998	9	0.66%
Block USA - GA Division				244,682	10	0.59%

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

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

Taxpayer	2018			2009		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Gwinnett Hospital System	\$ 2,360,930	1	6.98%	\$ 1,409,867	1	5.75%
Rehrig Pacific Company	1,818,745	2	5.38%			
Auto Ventshade Co.	1,116,387	3	3.30%	761,545	3	3.11%
Gwinnett Co. Justice & Admin Center	928,645	4	2.74%	788,418	2	3.22%
Vista Eyecare Inc	478,826	5	1.42%	207,890	6	0.85%
All American Poly of GA	404,861	6	1.20%	297,927	4	1.22%
Discovery High School	401,625	7	1.19%			
BST-F5618	321,172	8	0.95%	184,253	10	0.75%
Ingles Market Inc	294,931	9	0.87%	228,392	5	0.93%
White Lightning Products	280,282	10	0.83%			
Kroger Store GA-352				207,767	7	0.85%
Formex Manufacturing Inc.				205,770	8	0.84%
Block USA - GA Division				190,894	9	0.78%

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

City of Lawrenceville, Georgia
Electric Rates
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Commercial (per month) FY 2007-FY 2009										
Base Charge	\$ 10.00									
First 200 Hours Use of Demand										
First 3,000 kWh or less	0.11200									
Next 7,000 kWh	0.10300									
Next 190,000 kWh	0.09000									
Over 200,000 kWh	0.07333									
Next 200 Hours Use of Demand										
All kWh	0.02261									
Next 200 Hours Use of Demand										
All kWh	0.02085									
Over 600 Hours Use of Demand										
All kWh	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	\$ 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	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	0.100	0.103
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	0.050	0.053
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	0.045	0.048	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	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	2.75	2.75
All consumption (kWh) not greater than 200 hours times the billing demand										
First 6,000 kWh	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.093	0.093
Over 6,000 kWh	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.083	0.083
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	0.045	0.048	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	0.040	0.043	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	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	3.25	3.25
All consumption (kWh) not greater than 200 hours times the billing demand										
First 100,000 kWh	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.075	0.075
Over 100,000 kWh	0.062	0.062	0.062	0.062	0.062	0.062	0.062	0.062	0.065	0.065
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	0.040	0.043	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	0.036	0.039	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	0.032	0.035
Temporary Service Rate										
Base Charge	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	18.00	18.00
First 3,000 kWh	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1325	0.1325
Over 3,000 kWh	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1225	0.1225
Residential (per month) FY 2007-FY 2009										
Base Charge	7.15									
June-September										
First 650 kWh or less	0.0552									
Next 350 kWh	0.0853									
Over 1,000 kWh	0.0875									
October-May										
First 650 kWh or less	0.0552									
Next 350 kWh	0.0488									
Over 1,000 kWh	0.0482									
Residential (per month) FY 2010-current										
Base Charge										
May-October	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	14.00	14.00
First 650 kWh or less	0.074	0.074	0.074	0.074	0.074	0.074	0.074	0.074	0.079	0.079
Next 350 kWh	0.096	0.096	0.096	0.096	0.096	0.096	0.096	0.096	0.101	0.101
Over 1,000 kWh	0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.102	0.112	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	0.074	0.074
Next 350 kWh	0.066	0.066	0.066	0.066	0.066	0.066	0.066	0.066	0.071	0.071
Over 1,000 kWh	0.064	0.064	0.064	0.064	0.064	0.064	0.064	0.064	0.069	0.069

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential/Commercial	\$ 10.10	\$ 10.44	\$ 10.27	\$ 9.72
Hospital	9.80	10.14	9.97	9.42

⁽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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 9.64	\$ 9.81	\$ 8.21	\$ 8.24	\$ 9.22	\$ 10.96
9.34	9.51	7.91	7.94	8.92	8.70

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

Fiscal Year	Governmental Activities			Business-type Activities		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	Total Primary Government			
2009	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	\$ -
2010	-	-	-	-	-	0.00%	-	-
2011	-	-	-	-	-	0.00%	-	-
2012	-	-	-	-	-	0.00%	-	-
2013	9,035,000	-	-	-	9,035,000	1.16%	0.02	520
2014	8,255,000	-	-	-	8,255,000	0.98%	1.59%	480.22
2015	7,425,000	-	-	-	7,425,000	0.86%	1.27%	387.16
2016	6,575,000	-	-	59,836,699	66,411,699	7.14%	11.00%	3,385.59
2017	5,705,000	129,969	2,600,000	57,436,739	65,871,708	7.08%	10.83%	3,234.55
2018	4,810,000	73,860	2,600,000	54,993,891	62,477,751	6.04%	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, 2018

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt			
Series 2012 Economic Development Revenue Bonds	\$ 4,810,000	100%	\$ 4,810,000
Total Direct Debt	<u>4,810,000</u>		<u>4,810,000</u>
Overlapping Debt ⁽¹⁾			
Gwinnett County GO Bonds, Leases Payable	86,447,000	3.99%	3,450,949
Gwinnett County Board of Education GO Bonds, Certificates of Participation ⁽²⁾	<u>1,377,529,625</u>	3.59%	<u>49,456,434</u>
Total Overlapping Debt	<u>1,463,976,625</u>	3.59%	<u>52,907,383</u>
Total Direct and Overlapping Debt	<u>\$ 1,473,596,625</u>		<u>\$ 57,717,383</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.

⁽²⁾ At the time of publication of these statements, the Gwinnett County Board of Education had not issued their financial statements and final numbers were not available, so the City chose to use the prior year (2017) amount.

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2017

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

	2009	2010	2011	2012
Assessed value of all taxable property	\$ 1,060,139,490	\$ 978,103,580	\$ 881,022,950	\$ 791,202,405
Debt limit: 10% of assessed value	106,013,949	97,810,358	88,102,295	79,120,241
Total net debt applicable to limit ⁽¹⁾	-	-	-	-
Legal debt margin	106,013,949	97,810,358	88,102,295	79,120,241
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, 2018 are the Series 2012 Economic Development Revenue Bonds which is not subject to the legal debt limit in the State of Georgia.

2013	2014	2015	2016	2017	2018
\$ 781,219,900	\$ 845,636,020	\$ 858,707,470	\$ 929,997,188	\$ 929,997,188	\$ 1,034,065,283
78,121,990	84,563,602	85,870,747	92,999,719	92,999,719	103,406,528
-	-	-	-	-	-
78,121,990	84,563,602	85,870,747	92,999,719	92,999,719	103,406,528
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
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)
2018	3,005,866	2,600,000	10,726,274	(5,120,408)	895,000	131,438	(4.99)

⁽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⁾
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	30,782	19,616	603,819,712	5.1%
2017	29,873	20,365	608,363,645	4.3%
2018 ⁽⁴⁾	N/A	N/A	N/A	4.1%

⁽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 2018 data was not available at the time of publication.

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

Employer	2017			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 Lawrenceville	219	2	1.57%			
Averitt Express	211	3	1.52%	150	8	1.09%
Encompass Supply Chain Solutions, Inc	202	4	1.45%			
Atlanta Attachment Company	170	5	1.22%			
Wal-Mart Stores East, LP	170	6	1.22%	650	1	4.73%
Coca Cola Bottling Company United-East LLC	169	7	1.21%	143	10	1.04%
Gunter Construction Company Inc	167	8	1.20%			
Plumbing Distributors Inc	160	9	1.15%			
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>2,176</u>		<u>15.64%</u>	<u>2,474</u>		<u>17.99%</u>

⁽¹⁾ Data obtained from City of Lawrenceville business licenses. 2017 numbers are the latest available at the time of publication.

⁽²⁾ Total employment numbers provided by US Census Bureau.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General government	36	34	34	34	39	35	37	37	42	51
Planning and zoning	6	6	5	11	7	7	8	6	11	11
Judicial	14	13	12	10	7	8	9	11	7	7
Public safety	97	95	90	92	106	92	94	97	97	98
Public works	48	51	51	55	54	53	50	58	59	55
Housing and development	-	-	-	2	3	6	6	6	-	-
Utilities										
Water and sewer	8	9	9	9	9	8	9	9	9	9
Electric	12	12	12	11	12	10	9	14	14	15
Gas	27	27	28	31	40	32	38	43	43	42
Solid waste	15	15	15	14	14	13	14	14	14	12
	263	262	256	269	291	264	274	295	296	300

Source: Human Resources Department

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Administration										
Checks Processed	5,736	5,933	5,513	5,623	6,104	6,107	5,637	6,375	6,416	6,295
Public Safety										
Calls for Service	107,584	108,209	96,485	96,065	90,869	79,006	77,227	87,878	82,387	90,634
Cases Referred to Investigative Division	2,362	2,218	1,986	2,029	1,798	1,911	2,728	2,465	2,363	2,410
Public Works ⁽¹⁾										
Gas Department:										
Leaks Repaired	NA	NA	NA	1,566	1,548	1,643	1,775	1,911	1,369	226
Number of Set New Meters	NA	NA	NA	301	255	271	672	1,011	956	865
Damage Prevention:										
Locate Requests	NA	NA	NA	22,136	28,688	32,187	38,049	35,319	39,403	36,278
Housing and Development										
Building Permits Processed	278	294	352	312	232	247	318	350	389	395

⁽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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Administration										
Vehicles	1	1	2	2	2	2	2	2	2	2
Public Safety										
Patrol Vehicles	54	62	85	104	118	129	134	146	123	123
Public Works										
Vehicles	180	135	143	150	139	144	154	161	147	156
Streets (miles) ⁽¹⁾	N/A	84.91	84.91	84.91	87.63	87.63	87.27	92.26	92.26	92.26
Water Lines (miles)	84	84	84	84	84	84	84	100.6	100.6	100.6
Housing and Development										
Vehicles	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