CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2018

Prepared by:

DEPARTMENT OF FINANCE

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

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LAGRANGE
GEORGIA

December 12, 2018

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

The comprehensive annual report of the City of LaGrange, Georgia (the City), for the fiscal year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

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

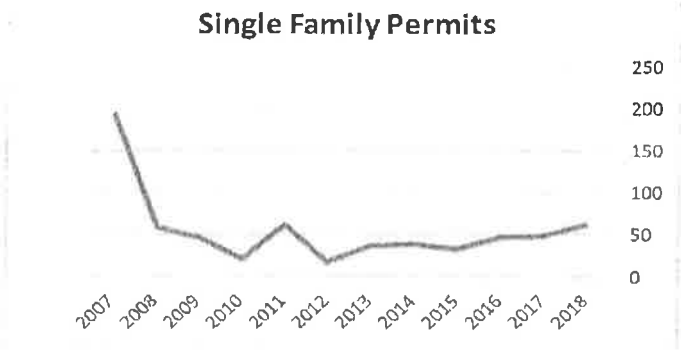
ECONOMIC CONDITION AND OUTLOOK

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

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

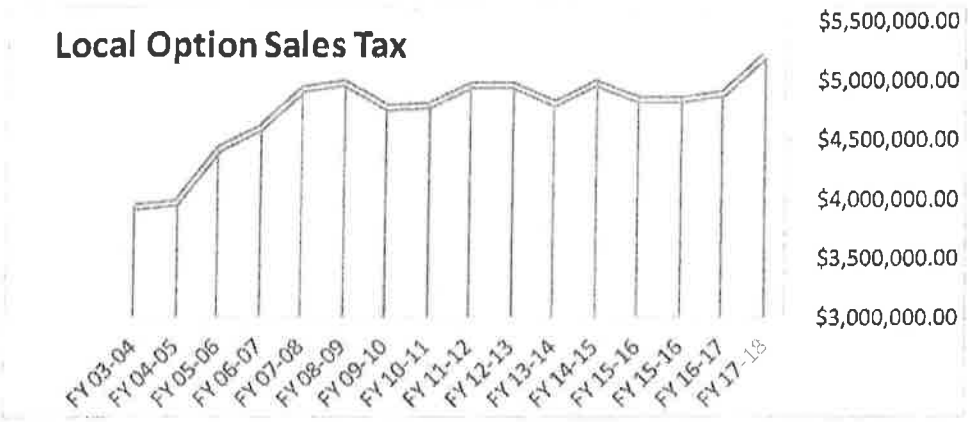
CITY OF LAGRANGE
OFFICE OF THE CITY MANAGER
200 Ridley Avenue • LaGrange, Georgia 30240 • (706) 883-2010 • Fax (706) 883-2020
www.lagrangega.org

The unemployment rate is a measure of how well the economy is doing. Since 2005 the unemployment rate in Lagrange, Georgia has ranged from 2.8% in November 2000 to 16.2% in June 2009. Since 2010, the unemployment rate has seen a gradual decline. In March of 2018, the unemployment rate was 4.20%, the 9th lowest rank in the State of Georgia. Unemployment in the state, as a whole, during this same time period was 4.10%. This low rate is characteristic of a growing economy.



Real estate plays an integral role in the economy. Residential real estate provides housing for families. It's often the greatest source of wealth and savings for families. LaGrange's local housing market has remained sluggish in 2018. The total number of single family building permits issued to date in 2018 is 61 which is significantly below what we were experiencing before the recession.

The City of LaGrange remains economically healthy. Local Option Sales Taxes remain stable and we are hopeful that future commercial development will create stronger returns. Fiscal Year 2018 saw a 6% increase in sales tax receipts.



LaGrange has a proven track record of success in attracting and retaining industrial development. The City is home to numerous fortune 500 companies that include Duracell, Caterpillar, Kimberly-Clark, Service Master/American Home Shield, and Dow Jones/Wall Street Journal.

Over the past two years, LaGrange has attracted over a billion dollars of new investment in our community. Highlights include recruiting Great Wolf Lodge and Sentury Tire; substantial growth and expansion of three existing industries; and redevelopment of our local mall and downtown.

Great Wolf Lodge, a first class destination resort, opened in May of 2018. The resort provides families with nearly 500,000 square feet of entertainment offerings and lodging amenities to enjoy. The centerpiece of the resort is more than 93,000 square feet of indoor water park fun. It has created more than 600 jobs and represents an investment of over $170 million.

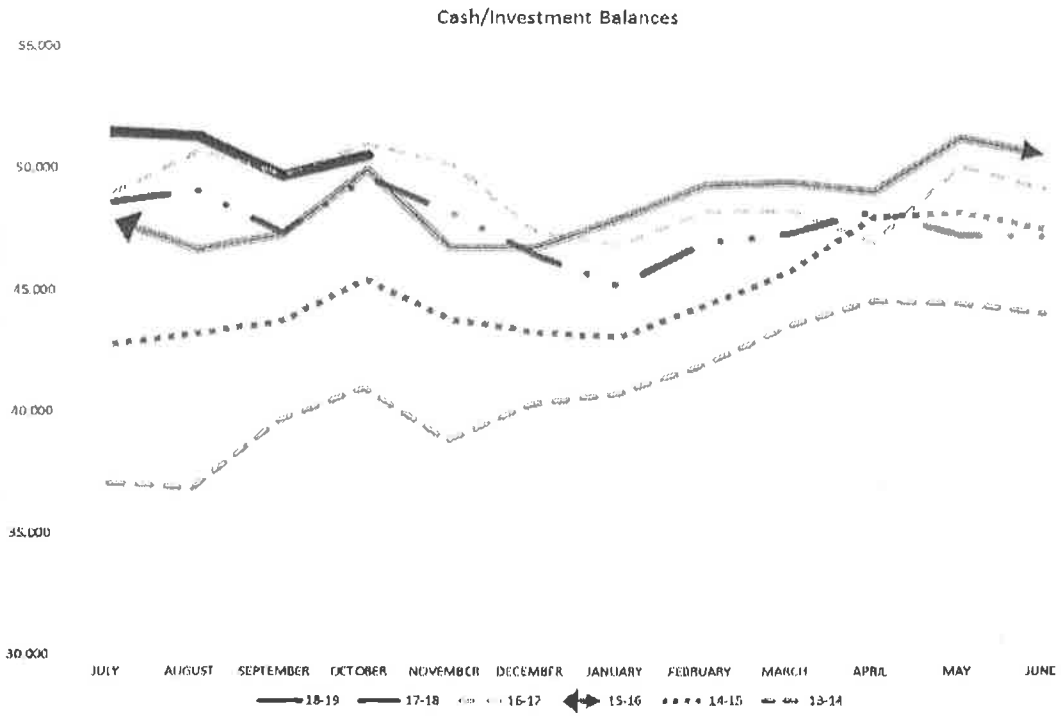
Sentury Tire, a China based tire manufacturer, announced plans to build a $530 million tire factory in LaGrange. Sentury expects the plant to create more than 1,000 jobs in production, sales, marketing, warehousing, and distribution. The company expects to start production in 2020, with a projected output of 12 million passenger and light truck tires per year.

In addition to new development, LaGrange continues to see growth within its existing industries. In 2018, SEWON America, a leading supplier to the automotive industry, announced that it will be expanding its North American operation. The expansion will create 100 jobs and make an investment of $16 million. New jobs will include positions in supervision, production and warehouse operations. Interface, a textile manufacturer, broke ground on the first phase of a plant expansion in December of 2017. Interface will invest $74 million in its local operations, which is estimated to provide Interface with an annualized cost savings of $30 million through improved efficiencies and material utilization. Milliken, one of the top employers in the city, has also announced a $70 million capital investment. These investments reflect stability of our leading industries and protect our local job market.

LaGrange Mall is seeing a surge of growth with the opening of Dunham Sports in August of 2017 and Hobby Lobby in January 2018. The mall is in negotiations with other retailers and hopes to make more announcements about leasing developments soon.

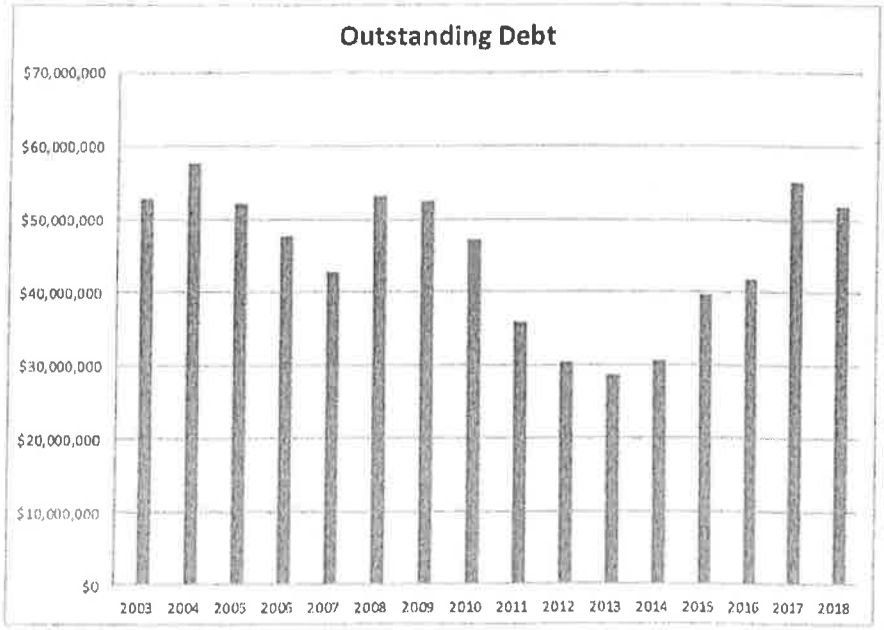
FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from losses, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and, 2) the valuation of costs and benefits requires estimates and judgments by management.



The City's operational and financial performance is very strong. The City's cash balance remains stable with an average cash balance of $47 million, which is presented in the graph. The City received its last cash distribution from the MEAG Trust Fund in 2018. Deliberate decisions were made not to spend the MEAG Trust dollars that have been distributed to the City's General Funds over the years and to manage the City with sustainable revenues and expenses on an annual basis. With continued economic uncertainty as well as the costs associated with the new Vogtle Nuclear units coming online, it is prudent to position the City with a strong cash balance, which has been done and will continue in the coming years.

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



Due to infrastructure needs in 2015 and 2016, the City secured financing through low interest loans from the Georgia Environmental Facilities Authority. Infrastructure improvements were made to the Long Cane wastewater treatment facility to replace effluent vertical turbine pumps

and pump gas engines. The project completed construction in early 2016 and payments on the $8,637,735 loan began March 1, 2016. The City has also made additional investments in the sewer system with another GEFA loan to replace an existing pump station and install roughly 16,000 linear feet of 14" force main. This was a 5.6 million dollar project completed in October of 2015 with principal and interest payments commencing on November 1, 2015. Another strategic infrastructure investment was made to construct a new cell in the City's subtitle D landfill. Funds were secured through a loan GEFA in the amount of $3 million. Loan payments commenced on November 1, 2015.

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

Budgeting Controls

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

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds' revenues for the fiscal year ended June 30, 2018 and the amount and percentage of increases and decreases in relation to the prior year's revenue. Total Revenues and Total Expenses showed increases in both revenues and expenses from 2017 to 2018. (A 12.06% increase in revenue for General Government Funding and a 2.40% increase in expense.)

Revenues	Amount	% of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Taxes, Licenses and Permits	$ 11,434,333	58.30%	$ 544,269	5.00%
Intergovernmental	5,293,293	26.99%	1,526,289	40.52%
Charges for services	285,318	1.45%	31,550	12.43%
Fines	1,164,063	5.94%	48,558	4.35%
Investment Income	70,866	0.36%	3,636	5.41%
Grants and Subsidies	0	0.00%	-	0.00%
Lease Income	857,704	4.37%	17,396	2.07%
Miscellaneous	507,452	2.59%	(61,258)	(10.77%)
TOTAL	$ 19,613,029	100.00%	$ 2,110,440	12.06%

Expenditures	Amount	% of Total	Increase (Decrease) From 2017	Percent of Increase (Decrease)
General Government	$ 2,832,601	7.87%	$ 72,325	2.62%
Public Safety	17,424,091	48.42%	488,991	2.89%
Public Services	2,856,934	7.94%	(396,528)	(12.19%)
Culture and Recreation	1,349,158	3.75%	403,260	42.63%
Community Development	2,320,175	6.45%	(2,597,307)	(52.82%)
Debt Service	1,664,852	4.63%	39,137	2.41%
Capital Outlay	7,535,200	20.94%	2,832,338	60.23%
TOTAL	$ 35,983,011	100.00%	$ 842,216	2.40%

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the thirty first (31st) year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

Meg B. Kelsey
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of LaGrange

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

City of LaGrange, Georgia

LIST OF PRINCIPAL OFFICIALS

June 30, 2018

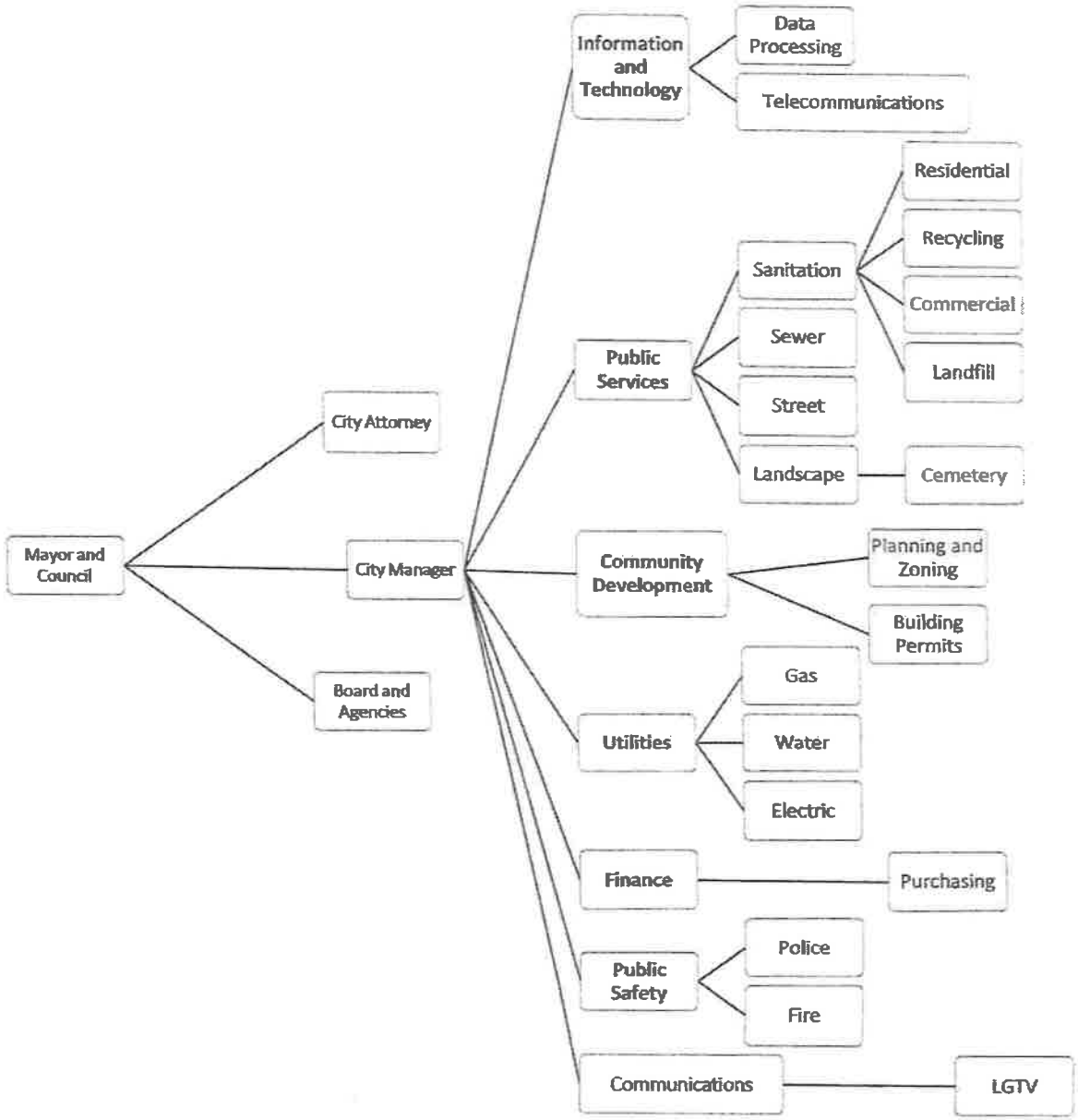
ELECTED OFFICIALS

James C. Thornton	Mayor
Willie T. Edmondson	Council Member
Tom Gore	Council Member
Jim Arrington	Council Member
Nathan Gaskin	Council Member
LeGree McCamey	Council Member
Mark Mitchell	Council Member

OTHER OFFICIALS

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

CITY OF LAGRANGE, GEORGIA
ORGANIZATIONAL CHART
June 30, 2018



AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816
(706) 846-8401 □ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of LaGrange, Georgia, as of and for the year ended June 30, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1.S. to the financial statements, in 2018, the City adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is 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 on pages 4 through 9 and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of changes in the total OPEB liability information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of LaGrange, Georgia's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2017 financial statements, for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018, on our consideration of the City of LaGrange, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lagrange, 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 City of LaGrange, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
December 11, 2018

Management's Discussion and Analysis

As management of the City of LaGrange (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i –v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2018 by $168,121,782.
- The City's total net position increased by $2,194,230.
- As of the close of 2018, the City's governmental funds reported combined ending fund balances of $3,616,852, a decrease of $2,045,965 from the prior year.
- At the end of 2018, the fund balance for the general fund was $2,880,785 or 10.39 percent of general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $168,121,782 at the close of 2018.

A substantial portion of the City's net position (102 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net position as of June 30, 2018 and June 30, 2017, are as follows:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	$10,870,968	$ 27,501,143	$ 58,562,074	$ 58,903,101	$ 69,433,042	$ 86,404,244
Capital assets	69,063,285	65,740,154	131,300,117	135,872,187	200,363,402	201,612,341
Total assets	79,934,253	93,241,297	189,862,191	194,775,288	269,796,444	288,016,585
Deferred Outflows of Resources:						
Pensions and OPEB:						
Differences between expected and actual experience	942,247	1,383,522	473,177	704,497	1,415,424	2,088,019
Changes of assumptions	478,078		240,078		718,156	
Contributions after measurement date	1,471,019	1,100,092	738,715	560,174	2,209,734	1,660,266
Total deferred outflows of resources	2,891,344	2,483,614	1,451,970	1,264,671	4,343,314	3,748,285
Liabilities:						
Long-term liabilities	40,759,975	36,119,450	43,135,429	42,335,416	83,895,404	78,454,866
Other liabilities	6,377,705	21,730,213	12,629,564	14,789,140	19,007,269	36,519,353
Total liabilities	47,137,680	57,849,663	55,764,993	57,124,556	102,902,673	114,974,219
Deferred Inflows of Resources:						
Pensions and OPEB:						
Difference between projected and actual earnings on investments and actual experience	1,937,139	19,686	972,788	10,024	2,909,927	29,710
Changes of assumptions	136,718	50,372	68,658	25,652	205,376	76,024
Total deferred inflows of resources	2,073,857	70,058	1,041,446	35,676	3,115,303	105,734
Net Position:						
Net invested in capital assets	66,096,412	62,112,183	105,812,200	108,454,603	171,908,612	170,566,786
Restricted	4,259,880	6,284,954			4,259,880	6,284,954
Unrestricted	(36,742,232)	(30,591,947)	28,695,522	30,425,124	(8,046,710)	(166,823)
Total net position	$33,614,060	$ 37,805,190	$134,507,722	$138,879,727	$168,121,782	$ 176,684,917

A portion of the City's net position (2.5%) represents resources that are subject to external restrictions on how they may be used. At the end of 2018, the City is able to report positive balances in net position or fund balances, both for the government as a whole, as well as for its business-type activities. The Tax Allocation Fund is the only fund that reported a negative fund balance. All other governmental funds reported positive fund balances.

Governmental activities

Governmental activities increased the City's net position by $3,039,337. In 2017, there was a decrease in net position for governmental activities attributed to borrowing $17 million dollars to finance the construction of a Conference Center at the Great Wolf Lodge and to the monetizing of a tax allocation district in the amount of $2,500,000 for the new Courtyard by Marriot in downtown LaGrange. Below is a breakdown of revenues and expenses by governmental and business type activities for 2018 and 2017.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	$ 2,794,101	$ 3,013,159	$ 91,758,396	$ 89,963,217	$ 94,552,497	$ 92,976,376
Capital grants & Contributions	3,366,043	3,307,053			3,366,043	3,307,053
Operating grants & Contributions	2,817,707	586,037			2,817,707	586,037
General revenues						
Other taxes	11,236,609	10,637,746			11,236,609	10,637,746
Other	64,512	51,222	183,985	370,511	248,497	421,733
Total revenues	20,278,972	17,595,217	91,942,381	90,333,728	112,221,353	107,928,945
Expenses:						
General government	2,791,838	2,947,566			2,791,838	2,947,566
Public safety	17,573,577	17,995,155			17,573,577	17,995,155
Public service	3,861,703	3,582,226			3,861,703	3,582,226
Culture and recreation	1,586,548	1,024,270			1,586,548	1,024,270
Community development	4,551,535	25,296,195			4,551,535	25,296,195
Interest on long-term debt	788,434	533,129			788,434	533,129
Utilities			69,823,430	69,666,735	69,823,430	69,666,735
Solid waste			9,050,058	8,947,980	9,050,058	8,947,980
Total expenses	31,153,635	51,378,541	78,873,488	78,614,715	110,027,123	129,993,256
Increase in net position before transfers	(10,874,663)	(33,783,324)	13,068,893	11,719,013	2,194,230	(22,064,311)
Transfers	13,914,000	13,491,000	(13,914,000)	(13,491,000)	-	-
Increase (decrease) in net position	3,039,337	(20,292,324)	(845,107)	(1,771,987)	2,194.230	(22,064,311)
Net position-beginning of year, restated	30,574,723	58,097,514	135,352,829	140,651,714	165,927,552	198,749,228
Net position-end of year	$33,614,060	$37,805,190	$134,507,722	$138,879,727	$168,121,782	$176,684,917

Business-type activities

Business-type activities decreased the City's net position by $845,107. Total business-type revenues increased marginally by $1,608,653 while expenses showed a slight increase of .3%.

Financial Analysis of the Government's Funds

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

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of 2018, unassigned fund balance of the General Fund was $1,773,138 while total fund balances reached $2,880,785. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.39 percent of the total General Fund expenditures, while total fund balance represents 10.39 percent of that same amount. Transfers in from other funds to supplement the General Fund were $1,122,254 from non-major governmental funds and $13,900,000 from proprietary funds for a total of $15,022,254, representing 54.1 percent of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General Fund remained healthy at the end of June, 2018. A decrease of $149,809 in fund balance occurred over the course of Fiscal Year 2018. A small increase in revenue (9%) and increases in expenses (6%) and a higher contribution from enterprise funds, contributes to decrease in fund balance for 2018.

Other non-major governmental funds have a total fund balance of $736,067. The City showed a net decrease of $1,896,156 in the fund balance during the current year for non-major governmental funds. Negligible increases in revenue and investments made to monetize a tax allocation district for the downtown hotel resulted in this decrease.

Proprietary funds

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

Unrestricted net position of the Utility Fund at the end of 2018 amounted to $25,073,686, Water and Sewerage Fund $11,213,504 and those for the Solid Waste Fund amounted to ($7,591,668). The total change in net position for each fund was $2,144,912, ($1,586,108), and ($1,403,911) respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to $171,908,612 (net of accumulated depreciation and related debt). This Investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 13,058,444	$ 12,726,493	$ 3,510,561	$ 3,510,561	$ 16,569,005	$ 16,237,054
Building	22,123,536	22,123,536	26,833,595	26,833,595	48,957,131	48,957,131
Machinery & equipment	13,407,691	13,485,531	24,406,196	24,116,328	37,813,887	37,601,859
Vehicles	4,452,481	4,046,872	1,595,552	1,671,171	6,048,033	5,718,043
Transmission & distribution			196,828,797	194,934,389	196,828,797	194,934,389
Other	52,930,762	47,925,340			52,930,762	47,925,340
Construction in progress	300,861	18,258	201,369	249,878	502,230	268,136
Total	106,273,775	100,326,030	253,376,070	251,315,922	359,649,845	351,641,952
Less, accumulated depreciation	(37,210,490)	(34,585,876)	(122,075,953)	(115,443,735)	(159,286,443)	(150,029,611)
Total net of accumulated depreciation	$ 69,063.285	$ 65,740,154	$ 131,300,117	$ 135,872,187	$ 200,363,402	$ 201,612,341

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

Long-term debt

At the end of 2018, the City had total bonded debt outstanding of $5,740,000. Of this amount, none is backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

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

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is $120,719,978 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

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

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Meg B. Kelsey
City Manager
200 Ridley Avenue
LaGrange, Georgia 30240.

NOTICE

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

LAGRANGE
GEORGIA

BASIC FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	$ 6,928,502	$ 7,372,216	$ 14,300,718	$ 948,540	
Investments	2,292,165	33,768,720	36,060,885		
Receivables (net of allowance):					
Taxes	1,191,211		1,191,211		
Accounts		11,942,151	11,942,151	17,697	
Other	1,172,363		1,172,363	15,000	
Internal balances	(1,837,355)	1,837,355	-		
Inventory	179,260	2,642,925	2,822,185	17,255	
Prepaid expenses	16,435	48,620	65,055	32,840	
Restricted cash	72,370		72,370	400,000	
Restricted investments	856,017	950,087	1,806,104		
Notes receivable				266,498	
Capital lease				634,557	
Capital assets:					
Land and construction in progress	13,359,305	3,711,930	17,071,235	1,621,710	$ 50,000
Other capital assets, net of accumulated depreciation	55,703,980	127,588,187	183,292,167	16,137,954	4,080,677
Other assets				5,000	
Total assets	79,934,253	189,862,191	269,796,444	20,097,051	4,130,677
DEFERRED OUTFLOWS OF RESOURCES					
Pension:					
Changes of assumptions	478,078	240,078	718,156		
Differences between expected and actual experience	942,247	473,177	1,415,424		
Contributions after measurement date	1,174,079	589,598	1,763,677		
Other post-employment benefits:					
Contributions after measurement date	296,940	149,117	446,057		
Total deferred outflows of resources	2,891,344	1,451,970	4,343,314	-	-

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Downtown Development Authority
LIABILITIES					
Accounts and claims payable	2,732,726	4,023,448	6,756,174	19,993	
Accrued liabilities	230,204	144,794	374,998	15,245	
Due to other governmental entities	922,529		922,529		
Accrued interest	262,829	112,734	375,563		
Customer deposits		2,768,965	2,768,965		
Unearned revenue	637,830	2,671,379	3,309,209	181,805	
Short term note payable					
Noncurrent liabilities:					
Due within one year	1,591,587	2,908,244	4,499,831	130,746	
Due in more than one year	22,671,028	34,051,555	56,722,583	2,844,735	
Net OPEB obligation	9,415,345	4,728,180	14,143,525		
Net pension liability	8,673,602	4,355,694	13,029,296		
Total liabilities	47,137,680	55,764,993	102,902,673	3,192,524	-
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Changes of assumptions	25,304	12,708	38,012		
Net difference between projected and actual earnings on investments	1,318,675	662,208	1,980,883		
Difference between expected and actual experience	18,183	9,133	27,316		
Other post-employment benefits:					
Changes of assumptions	111,414	55,950	167,364		
Difference between expected and actual experience	600,281	301,447	901,728		
Total deferred inflows of resources	2,073,857	1,041,446	3,115,303	-	-
NET POSITION					
Net investment in capital assets	66,096,412	105,812,200	171,908,612	15,250,853	4,130,677
Restricted for:					
Perpetual care	860,384		860,384		
Public safety	68,003		68,003		
Community development	1,033,579		1,033,579		
Capital projects	2,297,914		2,297,914		
124 Main Street				400,000	
Unrestricted	(36,742,232)	28,695,522	(8,046,710)	1,253,674	
Total net position	$ 33,614,060	$ 134,507,722	$ 168,121,782	$ 16,904,527	$ 4,130,677

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Fees, Fines, and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Downtown LaGrange Development Authority	Component Units: Downtown Development Authority
Primary government:									
Governmental activities:									
General government	$ 2,072,410	$ 366,546			$ (1,705,864)		$ (1,705,864)		
Public safety	17,573,577	1,508,576	$ 133,355		(15,931,646)		(15,931,646)		
Public service	3,861,703		628,583	$ 3,366,043	132,923		132,923		
Culture and recreation	1,586,548	57,315			(1,529,233)		(1,529,233)		
Community development	4,551,535	861,664	2,055,769		(1,634,102)		(1,634,102)		
Redevelopment and housing	280,462				(280,462)		(280,462)		
Telecommunications	438,966				(438,966)		(438,966)		
Interest on long-term debt	788,434				(788,434)		(788,434)		
Total governmental activities	31,153,635	2,794,101	2,817,707	3,366,043	(22,175,784)	$ -	(22,175,784)		
Business-type activities:									
Water and sewer	12,609,701	15,996,574				3,386,873	3,386,873		
Gas system	10,771,403	13,575,746				2,804,343	2,804,343		
Electric system	43,465,618	50,257,072				6,791,454	6,791,454		
Sanitation	9,050,058	8,713,822				(336,236)	(336,236)		
Telecommunications	2,976,708	3,215,182				238,474	238,474		
Total business-type activities	78,873,488	91,758,396	-	-	-	12,884,908	12,884,908		
Total primary government	$ 110,027,123	$ 94,552,497	$ 2,817,707	$ 3,366,043	(22,175,784)	12,884,908	(9,290,876)		
Component units:									
Downtown LaGrange Development Authority	$ 3,592,537	$ 1,344,590	$ 458,515	$ 1,067,715				$ (721,717)	
Downtown Development Authority	41,219			4,171,896					$ 4,130,677
Total component units	$ 3,633,756	$ 1,344,590	$ 458,515	$ 5,239,611				(721,717)	4,130,677
General revenues:									
Taxes:									
Franchise tax					1,073,386		1,073,386		
Insurance premium tax					1,956,943		1,956,943		
Alcoholic beverage tax					717,267		717,267		
Sales tax					5,230,046		5,230,046		
Ad valorem					353,980		353,980		
Other					1,904,987		1,904,987		
Investment earnings					64,512	183,985	248,497	24,313	
Capital contribution to other governmental entity							-	(4,171,896)	
Transfers					13,914,000	(13,914,000)	-		
Total general revenues and transfers					25,215,121	(13,730,015)	11,485,106	(4,147,583)	-
Change in net position					3,039,337	(845,107)	2,194,230	(4,869,300)	4,130,677
Net position at beginning of year, restated					30,574,723	135,352,829	165,927,552	21,773,827	
Net position at end of year					$ 33,614,060	$ 134,507,722	$ 168,121,782	$ 16,904,527	$ 4,130,677

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,024,730	$ 2,234,784	$ 4,259,514
Investments	879,992	883,221	1,763,213
Receivables (net of allowance):			
Taxes	1,191,211		1,191,211
Other	9,551	1,116,754	1,126,305
Due from other funds		50,000	50,000
Inventory	179,260		179,260
Restricted cash and cash equivalents	72,370		72,370
Restricted investments	856,017		856,017
Total assets	$ 5,213,131	$ 4,284,759	$ 9,497,890
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 541,783	$ 853,196	$ 1,394,979
Due to other governmental entities	922,529		922,529
Due to other funds		100,000	100,000
Advances to other funds		2,595,496	2,595,496
Accrued liabilities	230,204		230,204
Unearned revenue	637,830		637,830
Total liabilities	2,332,346	3,548,692	5,881,038
Fund Balances:			
Non-spendable:			
Inventory	179,260		179,260
Restricted for:			
Perpetual care	860,384		860,384
Public safety	68,003		68,003
Capital projects		2,297,914	2,297,914
Community development		1,033,579	1,033,579
Unassigned	1,773,138	(2,595,426)	(822,288)
Total fund balances	2,880,785	736,067	3,616,852
Total liabilities and fund balances	$ 5,213,131	$ 4,284,759	$ 9,497,890

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2018

Total fund balance - all governmental funds		$ 3,616,852
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		69,063,285
The deferred outflows below are not current assets or financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2018 are:		
Deferred outflows		2,891,344
Deferred inflows		(2,073,857)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2018 are:		
Accrued interest payable	$ (262,829)	
Compensated absences	(558,242)	
Capital leases	(2,966,873)	
Intergovernmental agreements	(20,737,500)	
Net OPEB obligation	(9,415,345)	
Net pension liability	(8,673,602)	(42,614,391)
Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,730,827
Net position of governmental activities		$ 33,614,060

See the accompanying notes to the financial statments.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Sales	$ 5,230,046		$ 5,230,046
Franchise	1,073,386		1,073,386
Insurance premium	1,956,943		1,956,943
Alcoholic beverage	717,267		717,267
Ad valorem	353,980		353,980
Other	782,733	$ 1,122,254	1,904,987
Licenses and permits	197,724		197,724
Intergovernmental	758,478	4,534,815	5,293,293
Fines and forfeitures	1,164,063		1,164,063
Charges for services	285,318		285,318
Investment income	43,570	27,296	70,866
Rental income		857,704	857,704
Miscellaneous	271,870	235,582	507,452
Total revenues	12,835,378	6,777,651	19,613,029
Expenditures:			
Current:			
General government	2,085,775		2,085,775
Public safety	17,424,091		17,424,091
Public service	2,856,934		2,856,934
Culture and recreation	1,349,158		1,349,158
Community development	1,547,130	773,045	2,320,175
Redevelopment and housing		280,462	280,462
Telecommunications	466,364		466,364
Debt service:			
Principal retirements	377,785	1,062,368	1,440,153
Interest and fees	9,860	214,839	224,699
Capital outlay:			
General government	105,638	393,388	499,026
Public safety	562,887	244,944	807,831
Public service	830,449	2,450,877	3,281,326
Telecommunications			-
Culture and recreation	112,936		112,936
Community development		2,834,081	2,834,081
Total expenditures	27,729,007	8,254,004	35,983,011
Excess of revenues over (under) expenditures	(14,893,629)	(1,476,353)	(16,369,982)
Other financing sources (uses):			
Sale of capital assets	13,462		13,462
Capital lease	396,555		396,555
Transfers in	15,022,254	888,451	15,910,705
Transfers out	(688,451)	(1,308,254)	(1,996,705)
Total other financing sources (uses)	14,743,820	(419,803)	14,324,017
Net change in fund balances	(149,809)	(1,896,156)	(2,045,965)
Fund balance, beginning of year	3,030,594	2,632,223	5,662,817
Fund balance, end of year	$ 2,880,785	$ 736,067	$ 3,616,852

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Net change in fund balances - All governmental funds	$ (2,045,965)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	6,489,889
Depreciation	(3,166,758)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:	
Compensated absences	(2,730)
Accrued interest payable	88,746
Net OPEB obligation	(123,818)
Pension expense	147,594
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal retirements	1,440,153
Proceeds from capital leases	(396,555)
Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.	608,781
Change in net position of governmental activities	$ 3,039,337

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	$ 5,200,000	$ 5,230,046	$ 30,046
Franchise	1,072,000	1,073,386	1,386
Insurance premium	1,800,000	1,956,943	156,943
Alcoholic beverage	712,000	717,267	5,267
Ad valorem	250,000	353,980	103,980
Other	785,000	782,733	(2,267)
Licenses and permits	214,500	197,724	(16,776)
Intergovernmental	450,170	758,478	308,308
Fines and forfeitures	1,073,000	1,164,063	91,063
Charges for services	240,200	285,318	45,118
Investment income	3,000	43,570	40,570
Miscellaneous	212,000	271,870	59,870
Total revenues	12,011,870	12,835,378	823,508
Expenditures:			
Current:			
General government:			
Administrative	1,174,558	1,116,643	57,915
Finance	749,515	702,547	46,968
Garage	(54,438)	(37,584)	(16,854)
Risk management	38,000	38,000	-
City hall	215,106	266,169	(51,063)
Total general government	2,122,741	2,085,775	36,966
Public safety:			
Court administration	429,131	427,613	1,518
Probation	309,186	313,175	(3,989)
Police	10,181,186	10,286,174	(104,988)
Community service	94,807	84,413	10,394
Traffic control	1,047,217	999,135	48,082
Fire services	5,430,961	4,912,276	518,685
Animal control	316,308	401,305	(84,997)
Total public safety	17,808,796	17,424,091	384,705
Public service:			
Engineering and supervision	338,040	257,138	80,902
Streets	1,337,866	1,391,076	(53,210)
Street cleaning	128,967	112,795	16,172
Trash and refuse	741,497	763,107	(21,610)
Recycling center	244,949	221,646	23,303
Curbside recycling	123,843	111,172	12,671
Total public service	2,915,162	2,856,934	58,228

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2018
(Continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	1,441,230	1,349,158	92,072
Community development:			
Community development	883,185	686,011	197,174
DAL marketing	73,599	79,553	(5,954)
Other community support	775,824	781,566	(5,742)
Total community development	1,732,608	1,547,130	185,478
Telecommunications:			
Administration	272,633	261,529	11,104
LGTV	192,827	204,835	(12,008)
Total telecommunications	465,460	466,364	(904)
Debt service:			
Principal retirement	381,992	377,785	4,207
Interest and fees	12,469	9,860	2,609
Total debt service	394,461	387,645	6,816
Capital outlay:			
General government	20,000	105,638	(85,638)
Public safety	215,000	562,887	(347,887)
Public service	923,583	830,449	93,134
Telecommunications	25,000		25,000
Culture and recreation	97,000	112,936	(15,936)
Total capital outlay	1,280,583	1,611,910	(331,327)
Total expenditures	28,161,041	27,729,007	432,034
Excess (deficiency) of revenues over (under) expenditures	(16,149,171)	(14,893,629)	1,255,542
Other financing sources (uses):			
Transfers in	14,812,000	15,022,254	210,254
Transfers out	(570,000)	(688,451)	(118,451)
Sale of capital assets	2,000	13,462	11,462
Capital leases		396,555	396,555
Total other financing sources (uses)	14,244,000	14,743,820	499,820
Net change in fund balances	(1,905,171)	(149,809)	1,755,362
Fund balance, beginning of year	3,030,594	3,030,594	-
Fund balance, end of year	$ 1,125,423	$ 2,880,785	$ 1,755,362

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,327,061	$ 1,152,843	$ 1,892,312	$ 7,372,216	$ 2,668,988
Investments	23,185,021	10,583,699		33,768,720	528,952
Receivables:					
Accounts	9,206,851	2,087,817	647,483	11,942,151	
Other				-	46,058
Due from other funds	100,000			100,000	985,000
Prepaids	48,620			48,620	16,435
Inventory	1,180,744	1,462,181		2,642,925	
Restricted assets:					
Restricted investments	950,087			950,087	
Total current assets	38,998,384	15,286,540	2,539,795	56,824,719	4,245,433
Noncurrent assets:					
Capital assets, not being depreciated	1,574,303	699,894	1,437,733	3,711,930	
Capital assets, being depreciated	35,105,478	70,316,804	22,165,905	127,588,187	
Advances to other funds	2,595,496			2,595,496	823,141
Total noncurrent assets	39,275,277	71,016,698	23,603,638	133,895,613	823,141
Total assets	78,273,661	86,303,238	26,143,433	190,720,332	5,068,574
DEFERRED OUTFLOWS OF RESOURCES					
Pensions:					
Differences between expected and actual experience	219,250	174,663	79,264	473,177	
Change of assumptions	111,241	88,621	40,216	240,078	
Contributions after measurement date	273,194	217,638	98,766	589,598	
Other post-employment benefits:					
Contributions after measurement date	69,095	55,043	24,979	149,117	
Total deferred outflows of resources	672,780	535,965	243,225	1,451,970	-

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
LIABILITIES					
Current liabilities:					
Accounts payable	3,739,844	138,718	144,886	4,023,448	37,747
Customer deposits	2,190,425	577,010	1,530	2,768,965	
Accrued liabilities	65,622	54,604	24,568	144,794	
Accrued compensated absences	77,280	40,446	22,279	140,005	
Due to other funds	35,000			35,000	1,000,000
Unearned revenue	2,671,379			2,671,379	
Claims reserve					1,300,000
Notes payable, current		808,523	175,812	984,335	
Capital leases, current	262,462		312,029	574,491	
Intergovernmental agreement payable, current	285,000			285,000	
Landfill postclosure liability, current			44,413	44,413	
Liabilities payable from restricted assets:					
Accrued interest	112,734			112,734	
Revenue bonds, current	880,000			880,000	
Total current liabilities	10,319,746	1,619,301	725,517	12,664,564	2,337,747
Noncurrent liabilities:					
Compensated absences	115,917	60,669	33,418	210,004	
Revenue bonds, long-term	4,860,000			4,860,000	
Notes payable, long-term		14,367,797	2,859,508	17,227,305	
Capital leases, long-term	568,393		393,393	961,786	
Intergovernmental agreement payable, long-term	2,385,000			2,385,000	
Landfill postclosure liability			8,407,460	8,407,460	
Advances from other funds	823,141			823,141	
Net OPEB obligation	2,190,832	1,745,311	792,037	4,728,180	
Net pension liability	2,018,238	1,607,815	729,641	4,355,694	
Total noncurrent liabilities	12,961,521	17,781,592	13,215,457	43,958,570	-
Total liabilities	23,281,267	19,400,893	13,940,974	56,623,134	2,337,747
DEFERRED INFLOWS OF RESOURCES					
Pensions:					
Difference between expected and actual experience	4,232	3,371	1,530	9,133	
Net difference between projected and actual earnings on investments	306,839	244,440	110,929	662,208	
Changes of assumptions	5,888	4,691	2,129	12,708	
Other post-employment benefits:					
Difference between expected and actual experience	139,678	111,273	50,496	301,447	
Changes of assumptions	25,925	20,653	9,372	55,950	
Total deferred inflows of resources	482,562	384,428	174,456	1,041,446	-
NET POSITION					
Net investment in capital assets	30,108,926	55,840,378	19,862,896	105,812,200	
Unrestricted	25,073,686	11,213,504	(7,591,668)	28,695,522	2,730,827
Total net position	$ 55,182,612	$ 67,053,882	$ 12,271,228	$ 134,507,722	$ 2,730,827

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Operating revenues:					
Water and sewerage system		$ 15,831,839		$ 15,831,839	
Gas system	$ 13,313,278			13,313,278	
Electric system	49,992,041			49,992,041	
Sanitation			$ 8,639,567	8,639,567	
Premiums					$ 8,055,764
Telecommunications	3,215,182			3,215,182	
Other sales	526,560	164,735	74,255	765,550	
Total operating revenue	67,047,061	15,996,574	8,713,822	91,757,457	8,055,764
Operating expenses:					
Water and sewerage system		8,724,599		8,724,599	
Gas system	9,320,395			9,320,395	
Electric system	42,746,765			42,746,765	
Sanitation			7,091,320	7,091,320	
Telecommunications	2,535,436			2,535,436	
Administrative services					188,262
Depreciation	2,252,833	3,609,543	1,676,033	7,538,409	
Risk management					7,317,389
Total operating expenses	56,855,429	12,334,142	8,767,353	77,956,924	7,505,651
Operating income (loss)	10,191,632	3,662,432	(53,531)	13,800,533	550,113
Nonoperating revenues (expenses):					
Investment income	1,294	177,243	5,448	183,985	58,668
Gain (loss) on sale of assets	(4,053)	(11,795)	(190,387)	(206,235)	
Interest expense	(353,308)	(263,764)	(92,318)	(709,390)	
Total nonoperating revenues (expenses)	(356,067)	(98,316)	(277,257)	(731,640)	58,668
Net income (loss) before contribution and transfers	9,835,565	3,564,116	(330,788)	13,068,893	608,781
Transfers in	2,386,000	449,776	226,877	3,062,653	
Transfers out	(10,076,653)	(5,600,000)	(1,300,000)	(16,976,653)	
Change in net position	2,144,912	(1,586,108)	(1,403,911)	(845,107)	608,781
Net position, beginning of year, restated	53,037,700	68,639,990	13,675,139	135,352,829	2,122,046
Net position, end of year	$ 55,182,612	$ 67,053,882	$ 12,271,228	$ 134,507,722	$ 2,730,827

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Cash received from customers and users	$ 64,123,925	$ 15,850,526	$ 8,716,858	$ 88,691,309	$ 8,144,506
Cash paid to employees	(3,358,621)	(4,157,111)	(2,197,575)	(9,713,307)	
Cash paid to suppliers	(51,431,901)	(4,890,684)	(4,593,063)	(60,915,648)	(7,469,590)
Net cash provided (used) by operating activities	9,333,403	6,802,731	1,926,220	18,062,354	674,916
Cash flows from noncapital financing activities:					
Repayment of advance to (from) other funds	(95,327)			(95,327)	95,327
Transfers in	2,386,000	449,776	226,877	3,062,653	
Transfers out	(10,076,653)	(5,600,000)	(1,300,000)	(16,976,653)	
Net cash provided (used) by noncapital financing activities	(7,785,980)	(5,150,224)	(1,073,123)	(14,009,327)	95,327
Cash flows from capital and related financing activities:					
Principal payments on revenue bonds	(850,000)			(850,000)	
Proceeds from sale of assets	16,542	1,874	77,616	96,032	
Acquisition of capital assets	(899,493)	(1,647,939)	(187,547)	(2,734,979)	
Capital lease payments	(247,776)		(400,183)	(647,959)	
Payments on notes payable		(794,382)	(170,953)	(965,335)	
Payments on intergovernmental agreement	(270,000)			(270,000)	
Interest paid	(302,374)	(263,764)	(92,318)	(658,456)	
Net cash provided (used) by capital financing activities	(2,553,101)	(2,704,211)	(773,385)	(6,030,697)	-
Cash flows from investing activities:					
Sale (purchase) of investments	2,935,108	29,255		2,964,363	1,465
Investment income	1,294	177,243	5,448	183,985	58,668
Net cash provided (used) by investing activities	2,936,402	206,498	5,448	3,148,348	60,133
Net increase (decrease) in cash	1,930,724	(845,206)	85,160	1,170,678	830,376
Cash, beginning of year	2,396,337	1,998,049	1,807,152	6,201,538	1,838,612
Cash, end of year	$ 4,327,061	$ 1,152,843	$ 1,892,312	$ 7,372,216	$ 2,668,988

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Operating income (loss)	$ 10,191,632	$ 3,662,432	$ (53,531)	$ 13,800,533	$ 550,113
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,252,833	3,609,543	1,676,033	7,538,409	
Changes in operating assets and liabilities:					
Accounts receivable	(1,207,529)	(128,687)	29,569	(1,306,647)	(6,258)
Inventory	(23,696)	(102,266)		(125,962)	
Prepaid expense	(288)			(288)	
Accounts payable	(215,630)	(149,065)	73,408	(291,287)	36,061
Accrued vacation	9,717	(5,525)	2,967	7,159	
Due from other funds	222,000			222,000	95,000
Due to other funds	35,000		(26,533)	8,467	
Unearned revenue	(2,148,223)			(2,148,223)	
Other accrued expenses	35,010	28,765	11,865	75,640	
Customer deposits	175,616	(17,361)		158,255	
Closure/postclosure			257,793	257,793	
Net OPEB obligation	35,823	(27,947)	(48,804)	(40,928)	
Net pension liability	(28,862)	(67,158)	3,453	(92,567)	
Net cash provided (used) by operating activities	$ 9,333,403	$ 6,802,731	$ 1,926,220	$ 18,062,354	$ 674,916

Supplemental disclosure of non-cash investing and financing activities:
In 2018, the City incurred debt of $533,627 in the form of capital leases in connection with the acquisition of new equipment.

See the accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The component unit column in the financial statements includes the financial data of the Downtown LaGrange Development Authority and Downtown Development Authority. The purpose of the Authorities is to revitalize and redevelop central business districts and to promote the public good and the general welfare of the City. They are reported in separate columns to emphasize that they are legally separate from the City. The Downtown LaGrange Development Authority and Downtown Development Authority are presented as discretely presented component units under GASB-14, as amended by GASB-61, because the Authorities are legally separate, the municipality appoints a voting majority of the Authorities and is able to impose its will on the Authorities, and the Authorities provide services and benefits which are not limited to the City.

The Downtown LaGrange Development Authority is presented as an enterprise fund type. Complete financial statements can be obtained from the Downtown LaGrange Development Authority, 200 Main Street, Suite 1-B, LaGrange, Georgia 30240.

The Downtown Development Authority is presented as a governmental fund type. The Downtown Development Authority has been discretely presented in a separate column in these financial statements and do not issue separate financial statements.

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Taxes and other items such as internally dedicated resources, not properly included among program revenues are reported instead as general revenues.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

Additionally, the City reports the following major proprietary funds:

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

- Utility Fund - The Utility Fund accounts for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include electricity, telecommunication, and natural gas services.

- Water and Sewerage Fund - The Water and Sewerage Fund accounts for the operations of the City's water and sewerage activities.

- Sanitation Fund - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Additionally, the government reports the following fund types:

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

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

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

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

D. Budgets and Budgetary Accounting - On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council. No supplemental appropriations were made during the year ended June 30, 2018.

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

E. Cash and Cash Equivalents - Cash and cash equivalents shown on the balance sheet represent demand deposits and non-negotiable certificates of deposit. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

F. Investments - The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligations; State of Georgia or other states obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; banker's acceptances that are eligible for purchase by the Federal Reserve Bank; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

G. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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

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

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

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

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

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

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

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

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

- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;

- **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- **Committed fund balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- **Assigned fund balance** - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

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

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

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

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows in resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The changes of assumptions, the differences between expected and actual experience, and the net difference between projected and actual earnings on investments are the pension related items that the City has that qualify for reporting in this category. Items related to other post-employment benefits (OPEB) that qualify for reporting in this category are as follows: the differences between expected and actual experience, and the changes of assumptions.

N. Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Georgia's Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plans' fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Post-Employment Benefits (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expenses have been determined in accordance with GASBS No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. Benefit payments are recognized when due, and payable in accordance with the benefit terms.

P. Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Use of Estimates to Prepare Financial Statements - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

R. Subsequent Events - Subsequent events have been evaluated by management through December 11, 2018, which is the date the financial statements were available to be issued.

S. Recently Issued Accounting Principles - The "Governmental Accounting Standards Board" (GASB) has approved the following GASB Statements that have been adopted by the City for the year ended June 30, 2018, and have a direct and material impact on the City's financial statements.

GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service for defined benefit OPEB. This statement replaces the requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." According to the GASB, the requirements of the new accounting principle will improve decision-usefulness of information in employer financial reports, and will also enhance accountability through new note disclosures and required supplementary information. The GASB also states the new requirements will improve the consistency, comparability, and transparency of the information reported by employers about OPEB transactions.

GASB Statement No. 82 "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73" addresses pension issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. According to the GASB, the requirements of this Statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues.

GASB Statement No. 85 "Omnibus 2017" addresses practice issues that have been identified during implementation and application of various GASB Statements. This Statement addresses a variety of topics, but the only significant topic pertaining to the City's financial statements is found at paragraph 8 "Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus." This paragraph states that financial statements prepared using the current financial resources measurement focus should recognize liabilities to employees for defined benefit OPEB should be measured as of the end of the reporting period. Also, all expenditures for defined benefit OPEB should be measured for the reporting period. According to the GASB, this Statement will enhance consistency in the application of accounting and financial reporting requirements thereby improving the usefulness of information for users of the financial statements.

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the carrying amount of the City's deposits was $14,373,088, which includes $7,650 petty cash and the bank balance was $15,293,964. Of the bank balance, $251,013 was covered by federal deposit insurance, and $15,042,951 was collateralized through a multiple financial institution collateral pool. The City does not have a deposit policy for custodial credit risk.

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

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

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

Level 1 – Investments reflect prices quoted in active markets.

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

Level 3 – Investments reflect prices based upon unobservable sources.

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

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

Description	Fair Value 6/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bond/Note	$ 15,930,799		$ 15,930,799	
Municipal Bond/Note	628,327		628,327	
Federal Agency CMO	3,201,852		3,201,852	
Federal Agency Bond/Note	12,383,791		12,383,791	
Municipal Competitive Trust	3,986,211			$ 3,986,211
Coca Cola Stock	856,017	$ 856,017		
Georgia Fund 1 (State Investment Pool)	879,992			879,992
	$ 37,866,989	$ 856,017	$ 32,144,769	$ 4,866,203

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

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

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

The City's investment of $879,992 in the Georgia Fund 1 local government investment pool has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAA rated market funds. Georgia Fund 1 is not considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company. The Office of State Treasurer is the regulatory oversight agency of Georgia Fund 1. The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal ($1.00) per share value. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. As of June 30, 2018, the City's investment in the state investment pool was rated AAAf by Standard & Poor's. The maturity at June 30, 2018 for this fund was 10 day WAM.

Component Unit

At year end, the Downtown LaGrange Development Authority did not have any investments, and the carrying amount of the Authority's deposits (checking and certificates of deposit) was $1,347,940, cash on hand was $600, and the bank balance was $1,249,415. Of the bank balance, $1,154,249 was covered by federal depository insurance (FDIC), $39,679 was collateralized through a multiple financial institution collateral pool (Georgia Secure Deposit Program), and $55,487 was uncollateralized. The Authority does not have a deposit policy for custodial risk.

3. NOTES AND ACCOUNTS RECEIVABLE

Primary Government

At June 30, 2018, there were no outstanding notes receivables.

Accounts receivable at June 30, 2018 in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of $7,388,691, $2,977,943, and $344,334, respectively.

Component Unit

Notes receivable at June 30, 2018 consist of the following:

Note receivable from an individual, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of $1,307 from October 1, 2012 through September 1, 2028.	$ 136,945
Due within one year	$ 11,416
Note receivable from an individual, 4.00% per annum, to be paid in monthly installments of principal and interest in the amount of $760 from September 1, 2014 through August 1, 2039.	$ 129,553
Due within one year	$ 4,004

4. CAPITAL ASSETS

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 12,726,493	$ 331,951		$ 13,058,444
Construction in progress	18,258	293,285	$ (10,682)	300,861
Total capital assets not being depreciated	12,744,751	625,236	(10,682)	13,359,305
Capital assets being depreciated:				
Buildings	22,123,536			22,123,536
Machinery and equipment	13,485,531	408,024	(485,864)	13,407,691
Vehicles	4,046,872	461,889	(56,280)	4,452,481
Infrastructure	47,925,340	5,038,303	(32,881)	52,930,762
Total capital assets being depreciated	87,581,279	5,908,216	(575,025)	92,914,470
Less, accumulated depreciation for:				
Buildings	(5,179,432)	(508,321)		(5,687,753)
Machinery and equipment	(7,373,483)	(839,722)	485,864	(7,727,341)
Vehicles	(3,098,165)	(372,126)	56,280	(3,414,011)
Infrastructure	(18,934,796)	(1,446,589)		(20,381,385)
Total accumulated depreciation	(34,585,876)	(3,166,758)	542,144	(37,210,490)
Total capital assets being depreciated, net	52,995,403	2,741,458	(32,881)	55,703,980
Governmental activities capital assets, net	$ 65,740,154	$ 3,366,694	$ (43,563)	$ 69,063,285
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,510,561			$ 3,510,561
Construction in progress	249,878	$ 1,181,898	$ (1,230,407)	201,369
Total capital assets, not being depreciated	3,760,439	1,181,898	(1,230,407)	3,711,930
Capital assets being depreciated:				
Buildings	26,833,595			26,833,595
Machinery and equipment	24,116,328	1,352,924	(1,063,056)	24,406,196
Vehicles	1,671,171	69,782	(145,401)	1,595,552
Infrastructure	194,934,389	1,894,408		196,828,797
Total capital assets being depreciated	247,555,483	3,317,114	(1,208,457)	249,664,140
Less, accumulated depreciation for:				
Buildings	(15,770,842)	(502,854)		(16,273,696)
Machinery and equipment	(15,624,978)	(1,699,192)	761,514	(16,562,656)
Vehicles	(1,517,242)	(65,147)	144,677	(1,437,712)
Infrastructure	(82,530,673)	(5,271,216)		(87,801,889)
Total accumulated depreciation	(115,443,735)	(7,538,409)	906,191	(122,075,953)
Total capital assets being depreciated, net	132,111,748	(4,221,295)	(302,266)	127,588,187
Business-type activities capital assets, net	$ 135,872,187	$ (3,039,397)	$ (1,532,673)	$ 131,300,117

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

Governmental activities:	
General government	$ 312,235
Public safety	431,958
Public service	311,912
Culture and recreation	57,553
Community development	2,053,100
Total depreciation expense for governmental activities	$ 3,166,758

Business-type activities:	
Water and sewerage	$ 3,609,543
Electric system	713,861
Gas system	1,097,700
Telecommunications	441,272
Sanitation	1,676,033
Total depreciation expense for business-type activities	$ 7,538,409

Component Unit

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land - Property held for lease	$ 1,496,750	$ 90,000		$ 1,586,750
Land - Event center	34,960			34,960
Construction in progress	3,344,751	124,978	$ (3,469,729)	-
Total capital assets not being depreciated	4,876,461	214,978	(3,469,729)	1,621,710
Capital assets being depreciated:				
Buildings and improvements	16,534,377	2,876,617		19,410,994
Infrastructure	-	4,171,896	(4,171,896)	-
Equipment	776,539	129,339		905,878
Total capital assets being depreciated	17,310,916	7,177,852	(4,171,896)	20,316,872
Less, accumulated depreciation for:				
Buildings and improvements	(3,124,487)	(470,995)		(3,595,482)
Equipment	(494,838)	(88,598)		(583,436)
Total accumulated depreciation	(3,619,325)	(559,593)	-	(4,178,918)
Total capital assets being depreciated, net	13,691,591	6,618,259	(4,171,896)	16,137,954
Total capital assets, net	$ 18,568,052	$ 6,833,237	$ (7,641,625)	$ 17,759,664

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

Community development	$ 559,593

Activity for the Downtown Development Authority for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ -	$ 50,000	$ -	$ 50,000
Capital assets being depreciated:				
Infrastructure	-	4,121,896	-	4,121,896
Less, accumulated depreciation for:				
Infrastructure	-	(41,219)	-	(41,219)
Total capital assets being depreciated, net	-	4,080,677	-	4,080,677
Total capital assets, net	$ -	$ 4,130,677	$ -	$ 4,130,677

Depreciation expense for the Downtown Development Authority was charged to function as follows:

Community development	$ 41,219

5. CAPITAL LEASES

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	$ 9,314,917	$ 15,362,525
Less, accumulated depreciation	(5,780,386)	(10,835,288)
Total	$ 3,534,531	$ 4,527,237

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2019	$ 698,856	$ 603,876
2020	606,934	490,964
2021	461,490	275,435
2022	293,711	117,903
2023	287,194	107,980
2024-2026	861,581	
Total lease payments	3,209,766	1,596,158
Less, amount representing interest	(242,893)	(59,882)
	$ 2,966,873	$ 1,536,276

6. LONG-TERM DEBT

A. Notes Payable

Primary Government

Business-Type Activities

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

Notes payables currently outstanding are as follows:

Purpose	Interest Rate	Amount
Gas recirculation project at landfill – Sanitation Fund	2.33%	$ 338,477
Construction of Cell No. 5 at landfill – Sanitation Fund	3.03%	2,696,843
Construction of water line – Water and Sewerage Fund	4.10%	393,498
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	2,066,346
Long Cane pump station – Water and Sewerage Fund	1.40%	7,750,020
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	4,966,456
		$ 18,211,640

Notes payable service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2019	$ 984,335	$ 337,082
2020	1,003,750	317,667
2021	1,023,681	297,736
2022	1,044,011	277,407
2023	1,064,836	256,581
2024-2028	5,373,129	965,858
2029-2033	5,230,687	442,080
2034-2037	2,487,211	54,376
	$ 18,211,640	$ 2,948,787

Component Unit

The Downtown LaGrange Development Authority converted a line of credit into a 20 year loan in September 2016 for the construction of the District 4 Health building. The total amount of the loan is $2,070,000. The Authority also entered into a 15 year loan in November 2016 for the renovation of a building for a craft brewery. The total amount of the loan is $500,000 and at June 30, 2017 $381,023 had been drawn. During fiscal year ending June 30, 2018 the Authority drew the balance of $118,977 on this loan.

The Authority entered into two separate loans in September 2017 for the purpose of refinancing the line of credit for the acquisition of equipment for the craft brewery company. Each loan is a 10 year loan for $250,000.

Purpose	Interest Rate	Balance
Construction of District 4 Health building	3.39%	$ 1,973,319
Renovation of craft brewery building	3.85%	535,492
Craft brewery equipment	2.00%	232,933
Craft brewery equipment	3.00%	233,737
		$ 2,975,481

Notes payable service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2019	$ 130,746	$ 98,493
2020	134,777	94,463
2021	139,406	89,833
2022	143,962	85,277
2023	148,672	80,567
2024-2028	776,657	327,109
2029-2033	619,815	206,710
2034-2037	881,446	81,471
	$ 2,975,481	$ 1,063,923

B. Revenue Bonds

Primary Government

Business-Type Activities

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The Utility Fund currently has revenue bonds outstanding to be paid from the gas system revenue.

In prior years, the City issued $10,500,000 in revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Series 2009 Gas Authority Revenue Bonds	4.09%	$ 2,615,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	3,125,000
		$ 5,740,000

Revenue bond service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2019	$ 880,000	$ 170,547
2020	910,000	144,522
2021	940,000	117,578
2022	975,000	89,715
2023	1,000,000	60,729
2024	1,035,000	30,927
	$ 5,740,000	$ 614,018

C. Compensated Absences

Primary Government

The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2018. Accrued compensated absences from governmental activities are repaid through the General Fund. Business-type activities accrued compensated absences are repaid through the Utility Fund, Water and Sewerage Fund, and Sanitation Fund.

D. Intergovernmental Agreements Payable

Primary Government

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

- The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within LaGrange. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of $1,565,000 and Series 2007B in the aggregate amount of $5,285,000. In the year ended June 30, 2014, the LDA refunded the 2007B in full. The revenue bonds, 2012 Revenue Refunding Bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February, 2013. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.

- The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange. In the year ended June 30, 2015 the Downtown LaGrange Development Authority refunded the Series 2005 Revenue Bonds with Series 2014 Revenue Bonds, which the City is obligated to service.

- The City entered into an intergovernmental agreement under which the LaGrange Development Authority (LDA) is to construct a conference center. The LDA issued revenue bonds, Series 2016 in the amount of $16,920,000 and the City is obligated to service the principal and interest.

- The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the Authority's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The Authority is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels.

Intergovernmental agreements outstanding at year end are as follows:

Governmental Activities

Purpose	Interest Rates	Balance
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	$ 2,152,500
Carmike Cinema - Downtown LaGrange Development Authority Series 2014 Revenue Bonds	3.45%	1,665,000
Conference Center – Downtown LaGrange Development Authority 2016 Series Revenue Bonds	3.00% - 5.00%	16,920,000
		$ 20,737,500

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

Year ending June 30:	Principal	Interest
2019	$ 732,500	$ 782,087
2020	757,500	753,131
2021	785,000	723,124
2022	815,000	691,999
2023	852,500	659,572
2024-2028	4,055,000	2,778,996
2029-2033	2,790,000	2,146,106
2034-2038	3,290,000	1,647,712
2039-2043	3,925,000	1,008,900
2044-2046	2,735,000	221,800
	$ 20,737,500	$ 11,413,427

Business-Type Activities

Purpose	Interest Rates	Balance
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	$ 2,670,000

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

Year ending June 30:	Principal	Interest
2019	$ 285,000	$ 117,747
2020	295,000	105,179
2021	310,000	92,169
2022	325,000	78,498
2023	340,000	64,165
2024-2026	1,115,000	99,887
	$ 2,670,000	$ 557,645

E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2018 was as follows:

Primary Government

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Intergovernmental agreements	$ 21,120,000		$ (382,500)	$ 20,737,500	$ 732,500
Capital leases	3,182,971	$ 396,555	(612,653)	2,966,873	635,791
Notes payable	445,000		(445,000)	-	-
Compensated absences	555,512	467,738	(465,008)	558,242	223,296
Governmental activities long-term liabilities	$ 25,303,483	$ 864,293	$ (1,905,161)	$ 24,262,615	$ 1,591,587
Business-type activities:					
Revenue bonds	$ 6,590,000		$ (850,000)	$ 5,740,000	$ 880,000
Intergovernmental agreements	2,940,000		(270,000)	2,670,000	285,000
Capital leases	1,650,608	$ 533,627	(647,959)	1,536,276	574,491
Notes payable	19,176,976		(965,336)	18,211,640	984,335
Compensated absences	342,850	429,088	(421,929)	350,009	140,004
Landfill closure/postclosure	8,194,080	279,191	(21,398)	8,451,873	44,413
Business-type activities long-term liabilities	$ 38,894,514	$ 1,241,906	$ (3,176,622)	$ 36,959,798	$ 2,908,243

Component Unit

Long-term liability activity for Downtown LaGrange Development Authority for the year ending June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 2,409,085	$ 675,125	$ (108,729)	$ 2,975,481	$ 130,746

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

Due to/from other funds:

	Receivable Fund			
	Nonmajor Fund	Utility Fund	Internal Service Fund	Total
Payable Fund:				
Nonmajor governmental		$ 100,000		$ 100,000
Utility Fund	$ 35,000			35,000
Internal Service Fund	15,000		$ 985,000	1,000,000
	$ 50,000	$ 100,000	$ 985,000	$ 1,135,000

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

Advances to/from other funds at June 30, 2018 consisted of the following:

Payable Fund	Receivable Fund	Amount
Utility Fund	Internal Service Fund	$ 823,141
Nonmajor governmental	Utility Fund	$ 2,595,496

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

The advance between the Nonmajor Governmental Fund and Utility Fund represents a long-term interfund loan between the Utility Fund and the Tax Allocation Fund. The original advance was for $2,595,496 made during the fiscal year ended June 30, 2017, for the purpose of assisting with a portion of the cost of construction in the downtown area. The advance is being repaid in annual installments through February 2043.

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

Total enterprise fund non-current liabilities per fund level Statement of Net Position	$ 43,958,570
Advances from other funds	(823,141)
Net OPEB obligation	(4,728,180)
Net pension liability	(4,355,694)
Non-current liabilities - Due in more than one year per government-wide Statement of Net Position	$ 34,051,555

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

	Transfers In					
	General Fund	Nonmajor Governmental	Utility Fund	Water and Sewerage Fund	Sanitation Fund	Total
Transfers out:						
General Fund		$ 688,451				$ 688,451
Nonmajor governmental	$ 1,122,254		$ 186,000			1,308,254
Utility Fund	9,200,000	200,000		$ 449,776	$ 226,877	10,076,653
Water & Sewerage Fund	3,400,000		2,200,000			5,600,000
Sanitation	1,300,000					1,300,000
	$15,022,254	$ 888,451	$2,386,000	$ 449,776	$ 226,877	$ 18,973,358

8. RISK MANAGEMENT AND SELF-INSURANCE

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

Charges to other funds for these benefits are based upon an estimate of actual claims, administrative costs, and stop-loss insurance premiums. Such charges are reported as revenue in the internal service funds and expenditures/expenses in the paying fund. An estimate of unpaid claims has been accrued as of June 30, 2018.

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

A. Group Insurance Fund - The purpose of this Fund is to pay the medical claims of City employees and their covered dependents and to minimize the total cost of medical insurance to the City. Under this plan, the City is self-insured for claims aggregating up to $5,281,078 for the year ended June 30, 2018. Claims exceeding this amount are covered by a private insurance carrier.

B. Property and Casualty Insurance Fund - The purpose of this Fund is to pay worker's compensation, general, automobile and personal liability claims. This program is administered by a third party, which provides claims review and processing. Under this plan, the City is self-insured for claims per occurrence up to $100,000 for general insurance liability and $600,000 for workers compensation liability for the plan year ended June 30, 2018. Claims exceeding this amount are covered by a private insurance carrier.

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

	Group Insurance	Property and Casualty
Liability balance, June 30, 2016	$ 700,000	$ 600,000
Claims and changes in estimate	6,221,736	448,105
Claims payments	(6,221,736)	(448,105)
Liability balance, June 30, 2017	700,000	600,000
Claims and changes in estimate	5,414,159	620,600
Claims payments	(5,414,159)	(620,600)
Liability balance, June 30, 2018	$ 700,000	$ 600,000

The liability is an estimate of claims at June 30, 2018 to be paid within the next fiscal year, therefore this is current liability.

C. Changes in Coverage and Claims Paid - Neither the Group Insurance Fund nor the Property and Casualty Fund had significant decreases in coverage from the prior year. The Group Insurance Fund has not paid claims that exceeded its insurance coverage for the past three years; but, during the year ended June 30, 2018 the Property and Casualty Insurance Fund had one claim exceeding its insurance coverage.

9. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

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

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

Employees Covered – At June 30, 2018 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	235
Inactive employees entitled to but not yet receiving benefits	76
Active employees	385
Total	696

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

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total recommended contribution as a percentage of the expected payroll is 10.44% for June 30, 2018.

B. Net Pension Liability – The City's net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2017, using an annual actuarial valuation as of January 1, 2018. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2018
Measurement Date	September 30, 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
Asset Valuation Method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.50%
Inflation Rate	2.75%
Net investment rate of return	7.50%
Projected salary increase	2.75% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The investment return and inflation assumptions used in the January 1, 2018 valuation were based on the results of an actuarial study conducted in September 2017. The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Further details of the experience study can be obtained by contacting The Georgia Municipal Association. The General Fund has been used in prior years to liquidate the pension liabilities for the governmental funds.

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The discount rate changed from 7.75% since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Real estate	10%	5.21%
Cash	0%	
Total	**100%**	

C. Changes in the Net Pension Liability

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

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2016	$ 48,859,380	$ 33,763,529	$ 15,095,851
Changes for the year:			
Service cost	606,810		606,810
Interest	3,689,948		3,689,948
Differences between expected and actual experience	(34,143)		(34,143)
Contributions - employer		2,248,158	(2,248,158)
Contributions - employee			
Net investment income		5,053,361	(5,053,361)
Benefit payments, including refunds of employee contributions	(2,494,300)	(2,494,300)	-
Administrative expense		(74,652)	74,652
Other	897,697		897,697
Net changes	2,666,012	4,732,567	(2,066,555)
Balances at September 30, 2017	$ 51,525,392	$ 38,496,096	$ 13,029,296

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

1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
$ 19,378,822	$ 13,029,296	$ 7,739,168

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

For the year ended June 30, 2018, the City recognized pension expense of $2,382,525. At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,388,108	
Pension contributions subsequent to measurement date	1,763,677	
Changes of assumptions	680,144	
Net difference between projected and actual earnings on pension plan investments		$ 1,980,883
Total	$ 3,831,929	$ 1,980,883

$1,763,677 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2019	$ 309,346
2020	369,721
2021	(274,584)
2022	(317,114)
2023 and thereafter	-
	$ 87,369

10. DEFINED CONTRIBUTION PLAN

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of $667 per year. During the year ended June 30, 2018, the City contributed $133,361 and employees contributed $425,722. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A plan upon two years of employment. For year ended June 30, 2018 255 employees participated in the plan.

11. COMMITMENT AND CONTINGENCIES

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

Under the terms of the agreement, the Authority agrees to provide, and the cities are obligated to purchase, all of the cities' bulk power supply requirements for a period not to exceed 50 years. The cities have agreed to purchase all their

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

At June 30, 2018, the outstanding debt of the Authority was approximately $5.9 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately $337 million at June 30, 2018.

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

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

At June 30, 2018, $3,986,211 has been placed into the Trust for the benefit of the City, of which $3,036,124 is available without restriction and $950,087 is subject to restrictions. Due to the restricted nature of the $950,087, the amount is reported as unearned revenue at June 30, 2018.

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

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

12. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the five county west Georgia area, is a member of the Three Rivers Regional Commission (the "Commission") and is required to pay annual dues thereto. During the year ended June 30, 2018, the City paid $30,771 in dues.

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

13. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2018, the City levied a 5% lodging tax and received $1,122,254 for this tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. The LaGrange-Troup County Chamber of Commerce has certified that the $688,451 of lodging tax received from the City during the year ended June 30, 2018 was used for the promotion of tourism.

14. RELATED ORGANIZATION

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

15. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City's Sanitation Fund to place a cover on landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will not be paid until after the date a landfill stops accepting waste, the Sanitation Fund is required to accrue these closure and post-closure care costs over the landfill's operational period. The $8,451,873 reported as the landfill closure and post-closure care liability at June 30, 2018 includes $1,545,575, which represents the cumulative amount accrued to date, less amounts already paid, based on the use of one hundred percent of the estimated capacity of the landfill which was closed during the fiscal year ended June 30, 1998. The liability is based on the current costs of closure and post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The remaining amount reported as landfill closure and post-closure cost of $6,906,298 relates to an additional landfill site, which began accepting waste during the year ended June 30, 1999. This landfill site has an estimated closure and post-closure cost of $9,845,785, which is based on the current cost necessary to perform all closure and post-closure care. The City expects to close the landfill in 2026. As of June 30, 2018, approximately 67% of this landfill's capacity had been utilized and accordingly, a liability of $6,906,298 has been recognized. The City will recognize the remaining estimated closure and post-closure care of $2,939,487 as the remaining capacity is used. See Note 6(E) for changes in the liability for landfill closure and postclosure costs.

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

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

Fund	Department	Final Budget Amount	Actual Amount	Variance with Final Budget
Community Development Fund	Community Development	$ 68,000	$ 84,594	$ (16,594)
Hotel/Motel Tax Fund	Community Development	$ 570,000	$ 688,451	$ (118,451)

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

A. General Information About the OPEB Plan

Plan Description - The City of LaGrange OPEB Plan is a single-employer defined benefit plan for which no assets are accumulated in a trust meeting the criteria in GASBS No. 75 paragraph 4. This plan provides health and prescription drugs benefits to eligible retirees, their spouses and dependents until age 26. Retirees may choose which benefits administered by Taylor Benefits Resource, Inc. are desired. Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. Participation in the Plan is voluntary. The City of Lagrange City Council has the authority to establish and amend benefit levels, contribution rates, and eligibility provisions of the Plan in accordance with council resolution adopted as in Personnel Policy 6.15 Retirement System. These benefit provisions and all other related Plan requirements are established annually by the City Council. The Plan does not issue a stand-alone financial report. The City's General Fund bears most of the administrative cost of the Plan. The Plan is actuarially evaluated every other year.

Benefits Provided – The City provides post-retirement healthcare insurance and prescription drug benefits to all employees who retire from the City, and meet the eligibility requirements. To be eligible for benefits, members of the Plan must be retired, at least 55 years of age, and receiving a pension from GMA (the City's pension plan). The coverage only continues until age 65 or Medicare eligibility, whichever comes first.

Employees Covered - At January 1, 2017, the most recent valuation date, the following employees were covered by the benefit terms for the Plan:

Inactive employees currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	-
Active employees	382
Total	403

Contributions – The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. City Council has the authority to establish or amend requirements for the City to pay OPEB as the benefits come due. Contributions to the Plan are derived from two sources:

Member contributions
Employer contributions

Member contributions are made up of retiree and spouse contributions. Retiree and spouse contribution rates are set by the City Council. Monthly contributions of these plan members for the current fiscal year were as follows:

	15-20 Years of Service and Over Age 60	20-25 Years of Service	More Than 25 Years of Service
Healthcare:			
Single	$ 359	$ 287	$ 180
Retiree and spouse	$ 697	$ 558	$ 349

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

Contributions paid by retirees in the current fiscal year totaled $128,742.

The City contributes annually an amount equal to the pay-as-you-go cost of retiree benefits. For year ending June 30, 2018 the City contributed $446,057 or 2.31% of the covered payroll for employees of $19,347,185 under the Plan.

B. Total OPEB Liability – The City's total OPEB liability for the plan was measured as of June 30, 2017, using an actuarial valuation as of January 1, 2017. A summary of actuarial assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	January 1, 2017
Measurement Date	June 30, 2017
Reporting Date	June 30, 2018
Actuarial Cost Method	Entry age level percent of pay
Amortization Method	Open 30 years, level percent of payroll
Remaining Amortization Period	30 years
Asset Valuation Method	Market value
Discount Rate	3.58%
Funding Discount Rate	3.58%

Inflation Rate	3.25%	
Healthcare cost trend rates	Medical:	7.00% trended down to 4.50% by 2022
	Prescription drug:	7.00% trended down to 4.50% by 2022
Payroll increases	3.25%	
Salary increases	3.75% to 8.75% including inflation	
Health mortality rates	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.	
Changes of assumptions	The discount rate effective for June 30, 2016 was 2.85%, and effective for June 30, 2017 was 3.58%.	
Benefit changes	There have been no benefit changes since GASBS No. 75 implementation.	

The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. The General Fund has been used in prior years to liquidate the OPEB liabilities for the governmental funds.

The benefits valued in the actuarial valuation are limited to the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits is not limited by legal or contractual limits on funding the plan unless those limits clearly translate into benefit limits on the substantive plan being valued.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.58%. The discount rate was 2.85% as of the last measurement date, June 30, 2016.

Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. The chosen rate of 3.58%, reflects the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2017.

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 one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate. Also, shown is the total OPEB liability as if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current healthcare trend rates.

	1% Decrease in Discount Rate (2.58%)	Current Discount Rate (3.58%)	1% Increase in Discount Rate (4.58%)
Total OPEB Liability	$15,610,687	$14,143,525	$12,855,435

	1% Decrease in Healthcare Cost Trend Rates (2.58%)	Current Healthcare Cost Trend Rate (3.58%)	1% Increase in Healthcare Cost Trend Rates (4.58%)
Total OPEB Liability	$12,611,597	$14,143,525	$15,946,016

C. Changes in the Total OPEB Liability

The changes in the Total OPEB Liability for the plan are as follows:

	Total OPEB Liability
Balance at June 30, 2016	$ 14,648,781
Changes for the year:	
Service cost	652,817
Interest	431,222
Changes of benefit terms	-
Differences between expected and actual experience	(195,255)
Changes of assumptions	(1,052,013)
Benefit payments, including refunds of member contributions	(342,027)
Net changes	(505,256)
Balance at June 30, 2017	$ 14,143,525

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of $117,779. At June 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 901,728	
OPEB contributions subsequent to measurement date	446,057	
Changes of assumptions	167,364	
Total	$ 1,515,149	$ -

$446,057 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30	
2019	$ 178,182
2020	178,182
2021	178,182
2022	178,182
2023	178,182
2024, and thereafter	178,182
	$ 1,069,092

18. RESTATEMENT OF NET POSITION AND FUND BALANCES

The Statement of revenues, expenses, and changes in fund net position – Water and Sewerage Fund is restated by $154,901 pertaining to inventory being overstated at June 30, 2018. This also affects the restatement of the net position on the Statement of Activities for business-type activities.

Also for the fiscal year ending June 30, 2018, the City implemented the provisions of GASBS No. 75 – Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions. Accordingly, beginning net positions of the Utility Fund were reduced by $1,677,218; the Water and Sewerage Fund was reduced by $1,378,219; and the Sanitation Fund was reduced by $626,365. The governmental activities net position on the Statement of Activities was reduced by $7,230,467. These reductions reflect the recording of total OPEB liability, deferred inflows of resources, and deferred outflows of resources as required under the new GASB.

19. SUBSEQUENT EVENT

On September 3, 2018 four employees of the City received injuries during the performance of their job as firefighters. The City is self-insured for workers compensation claims up to $600,000 per occurrence. The City estimates the cost related to the claims described above to be between $1,800,000 and $2,400,000.

LAGRANGE

GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2018

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 606,810	$ 566,691	$ 601,117	$ 576,632
Interest	3,689,948	3,467,194	3,246,447	3,069,127
Difference between expected and actual experience	(34,143)	1,246,142	1,221,867	894,970
Change in assumptions	897,697	-	-	(190,059)
Changes of benefit terms	-	-	-	-
Benefit payments, including refunds	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Net change in total pension liability	2,666,012	2,962,756	2,944,546	2,350,201
Total pension liability - beginning	48,859,380	45,896,624	42,952,078	40,601,877
Total pension liability - ending	51,525,392	48,859,380	45,896,624	42,952,078
Plan fiduciary net position				
Contributions:				
Employer	2,248,158	2,119,251	1,967,135	1,850,496
Employee	-	-	-	-
Net investment income	5,053,361	3,396,335	353,223	3,132,262
Benefit payments, including refunds	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Administrative expense	(74,652)	(44,222)	(49,424)	(38,786)
Other	-	-	-	-
Net change in plan fiduciary net position	4,732,567	3,154,093	146,049	2,943,503
Plan fiduciary net position - beginning	33,763,529	30,609,436	30,463,387	27,519,884
Plan fiduciary net position - ending	38,496,096	33,763,529	30,609,436	30,463,387
Net pension liability - ending	$ 13,029,296	$ 15,095,851	$ 15,287,188	$ 12,488,691
Plan fiduciary net position as a % of total pension liability	74.71%	69.10%	66.69%	70.92%
Covered payroll	$ 19,251,719	$ 19,666,770	$ 18,344,451	$ 18,116,297
Net pension liability as a % of covered-employee payroll	67.68%	76.76%	83.33%	68.94%

Changes in assumptions

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on an actuarial experience study covering the period January 1, 2010 to June 30, 2014. The City implemented GASB 68 for the fiscal year ended June 30, 2015.

In 2018, amounts reported as changes in assumptions resulted from adjustments to assumptions based on an actuarial study conducted in September 2017. These adjustments included a decrease in the investment return assumption from 7.75% to 7.50%, and a decrease in the inflation assumption from 3.25% to 2.75%.

In time this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2018

	2018	2017	2016	2015
Actuarially determined contribution	$ 2,351,569	$ 2,213,688	$ 2,080,493	$ 1,929,349
Contributions in relation to actuarially determined contribution	$ 2,351,569	$ 2,213,688	$ 2,085,952	$ 1,929,349
Contribution deficiency (excess)	$ -	$ -	$ 5,459	$ -
Covered payroll	$ 22,517,609	$ 22,088,302	$ 21,792,805	$ 20,454,970
Contributions as a percentage of covered payroll	10.44%	10.02%	9.57%	9.43%

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

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
OTHER POST-EMPLOYMENT BENEFITS PLAN
Year Ended June 30, 2018

		2018
Total OPEB Liability		
Service cost	$	652,817
Interest		431,222
Change of benefit terms		-
Differences between expected and actual experience		(195,255)
Changes of assumptions		(1,052,013)
Benefit payments, including refunds of member contributions		(342,027)
Net change in Total OPEB Liability		(505,256)
Total OPEB Liability - beginning		14,648,781
Total OPEB Liability - ending	$	14,143,525
Covered employee payroll	$	19,347,186
Plan Total OPEB Liability as a percentage of covered employee payroll		73.10%

Notes to Schedule:

Benefit changes: There have been no benefit changes since GASB 75 implementation.

Changes of assumptions: The discount rate effective for June 30, 2016 was 2.85%, and effective for June 30, 2017 was 3.58%.

No assets related to the OPEB plan are accumulated in a trust meeting the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

The City implemented GASB 75 for the first time beginning with the fiscal year ended June 30, 2018. In time, this schedule will present the required ten years of data.

SUPPLEMENTARY INFORMATION

LAGRANGE

GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

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

- **Capital Projects Fund**: This fund accounts for the accumulation of resources and the subsequent disbursement of such resources in obtaining or renovating major capital assets (other than those financed by the Enterprise Funds).

- **Special Purpose Local Option Sales Tax "SPLOST" Fund**: The purpose of this fund is to account for the City's portion of a countywide 1% local options sales tax for construction projects and capital improvements.

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

- **Community Development Fund**: This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.

- **Hotel/Motel Tax Fund**: This fund is used to account for the City's share of hotel/motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.

- **Grant Fund:** This fund is used to account for certain grant activity that is legally restricted for particular purposes or required by state law to be presented as a special revenue fund.

- **Tax Allocation Fund:** This fund is used to account for resources devoted to construction of capital improvements in a district located in the City's downtown. Incremental property tax revenues derived from the increase in market values of property located within the district will be devoted to capital improvements.

CITY OF LAGRANGE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Capital Projects		Special Revenue				
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund	Total Nonmajor Govermental Funds
ASSETS							
Cash and cash equivalents	$ 251,896	$ 1,841,776	$ 141,042			$ 70	$ 2,234,784
Investments			883,221				883,221
Receivables:							
Intergovernmental		1,116,754					1,116,754
Due from other funds	35,000		15,000				50,000
Total assets	$ 286,896	$ 2,958,530	$ 1,039,263	$ -	$ -	$ 70	$ 4,284,759
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	$ 6,420	$ 841,092	$ 5,684				$ 853,196
Due to other funds	100,000						100,000
Advances to other funds						$ 2,595,496	2,595,496
Total liabilities	106,420	841,092	5,684	$ -	$ -	2,595,496	3,548,692
Fund balance:							
Restricted for:							
Capital projects	180,476	2,117,438					2,297,914
Community development			1,033,579				1,033,579
Unassigned						(2,595,426)	(2,595,426)
Total fund balance	180,476	2,117,438	1,033,579	-	-	(2,595,426)	736,067
Total liabilities and fund balance	$ 286,896	$ 2,958,530	$ 1,039,263	$ -	$ -	$ 70	$ 4,284,759

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Capital Projects		Special Revenue				Total
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund	Nonmajor Govermental Funds
Revenues:							
Hotel/Motel tax				$ 1,122,254			$ 1,122,254
Rental income	$ 800,154		$ 57,550				857,704
Intergovermmental	1,100,664	$ 3,359,689			$ 74,462		4,534,815
Investment income	1,639	6,354	19,233			$ 70	27,296
Miscellaneous	231,622		3,960				235,582
Total revenues	2,134,079	3,366,043	80,743	1,122,254	74,462	70	6,777,651
Expenditures:							
Current:							
Community development			84,594	688,451			773,045
Redevelopment and housing			206,000		74,462		280,462
Debt service:							
Principal retirement	1,062,368						1,062,368
Interest and fees	214,839						214,839
Capital outlay:							
General government	393,388						393,388
Public safety		244,944					244,944
Public service		2,450,877					2,450,877
Community development	171,895	2,662,186					2,834,081
Total expenditures	1,842,490	5,358,007	290,594	688,451	74,462	-	8,254,004
Excess of revenues over (under) expenditures	291,589	(1,991,964)	(209,851)	433,803	-	70	(1,476,353)
Other financing sources (uses):							
Transfers in	200,000			688,451			888,451
Transfers out	(186,000)			(1,122,254)			(1,308,254)
Total other financing sources	14,000	-	-	(433,803)	-	-	(419,803)
Net change in fund balance	305,589	(1,991,964)	(209,851)	-	-	70	(1,896,156)
Fund balance, beginning of year	(125,113)	4,109,402	1,243,430			(2,595,496)	2,632,223
Fund balance, end of year	$ 180,476	$ 2,117,438	$ 1,033,579	$ -	$ -	$ (2,595,426)	$ 736,067

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 251,896	$ 319,787
Due from other funds	35,000	
Total assets	$ 286,896	$ 319,787
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 6,420	$ 2,900
Due to other funds	100,000	442,000
Total liabilities	106,420	444,900
Fund balance:		
Restricted for:		
Capital projects	180,476	
Unassigned		(125,113)
Total fund balance	180,476	(125,113)
Total liabilities and fund balance	$ 286,896	$ 319,787

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Rental income	$ 800,154	$ 757,553
Interest	1,639	1,395
Intergovernmental	1,100,664	231,458
Miscellaneous	231,622	315,945
Total revenues	2,134,079	1,306,351
Expenditures:		
Debt service:		
Principal retirement	1,062,368	1,009,677
Interest and fees	214,839	251,583
Capital outlay:		
General government	393,388	86,136
Community development	171,895	687,038
Total expenditures	1,842,490	2,034,434
Excess of revenues over expenditures	291,589	(728,083)
Other financing sources (uses):		
Capital lease		254,445
Transfers in	200,000	381,000
Transfers out	(186,000)	(190,000)
Total other financing sources (uses)	14,000	445,445
Net change in fund balance	305,589	(282,638)
Fund balance, beginning of year	(125,113)	157,525
Fund balance, end of year	$ 180,476	$ (125,113)

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 1,841,776	$ 3,522,145
Receivables:		
Intergovernmental	1,116,754	1,092,040
Total assets	$ 2,958,530	$ 4,614,185
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 841,092	$ 504,783
Total liabilities	841,092	504,783
Fund balance:		
Restricted for capital project	2,117,438	4,109,402
Total fund balance	2,117,438	4,109,402
Total liabilities and fund balance	$ 2,958,530	$ 4,614,185

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Intergovernmental	$ 3,359,689	$ 3,205,545
Investment income (loss)	6,354	16,008
Total revenues	3,366,043	3,221,553
Expenditures:		
Capital outlay:		
Public safety	244,944	365,210
Public service	2,450,877	1,678,189
Community development	2,662,186	1,215,359
Total expenditures	5,358,007	3,258,758
Excess of revenues over (under) expenditures	(1,991,964)	(37,205)
Net change in fund balance	(1,991,964)	(37,205)
Fund balance, beginning of year	4,109,402	4,146,607
Fund balance, end of year	$ 2,117,438	$ 4,109,402

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 141,042	$ 101,824
Investments	883,221	1,141,638
Due from other funds	15,000	
Total assets	$ 1,039,263	$ 1,243,462
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 5,684	$ 32
Total liabilities	5,684	32
Fund balance:		
Restricted for:		
Community development	1,033,579	1,243,430
Total fund balance	1,033,579	1,243,430
Total liabilities and fund balance	$ 1,039,263	$ 1,243,462

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Rental income	$ 57,550	$ 82,755
Investment income	19,233	11,939
Miscellaneous	3,960	5,765
Total revenues	80,743	100,459
Expenditures:		
Current:		
Community development	84,594	69,003
Redevelopment and housing	206,000	228,000
Total expenditures	290,594	297,003
Excess of revenues over (under) expenditures	(209,851)	(196,544)
Net change in fund balance	(209,851)	(196,544)
Fund balance, beginning of year	1,243,430	1,439,974
Fund balance, end of year	$ 1,033,579	$ 1,243,430

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2018

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	$ 77,640	$ 57,550	$ (20,090)
Investment income	12,000	19,233	7,233
Miscellaneous	1,000	3,960	2,960
Total revenues	90,640	80,743	(9,897)
Expenditures:			
Current:			
Community development	68,000	84,594	(16,594)
Redevelopment and housing	206,000	206,000	-
Total expenditures	274,000	290,594	(16,594)
Excess of revenue over (under) expenditures	(183,360)	(209,851)	(26,491)
Net change in fund balance	(183,360)	(209,851)	(26,491)
Fund balance, beginning of year	1,243,430	1,243,430	-
Fund balance, end of year	$ 1,060,070	$ 1,033,579	$ (26,491)

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Hotel/Motel tax	$ 1,122,254	$ 993,808
Total revenues	1,122,254	993,808
Expenditures:		
Current:		
Community development	688,451	607,084
Total expenditures	688,451	607,084
Excess of revenues over (under) expenditures	433,803	386,724
Other financing sources (uses):		
Transfers in	688,451	607,084
Transfers out	(1,122,254)	(993,808)
Total other financing sources (uses)	(433,803)	(386,724)
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	$ -	$ -

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2018

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	$ 912,000	$ 1,122,254	$ 210,254
Total revenues	912,000	1,122,254	210,254
Expenditures:			
Current:			
Community development	570,000	688,451	(118,451)
Total expenditures	570,000	688,451	(118,451)
Excess of revenue over (under) expenditures	342,000	433,803	91,803
Other financing sources (uses):			
Transfers in	570,000	688,451	118,451
Transfers out	(912,000)	(1,122,254)	(210,254)
Total other financing sources (uses)	(342,000)	(433,803)	(91,803)
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	$ -	$ -	$ -

CITY OF LAGRANGE, GEORGIA
GRANT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Intergovernmental	$ 74,462	$ 124,895
Total revenues	74,462	124,895
Expenditures:		
Current:		
Redevelopment and housing	74,462	124,895
Total expenditures	74,462	124,895
Excess of revenue over (under) expenditures	-	-
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	$ -	$ -

CITY OF LAGRANGE, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2018

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	$ 75,000	$ 74,462	$ (538)
Total revenues	75,000	74,462	(538)
Expenditures:			
Current:			
Redevelopment and housing	75,000	74,462	538
Total expenditures	75,000	74,462	538
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	$ -	$ -	$ -

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 70	
Total assets	$ 70	$ -
LIABILITIES AND FUND BALANCE		
Liabilities:		
Advances to other funds	$ 2,595,496	$ 2,595,496
Total liabilities	2,595,496	2,595,496
Fund balance:		
Unassigned	(2,595,426)	(2,595,496)
Total fund balance	(2,595,426)	(2,595,496)
Total liabilities and fund balance	$ 70	$ -

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Investment income	$ 70	$ 1,046
Total revenues	70	1,046
Expenditures:		
Current:		
Community development		2,596,542
Total expenditures	-	2,596,542
Excess of revenue over (under) expenditures	70	(2,595,496)
Net change in fund balance	70	(2,595,496)
Fund balance, beginning of year	(2,595,496)	
Fund balance, end of year	$ (2,595,426)	$ (2,595,496)

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2018

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	$ 70	$ 70	$ -
Total revenues	70	70	-
Expenditures:			
Current:			
Community development			-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	70	70	-
Net change in fund balance	70	70	-
Fund balance, beginning of year	(2,595,496)	(2,595,496)	-
Fund balance, end of year	$ (2,595,426)	$ (2,595,426)	$ -

LAGRANGE

GEORGIA

MAJOR GOVERNMENTAL FUNDS

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

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 2,024,730	$ 3,371,352
Investments	879,992	15,217,261
Receivables:		
Taxes	1,191,211	1,145,201
Other	9,551	9,513
Due from other funds		66,533
Inventory	179,260	195,491
Restricted cash and cash equivalents	72,370	51,038
Restricted investments	856,017	881,084
Total assets	$ 5,213,131	$ 20,937,473
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 541,783	$ 709,660
Due to other governmental entities	922,529	16,190,015
Accrued liabilities	230,204	122,843
Unearned revenue	637,830	884,361
Total liabilities	2,332,346	17,906,879
Fund balance:		
Nonspendable:		
Inventory	179,260	195,491
Restricted for:		
Perpetual care	860,384	885,451
Public safety	68,003	46,671
Unassigned	1,773,138	1,902,981
Total fund balance	2,880,785	3,030,594
Total liabilities and fund balance	$ 5,213,131	$ 20,937,473

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Taxes:		
Sales	$ 5,230,046	$ 4,968,287
Franchise	1,073,386	1,083,001
Insurance premium	1,956,943	1,837,659
Alcoholic beverage	717,267	718,706
Ad valorem	353,980	260,587
Other	782,733	775,698
Licenses and permits	197,724	252,318
Intergovernmental	758,478	205,106
Fines and forfeitures	1,164,063	1,115,505
Charges for services	285,318	253,768
Investment income	43,570	36,842
Miscellaneous	271,870	247,000
Total revenues	12,835,378	11,754,477
Expenditures:		
Current:		
General government	2,085,775	1,964,022
Public safety	17,424,091	16,935,100
Public service	2,856,934	3,253,462
Culture and recreation	1,349,158	945,898
Community development	1,547,130	1,644,853
Telecommunications	466,364	443,359
Debt service:		
Principal retirement	377,785	356,550
Interest and fees	9,860	7,905
Capital outlay:		
General government	105,638	62,194
Public safety	562,887	526,286
Public service	830,449	13,013
Telecommunications		6,264
Culture and recreation	112,936	63,173
Total expenditures	27,729,007	26,222,079
Excess of expenditures over (under) revenues	(14,893,629)	(14,467,602)
Other financing sources (uses):		
Sale of capital assets	13,462	29,306
Capital lease	396,555	458,982
Transfers in	15,022,254	14,293,808
Transfers out	(688,451)	(607,084)
Total other financing sources (uses)	14,743,820	14,175,012
Net change in fund balance	(149,809)	(292,590)
Fund balance, beginning of year	3,030,594	3,323,184
Fund balance, end of year	$ 2,880,785	$ 3,030,594

LAGRANGE

GEORGIA

SUPPLEMENTAL INFORMATION
ENTERPRISE FUNDS

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

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

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

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,327,061	$ 2,396,337
Investments	23,185,021	24,245,514
Receivables:		
Accounts	9,206,851	7,999,322
Due from other funds	100,000	322,000
Prepaids	48,620	48,332
Inventory	1,180,744	1,157,048
Restricted assets:		
Restricted investments	950,087	2,824,702
Total current assets	38,998,384	38,993,255
Noncurrent assets:		
Capital assets, not being depreciated	1,574,303	1,574,302
Capital assets, being depreciated	35,105,478	35,945,786
Advances to other funds	2,595,496	2,595,496
Total noncurrent assets	39,275,277	40,115,584
Total assets	78,273,661	79,108,839
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	219,250	320,928
Changes of assumptions	111,241	
Contributions after measurement date	273,194	255,183
Other post-employment benefits:		
Contributions after measurement date	69,095	
Total deferred outflows of resources	672,780	576,111

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017
(Continued)

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	3,739,844	3,955,474
Customer deposits	2,190,425	2,014,809
Accrued liabilities	65,622	30,612
Accrued compensated absences	77,280	73,392
Due to other funds	35,000	
Unearned revenue	2,671,379	4,819,602
Capital leases, current	262,462	247,775
Intergovernmental agreement payable, current	285,000	270,000
Liabilities payable from restricted assets:		
Accrued interest payable	112,734	61,800
Revenue bonds, current	880,000	850,000
Total current liabilities	10,319,746	12,323,464
Noncurrent liabilities:		
Compensated absences	115,917	110,088
Revenue bonds, long-term	4,860,000	5,740,000
Capital leases, long-term	568,393	297,228
Intergovernmental agreement payable, long-term	2,385,000	2,670,000
Advances from other funds	823,141	918,468
Net OPEB obligation	2,190,832	574,302
Net pension liability	2,018,238	2,320,233
Total noncurrent liabilities	12,961,521	12,630,319
Total liabilities	23,281,267	24,953,783
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Difference between expected and actual experience	4,232	
Net difference between projected and actual earnings on investments	306,839	4,566
Changes of assumptions	5,888	11,686
Other post-employment benefits:		
Difference between expected and actual experience	139,678	
Changes of assumptions	25,925	
Total deferred outflows of resources	482,562	16,252
NET POSITION		
Net investment in capital assets	30,108,926	30,385,085
Unrestricted	25,073,686	24,329,830
Total net position	$ 55,182,612	$ 54,714,915

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Gas system	$ 13,313,278	$ 11,706,422
Electric system	49,992,041	48,432,344
Telecommunications	3,215,182	3,082,439
Other sales	526,560	667,853
Total operating revenues	67,047,061	63,889,058
Operating expenses:		
Gas system	9,320,395	9,056,590
Electric system	42,746,765	42,814,281
Telecommunications	2,535,436	2,547,363
Depreciation	2,252,833	2,141,474
Total operating expenses	56,855,429	56,559,708
Operating income	10,191,632	7,329,350
Nonoperating revenues (expenses):		
Investment income	1,294	262,286
Gain (loss) on sale of assets	(4,053)	
Interest expense	(353,308)	(392,288)
Total nonoperating revenues (expenses)	(356,067)	(130,002)
Net income before transfers	9,835,565	7,199,348
Transfers in	2,386,000	2,420,451
Transfers out	(10,076,653)	(9,789,399)
Change in net position	2,144,912	(169,600)
Net position, beginning of year, restated	53,037,700	54,884,515
Net position, end of year	$ 55,182,612	$ 54,714,915

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and users	$ 64,123,925	$ 60,854,008
Cash paid to employees	(3,358,621)	(3,182,006)
Cash paid to suppliers	(51,431,901)	(51,092,529)
Net cash provided (used) by operating activities	9,333,403	6,579,473
Cash flows from noncapital financing activities:		
Repayment of advance to (from) other funds	(95,327)	(90,573)
Advances to other funds		(2,595,496)
Transfers in	2,386,000	2,420,451
Transfers out	(10,076,653)	(9,789,399)
Net cash provided (used) by noncapital financing activities	(7,785,980)	(10,055,017)
Cash flows from capital and related financing activities:		
Principal payments on revenue bonds	(850,000)	(825,000)
Proceeds from sale of assets	16,542	
Acquisition of capital assets	(899,493)	(1,567,612)
Capital lease payments	(247,776)	(301,278)
Payments on intergovernmental agreement	(270,000)	(255,000)
Interest paid	(302,374)	(461,751)
Net cash provided (used) by capital and related financing activities	(2,553,101)	(3,410,641)
Cash flows from investing activities:		
Sale (purchase) of investments	2,935,108	7,886,170
Investment income	1,294	262,286
Net cash provided (used) by investing activities	2,936,402	8,148,456
Net increase (decrease) in cash	1,930,724	1,262,271
Cash, beginning of year	2,396,337	1,134,066
Cash, end of year	$ 4,327,061	$ 2,396,337

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017
(Continued)

	2018	2017
Cash flows from operating activities:		
Operating income (loss)	$ 10,191,632	$ 7,329,350
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,252,833	2,141,474
Changes in operating assets and liabilities:		
Accounts receivable	(1,207,529)	(243,565)
Inventory	(23,696)	(47,946)
Prepaid expense	(288)	13,855
Accounts payable	(215,630)	95,902
Accrued vacation	9,717	(45,744)
Due from other funds	222,000	(322,000)
Due to other funds	35,000	
Unearned revenue	(2,148,223)	(2,583,011)
Other accrued expenses	35,010	15,848
Customer deposits	175,616	113,526
Net OPEB obligation	35,823	139,398
Net pension liability	(28,862)	(27,614)
Net cash provided by operating activities	$ 9,333,403	$ 6,579,473

Supplemental disclosure of non-cash investing and financing activities:
In 2018 and 2017, the City incurred debt of $533,627 and $36,626, respectively, in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF OPERATING INCOME
Year Ended June 30, 2018

	Electric System	Gas System	Telecom-municatons	Total
Operating revenues	$ 50,257,072	$ 13,574,807	$ 3,215,182	$ 67,047,061
Operating expenses:				
Electricity and natural gas purchase	36,915,462	7,841,707		44,757,169
Depreciation	713,861	1,097,700	441,272	2,252,833
Other operating	5,831,303	1,478,688	2,535,436	9,845,427
	43,460,626	10,418,095	2,976,708	56,855,429
Operating income	$ 6,796,446	$ 3,156,712	$ 238,474	$ 10,191,632

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
Year Ended June 30, 2018

	Historical Cost				Allowance of Depreciation				
	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Balance June 30, 2017	Expenses	Deletions	Balance June 30, 2018	Net Asset Value
Gas system	$ 34,954,649	$ 26,275	$ (16,584)	$ 34,964,340	$ (14,950,145)	$ (1,097,700)	$ 15,860	$ (16,031,985)	$ 18,932,355
Electric system	23,856,020	916,765	(255,977)	24,516,808	(12,461,738)	(713,861)	236,107	(12,939,492)	11,577,316
Telecommunications	10,583,835	490,080		11,073,915	(4,462,533)	(441,272)		(4,903,805)	6,170,110
	$ 69,394,504	$ 1,433,120	$ (272,561)	$ 70,555,063	$ (31,874,416)	$ (2,252,833)	$ 251,967	$ (33,875,282)	$ 36,679,781

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE SCHEDULES OF REVENUES
Years Ended June 30, 2018 and 2017

	2018	2017
Gas system:		
Gas sales	$ 13,313,278	$ 11,706,422
Miscellaneous	261,529	287,648
	13,574,807	11,994,070
Electric system:		
Electricity sales	45,973,195	43,761,058
Street and security lights	1,341,017	1,224,874
Miscellaneous	2,942,860	3,826,617
	50,257,072	48,812,549
Telecommunications:		
Internet services	2,140,954	1,822,667
Other telecommunications services	1,074,228	1,259,772
	3,215,182	3,082,439
Total operating revenues	$ 67,047,061	$ 63,889,058

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,152,843	$ 1,998,049
Investments	10,583,699	10,612,954
Receivables:		
Accounts	2,087,817	1,959,130
Inventory	1,462,181	1,205,014
Total current assets	15,286,540	15,775,147
Noncurrent assets:		
Capital assets, not being depreciated	699,894	720,507
Capital assets, being depreciated	70,316,804	72,271,465
Total noncurrent assets	71,016,698	72,991,972
Total assets	86,303,238	88,767,119
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	174,663	263,717
Changes of assumptions	88,621	
Contributions after measurement date	217,638	209,691
Other post-employment benefits:		
Contributions after measurement date	55,043	
Total deferred outflows of resources	535,965	473,408

(Continued...)

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017
(Continued)

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	138,718	287,783
Customer deposits	577,010	594,371
Accrued liabilities	54,604	25,839
Accrued compensated absences	40,446	42,656
Notes payable, current	808,523	794,383
Total current liabilities	1,619,301	1,745,032
Noncurrent liabilities:		
Compensated absences	60,669	63,984
Notes payable, long-term	14,367,797	15,176,320
Net OPEB obligation	1,745,311	471,922
Net pension liability	1,607,815	1,906,606
Total noncurrent liabilities	17,781,592	17,618,832
Total liabilities	19,400,893	19,363,864
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	3,371	
Net difference between projected and actual earnings on investments	244,440	3,752
Changes of assumptions	4,691	9,603
Other post-employment benefits:		
Difference between expected and actual experience	111,273	
Changes of assumptions	20,653	
Total deferred inflows of resources	384,428	13,355
NET POSITION		
Net investment in capital assets	55,840,378	57,021,269
Unrestricted	11,213,504	12,842,039
Total net position	$ 67,053,882	$ 69,863,308

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Water and sewerage system	$ 15,831,839	$ 16,552,907
Other sales	164,735	107,527
Total operating revenues	15,996,574	16,660,434
Operating expenses:		
Water and sewerage system	8,724,599	8,779,723
Depreciation	3,609,543	3,657,404
Total operating expenses	12,334,142	12,437,127
Operating income (loss)	3,662,432	4,223,307
Nonoperating revenues (expenses):		
Investment income	177,243	104,901
Gain (loss) on sale of assets	(11,795)	6,807
Interest expense	(263,764)	(277,612)
Total nonoperating revenues (expenses)	(98,316)	(165,904)
Net income before contributions and transfers	3,564,116	4,057,403
Transfers in	449,776	453,757
Transfers out	(5,600,000)	(5,630,451)
Change in net position	(1,586,108)	(1,119,291)
Net position, beginning of year, restated	68,639,990	70,982,599
Net position, end of year	$ 67,053,882	$ 69,863,308

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and users	$ 15,850,526	$ 16,766,418
Cash paid to employees	(4,157,111)	(4,090,371)
Cash paid to suppliers	(4,890,684)	(4,638,966)
Net cash provided (used) by operating activities	6,802,731	8,037,081
Cash flows from noncapital financing activities:		
Transfers in	449,776	453,757
Transfers out	(5,600,000)	(5,630,451)
Net cash provided (used) by noncapital financing activities	(5,150,224)	(5,176,694)
Cash flows from capital and related financial activities:		
Proceeds from sale of assets	1,874	14,893
Acquisition of capital assets	(1,647,939)	(868,115)
Payments on notes payable	(794,382)	(780,534)
Interest paid	(263,764)	(277,612)
Net cash provided (used) by capital and related financing activities	(2,704,211)	(1,911,368)
Cash flows from investing activities:		
Sale (purchase) of investments	29,255	(7,105,205)
Investment income	177,243	104,901
Net cash provided (used) by investing activities	206,498	(7,000,304)
Net increase (decrease) in cash	(845,206)	(6,051,285)
Cash, beginning of year	1,998,049	8,049,334
Cash, end of year	$ 1,152,843	$ 1,998,049
Cash flows from operating activities:		
Operating income	$ 3,662,432	$ 4,223,307
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,609,543	3,657,404
Changes in operating assets and liabilities:		
Accounts receivable	(128,687)	38,533
Inventory	(102,266)	(139,263)
Accounts payable	(149,065)	179,082
Accrued vacation	(5,525)	(17,073)
Other accrued expenses	28,765	13,696
Customer deposits	(17,361)	67,451
Net OPEB obligation	(27,947)	99,305
Net pension liability	(67,158)	(85,361)
Net cash provided by operating activities	$ 6,802,731	$ 8,037,081

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,892,312	$ 1,807,152
Receivables:		
Accounts receivable	647,483	677,052
Total current assets	2,539,795	2,484,204
Noncurrent assets:		
Capital assets, not being depreciated	1,437,733	1,465,630
Capital assets, being depreciated	22,165,905	23,894,497
Total noncurrent assets	23,603,638	25,360,127
Total assets	26,143,433	27,844,331
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	79,264	119,852
Changes of assumptions	40,216	
Contributions after measurement date	98,766	95,300
Other post-employment benefits:		
Contributions after measurement date	24,979	
Total deferred outflows of resources	243,225	215,152

(Continued...)

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017
(Continued)

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	144,886	71,478
Customer deposits	1,530	1,530
Accrued liabilities	24,568	12,703
Accrued compensated absences	22,279	21,092
Due to other funds		26,533
Notes payable, current	175,812	170,953
Capital leases, current	312,029	400,183
Landfill postclosure liability, current	44,413	42,705
Total current liabilities	725,517	747,177
Noncurrent liabilities:		
Compensated absences	33,418	31,638
Notes payable, long-term	2,859,508	3,035,320
Capital leases, long-term	393,393	705,422
Landfill postclosure liability	8,407,460	8,151,375
Net OPEB obligation	792,037	214,476
Net pension liability	729,641	866,502
Total noncurrent liabilities	13,215,457	13,004,733
Total liabilities	13,940,974	13,751,910
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between expected and actual experience	1,530	
Net difference between projected and actual earnings on investments	110,929	1,706
Changes of assumptions	2,129	4,363
Other post-employment benefits:		
Differences between expected and actual experience	50,496	
Changes of assumptions	9,372	
Total deferred inflows of resources	174,456	6,069
NET POSITION		
Net investment in capital assets	19,862,896	21,048,249
Unrestricted	(7,591,668)	(6,746,745)
Total net position	$ 12,271,228	$ 14,301,504

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Sanitation	$ 8,639,567	$ 9,311,919
Other sales	74,255	91,449
Total operating revenues	8,713,822	9,403,368
Operating expenses:		
Sanitation	7,091,320	7,108,083
Depreciation	1,676,033	1,728,834
Total operating expenses	8,767,353	8,836,917
Operating income	(53,531)	566,451
Nonoperating revenues (expenses):		
Investment income	5,448	3,324
Gain (loss) on sale of assets	(190,387)	3,550
Interest expense	(92,318)	(111,063)
Total nonoperating revenues (expenses)	(277,257)	(104,189)
Net income (loss) before transfers	(330,788)	462,262
Transfers in	226,877	254,642
Transfers out	(1,300,000)	(1,200,000)
Change in net position	(1,403,911)	(483,096)
Net position, beginning of year, restated	13,675,139	14,784,600
Net position, end of year	$ 12,271,228	$ 14,301,504

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and users	$ 8,716,858	$ 9,472,655
Cash paid to employees	(2,197,575)	(2,189,529)
Cash paid to suppliers	(4,593,063)	(4,623,687)
Net cash provided (used) by operating activities	1,926,220	2,659,439
Cash flows from noncapital financing activities:		
Transfers in	226,877	254,642
Transfers out	(1,300,000)	(1,200,000)
Net cash provided (used) by noncapital financing activities	(1,073,123)	(945,358)
Cash flows from capital and related financing activities:		
Proceeds from sale of assets	77,616	14,653
Acquisition of capital assets	(187,547)	(559,725)
Capital lease payments	(400,183)	(682,053)
Payments on notes payable	(170,953)	(166,245)
Interest paid	(92,318)	(111,063)
Net cash provided (used) by capital and related financing activities	(773,385)	(1,504,433)
Cash flows from investing activities:		
Investment income	5,448	3,324
Net cash provided (used) by investing activities	5,448	3,324
Net increase (decrease) in cash	85,160	212,972
Cash, beginning of year	1,807,152	1,594,180
Cash, end of year	$ 1,892,312	$ 1,807,152
Cash flows from operating activities:		
Operating income	$ (53,531)	$ 566,451
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,676,033	1,728,834
Changes in operating assets and liabilities:		
Accounts receivable	29,569	42,754
Accounts payable	73,408	(119,482)
Accrued vacation	2,967	(8,620)
Due to other funds	(26,533)	26,533
Other accrued expenses	11,865	6,393
Closure/postclosure	257,793	336,358
Net OPEB obligation	(48,804)	59,586
Net pension liability	3,453	20,632
Net cash provided by operating activities	$ 1,926,220	$ 2,659,439

LAGRANGE

GEORGIA

SUPPLEMENTAL INFORMATION
INTERNAL SERVICE FUNDS

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

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

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2018

	Group Insurance Fund	Property and Casualty Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,460,178	$ 1,208,810	$ 2,668,988
Investments		528,952	528,952
Receivables-other	46,058		46,058
Due from other funds		985,000	985,000
Prepaids	16,435		16,435
Advances to other funds		823,141	823,141
Total assets	1,522,671	3,545,903	5,068,574
LIABILITIES			
Current liabilities:			
Accounts payable	26,512	11,235	37,747
Claims reserve	700,000	600,000	1,300,000
Due to other funds	1,000,000		1,000,000
Total liabilities	1,726,512	611,235	2,337,747
NET POSITION			
Net position:			
Unrestricted	(203,841)	2,934,668	2,730,827
Total net position	$ (203,841)	$ 2,934,668	$ 2,730,827

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2018

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Premiums	$ 7,083,505	$ 972,259	$ 8,055,764
Operating expenses:			
Administrative services	140,982	47,280	188,262
Risk management	6,034,185	1,283,204	7,317,389
Total operating expenses	6,175,167	1,330,484	7,505,651
Operating income (loss)	908,338	(358,225)	550,113
Nonoperating revenues:			
Investment income	5,440	53,228	58,668
Total nonoperating revenues	5,440	53,228	58,668
Change in net position	913,778	(304,997)	608,781
Net position, beginning of year	(1,117,619)	3,239,665	2,122,046
Net position, end of year	$ (203,841)	$ 2,934,668	$ 2,730,827

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2018

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 7,077,247	$ 1,067,259	$ 8,144,506
Cash paid to suppliers	(6,148,655)	(1,320,935)	(7,469,590)
Net cash provided (used) by operating activities	928,592	(253,676)	674,916
Cash flows from noncapital financing activities:			
Repayments of advances to other funds		95,327	95,327
Net cash provided (used) by noncapital financing activities	-	95,327	95,327
Cash flows from investing activities:			
Sale of investments		1,465	1,465
Investment income	5,440	53,228	58,668
Net cash provided (used) by investing activities	5,440	54,693	60,133
Net increase (decrease) in cash	934,032	(103,656)	830,376
Cash, beginning of year	526,146	1,312,466	1,838,612
Cash, end of year	$ 1,460,178	$ 1,208,810	$ 2,668,988
Cash flows form operating activities:			
Operating income (loss)	$ 908,338	$ (358,225)	$ 550,113
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	(6,258)		(6,258)
(Increase) decrease in due from other funds		95,000	95,000
Increase (decrease) in accounts payable	26,512	9,549	36,061
Net cash provided (used) by operating activities	$ 928,592	$ (253,676)	$ 674,916

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,460,178	$ 526,146
Receivables-other	46,058	39,800
Prepaid expense	16,435	16,435
Total assets	1,522,671	582,381
LIABILITIES		
Current liabilities:		
Accounts payable	26,512	
Claims reserve	700,000	700,000
Due to other funds	1,000,000	1,000,000
Total current liabilities	1,726,512	1,700,000
NET POSITION		
Net position:		
Unrestricted	(203,841)	(1,117,619)
Total net position	$ (203,841)	$ (1,117,619)

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Premiums	$ 7,083,505	$ 7,241,592
Operating expenses:		
Administrative services	140,982	167,947
Risk management	6,034,185	6,827,042
Total operating expenses	6,175,167	6,994,989
Operating income (loss)	908,338	246,603
Nonoperating revenues:		
Investment income	5,440	1,797
Total nonoperating revenues	5,440	1,797
Change in net position	913,778	248,400
Net position, beginning of year	(1,117,619)	(1,366,019)
Net position, end of year	$ (203,841)	$ (1,117,619)

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and users	$ 7,077,247	$ 7,237,872
Cash paid to suppliers	(6,148,655)	(6,994,989)
Net cash provided (used) by operating activities	928,592	242,883
Cash flows from investing activities:		
Investment income	5,440	1,797
Net cash provided (used) by investing activities	5,440	1,797
Net increase (decrease) in cash	934,032	244,680
Cash, beginning of year	526,146	281,466
Cash, end of year	$ 1,460,178	$ 526,146
Cash flows from operating activities:		
Operating income (loss)	$ 908,338	$ 246,603
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	(6,258)	(3,720)
Increase (decrease) in accounts payable	26,512	
Net cash provided (used) by operating activities	$ 928,592	$ 242,883

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,208,810	$ 1,312,466
Investments	528,952	530,417
Due from other funds	985,000	1,080,000
Advances to other funds	823,141	918,468
Total assets	3,545,903	3,841,351
LIABILITIES		
Current liabilities:		
Accounts payable	11,235	1,686
Claims reserve	600,000	600,000
Total liabilities	611,235	601,686
NET POSITION		
Net position:		
Unrestricted	2,934,668	3,239,665
Total net position	$ 2,934,668	$ 3,239,665

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Premiums	$ 972,259	$ 986,732
Operating expenses:		
Administrative services	47,280	67,091
Risk management	1,283,204	916,689
Total operating expenses	1,330,484	983,780
Operating income (loss)	(358,225)	2,952
Nonoperating revenues:		
Investment income	53,228	65,110
Total nonoperating revenues	53,228	65,110
Change in net position	(304,997)	68,062
Net position, beginning of year	3,239,665	3,171,603
Net position, end of year	$ 2,934,668	$ 3,239,665

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and users	$ 1,067,259	$ 906,732
Cash paid to suppliers	(1,320,935)	(982,969)
Net cash provided (used) by operating activities	(253,676)	(76,237)
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	95,327	90,573
Net cash provided (used) by noncapital financing activities	95,327	90,573
Cash flows from investing activities:		
Sale of investments	1,465	(530,417)
Investment income	53,228	65,110
Net cash provided (used) by investing activities	54,693	(465,307)
Net increase (decrease) in cash	(103,656)	(450,971)
Cash, beginning of year	1,312,466	1,763,437
Cash, end of year	$ 1,208,810	$ 1,312,466
Cash flows from operating activities:		
Operating income (loss)	$ (358,225)	$ 2,952
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in due from other funds	95,000	(80,000)
Increase (decrease) in accounts payable	9,549	811
Net cash provided (used) by operating activities	$ (253,676)	$ (76,237)

SUPPLEMENTAL INFORMATION
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2018 and 2017

	2018	2017
Governmental fund capital assets:		
Land	$ 13,058,444	$ 12,726,493
Construction in progress	300,861	18,258
Buildings	22,123,536	22,123,536
Machinery and equipment	13,407,691	13,485,531
Vehicles	4,452,481	4,046,872
Infrastructure	52,930,762	47,925,340
Total governmental fund capital assets	$ 106,273,775	$ 100,326,030
Investment in governmental fund capital assets by source:		
General fund revenues	$ 14,200,927	$ 13,131,162
General obligation bonds	3,000,000	3,000,000
Capital projects fund	66,326,577	61,448,597
Special revenues fund	4,429,256	4,429,256
Donations	18,317,015	18,317,015
Total governmental fund capital assets	$ 106,273,775	$ 100,326,030

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2018

Function and Activity	Total	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Vehicles	Infrastructure
General government	$ 14,690,361	$ 4,427,422	$ 92,350	$ 6,364,488	$ 2,768,508	$ 398,328	$ 639,265
Public safety	8,595,157	21,465		2,266,959	2,864,518	3,215,339	226,876
Public service	12,207,755	636,261			2,243,252	443,632	8,884,610
Culture and recreation	5,173,533	1,737,735		206,943	578,861	303,044	2,346,950
Community development	65,606,969	6,235,561	208,511	13,285,146	4,952,552	92,138	40,833,061
Total governmental funds capital assets	$ 106,273,775	$ 13,058,444	$ 300,861	$ 22,123,536	$ 13,407,691	$ 4,452,481	$ 52,930,762

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CHANGE IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
Year Ended June 30, 2018

Function and Activity	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
General government	$ 13,724,744	$ 1,076,853	$ (111,236)	$ 14,690,361
Public safety	8,364,520	562,888	(332,251)	8,595,157
Public service	12,089,385	201,866	(83,496)	12,207,755
Culture and recreation	5,086,441	112,935	(25,843)	5,173,533
Community development	61,060,940	4,578,910	(32,881)	65,606,969
Total governmental funds capital assets	$ 100,326,030	$ 6,533,452	$ (585,707)	$ 106,273,775

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

ADDITIONAL DATA

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

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

CHIP Schedules – Disclosures required by specific grant audit requirements.

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2018

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	$ 10,550,000	$ 4,751,304	$ 2,308,193	$ 7,059,497
Utility relocation	3,000,000	300,998	142,682	443,680
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	2,816,419	2,662,187	5,478,606
Public safety facilities and equipment	3,400,000	2,095,439	244,945	2,340,384

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
Year Ended June 30, 2018

CHIP CH14XLAGR-01

Total grant	$	391,000
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2018		(74,462)
June 30, 2017		(124,895)
Program funds available for future draw down	$	191,643

Total program funds drawn down by recipient for the year ended June 30, 2018	$	74,462
Add, program income applicable to the year ended June 30, 2018		-
Total program funds drawn by recipient and program income for the year ended June 30, 2018	$	74,462

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
PROJECT COST SCHEDULE
Year Ended June 30, 2018

Activity	Budgeted Expenditures	Expenditures			Questioned Cost
		Prior Years	Current Year	Total	
CHIP CH14XLAGR-01					
Rehabilitation	$ 385,000	$ 122,446	$ 73,060	$ 195,506	None
Administration	6,000	2,449	1,402	3,851	None
	$ 391,000	$ 124,895	$ 74,462	$ 199,357	

STATISTICAL SECTION

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

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Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	108
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	113
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	119

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

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

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	$ 31,406,673	$ 33,802,402	$ 37,274,638	$ 40,409,288	$ 43,576,398	$ 43,561,422	$ 53,207,058	$ 61,734,629	$ 62,112,183	$ 66,096,412
Restricted	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880
Unrestricted	(1,855,322)	(3,029,985)	(2,908,655)	(3,461,667)	(3,311,359)	(3,569,275)	(9,893,218)	(10,317,280)	(30,591,947)	(36,742,232)
Total governmental activities net position	$ 37,644,866	$ 37,918,669	$ 41,871,410	$ 43,476,627	$ 45,146,398	$ 46,471,649	$ 49,909,505	$ 58,097,514	$ 37,805,190	$ 33,614,060
Business-type activities:										
Net investment in capital assets	$ 88,744,568	$ 103,765,331	$ 113,856,456	$ 114,889,792	$ 113,861,863	$ 112,233,680	$ 112,527,782	$ 110,250,942	$ 108,454,603	$ 105,812,200
Unrestricted	19,395,224	15,548,813	16,249,506	21,208,735	23,220,112	26,522,639	26,235,390	30,199,537	30,425,124	28,695,522
Total business-type activities net position	$ 108,139,792	$ 119,314,144	$ 130,105,962	$ 136,098,527	$ 137,081,975	$ 138,756,319	$ 138,763,172	$ 140,450,479	$ 138,879,727	$ 134,507,722
Primary government:										
Net investment in capital assets	$ 120,151,241	$ 137,567,733	$ 151,131,094	$ 155,299,080	$ 157,438,261	$ 155,795,102	$ 165,734,840	$ 171,985,571	$ 170,566,786	$ 171,908,612
Restricted	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880
Unrestricted	17,539,902	12,518,828	13,340,851	17,747,068	19,908,753	22,953,364	16,342,172	19,882,257	(166,823)	(8,046,710)
Total primary government net position	$ 145,784,658	$ 157,232,813	$ 171,977,372	$ 179,575,154	$ 182,228,373	$ 185,227,968	$ 188,672,677	$ 198,547,993	$ 176,684,917	$ 168,121,782

LAGRANGE

GEORGIA

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

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 2,214,134	$ 2,202,176	$ 2,023,144	$ 2,447,844	$ 2,374,352	$ 2,702,167	$ 2,640,850	$ 2,536,687	$ 2,151,318	$ 2,072,410
Public safety	13,152,404	14,074,285	13,941,126	14,477,949	15,583,597	16,512,002	15,435,028	16,528,248	17,995,155	17,573,577
Public service	2,708,868	2,746,773	2,829,962	3,129,297	2,925,579	2,855,304	2,762,723	3,281,515	3,582,226	3,861,703
Culture and recreation	1,097,198	1,092,616	990,442	1,103,366	1,090,148	1,156,457	993,631	1,009,469	1,024,270	1,586,548
Community development	2,151,152	2,480,853	2,317,269	2,590,079	2,885,126	3,160,331	3,330,554	3,547,055	25,296,195	4,551,535
Redevelopment and housing				503,278	577,942	335,399	228,000	228,000	352,895	280,462
Miscellaneous	890,116	748,224	817,226	377,065	398,890	415,457	403,159	438,347	443,353	438,966
Interest on long-term debt	615,465	621,623	502,255	600,050	583,580	327,250	326,751	232,542	533,129	788,434
Total governmental activities expenses	22,829,337	23,966,550	23,421,424	25,228,948	26,419,214	27,464,367	25,120,696	27,801,873	51,378,541	31,153,635
Business-type activities:										
Water and sewerage	11,711,112	11,357,660	12,069,015	12,730,898	12,813,505	13,023,085	12,275,364	12,491,721	12,714,739	12,609,701
Gas	16,769,452	14,631,785	13,832,177	11,155,625	12,078,193	14,847,586	13,030,969	9,585,058	10,552,167	10,771,403
Electric system	33,071,620	35,065,463	37,470,631	40,414,968	42,433,294	45,996,684	46,100,926	43,771,606	43,424,244	43,465,616
Sanitation	6,937,117	6,844,824	7,507,351	8,672,057	9,325,713	8,239,045	8,093,325	9,320,613	8,947,980	9,050,058
Telecommunications	2,120,507	2,256,707	2,320,373	2,464,663	2,393,405	2,104,518	1,890,481	2,318,542	2,975,585	2,976,708
Total business-type activities expenses	70,609,808	70,156,439	73,199,547	75,438,211	79,044,110	84,210,918	81,391,065	77,487,540	78,614,715	78,873,488
Total primary government expenses	$ 93,439,145	$ 94,122,989	$ 96,620,971	$ 100,667,159	$ 105,463,324	$ 111,675,285	$ 107,511,761	$ 105,289,413	$ 129,993,256	$ 110,027,123
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 165,722	$ 100,601	$ 152,279	$ 270,308	$ 119,827	$ 202,638	$ 196,652	$ 356,953	$ 366,991	$ 366,546
Public safety	2,224,272	2,119,124	2,001,184	2,056,481	2,089,613	1,871,655	1,629,624	1,464,613	1,438,475	1,508,576
Public service	252,565	170,271	279,526							
Culture and recreation	75,000	26,250		66,275	148,511	63,435	61,110	61,010	44,875	57,315
Community development	1,244,589	1,064,311	1,080,982	1,104,382	1,248,930	1,232,586	1,238,348	1,079,498	1,162,818	861,664
Redevelopment and housing	77,150	64,071								
Operating grants and contributions	8,000	259,664	459,031	660,012	812,440	338,610	74,335	218,943	586,037	2,817,707
Capital grants and contributions	151,534	3,427,141	3,571,714	3,560,013	3,174,313	3,036,190	10,357,243	10,525,756	3,307,053	3,366,043
Total government activities program revenues	4,198,932	7,231,433	7,544,716	7,717,471	7,593,634	6,745,114	13,557,312	13,706,773	6,906,249	8,977,851
Business-type activities:										
Charges for services:										
Water and sewerage	16,438,835	15,235,935	16,516,255	16,229,302	14,844,920	15,430,172	15,634,665	16,165,910	16,667,241	15,996,574
Gas system	18,472,311	16,205,246	17,013,290	13,459,998	14,643,762	17,545,344	16,825,600	11,694,411	11,994,070	13,575,746
Electric system	41,105,416	46,379,093	50,266,129	49,744,322	49,578,253	53,274,874	54,659,256	50,570,883	48,812,549	50,257,072
Sanitation	7,277,443	7,030,912	7,645,580	8,368,771	8,533,923	8,420,551	8,731,986	9,456,822	9,406,918	8,713,822
Telecommunications	2,369,796	3,096,680	2,572,258	2,861,178	2,933,962	3,050,010	2,755,585	2,998,812	3,082,439	3,215,162
Operating grants and contributions				151,268						
Capital grants and contributions	2,750,000	1,171,307	248,729							
Total business-type activities program revenues	88,413,801	89,119,173	94,362,241	90,814,839	90,534,820	97,720,951	98,607,092	90,886,838	89,963,217	91,758,396
Total primary government program revenues	$ 92,612,733	$ 96,350,606	$ 101,906,957	$ 98,532,310	$ 98,128,454	$ 104,466,065	$ 112,164,404	$ 104,593,611	$ 95,869,466	$ 100,736,247

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense) revenue										
Governmental activities	$ (18,630,405)	$ (16,735,117)	$ (15,876,708)	$ (17,511,477)	$ (18,825,580)	$ (20,719,253)	$ (12,563,384)	$ (14,095,100)	$ (44,472,292)	$ (22,175,784)
Business-type activities	17,803,993	18,962,734	21,162,694	15,376,628	11,490,710	13,510,033	17,216,027	13,399,298	11,348,502	12,884,908
Total primary government net expense	$ (826,412)	$ 2,227,617	$ 5,285,986	$ (2,134,849)	$ (7,334,870)	$ (7,209,220)	$ 4,652,643	$ (695,802)	$ (33,123,790)	$ (9,290,876)
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	$ 3,294,587	$ 3,203,491	$ 3,322,394	$ 3,460,477	$ 3,833,147	$ 4,249,366	$ 4,395,627	$ 4,545,898	$ 4,586,458	$ 4,933,177
Sales tax	8,184,516	4,777,940	4,871,868	5,067,756	4,950,107	4,795,388	5,021,093	4,769,502	4,968,287	5,230,046
Franchise taxes	1,240,566	1,010,406	1,099,653	1,082,666	1,057,342	1,090,820	1,204,116	1,110,440	1,083,001	1,073,386
Unrestricted investment earnings	147,708	106,833	48,205	30,635	132,379	29,289	35,789	42,269	51,222	64,512
Gain on sale of capital assets										
Transfers	9,081,129	7,910,240	10,487,329	9,475,160	10,522,376	11,879,641	13,073,728	11,815,000	13,491,000	13,914,000
Total governmental activities	21,948,505	17,008,910	19,829,449	19,116,694	20,495,351	22,044,504	23,730,353	22,283,109	24,179,968	25,215,121
Business-type activities:										
Unrestricted investment earnings	271,041	121,858	116,453	91,097	15,114	43,952	72,298	103,009	370,511	183,985
Gain on sale of capital assets										
Transfers	(9,081,129)	(7,910,240)	(10,487,329)	(9,475,160)	(10,522,376)	(11,879,641)	(13,073,728)	(11,815,000)	(13,491,000)	(13,914,000)
Total business-type activities	(8,810,088)	(7,788,382)	(10,370,876)	(9,384,063)	(10,507,262)	(11,835,689)	(13,001,430)	(11,711,991)	(13,120,489)	(13,730,015)
Total primary government	$ 13,138,418	$ 9,220,528	$ 9,458,573	$ 9,732,631	$ 9,988,089	$ 10,208,815	$ 10,728,923	$ 10,571,118	$ 11,059,479	$ 11,485,106
Change in Net Position										
Governmental activities	3,318,101	273,793	3,952,741	1,605,217	1,669,771	1,325,251	11,166,969	8,188,009	(20,292,324)	3,039,337
Business-type activities	8,993,905	11,174,352	10,791,818	5,992,565	983,448	1,674,344	4,214,597	1,687,307	(1,771,987)	(845,107)
Total primary government	$ 12,312,006	$ 11,448,145	$ 14,744,559	$ 7,597,782	$ 2,653,219	$ 2,999,595	$ 15,381,566	$ 9,875,316	$ (22,064,311)	$ 2,194,230

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

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Nonspendable	$ 212,344	$ 223,439	$ 248,238	$ 185,692	$ 203,335	$ 197,596	$ 200,254	$ 183,753	$ 195,491	$ 179,260
Restricted	580,738	628,958	776,590	861,865	876,905	865,860	812,684	936,059	932,122	928,387
Unassigned	2,475,461	1,621,469	1,674,201	1,045,441	1,451,702	1,532,232	2,416,230	2,203,372	1,902,981	1,773,138
Total general fund	$ 3,268,543	$ 2,473,866	$ 2,699,029	$ 2,092,998	$ 2,531,942	$ 2,595,688	$ 3,429,168	$ 3,323,184	$ 3,030,594	$ 2,880,785
All other governmental funds										
Nonspendable, reported in:										
Debt service										
Capital projects										
Restricted, reported in:										
Special revenue	$ 3,448,272	$ 3,068,134	$ 2,736,199	$ 2,432,329	$ 2,202,206	$ 1,896,347	$ 1,661,268	$ 1,439,974	$ 1,243,430	$ 1,033,579
Debt service	1,466,784	1,203,952	928,295	692,818						
Captial projects	2,597,721	2,245,208	3,070,853	2,563,696	1,802,248	3,717,295	4,121,713	4,304,132	4,109,402	2,297,914
Unassigned			(6,510)	(85)	(34,510)	60,474			(2,720,609)	(2,595,426)
Total all other governmental funds	$ 7,512,777	$ 6,517,294	$ 6,728,837	$ 5,688,758	$ 3,969,944	$ 5,674,116	$ 5,782,981	$ 5,744,106	$ 2,632,223	$ 736,067

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

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes, licenses and permits	$ 12,972,234	$ 9,162,108	$ 9,446,194	$ 9,768,301	$ 9,960,423	$ 10,273,853	$ 10,746,345	$ 10,579,163	$ 10,890,064	$ 11,434,333
Intergovernmental	1,444,399	3,757,242	4,886,129	4,127,929	3,983,314	3,364,073	3,258,124	3,206,315	3,767,004	5,293,293
Charges for services	386,410	402,548	284,338	281,683	260,968	257,906	250,170	310,653	253,768	285,318
Fines and forfeitures	1,817,862	1,696,576	1,716,846	1,774,798	1,828,645	1,613,749	1,376,112	1,133,181	1,115,505	1,164,063
Investment income	147,708	106,833	52,899	36,484	135,818	39,445	43,704	54,216	67,230	70,866
Grants and subsidies			187,920	50,954						
Lease income				1,085,582	1,083,639	1,091,631	1,140,108	939,322	840,308	857,704
Miscellaneous	297,696	1,204,796	310,939	233,274	313,802	269,320	197,361	425,595	568,710	507,452
Total revenues	17,066,309	16,330,103	16,885,265	17,359,005	17,566,609	16,909,977	17,011,924	16,648,445	17,502,589	19,613,029
Expenditures										
General government	1,494,994	1,604,065	1,425,924	1,805,045	1,652,312	2,059,938	2,100,858	1,901,425	1,964,022	2,085,775
Public safety	12,432,950	13,393,140	13,498,540	14,244,396	15,176,234	15,754,520	15,552,037	15,947,584	16,935,100	17,424,091
Public service	2,156,083	2,207,494	2,306,871	2,759,983	2,493,475	2,540,906	2,507,788	2,941,310	3,253,462	2,856,934
Culture and recreation	884,840	885,939	818,368	946,692	942,167	1,006,218	959,879	944,873	945,898	1,349,158
Community development	1,549,630	1,568,676	1,525,229	1,674,357	1,815,776	1,769,655	1,987,811	2,049,237	4,917,482	2,320,175
Redevelopment and housing	599,055	436,144	480,592	503,278	577,942	335,399	228,000	228,000	352,895	280,462
Telecommunications and technology	276,701	296,011	326,362	367,318	386,117	392,945	405,217	422,411	443,359	466,364
Debt service:										
Principal	1,290,625	1,304,204	1,272,643	1,220,330	1,478,499	1,196,251	3,420,721	978,491	1,366,227	1,440,153
Interest	626,348	633,156	585,208	542,588	597,633	371,047	357,059	226,215	259,488	224,699
Capital outlay	3,477,743	3,910,773	4,917,057	4,612,883	4,486,441	2,069,941	4,189,642	5,699,449	4,702,862	7,535,200
Total expenditures	24,788,969	26,239,602	27,156,794	28,676,870	29,606,596	27,496,820	31,709,012	31,338,995	35,140,795	35,983,011
Excess of revenues over (under) expenditures	(7,722,660)	(9,909,499)	(10,271,529)	(11,317,865)	(12,039,987)	(10,586,843)	(14,697,088)	(14,690,550)	(17,638,206)	(16,369,982)
Other financing sources (uses)										
Refunding bonds issued							2,299,000			
Capital lease	257,752	195,276	214,753	176,496	235,475	474,797	238,972	2,725,707	713,427	396,555
Proceeds from sale of assets	30,144	13,823	6,153	20,099	2,266	347	36,733	4,984	29,306	13,462
Transfers in	11,903,713	10,661,802	13,148,673	12,448,340	14,173,836	14,920,980	14,727,220	13,494,882	15,281,892	15,910,705
Transfers out	(2,822,584)	(2,751,562)	(2,661,344)	(2,973,180)	(3,651,460)	(3,041,363)	(1,653,492)	(1,679,882)	(1,790,892)	(1,996,705)
Total other financing sources (uses)	9,369,025	8,119,339	10,708,235	9,671,755	10,760,117	12,354,761	15,648,433	14,545,691	14,233,733	14,324,017
Net change in fund balances	$ 1,646,365	$ (1,790,160)	$ 436,706	$ (1,646,110)	$ (1,279,870)	$ 1,767,918	$ 951,345	$ (144,859)	$ (3,404,473)	$ (2,045,965)
Debt service as a percentage of noncapital expenditures	9.00%	8.68%	8.35%	7.33%	8.26%	6.16%	13.65%	4.69%	5.24%	5.64%

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

Fiscal Year Ended June 30	Property Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
2009	-	$ 4,807,415	$ 3,377,101	$ 1,240,566	-	$ 703,676	$ 422,387	$ 10,551,145
2010	-	4,777,940	3,016,067	1,010,406	-	696,307	396,511	9,897,231
2011	-	4,871,868	2,985,768	1,099,653	-	725,737	517,277	10,200,303
2012	-	5,067,756	3,117,039	1,082,666	-	725,536	644,444	10,637,441
2013	-	4,950,107	3,074,143	1,057,342	-	723,504	785,900	10,590,996
2014	-	4,795,388	3,020,767	1,090,820	-	732,169	733,326	10,372,470
2015	-	5,021,093	3,147,315	1,204,116	-	713,873	893,124	10,979,521
2016	-	4,769,502	2,987,372	1,110,440	-	713,178	916,803	10,497,295
2017	-	4,968,287	3,205,545	1,083,001	-	718,706	993,808	10,969,347
2018	-	5,230,046	3,359,689	1,073,386	-	717,267	1,122,254	11,502,642

LAGRANGE

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

WATER & SEWER FUND:*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	27.0	25.0	25.0	21.0	14.0	16.0	21.0	14.0	14.0	12.0
Return on total assets (%)		8.0	6.0	5.0	3.0	3.0	4.0	3.0	3.0	3.0
Return on equity (%)		9.0	6.0	5.0	3.0	3.0	5.0	3.0	4.0	3.0
Liabilities/Assets (%)		17.0	11.0	6.0	5.0	11.0	20.0	22.0	22.0	22.0
Current ratio (x)		1.3	1.2	9.6	12.5	5.1	8.4	9.8	9.0	9.4
Receivables avg. days outstanding		54.4	43.5	44.5	46.9	42.9	43.6	45.1	42.9	47.6
General fund transfer (% of Income)		22.0	9.0	19.0	67.0	87.0	107.0	157.0	145.0	179.0
General fund transfer (% of Revenue)		8.0	2.0	4.0	9.0	14.0	23.0	22.0	22.0	23.0
Cash and investments($)		3,590	2,133	4,446	6,600	9,354	11,035	11,557	12,611	11,737
Net Equity Transfers Out ($)		1,250	388	681	1,353	2,089	3,579	3,585	3,600	3,600
Capital investment versus depreciation (x)		1.4	1.0	0.2	0.5	1.9	2.7	0.8	0.2	0.5
Capitalization ($)		73,941	73,403	76,200	76,699	80,607	86,571	86,217	85,039	81,422
Working Capital ($)		1,732	1,097	6,435	8,523	9,669	12,040	12,941	14,030	13,668
OPERATING INFORMATION:										
Water KGAL sales	2,087,534	2,102,333	2,187,078	2,076,421	1,913,509	1,890,621	1,923,966	1,918,290	2,016,881	1,897,839
Sewer KGAL sales	1,288,463	1,179,672	1,144,552	1,088,359	1,073,267	1,103,925	1,105,869	1,093,066	1,103,998	1,091,718
Revenues $/KGAL sold	4.75	4.64	4.81	5.01	4.97	5.15	5.16	5.37	5.34	5.35
Water and Sewer Operating/KGAL	3.46	3.46	3.62	3.97	4.29	4.35	4.05	3.69	3.57	3.70
Divisional operating expenses $/Kgal sold	2.46	2.56	2.70	3.04	3.26	3.28	2.97	3.40	3.32	3.44
Installed Water meters	19,324	19,342	19,544	19,584	19,607	19,660	19,733	19,783	19,892	19,920
Water distribution employees	17	17	17	17	17	17	17	17	17	17
Water production employees	13	13	13	13	13	13	13	13	13	13
meters/distribution employee	1,137	1,138	1,150	1,152	1,153	1,156	1,161	1,164	1,170	1,172
meters/production employee	1,486	1,488	1,503	1,506	1,508	1,512	1,518	1,522	1,530	1,532
KGAL/distribution employee	122,796	123,667	128,652	122,142	112,559	111,213	113,174	112,841	118,640	111,638
KGAL/production employee	160,580	161,718	168,237	159,725	147,193	145,432	147,997	147,561	155,145	145,988
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	9.0	9.0	15.0	15.0	16.0	13.0	23.0	19.0	13.0	22.0
Electric profit margin (%)	19.9	25.0	25.0	18.0	16.0	15.0	16.0	17.0	13.0	16.0
Telecom profit margin (%)	8.0	27.0	13.0	13.0	14.0	10.0	31.0	1.0	6.0	10.0
Return on total assets (%)	11.3	17.0	18.0	14.0	13.0	13.0	16.0	14.0	12.0	15.0
Return on equity (%)	17.7	34.0	32.0	24.0	20.0	22.0	25.0	21.0	16.0	21.0
Liabilities/Assets (%)	40.7	52.0	46.0	45.0	43.0	42.0	39.0	35.0	32.0	30.0
Current ratio (x)	1.9	3.4	4.2	3.8	3.6	4.0	4.4	4.8	4.3	4.5
Receivables avg. days outstanding	42.4	49.4	49.9	53.1	49.2	42.0	41.0	43.7	46.2	50.5

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund transfer (% of Income)	62.0	58.0	62.0	113.0	95.0	98.0	73.0	77.0	102.0	81.0
General fund transfer (% of Revenue)	13.0	11.0	12.0	17.0	12.0	12.0	11.0	11.0	11.0	14.0
Cash & Investments ($)	14,422	15,268	16,504	18,853	20,942	24,982	27,618	30,967	26,642	27,512
Net Equity Transfers Out ($)	10,927	8,984	10,136	13,688	9,780	10,769	9,678	8,600	9,081	9,400
Capital investment versus depreciation (x)	1.5	2.4	0.5	0.4	1.0	0.3	0.5	0.4	0.7	0.4
Capitalization ($)	127,250	60,618	66,172	63,749	63,722	62,757	63,706	64,297	63,423	62,996
Working Capital ($)	12,354	18,289	24,186	22,705	22,831	26,199	29,083	31,505	27,747	29,578
OPERATING INFORMATION:										
Electric MWH purchases ^	485,857	515,880	532,868	515,529	525,329	535,331	547,324	548,879	543,805	539,512
Electric MWH sales	462,132	494,628	511,050	492,216	505,156	514,629	532,395	535,192	531,624	526,357
Electric $/MWH sold	88.72	93.78	98.07	100.23	97.81	103.13	102.66	94.27	91.10	94.98
Electric operating $/MWH sold	71.55	70.70	73.51	81.75	82.60	88.11	86.59	78.29	79.21	80.13
Electric purchases expense $/MWH sold	64.66	63.83	67.68	74.46	74.16	79.54	76.51	71.08	72.06	70.70
Electric divisional operating expenses $/MWH sold	6.14	6.13	4.90	6.28	7.41	7.48	8.98	6.11	6.01	8.08
Installed electric meters	13,288	13,369	13,499	13,581	13,561	13,582	13,583	13,594	13,612	13,609
Electric distribution employees	12	12	12	12	12	12	12	12	12	12
Electric right-of-way employees	3	3	5	5	5	5	5	6	6	6
meters/employee	1,107	1,114	1,125	1,132	1,130	1,132	1,132	1,133	1,134	1,134
MWHs/employee	38,511	41,219	42,588	41,018	42,096	42,886	44,366	44,599	44,302	43,863
Gas Dth purchases ^	1,871,114	2,237,482	2,259,628	2,045,060	2,157,212	2,157,212	2,281,697	2,072,075	1,934,894	2,103,741
Gas Dth sales	1,813,037	2,164,172	2,211,191	1,957,928	2,145,567	2,145,567	2,215,146	2,037,322	1,914,494	2,088,221
Gas revenue $/Dth sold	10.17	7.49	7.45	6.81	6.81	8.00	7.59	5.60	6.11	6.38
Gas operating expense $/Dth sold	9.22	6.80	6.33	5.78	5.70	6.92	5.88	4.56	5.34	4.99
Gas purchases expense $/Dth sold	7.39	5.11	4.76	4.05	3.92	5.36	4.45	3.27	3.96	3.76
Gas divisional operating expenses $/Dth sold	1.18	0.89	0.76	0.83	0.77	0.82	0.72	0.54	0.61	0.54
Installed Gas meters	9,552	9,543	9,497	9,444	9,460	9,460	9,500	9,496	9,526	9,521
Gas employees	12	12	11	10	10	8	8	8	8	8
meters/employee	796	795	863	944	946	1,183	1,188	1,187	1,191	1,190
Dth/employee	151,086	180,348	201,017	195,793	214,557	268,196	276,893	254,665	239,312	261,028
Boring Crew						2	2	2	2	2
Customer Service Reps	6	6	6	6	6	6	6	6	6	8
Meters/CSR	7,027	7,042	7,090	7,102	7,105	7,117	7,136	7,146	7,172	5,381
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	26,730	25,188	25,473	26,759	26,188	22,337	20,816	19,649	18,719	19,048
Meters/Service Worker	4,685	4,695	4,727	4,734	4,736	4,745	4,757	4,764	4,781	4,783
Orders per USW	2,970	2,808	2,725	2,725	2,910	2,482	2,313	2,183	2,080	2,116

Data Source: City Utility Department

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

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

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

Customer	2018 Customer Charges	2018 Rank	2018 Percentage of Total Customer Charges	2009 Customer Charges	2009 Rank	2009 Percentage of Total Customer Charges
Milliken & Co.	$ 542,630	1	3.37%	$ 895,767	1	5.60%
City of Greenville	263,910	2	1.64%	213,628	4	1.30%
Troup County Commissioners	223,586	3	1.39%	216,391	3	1.40%
City of Hogansville	177,649	4	1.10%	181,365	5	1.10%
West Georgia Health Systems	177,534	5	1.10%	238,339	2	1.50%
Kimberly Clark	107,157	6	0.67%	116,033	6	0.70%
Jindal Films America	101,376	7	0.63%			
Georgia Department of Natural Resources	100,118	8	0.62%			
Troup Co. School System	90,425	9	0.56%	92,510	7	0.60%
Lee's Crossing Apartments	88,605	10	0.55%	68,654	9	0.40%
LaGrange College				71,313	8	0.40%
Whispering Pines Apartments				60,516	10	0.40%
	$ 1,872,990		11.63%	$ 2,154,516		13.40%

Data Source: City Utility Department

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

	2018			2009		
Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	$ 2,442,421	1	18.33%	$ 5,398,359	1	28.20%
KIA Motor Corporation	2,231,604	2	16.75%			
Mountville Mills, Inc.	690,197	3	5.18%	649,709	4	3.40%
Jindal Films America	423,071	4	3.18%			
Interface Flooring Systems	308,651	5	2.32%	543,667	6	2.90%
West Georgia Health Systems	302,226	6	2.27%	578,991	5	3.00%
Kimberly Clark	298,651	7	2.24%	812,660	2	4.30%
Troup Co. Commissioners	157,803	8	1.18%	349,730	8	1.80%
LaGrange College	131,761	9	0.99%			
CW Matthews Contracting Co, Inc.	127,891	10	0.96%			
Exxon Mobil				771,291	3	4.00%
City of LaGrange				361,381	7	1.90%
LaGrange Moulding Co.				259,818	9	1.40%
Emerson Network Power				249,830	10	1.30%
	$ 7,114,276		53.40%	$ 9,975,436		52.20%

Data Source: City Utility Department

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

	2018			2009		
Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	$ 3,525,263	1	7.04%			
Duracell USA	2,176,480	2	4.35%	$ 2,056,954	2	5.20%
West Georgia Health Systems	1,452,216	3	2.90%	1,440,936	4	3.70%
Wal-Mart	1,450,429	4	2.90%	1,372,249	5	3.50%
Sewon America, Inc.	1,309,711	5	2.62%			
Interface Flooring Systems	1,309,241	6	2.62%	1,143,451	6	2.90%
Troup Co. School System	1,136,680	7	2.27%	1,073,653	7	2.70%
SAFA	1,095,737	8	2.19%	807,644	8	2.00%
LaGrange College	927,178	9	1.85%	725,173	9	1.80%
Mountville Mills, Inc.	707,544	10	1.41%	605,848	10	1.50%
Exxon Mobil				3,205,170	1	8.10%
City of LaGrange				1,585,694	3	4.00%
	$ 15,090,479		29.60%	$ 14,016,772		35.40%

Data Source: City Utility Department

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

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases	Notes Payable			
2009	$ 6,342,500	$ 3,622,934	$ 2,835,000	$ 26,975,000	$ 4,625,000	$ 2,339,656	$ 5,749,878	$ 52,489,968	11.11%	1,848
2010	6,125,000	2,931,506	2,635,000	21,875,000	4,455,000	1,854,440	7,250,517	47,126,463	9.54%	1,593
2011	5,892,500	2,336,116	2,405,000	14,375,000	4,275,000	2,399,862	4,166,600	35,850,078	7.13%	1,195
2012	5,647,500	1,787,282	2,155,000	10,130,701	4,080,000	2,565,141	3,988,148	30,353,772	6.02%	1,012
2013	5,442,500	1,029,258	1,875,000	9,735,000	3,875,000	2,837,662	3,804,272	28,598,692	5.66%	953
2014	5,140,000	920,304	1,565,000	8,985,000	3,660,000	2,754,936	7,553,825	30,579,065	6.03%	1,019
2015	4,932,500	576,055	1,225,000	8,215,000	3,435,000	2,874,729	18,296,132	39,554,416	7.80%	1,318
2016	4,570,000	3,055,771	855,000	7,415,000	3,195,000	2,597,314	20,123,755	41,811,840	8.25%	1,394
2017	21,120,000	3,182,971	445,000	6,590,000	2,940,000	1,650,608	19,176,976	55,105,555	10.87%	1,837
2018	20,737,500	2,966,873	-	5,740,000	2,670,000	1,536,276	18,211,640	51,862,289	10.23%	1,700

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

** See Demographic and Economic Statistics on page 117 for personal income and population data.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	$ 15,310,033	44%	$ 6,736,415
Troup County Board of Public Education	-	44%	-
Subtotal, overlapping debt			6,736,415
Direct debt:			
City of LaGrange, Georgia governmental activities			23,704,373
Subtotal, direct debt			23,704,373
Total direct and overlapping debt			$ 30,440,788

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of LaGrange, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	$93,574,966	$107,048,174	$103,939,639	$103,123,860	$104,653,160	$104,177,955	$111,425,800	$112,451,537	$115,964,793	$ 120,719,978
Total net debt applicable to limit										
Total net debt margin	$93,574,966	$107,048,174	$103,939,639	$103,123,860	$104,653,160	$104,177,955	$111,425,800	$112,451,537	$115,964,793	$ 120,719,978
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year	**2018**
Net assessed value	$ 1,055,084,774
Add Back: Exempt real property	152,115,010
Total assessed value	$ 1,207,199,784
Debt limit (10% of total assessed value)	$ 120,719,978
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 120,719,978

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

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

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

* Operating and non operating revenue available for debt service.
** Operating expenses other than interest on debt, depreciation and amortization.
*** Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that year.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.
Note: The Water and Sewer Bonds were paid off in fiscal year ended June 30, 2012.

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

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
2009	28,401	$ 472,592,640	$ 16,640	32.8	N/A	12,646	9.5%
2010	29,588	494,119,600	16,700	33.0	N/A	12,572	13.5%
2011	30,000	502,500,000	16,750	33.0	N/A	12,730	12.8%
2012	30,000	504,520,000	16,817	33.0	N/A	12,727	12.2%
2013	30,000	504,900,000	16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%
2015	30,000	506,900,000	16,897	33.0	N/A	12,506	6.3%
2016	30,000	506,900,000	16,897	33.0	N/A	12,386	5.2%
2017	30,000	506,900,000	16,897	33.0	N/A	12,204	4.9%
2018	30,500	506,900,000	16,620	33.0	N/A	12,100	3.9%

N/A = Not Available

Data Sources:
* 2010 U.S. Census: other years - LaGrange Planning Office.
** Board of Education
*** Troup County Department of Labor (latest completed calendar year, City of LaGrange)

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

		2018			2009		
Employer	Type of Business	Employees	Rank	Percentage	Employees	Rank	Percentage
Troup County School System	Education	1,939	1	18.71%	1,711	1	15.20%
West Georgia Health Systems	Medical Services	1,300	2	12.54%	1,358	4	12.10%
Interface Flooring Systems	Floor coverings	1,300	3	12.54%	600	7	5.30%
Wal-Mart Distribution Center	Warehousing	1,175	4	11.34%	1,500	2	13.30%
Milliken & Co.	Textiles	1,099	5	10.60%	1,405	3	12.50%
Mountville Mills, Inc.	Carpet	965	6	9.31%			
Sewon America, Inc.	Car Manufacturing Supplier	585	7	5.64%			
Troup County Board of Commissioners	Government	552	8	5.33%	473	9	4.20%
Duracell	Batteries	500	9	4.82%	475	8	4.20%
American Home Shield	Call Center	499	10	4.81%			
KIA Motors	Car Manufacturing Supplier				700	5	6.20%
Intercall	Web Conferencing Provider				700	6	6.20%
City of LaGrange	Government				423	10	3.80%

Data Source: LaGrange - Troup Chamber of Commerce

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

Function	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	18	16	16	16	16	16	16	16	16	13
Public safety:										
Police	94	94	96	95	95	95	99	105	105	105
Fire	58	58	58	58	57	57	57	57	57	64
Animal control	3	3	3	4	4	4	4	4	4	4
Court services	3	3	3	3	3	3	3	3	3	3
Probation services	4	4	5	5	5	5	5	5	5	5
Public service:										
Landscaping & cemeteries	12	9	8	8	8	8	8	8	9	18
Highways & streets	19	19	18	17	17	17	17	17	17	17
Traffic control	2	2	3	3	3	3	3	3	3	3
Trash and refuse	8	8	8	8	8	8	8	8	8	8
Recycling	*	*	*	*	*	*	3	3	3	5
Engineering	2	2	2	2	2	2	2	2	2	2
Community development:										
Life & building safety	0	0	0	0	0	0	0	0	0	0
Housing & inspections	2	1	1	1	1	0	0	0	0	0
Economic development	2	1	1	1	1	1	1	1	1	1
Community and economic development	9	8	7	7	7	8	8	8	8	9
Other governmental services:										
Vehicle maintenance	15	16	16	16	16	16	16	16	17	17
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	253	246	247	246	245	245	252	258	260	276
Business-type activities:										
Water & sewerage	62	64	64	64	64	64	63	63	63	63
Electric	15	18	17	17	17	17	17	17	17	18
Gas	11	12	10	10	10	10	8	8	8	8
Telecommunications	6	6	6	6	5	6	8	8	8	8
Sanitation	33	32	32	32	32	32	31	31	31	31
Business-type activities support services	28	27	27	27	27	27	29	29	29	32
Total business-type activities	155	159	156	156	155	156	156	156	156	160
Grand total	408	405	403	402	400	401	408	414	416	436

Data Source: City Finance Office
* Information not available

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

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Police:										
Physical arrests	5,826	5,795	4,769	5,451	6,111	5,780	5,431	4,519	4,018	4,175
Parking violations	564	639	215	185	424	298	255	255	391	611
Traffic violations	18,945	17,920	15,163	17,491	20,060	14,488	13,363	12,625	12,955	15,095
Fire:										
Number of calls answered	3,436	3,332	3,724	4,223	4,723	4,477	4,705	4,634	4,607	4,722
Inspections	2,842	2,427	3,242	2,925	2,715	2,715	2,289	2,479	2,451	1,986
Health and welfare:										
Animal control (captured animals-City)	1,464	1,616	1,370	1,448	1,446	1,331	1,209	1,163	1,132	1,394
Highways and streets:										
Street resurfacing (miles)	15	15	17	12	23	3	2	2	5	2
Potholes repaired	500	350	150	89	57	71	53	74	58	72
Water and sewerage:										
New water connections	93	116	166	57	7	36	105	111	144	162
New sewage connections	275	132	11	120	22	31	22	28	29	17
Average daily consumption (thousands of gallons)	5,719	5,760	5,992	5,688	5,242	5,179	5,271	5,288	5,526	5,200
Average daily sewage treatment (thousands of gallons)	5,465	5,870	4,710	4,550	4,370	4,940	4,270	5,120	4,900	3,750
Gas:										
Breaks on gas main	21	10	13	14	1	2	5	6	-	-
Solid waste:										
Refuse collected (tons/day)	485	392	392	412	412	419	442	442	442	442
Recyclables collected (tons/day)	7	9	9	11	11	13	15	15	15	15

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

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

	Fiscal Year Ended June 30									
Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	86	83	86	82	77	89	86	89	93
Fire stations	5	5	5	5	5	5	5	5	5	5
Fire engines	10	10	10	10	10	10	10	11	11	9
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	6	6	6	6	6	6	6	11
Parks acreage	207	207	207	207	207	207	207	207	207	207
Parks	14	14	14	14	14	14	14	14	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	207	207	207	207	207	207	207	209	209	214
Streetlights (additions)	138	138	155	25	25	25	52	209	50	72
Traffic signals (City owned)	9	9	9	9	8	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	215	430	432	434	435	442	446	448	449	445
Fire hydrants	1,900	2,000	2,030	2,040	2,060	1,919	1,919	1,929	1,939	1,930
Maximum daily water capacity (thousands of gallons)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Sanitary sewers (miles)	215	215	215	215	215	215	215	215	215	215
Storm sewers (miles)	57	57	57	57	57	57	57	57	57	57
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	10,000
Gas:										
Gas lines (miles)	324	351	309	326	326	327	327	339	343	337
Number of distribution stations	11	13	13	13	14	17	18	19	19	19
Sanitation:										
Collection trucks	35	35	38	41	41	42	44	44	44	44

Data Sources: Various City Department

Note: No capital asset statistics are available for the general government function.

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