

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2019

Prepared by:

DEPARTMENT OF FINANCE

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vi
List of principal officials	vii
Organization chart	viii
FINANCIAL SECTION	
Independent auditors' report	1
Management's discussion and analysis	4
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	10
Statement of activities	12
Fund financial statements:	
Balance sheet - Governmental funds	13
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position	14
Statement of revenues, expenditures, and changes in fund balances - Governmental funds	15
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	16
Statement of revenues, expenditures, and changes in fund balance - Budget and actual - General fund ..	17
Statement of net position - Proprietary funds	19
Statement of revenues, expenses, and changes in fund net position - Proprietary funds	21
Statement of cash flows - Proprietary funds	22
Notes to basic financial statements	24
Required supplementary information:	
Schedule of changes in the net pension liability and related ratios - Defined benefit pension plan	50
Schedule of contributions - Defined benefit pension plan	51
Schedule of changes in the total OPEB liability - Other post-employment benefits plan	52
Supplemental information:	
Nonmajor governmental funds:	
Combining balance sheet - Nonmajor governmental funds	53
Combining statement of revenues, expenditures, and changes in fund balances - Nonmajor governmental funds	54
Capital projects funds:	
Capital projects fund:	
Comparative balance sheets	55
✓ Comparative statements of revenues, expenditures, and changes in fund balance	56
Special revenue funds:	
Community development fund:	
Comparative balance sheets	57
Comparative statements of revenues, expenditures, and changes in fund balance	58
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	59

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Special revenue funds (continued):	
Hotel/Motel tax fund:	
Comparative statements of revenues, expenditures, and changes in fund balance.....	60
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	61
Grant fund:	
Comparative statements of revenues, expenditures, and changes in fund balance.....	62
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	63
Tax allocation fund - LaGrange Mall:	
Comparative statements of revenues, expenditures, and changes in fund balance.....	64
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	65
Tax allocation fund - Marriott:	
Comparative balance sheets	66
Comparative statements of revenues, expenditures, and changes in fund balance.....	67
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	68
Major governmental funds:	
General fund:	
Comparative balance sheets	69
Comparative statements of revenues, expenditures, and changes in fund balance	70
SPLOST Fund:	
Comparative balance sheets	71
Comparative statements of revenues, expenditures, and changes in fund balance	72
Enterprise funds:	
Utility fund:	
Comparative statements of net position	73
Comparative statements of revenues, expenses, and changes in fund net position	75
Comparative statements of cash flows	76
Schedule of operating income	78
Schedule of changes in utility plant in service	79
Comparative schedules of revenues	80
Water and sewerage fund:	
Comparative statements of net position	81
Comparative statements of revenues, expenses, and changes in fund net position	83
Comparative statements of cash flows	84
Sanitation fund:	
Comparative statements of net position	85
Comparative statements of revenues, expenses, and changes in fund net position	87
Comparative statements of cash flows	88
Internal service funds:	
Combining statement of net position.....	89
Combining statement of revenues, expenses, and changes in fund net position.....	90
Combining statement of cash flows	91
Group insurance fund:	
Comparative statements of net position	92
Comparative statements of revenues, expenses, and changes in fund net position	93
Comparative statements of cash flows	94
Property and casualty fund:	
Comparative statements of net position	95
Comparative statements of revenues, expenses, and changes in fund net position	96
Comparative statements of cash flows	97
Capital assets used in the operation of governmental funds:	
Comparative schedule of capital assets by source.....	98
Schedule of capital assets by function and activity.....	99
Schedule of change in capital assets by function and activity	100

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
Additional data:	
Special local option sales tax funds:	
Schedule of projects constructed with special sales tax proceeds	101
Community home investment program grant:	
Source and application of funds status report	102
Project cost schedule.....	103
 STATISTICAL SECTION (UNAUDITED)	
Net position by component	104
Changes in net position	105
Fund balances of governmental funds	107
Changes in fund balances of governmental funds	108
General governmental tax revenues by source	109
Utility department - Operating and financial ratio analysis	110
Principal water customers.....	112
Principal natural gas customers.....	113
Principal electric customers.....	114
Ratios of outstanding debt by type	115
Direct and overlapping governmental activities debt.....	116
Legal debt margin information	117
Pledged-revenue coverage.....	118
Demographic and economic statistics	119
Principal employers by number of employees.....	120
Full-time equivalent city government employees by function	121
Operating indicators by function	122
Capital asset statistics by function.....	123



LAGRANGE

GEORGIA

December 19, 2019

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, 2019 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 seventeenth 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. Callaway South Industrial Park, is currently developing, and is home to SEWON America and Badcock Distribution Center.

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 steady decline. In March of 2019, the unemployment rate was 3.4%, This low rate is characteristic of a growing economy.

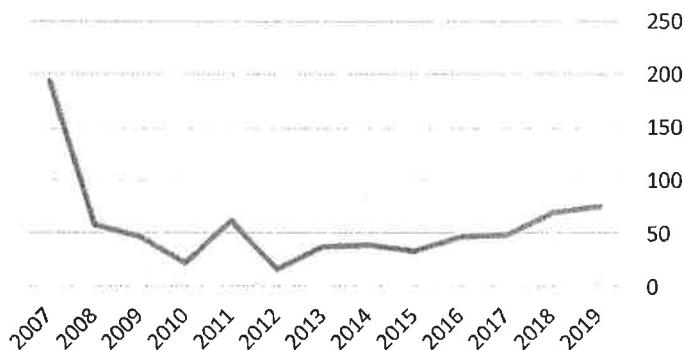
CITY OF LAGRANGE

OFFICE OF THE CITY MANAGER

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

www.lagrangea.org

Single Family Permits



Real estate plays an integral role in the economy. Residential real estate provides housing for families.

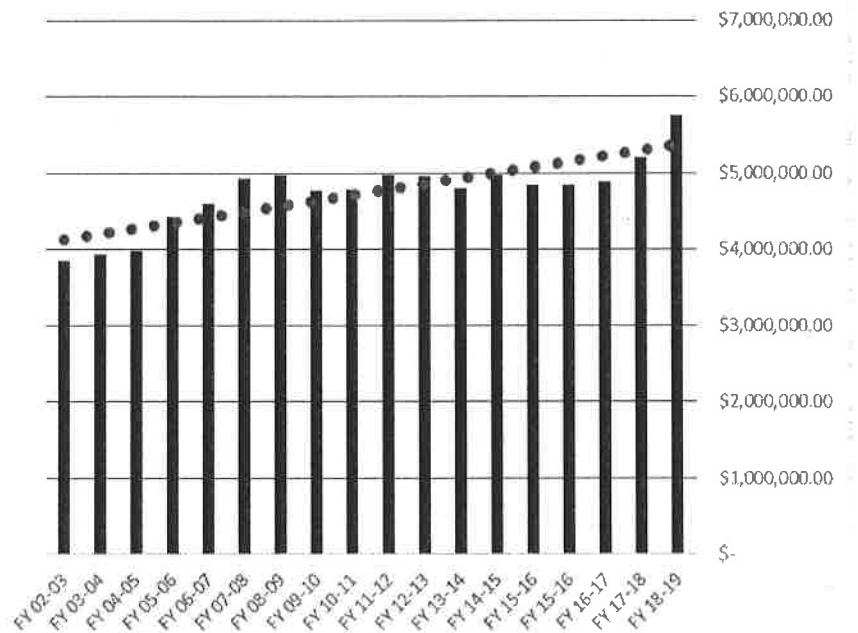
It's often the greatest source of wealth and savings for families. The data shows that LaGrange's single family housing market is slowly recovering from the 2008 market crash. The total number of single family building permits issued to date in 2019 is 74 which is significantly below what we were experiencing before the recession. The City did permit two large scale multi-family developments in Fiscal Year 2019 – Mill Creek Apartments (240 garden style apartment units) and Dixie Mill Lofts (102 loft apartments at the former Dixie Mill manufacturing facility). This is encouraging news due to the fact that a multi-family complex hasn't been constructed in LaGrange since 2008.

The City of LaGrange remains economically healthy. Local Option Sales Taxes over the past several years have seen a positive trend upward. Fiscal Year 2019 saw a 9.5% increase in sales tax receipts from Fiscal Year 2018. This increase is largely due to the sales receipts for Great Wolf Lodge, and newer commercial development at LaGrange Mall.

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, Kimberly-Clark, Service Master/American Home Shield, and Dow Jones/Wall Street Journal.

Over the past two years, LaGrange has attracted just over \$800 million dollars of new investment in our community. Highlights include recruiting Great Wolf Lodge; substantial growth and expansion of five existing industries; and redevelopment of our local mall and downtown.

Local Option Sales Tax



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.

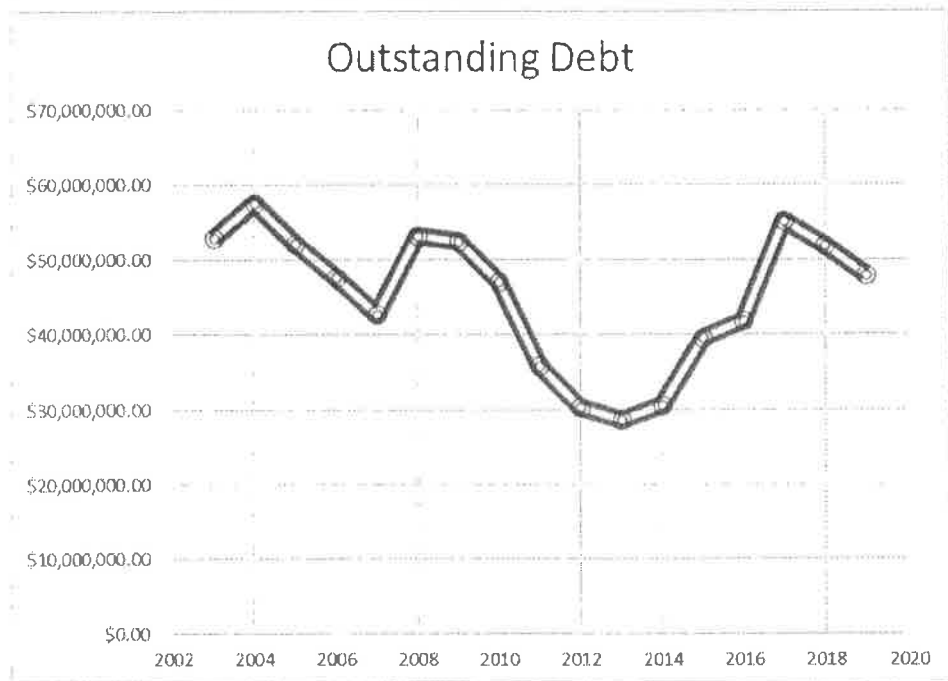
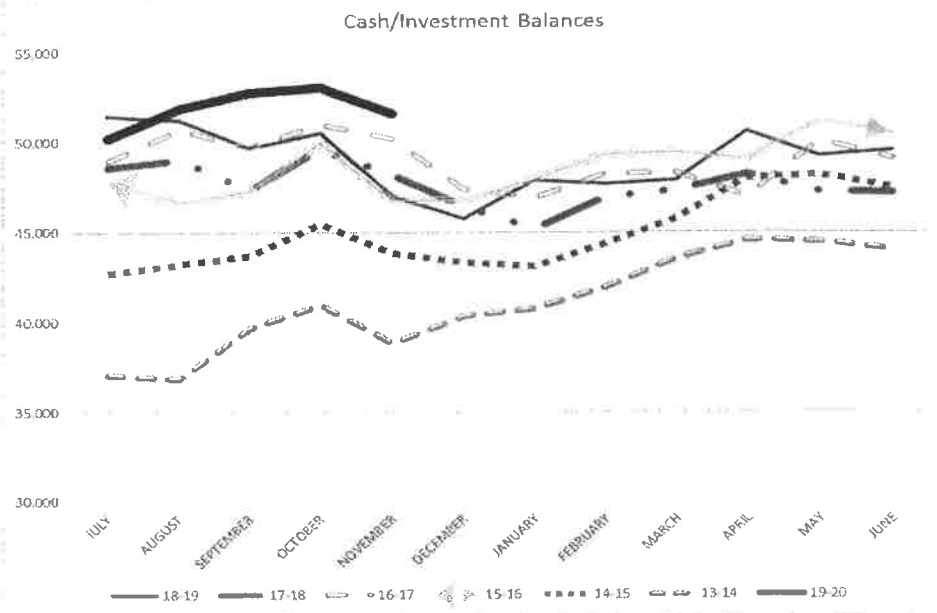
In addition to new development, LaGrange has seen growth over the last few years within its existing industries. SEWON America, a leading supplier to the automotive industry, is in the process of expanding its North American operation. The expansion will create 100 jobs, an investment of \$16 million. 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 is investing \$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 made capital investments in the range of \$70 million. These investments reflect stability of our leading industries and protect our local job market.

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 remains strong. The City's average cash/investment balance for Fiscal Year 2019 was \$49 million. MEAG trust funds increased the cash balances for a ten year period ending in Fiscal Year 2018. Deliberate decisions were made not to spend

these funds and to manage the City with sustainable revenues and expenses on an annual basis. A cash reserve is one of the most important things that a long-standing, successful governmental entity should have. The reserve is in place should the city face difficult times, cover unforeseen emergencies or unexpected costs, or address a downturn in the economy. The reserve was also set aside for the purpose of electric rate stabilization should it become necessary with the costs associated with the new Vogtle Nuclear units coming online.



Steps have been 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. No additional debt was issued in Fiscal Year 2018 or 2019.

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, 2019 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 2018 to 2019. (A 22.2% increase in revenue for General Government Funding and a 13.4% increase in expense.)

Revenues	Amount	% of Total	Increase (Decrease) from 2018	Percent of Increase (Decrease)
Taxes, Licenses and Permits	\$ 14,823,776	61.9%	\$ 3,389,443	29.6%
Intergovernmental	5,104,531	21.3%	(188,762)	(3.6%)
Charges for services	294,682	1.2%	9,364	3.3%
Fines	1,037,600	4.3%	(126,463)	(10.9%)
Investment Income	104,417	0.4%	33,551	47.3%
Garage Charges	1,044,834	4.4%	1,044,834	N/A
Lease Income	928,906	3.9%	71,202	8.3%
Miscellaneous	620,716	2.6%	113,264	22.3%
TOTAL	\$ 23,959,462	100.0%	\$ 4,346,433	22.2%

Expenditures	Amount	% of Total	Increase (Decrease) From 2018	Percent of Increase (Decrease)
General Government	\$ 3,762,645	9.2%	\$ 930,044	32.8%
Public Safety	17,766,922	43.5%	342,831	2.0%
Public Services	2,780,224	6.8%	(76,710)	(2.7%)
Culture and Recreation	1,467,014	3.6%	117,856	8.7%
Community Development	3,896,650	9.6%	1,576,475	67.9%
Debt Service	2,241,757	5.5%	576,905	34.7%
Capital Outlay	8,875,042	21.8%	1,339,842	17.8%
TOTAL	\$ 40,790,254	100.0%	\$ 4,807,243	13.4%

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

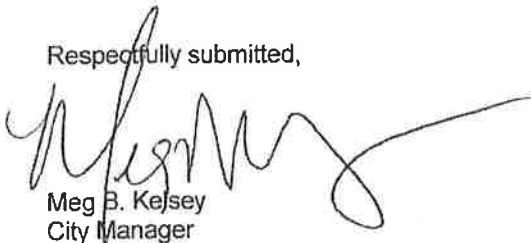
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the thirty second (32nd) 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, 2018

Christopher P. Morill

Executive Director/CEO

City of LaGrange, Georgia
LIST OF PRINCIPAL OFFICIALS

June 30, 2019

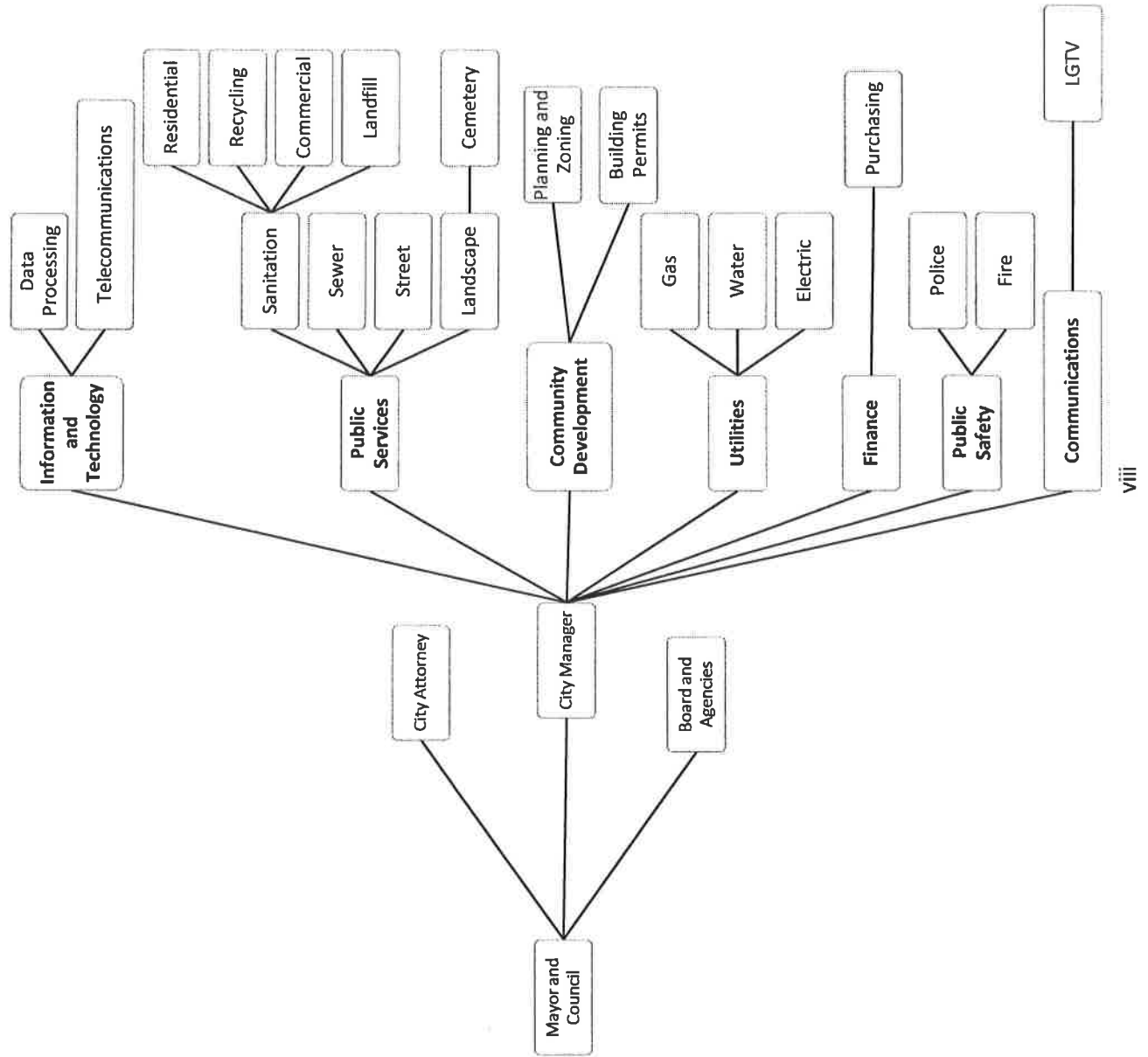
ELECTED OFFICIALS

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
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 Slaughenaupt	Director of Information and Technology
Katie Van Schoor	Marketing and Communications Manager

CITY OF LAGRANGE, GEORGIA
 ORGANIZATIONAL CHART
 June 30, 2019



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 the City of LaGrange, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of LaGrange, Georgia'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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective

budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of 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, 2018, 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 2018 financial statements, for the year ended June 30, 2018 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 2018 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 2018 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 19, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of 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 the City of LaGrange, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
December 19, 2019

AJK

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, 2019. 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 2019 by \$171,819,410.
- The City's total net position increased by \$3,815,504.
- As of the close of 2019, the City's governmental funds reported combined ending fund balances of \$1,208,285, a decrease of \$2,408,567 from the prior year.
- At the end of 2019, the fund balance for the general fund was \$3,219,661 or 10.8 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 the SPLOST Fund which are the City's major governmental funds. 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 \$171,819,410 at the close of 2019.

A substantial portion of the City's net position (101 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, 2019 and June 30, 2018, are as follows:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 5,895,288	\$ 10,870,968	\$ 62,842,363	\$ 58,562,074	\$ 68,737,651	\$ 69,433,042
Capital assets	<u>74,514,466</u>	<u>69,063,285</u>	<u>124,299,421</u>	<u>131,300,117</u>	<u>198,813,887</u>	<u>200,363,402</u>
Total assets	<u>80,409,754</u>	<u>79,934,253</u>	<u>187,141,784</u>	<u>189,862,191</u>	<u>267,551,538</u>	<u>269,796,444</u>
Deferred Outflows of Resources:						
Pensions and OPEB:						
Differences between expected and actual experience	757,389	942,247	427,142	473,177	1,184,531	1,415,424
Changes of assumptions	344,392	478,078	194,225	240,078	538,617	718,156
Contributions after measurement date	<u>1,408,318</u>	<u>1,471,019</u>	<u>794,243</u>	<u>738,715</u>	<u>2,202,561</u>	<u>2,209,734</u>
Total deferred outflows of resources	<u>2,510,099</u>	<u>2,891,344</u>	<u>1,415,610</u>	<u>1,451,970</u>	<u>3,925,709</u>	<u>4,343,314</u>
Liabilities:						
Long-term liabilities	38,362,445	40,759,975	41,142,174	43,135,429	79,504,619	83,895,404
Other liabilities	<u>4,789,439</u>	<u>6,377,705</u>	<u>11,821,786</u>	<u>12,629,564</u>	<u>16,611,225</u>	<u>19,007,269</u>
Total liabilities	<u>43,151,884</u>	<u>47,137,680</u>	<u>52,963,960</u>	<u>55,764,993</u>	<u>96,115,844</u>	<u>102,902,673</u>
Deferred Inflows of Resources:						
Pensions and OPEB:						
Difference between projected and actual earnings on investments and actual experience	1,567,269	1,937,139	883,888	972,788	2,451,157	2,909,927
Changes of assumptions	<u>697,481</u>	<u>136,718</u>	<u>393,355</u>	<u>68,658</u>	<u>1,090,836</u>	<u>205,376</u>
Total deferred inflows of resources	<u>2,264,750</u>	<u>2,073,857</u>	<u>1,277,243</u>	<u>1,041,446</u>	<u>3,541,993</u>	<u>3,115,303</u>
Net Position:						
Net invested in capital assets	71,977,857	66,096,412	101,324,627	105,812,200	173,302,484	171,908,612
Restricted	1,354,746	4,259,880			1,354,746	4,259,880
Unrestricted	<u>(35,829,384)</u>	<u>(36,742,232)</u>	<u>32,991,564</u>	<u>28,695,522</u>	<u>(2,837,820)</u>	<u>(8,046,710)</u>
Total net position	<u>\$37,503,219</u>	<u>\$ 33,614,060</u>	<u>\$134,316,191</u>	<u>\$134,507,722</u>	<u>\$171,819,410</u>	<u>\$ 168,121,782</u>

A portion of the City's net position (1%) represents resources that are subject to external restrictions on how they may be used. At the end of 2019, 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 following funds reported a negative fund balance at June 30, 2019:

- Major funds: SPLOST Fund
- Non-major (other governmental funds): Capital Projects Fund and Tax Allocation Fund - Marriott

Governmental activities

Governmental activities increased the City's net position by \$3,533,972. Below is a breakdown of revenues and expenses by governmental and business type activities for 2019 and 2018.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,214,626	\$ 2,794,101	\$ 95,191,085	\$ 91,758,396	\$ 99,405,711	\$ 94,552,497
Capital grants & Contributions	4,556,503	3,366,043			4,556,503	3,366,043
Operating grants & Contributions	910,388	2,817,707			910,388	2,817,707
General revenues:						
Other taxes	14,547,509	11,236,609			14,547,509	11,236,609
Other	100,637	64,512	2,405,522	183,985	2,506,159	248,497
Total revenues	<u>24,329,663</u>	<u>20,278,972</u>	<u>97,596,607</u>	<u>91,942,381</u>	<u>121,926,270</u>	<u>112,221,353</u>
Expenses:						
General government	4,006,623	2,791,838			4,006,623	2,791,838
Public safety	18,711,064	17,573,577			18,711,064	17,573,577
Public service	3,149,068	3,861,703			3,149,068	3,861,703
Culture and recreation	1,579,867	1,586,548			1,579,867	1,586,548
Community development	6,359,208	4,551,535			6,359,208	4,551,535
Interest on long-term debt	831,861	788,434			831,861	788,434
Utilities			75,375,845	69,823,430	75,375,845	69,823,430
Solid waste			8,097,230	9,050,058	8,097,230	9,050,058
Total expenses	<u>34,637,691</u>	<u>31,153,635</u>	<u>83,473,075</u>	<u>78,873,488</u>	<u>118,110,766</u>	<u>110,027,123</u>
Increase (decrease) in Net position before transfers	<u>(10,308,028)</u>	<u>(10,874,663)</u>	<u>14,123,532</u>	<u>13,068,893</u>	<u>3,815,504</u>	<u>2,194,230</u>
Transfers	<u>13,842,000</u>	<u>13,914,000</u>	<u>(13,842,000)</u>	<u>(13,914,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>3,533,972</u>	<u>3,039,337</u>	<u>281,532</u>	<u>(845,107)</u>	<u>3,815,504</u>	<u>2,194,230</u>
Net position-beginning of year, restated	<u>33,969,247</u>	<u>30,574,723</u>	<u>134,034,659</u>	<u>135,352,829</u>	<u>168,003,906</u>	<u>165,927,552</u>
Net position-end of year	<u>\$ 37,503,219</u>	<u>\$ 33,614,060</u>	<u>\$ 134,316,191</u>	<u>\$ 134,507,722</u>	<u>\$ 171,819,410</u>	<u>\$ 168,121,782</u>

Business-type activities

Business-type activities increased the City's net position by \$281,532. Total business-type revenues increased by \$5,654,226 due to increases in utility rates, while expenses showed an increase of 6%.

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 2019, unassigned fund balance of the General Fund was \$1,687,912 while total fund balances reached \$3,219,661. 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 5.7 percent of the total General Fund expenditures, while total fund balance represents 10.8 percent of that same amount. Transfers in from other funds to supplement the General Fund were \$3,881,571 from non-major governmental funds and \$13,900,000 from proprietary funds for a total of \$17,781,571, representing 59.69 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, 2019. An increase of \$338,876 in fund balance occurred over the course of Fiscal Year 2019. An increase in revenue and other financing sources (13%) and increases in expenses and other financing sources (7%) and a higher contribution from enterprise funds, contributes to increase in fund balance for 2019.

Other non-major governmental funds have a total fund balance of (\$1,795,317). The City showed a net decrease of \$769,132 in the fund balance during the current year for non-major governmental funds. The majority of this decrease is attributable to the Capital Projects Fund which ended the fiscal year with a total decrease in fund balance of \$387,696 and a negative fund balance of \$207,220, as noted earlier.

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 2019 amounted to \$27,280,090, Water and Sewerage Fund reported \$12,000,200, and the Solid Waste Fund reported (\$6,288,726). The total change in net position for each fund was \$2,103,694, (\$951,221), and (\$870,941) 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, 2019, amounts to \$173,302,484 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,601,122	\$ 13,058,444	\$ 3,510,561	\$ 3,510,561	\$ 17,111,683	\$ 16,569,005
Building	22,289,346	22,123,536	26,833,595	26,833,595	49,122,941	48,957,131
Machinery & equipment	13,871,607	13,407,691	20,458,784	24,406,196	34,330,391	37,813,887
Vehicles	5,286,288	4,452,481	1,656,325	1,595,552	6,942,613	6,048,033
Transmission & distribution			197,373,381	196,828,797	197,373,381	196,828,797
Other	56,724,793	52,930,762			56,724,793	52,930,762
Construction in progress	3,217,264	300,861	911,028	201,369	4,128,292	502,230
Total	114,990,420	106,273,775	250,743,674	253,376,070	365,734,094	359,649,845
Less, accumulated depreciation	(40,475,954)	(37,210,490)	(126,444,253)	(122,075,953)	(166,920,207)	(159,286,443)
Total net of accumulated Depreciation	\$ 74,514,466	\$ 69,063,285	\$ 124,299,421	\$ 131,300,117	\$ 198,813,887	\$ 200,363,402

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

Long-term debt

At the end of 2019, the City had total bonded debt outstanding of \$4,860,000. 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 a general obligation credit rating of Aa3 from Moody's and AA- from Standard & Poor's.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed value of taxable property located within the municipality. The current debt limitation for the City is \$115,660,640 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

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, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Downtown Development Authority
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,768,053	\$ 7,622,976	\$ 10,391,029	\$ 765,720	
Investments	2,429,060	37,017,495	39,446,555		
Receivables (net of allowance):					
Taxes	1,562,569		1,562,569	748	
Accounts		12,026,010	12,026,010		
Other	749,009		749,009	64,340	
Internal balances	(3,308,467)	3,308,467	-		
Inventory	170,003	2,812,392	2,982,395	14,420	
Prepaid expenses	16,435	55,023	71,458	273,603	
Restricted cash	505,729		505,729	400,000	
Restricted investments	1,002,897		1,002,897		
Notes receivable				251,470	
Capital lease				461,096	
Capital assets:					
Land and construction in progress	16,818,386	4,421,589	21,239,975	1,621,710	\$ 50,000
Other capital assets, net of accumulated depreciation	57,696,080	119,877,832	177,573,912	15,746,557	3,967,325
Other assets				65,000	
Total assets	80,409,754	187,141,784	267,551,538	19,664,664	4,017,325
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension:					
Changes of assumptions	344,392	194,225	538,617		
Differences between expected and actual experience	757,389	427,142	1,184,531		
Contributions after measurement date	1,154,817	651,276	1,806,093		
Other post-employment benefits:					
Contributions after measurement date	253,501	142,967	396,468		
Total deferred outflows of resources	2,510,099	1,415,610	3,925,709	-	-

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Downtown Development Authority
LIABILITIES					
Accounts and claims payable	2,735,605	3,947,717	6,683,322	35,967	
Accrued liabilities	110,060	69,952	180,012	19,527	
Due to other governmental entities			-		
Accrued interest	229,115	45,599	274,714		
Customer deposits		2,908,644	2,908,644		
Unearned revenue	81,358	2,098,081	2,179,439	574,209	
Short term note payable					
Long-term debt:					
Due within one year	627,798	2,271,212	2,899,010	133,632	
Due in more than one year	1,908,811	20,703,580	22,612,391	2,711,112	
Other long-term obligations:					
Due within one year	1,005,503	480,581	1,486,084		
Due in more than one year	19,619,504	10,944,713	30,564,217		
Net OPEB obligation	9,146,557	5,158,349	14,304,906		
Net pension liability	7,687,573	4,335,532	12,023,105		
Total liabilities	43,151,884	52,963,960	96,115,844	3,474,447	-
DEFERRED INFLOWS OF RESOURCES					
Pension:					
Net difference between projected and actual earnings on investments	1,418,127	799,777	2,217,904		
Difference between expected and actual experience	13,100	7,387	20,487		
Other post-employment benefits:					
Changes of assumptions	697,481	393,355	1,090,836		
Difference between expected and actual experience	136,042	76,724	212,766		
Total deferred inflows of resources	2,264,750	1,277,243	3,541,993	-	-
NET POSITION					
Net investment in capital assets	71,977,857	101,324,627	173,302,484	14,944,776	4,017,325
Restricted for:					
Perpetual care	860,384		860,384		
Public safety	60,963		60,963		
Community development	50,339		50,339		
Debt service	383,060		383,060		
124 Main Street				400,000	
Unrestricted	(35,829,384)	32,991,564	(2,837,820)	845,441	
Total net position	\$ 37,503,219	\$ 134,316,191	\$ 171,819,410	\$ 16,190,217	\$ 4,017,325

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services, Fees, Fines, and Forfeitures		Operating Grants and Contributions	Capital Grants and Contributions	Total	Downtown LaGrange Development Authority	Downtown Development Authority
Primary government:								
Governmental activities:								
General government	\$ 3,348,886	\$ 1,716,581	\$ 358,580	\$ (1,273,725)	\$ (1,273,725)	\$ (1,273,725)		
Public safety	18,711,064	1,388,901	\$ 18,333	(17,303,830)	(17,303,830)	(17,303,830)		
Public service	3,149,068		556,472	1,605,327	1,605,327	1,605,327		
Culture and recreation	1,579,867	51,180		(1,528,687)	(1,528,687)	(1,528,687)		
Community development	6,359,208	1,057,964	335,583	(4,965,661)	(4,965,661)	(4,965,661)		
Redevelopment and housing	206,000			(206,000)	(206,000)	(206,000)		
Telecommunications	451,737			(451,737)	(451,737)	(451,737)		
Interest on long-term debt	831,861			(831,861)	(831,861)	(831,861)		
Total governmental activities	34,637,691	4,214,626	910,388	(24,956,174)	\$ -	(24,956,174)		
Business-type activities:								
Water and sewer	13,650,697	16,986,695		3,335,998	3,335,998	3,335,998		
Gas system	12,057,058	14,983,093		2,926,035	2,926,035	2,926,035		
Electric system	46,453,642	51,933,231		5,479,589	5,479,589	5,479,589		
Sanitation	8,097,230	7,911,900		(185,330)	(185,330)	(185,330)		
Telecommunications	3,214,448	3,376,166		161,718	161,718	161,718		
Total business-type activities	83,473,075	95,191,085	-	11,718,010	11,718,010	11,718,010		
Total primary government	\$ 118,110,766	\$ 99,405,711	\$ 910,388	(24,956,174)	11,718,010	(13,238,164)		
Component units:								
Downtown LaGrange Development Authority	\$ 2,503,068	\$ 1,356,060	\$ 293,393	\$ 111,900			\$ (741,715)	\$ (113,352)
Downtown Development Authority	113,352							
Total component units	\$ 2,616,420	\$ 1,356,060	\$ 293,393	\$ 111,900			\$ (741,715)	\$ (113,352)
General revenues:								
Taxes:								
Franchise tax						1,130,709		
Insurance premium tax						2,110,111		
Alcoholic beverage tax						760,968		
Sales tax						5,750,141		
Ad valorem						480,732		
Other						4,314,848		
Investment earnings						1,321,759	27,405	
Miscellaneous						1,083,763		
Transfers						(13,842,000)		
Total general revenues and transfers						(11,436,478)	27,405	
Change in net position						281,532	(714,310)	(113,352)
Net position at beginning of year, restated						33,969,247	16,904,527	4,130,677
Net position at end of year						\$ 37,503,219	\$ 16,190,217	\$ 4,017,325

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	SPLOST Fund	Other Governmental Funds	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 81,141	\$ 376,215	\$ 374,927	\$ 832,283
Investments	1,019,220		843,952	1,863,172
Receivables (net of allowance):				
Taxes	1,562,569			1,562,569
Other	9,551	691,850		701,401
Inventory	170,003			170,003
Restricted cash and cash equivalents	505,729			505,729
Restricted investments	1,002,897			1,002,897
Total assets	<u>\$ 4,351,110</u>	<u>\$ 1,068,065</u>	<u>\$ 1,218,879</u>	<u>\$ 6,638,054</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 568,031	\$ 634,124	\$ 4,919	\$ 1,207,074
Due to other funds	372,000	650,000	538,000	1,560,000
Advances to other funds			2,471,277	2,471,277
Accrued liabilities	110,060			110,060
Unearned revenue	81,358			81,358
Total liabilities	<u>1,131,449</u>	<u>1,284,124</u>	<u>3,014,196</u>	<u>5,429,769</u>
Fund Balances:				
Non-spendable:				
Inventory	170,003			170,003
Restricted for:				
Perpetual care	860,384			860,384
Public safety	60,963			60,963
Community development	50,339		883,110	933,449
Debt service	383,060			383,060
Assigned for:				
Public safety	7,000			7,000
Unassigned	1,687,912	(216,059)	(2,678,427)	(1,206,574)
Total fund balances	<u>3,219,661</u>	<u>(216,059)</u>	<u>(1,795,317)</u>	<u>1,208,285</u>
Total liabilities and fund balances	<u>\$ 4,351,110</u>	<u>\$ 1,068,065</u>	<u>\$ 1,218,879</u>	<u>\$ 6,638,054</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balance - all governmental funds \$ 1,208,285

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. 74,514,466

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, 2019 are:

Deferred outflows	2,510,099
Deferred inflows	(2,264,750)

Long-term debt and other 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, 2019 are:

Accrued interest payable	\$ (229,115)	
Capital leases	(2,536,609)	
Compensated absences	(620,007)	
Intergovernmental agreements	(20,005,000)	
Net OPEB obligation	(9,146,557)	
Net pension liability	<u>(7,687,573)</u>	(40,224,861)

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.

	1,759,980
Net position of governmental activities	<u><u>\$ 37,503,219</u></u>

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	SPLOST Fund	Other Governmental Funds	
Revenues:				
Taxes:				
Sales	\$ 5,750,141			\$ 5,750,141
Franchise	1,130,709			1,130,709
Insurance premium	2,110,111			2,110,111
Alcoholic beverage	760,968			760,968
Ad valorem	480,732			480,732
Other	788,464		\$ 3,526,384	4,314,848
Licenses and permits	276,267			276,267
Intergovernmental	708,006	\$ 4,194,143	202,382	5,104,531
Fines and forfeitures	1,037,600			1,037,600
Garage charges	1,044,834			1,044,834
Charges for services	294,682			294,682
Investment income	58,258	3,780	42,379	104,417
Rental income			928,906	928,906
Miscellaneous	359,303		261,413	620,716
Total revenues	14,800,075	4,197,923	4,961,464	23,959,462
Expenditures:				
Current:				
General government	3,096,624			3,096,624
Public safety	17,766,922			17,766,922
Public service	2,780,224			2,780,224
Culture and recreation	1,467,014			1,467,014
Community development	1,930,808		1,965,842	3,896,650
Redevelopment and housing			206,000	206,000
Telecommunications	460,021			460,021
Debt service:				
Principal retirements	403,506		972,676	1,376,182
Interest and fees	30,198		835,377	865,575
Capital outlay:				
General government	159,248		487,627	646,875
Public safety	944,106	1,235,688		2,179,794
Public service	671,750	1,697,009		2,368,759
Culture and recreation	80,891			80,891
Community development		3,598,723		3,598,723
Total expenditures	29,791,312	6,531,420	4,467,522	40,790,254
Excess of revenues over (under) expenditures	(14,991,237)	(2,333,497)	493,942	(16,830,792)
Other financing sources (uses):				
Sale of capital assets	11,621			11,621
Capital lease	213,418			213,418
Transfers in	17,781,571		2,806,497	20,588,068
Transfers out	(2,676,497)		(4,069,571)	(6,746,068)
Total other financing sources (uses)	15,330,113	-	(1,263,074)	14,067,039
Net change in fund balances	338,876	(2,333,497)	(769,132)	(2,763,753)
Fund balance, beginning of year (restated)	2,880,785	2,117,438	(1,026,185)	3,972,038
Fund balance, end of year	\$ 3,219,661	\$ (216,059)	\$ (1,795,317)	\$ 1,208,285

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, 2019

Net change in fund balances - All governmental funds \$ (2,763,753)

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	8,412,200
Depreciation	(3,319,599)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, donations) is to increase net position.	358,580
--	---------

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	(61,766)
Accrued interest payable	33,714
Net OPEB obligation	103,521
Pension expense	579,158

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

Principal retirements	1,376,182
Proceeds from capital leases	(213,418)

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.

(970,847)

Change in net position of governmental activities	<u><u>\$ 3,533,972</u></u>
---	----------------------------

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2019

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	\$ 5,300,000	\$ 5,750,141	\$ 450,141
Franchise	1,067,000	1,130,709	63,709
Insurance premium	1,900,000	2,110,111	210,111
Alcoholic beverage	705,000	760,968	55,968
Ad valorem	300,000	480,732	180,732
Other	750,000	788,464	38,464
Licenses and permits	210,000	276,267	66,267
Intergovernmental	512,317	708,006	195,689
Fines and forfeitures	1,038,500	1,037,600	(900)
Garage charges	1,220,000	1,044,834	(175,166)
Charges for services	282,700	294,682	11,982
Investment income	3,000	58,258	55,258
Miscellaneous	198,500	359,303	160,803
Total revenues	<u>13,487,017</u>	<u>14,800,075</u>	<u>1,313,058</u>
Expenditures:			
Current:			
General government:			
Administrative	1,393,646	1,381,814	11,832
Finance	467,166	460,878	6,288
Garage	1,072,077	928,559	143,518
Risk management	38,000	38,000	-
City hall	219,084	287,373	(68,289)
Total general government	<u>3,189,973</u>	<u>3,096,624</u>	<u>93,349</u>
Public safety:			
Court administration	434,758	470,580	(35,822)
Probation	330,741	361,782	(31,041)
Police	10,370,934	10,297,694	73,240
Community service	93,946	95,677	(1,731)
Traffic control	1,046,096	993,779	52,317
Fire services	5,419,492	5,113,816	305,676
Animal control	407,708	433,594	(25,886)
Total public safety	<u>18,103,675</u>	<u>17,766,922</u>	<u>336,753</u>
Public service:			
Engineering and supervision	240,005	231,688	8,317
Streets	1,261,070	1,478,928	(217,858)
Street cleaning	125,270	116,024	9,246
Trash and refuse	689,448	650,475	38,973
Recycling center	207,595	205,094	2,501
Curbside recycling	122,662	98,015	24,647
Total public service	<u>2,646,050</u>	<u>2,780,224</u>	<u>(134,174)</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2019
(Continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	1,430,291	1,467,014	(36,723)
Community development:			
Community development	874,130	862,058	12,072
DAL marketing	90,455	86,512	3,943
Other community support	655,632	982,238	(326,606)
Total community development	1,620,217	1,930,808	(310,591)
Telecommunications:			
Administration	276,958	274,095	2,863
LGTV	191,885	185,926	5,959
Total telecommunications	468,843	460,021	8,822
Debt service:			
Principal retirement	375,972	403,506	(27,534)
Interest and fees	25,440	30,198	(4,758)
Total debt service	401,412	433,704	(32,292)
Capital outlay:			
General government	10,000	159,248	(149,248)
Public safety	240,000	944,106	(704,106)
Public service	400,778	671,750	(270,972)
Telecommunications	25,000		25,000
Culture and recreation	108,000	80,891	27,109
Community development	7,500		7,500
Total capital outlay	791,278	1,855,995	(1,064,717)
Total expenditures	28,651,739	29,791,312	(1,139,573)
Excess (deficiency) of revenues over (under) expenditures	(15,164,722)	(14,991,237)	173,485
Other financing sources (uses):			
Transfers in	14,990,000	17,781,571	2,791,571
Transfers out	(694,750)	(2,676,497)	(1,981,747)
Sale of capital assets	5,000	11,621	6,621
Capital leases		213,418	213,418
Total other financing sources (uses)	14,300,250	15,330,113	1,029,863
Net change in fund balances	(864,472)	338,876	1,203,348
Fund balance, beginning of year	2,880,785	2,880,785	-
Fund balance, end of year	\$ 2,016,313	\$ 3,219,661	\$ 1,203,348

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,335,367	\$ 2,040,082	\$ 3,247,527	\$ 7,622,976
Investments	25,913,015	11,104,480		37,017,495
Receivables:				
Accounts	9,343,283	2,111,513	571,214	12,026,010
Other				-
Due from other funds	1,360,000		200,000	1,560,000
Prepays	55,023			55,023
Inventory	1,318,144	1,494,248		2,812,392
Total current assets	40,324,832	16,750,323	4,018,741	61,093,896
Noncurrent assets:				
Capital assets, not being depreciated	1,574,303	1,409,553	1,437,733	4,421,589
Capital assets, being depreciated	34,060,262	67,060,707	18,756,863	119,877,832
Advances to other funds	2,471,277			2,471,277
Total noncurrent assets	38,105,842	68,470,260	20,194,596	126,770,698
Total assets	78,430,674	85,220,583	24,213,337	187,864,594
				3,538,511
DEFERRED OUTFLOWS OF RESOURCES				
Pensions:				
Differences between expected and actual experience	212,149	146,290	68,703	427,142
Change of assumptions	96,466	66,519	31,240	194,225
Contributions after measurement date	323,471	223,052	104,753	651,276
Other post-employment benefits:				
Contributions after measurement date	71,008	48,964	22,995	142,967
Total deferred outflows of resources	703,094	484,825	227,691	1,415,610

(Continued...)

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019
(Continued)

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
LIABILITIES				
Current liabilities:				
Accounts payable	3,693,076	181,487	73,154	28,531
Customer deposits	2,312,609	594,505	1,530	
Accrued liabilities	37,072	27,317	5,563	69,952
Accrued compensated absences	86,031	41,106	12,255	139,392
Due to other funds				250,000
Unearned revenue	1,458,151	639,930		2,098,081
Claims reserve				1,500,000
Notes payable, current		822,938	180,812	1,003,750
Capital leases, current	278,409		79,053	357,462
Intergovernmental agreement payable, current	295,000			295,000
Landfill postclosure liability, current			46,189	46,189
Liabilities payable from restricted assets:				
Accrued interest	45,599			45,599
Revenue bonds, current	910,000			910,000
Total current liabilities	9,115,947	2,307,283	398,556	11,821,786
Noncurrent liabilities:				
Compensated absences	129,047	61,658	18,381	209,086
Revenue bonds, long-term	3,950,000			3,950,000
Notes payable, long-term		13,544,861	2,678,695	16,223,556
Capital leases, long-term	489,939		40,085	530,024
Intergovernmental agreement payable, long-term	2,090,000			2,090,000
Landfill postclosure liability			8,645,627	8,645,627
Advances from other funds	722,810			722,810
Net OPEB obligation	2,562,008	1,766,656	829,685	5,158,349
Net pension liability	2,153,339	1,484,853	697,340	4,335,532
Total noncurrent liabilities	12,097,143	16,858,028	12,909,813	41,864,984
Total liabilities	21,213,090	19,165,311	13,308,369	53,686,770
				1,778,531
DEFERRED INFLOWS OF RESOURCES				
Pensions:				
Difference between expected and actual experience	3,669	2,530	1,188	7,387
Net difference between projected and actual earnings on investments	397,227	273,911	128,639	799,777
Other post-employment benefits:				
Difference between expected and actual experience	38,107	26,277	12,340	76,724
Changes of assumptions	195,369	134,718	63,268	393,355
Total deferred inflows of resources	634,372	437,436	205,435	1,277,243
				-
NET POSITION				
Net investment in capital assets	30,006,216	54,102,461	17,215,950	101,324,627
Unrestricted	27,280,090	12,000,200	(6,288,726)	32,991,564
Total net position	\$ 57,286,306	\$ 66,102,661	\$ 10,927,224	\$ 134,316,191
				\$ 1,759,980

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, 2019

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
Operating revenues:				
Water and sewerage system		\$ 16,568,787		\$ 16,568,787
Gas system	\$ 14,689,323			14,689,323
Electric system	51,595,928			51,595,928
Sanitation			\$ 7,802,487	7,802,487
Premiums				\$ 11,238,673
Telecommunications	3,376,166			3,376,166
Other sales	631,073	417,908	109,413	1,158,394
Total operating revenue	70,292,490	16,986,695	7,911,900	95,191,085
Operating expenses:				
Water and sewerage system		9,870,882		9,870,882
Gas system	10,646,172			10,646,172
Electric system	45,676,473			45,676,473
Sanitation			6,431,928	6,431,928
Telecommunications	2,772,582			2,772,582
Administrative services				257,683
Depreciation	2,317,528	3,530,190	1,577,844	7,425,562
Risk management				12,032,343
Total operating expenses	61,412,755	13,401,072	8,009,772	82,823,599
Operating income (loss)	8,879,735	3,585,623	(97,872)	12,367,486
Nonoperating revenues (expenses):				
Investment income	1,084,801	232,323	4,635	1,321,759
Gain (loss) on sale of assets	11,448	7,629	1,064,686	1,083,763
Interest expense	(312,393)	(249,625)	(87,458)	(649,476)
Total nonoperating revenues (expenses)	783,856	(9,673)	981,863	1,756,046
Net income (loss) before contribution and transfers	9,663,591	3,575,950	883,991	14,123,532
Transfers in	2,547,395	532,224	245,068	3,324,687
Transfers out	(10,107,292)	(5,059,395)	(2,000,000)	(17,166,687)
Change in net position	2,103,694	(951,221)	(870,941)	281,532
Net position, beginning of year, restated	55,182,612	67,053,882	11,798,165	134,034,659
Net position, end of year	\$ 57,286,306	\$ 66,102,661	\$ 10,927,224	\$ 134,316,191

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2019

	Business-Type Activities Major Enterprise Funds			Internal Service Funds Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 67,770,014	\$ 17,620,424	\$ 7,788,169	\$ 93,178,607
Cash paid to employees	(3,717,610)	(4,333,330)	(1,509,045)	(9,559,985)
Cash paid to suppliers	(54,947,084)	(5,549,957)	(5,219,941)	(65,716,982)
Net cash provided (used) by operating activities	9,105,320	7,737,137	1,059,183	17,901,640
Cash flows from noncapital financing activities:				
Repayment of advance to (from) other funds	(100,331)			(100,331)
Advances to other funds	124,219			124,219
Transfers in	2,547,395	532,224	245,068	3,324,687
Transfers out	(10,107,292)	(5,059,395)	(2,000,000)	(17,166,687)
Net cash provided (used) by noncapital financing activities	(7,536,009)	(4,527,171)	(1,754,932)	(13,818,112)
Cash flows from capital and related financing activities:				
Principal payments on revenue bonds	(880,000)			(880,000)
Proceeds from sale of assets	11,448	7,629	3,000,000	3,019,077
Acquisition of capital assets	(1,048,097)	(983,753)	(104,116)	(2,135,966)
Capital lease payments	(286,720)		(586,284)	(873,004)
Payments on notes payable		(808,521)	(175,813)	(984,334)
Payments on intergovernmental agreement	(285,000)			(285,000)
Interest paid	(379,530)	(249,624)	(87,458)	(716,612)
Net cash provided (used) by capital financing activities	(2,867,899)	(2,034,269)	2,046,329	(2,855,839)
Cash flows from investing activities:				
Sale (purchase) of investments	(1,777,907)	(520,781)		(2,298,688)
Investment income	1,084,801	232,323	4,635	1,321,759
Net cash provided (used) by investing activities	(693,106)	(288,458)	4,635	(976,929)
Net increase (decrease) in cash	(1,991,694)	887,239	1,355,215	250,760
Cash, beginning of year	4,327,061	1,152,843	1,892,312	7,372,216
Cash, end of year	\$ 2,335,367	\$ 2,040,082	\$ 3,247,527	\$ 7,622,976

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2019
(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)	\$ 8,879,735	\$ 3,585,623	\$ (97,872)	\$ 12,367,486	\$ (1,051,353)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,317,528	3,530,190	1,577,844	7,425,562	
Changes in operating assets and liabilities:					
Accounts receivable	(136,432)	(23,696)	76,269	(83,859)	(1,550)
Inventory	(137,400)	(32,067)		(169,467)	
Prepaid expense	(6,403)			(6,403)	
Accounts payable	(46,768)	42,769	(544,795)	(548,794)	(9,216)
Accrued vacation	21,881	1,649	(25,061)	(1,531)	
Due from other funds	(1,260,000)			(1,260,000)	735,000
Due to other funds	(35,000)		(200,000)	(235,000)	(750,000)
Claims reserve					200,000
Unearned revenue	(1,213,228)	639,930		(573,298)	
Other accrued expenses	(28,550)	(27,287)	(19,005)	(74,842)	
Customer deposits	122,184	17,495		139,679	
Closure/postclosure			239,943	239,943	
Net OPEB obligation	437,136	56,493	55,372	549,001	
Net pension liability	190,637	(53,962)	(3,512)	133,163	
Net cash provided (used) by operating activities	<u>\$ 9,105,320</u>	<u>\$ 7,737,137</u>	<u>\$ 1,059,183</u>	<u>\$ 17,901,640</u>	<u>\$ (877,119)</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2019, the City incurred debt of \$224,214 in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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 units of the City. As a general rule, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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.

SPLOST Fund - The SPLOST Fund is a capital project fund to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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, 2019.

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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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 OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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 difference 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 19, 2019, 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, 2019.

GASB Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" primarily changes the way governments disclose information regarding debt. The objective of this Statement is to improve debt disclosures by requiring certain additional essential information to be presented in the notes. Additionally, this Statement requires existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The effective date of this GASB was as of the beginning of the fiscal

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

year (July 1, 2018). According to the GASB, the requirements of this Statement should improve financial reporting by providing financial statement users with better information to understand effects of debt on the government's future resource flows as well as other essential information that currently is not consistently provided. This Statement has no effect on the net position of the financial statements.

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the carrying amount of the City's deposits was \$10,896,758, which includes \$7,650 petty cash and the bank balance was \$11,609,290. Of the bank balance, \$251,013 was covered by federal deposit insurance, and \$11,358,277 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 6/30/2019	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	\$ 14,228,403		\$ 14,228,403	
Municipal Bond/Note	646,717		646,717	
Federal Agency CMO	8,602,571		8,602,571	
Federal Agency Bond/Note	10,248,898		10,248,898	
Municipal Competitive Trust	4,700,747			\$ 4,700,747
Coca Cola Stock	1,002,896	\$ 1,002,896		
Georgia Fund 1 (State Investment Pool)	1,019,220			1,019,220
	<u>\$ 40,449,452</u>	<u>\$ 1,002,896</u>	<u>\$ 33,726,589</u>	<u>\$ 5,719,967</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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 \$1,019,220 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, 2019, the City's investment in the state investment pool was rated AA+ by Standard & Poor's. The maturity at June 30, 2019 for this fund was 39 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 \$1,165,440, cash on hand was \$280, and the bank balance was \$1,208,437. Of the bank balance, \$1,112,706 was covered by federal depository insurance (FDIC), and \$95,731 was collateralized through a multiple financial institution collateral pool (Georgia Secure Deposit Program). The Authority does not have a deposit policy for custodial risk.

3. NOTES AND ACCOUNTS RECEIVABLE

Primary Government

At June 30, 2019, there were no outstanding notes receivables.

Accounts receivable at June 30, 2019 in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of \$9,343,283, \$2,111,513, and \$571,214, respectively.

Component Unit

Notes receivable at June 30, 2019 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.	\$ 125,603
Due within one year	\$ 11,793
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.	\$ 125,867
Due within one year	\$ 4,167

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

4. CAPITAL ASSETS

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,058,444	\$ 542,678		\$ 13,601,122
Construction in progress	300,861	2,993,940	\$ (77,537)	3,217,264
Total capital assets not being depreciated	13,359,305	3,536,618	(77,537)	16,818,386
Capital assets being depreciated:				
Buildings	22,123,536	165,810		22,289,346
Machinery and equipment	13,407,691	463,916		13,871,607
Vehicles	4,452,481	887,942	(54,135)	5,286,288
Infrastructure	52,930,762	3,794,031		56,724,793
Total capital assets being depreciated	92,914,470	5,311,699	(54,135)	98,172,034
Less, accumulated depreciation for:				
Buildings	(5,687,753)	(510,740)		(6,198,493)
Machinery and equipment	(7,727,341)	(806,851)		(8,534,192)
Vehicles	(3,414,011)	(384,500)	54,135	(3,744,376)
Infrastructure	(20,381,385)	(1,617,508)		(21,998,893)
Total accumulated depreciation	(37,210,490)	(3,319,599)	54,135	(40,475,954)
Total capital assets being depreciated, net	55,703,980	1,992,100	-	57,696,080
Governmental activities capital assets, net	\$ 69,063,285	\$ 5,528,718	\$ (77,537)	\$ 74,514,466
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,510,561			\$ 3,510,561
Construction in progress	201,369	\$ 709,659		911,028
Total capital assets, not being depreciated	3,711,930	709,659	\$ -	4,421,589
Capital assets being depreciated:				
Buildings	26,833,595			26,833,595
Machinery and equipment	24,406,196	1,013,438	(4,960,850)	20,458,784
Vehicles	1,595,552	92,498	(31,725)	1,656,325
Infrastructure	196,828,797	544,584		197,373,381
Total capital assets being depreciated	249,664,140	1,650,520	(4,992,575)	246,322,085
Less, accumulated depreciation for:				
Buildings	(16,273,696)	(502,854)		(16,776,550)
Machinery and equipment	(16,562,656)	(1,616,670)	3,025,537	(15,153,789)
Vehicles	(1,437,712)	(65,494)	31,725	(1,471,481)
Infrastructure	(87,801,889)	(5,240,544)		(93,042,433)
Total accumulated depreciation	(122,075,953)	(7,425,562)	3,057,262	(126,444,253)
Total capital assets being depreciated, net	127,588,187	(5,775,042)	(1,935,313)	119,877,832
Business-type activities capital assets, net	\$ 131,300,117	\$ (5,065,383)	\$ (1,935,313)	\$ 124,299,421

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

Governmental activities:	
General government	\$ 291,178
Public safety	425,208
Public service	325,587
Culture and recreation	61,934
Community development	2,215,692
Total depreciation expense for governmental activities	\$ 3,319,599

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Business-type activities:	
Water and sewerage	\$ 3,530,190
Electric system	777,169
Gas system	1,098,493
Telecommunications	441,866
Sanitation	<u>1,577,844</u>
Total depreciation expense for business-type activities	<u>\$ 7,425,562</u>

Component Units

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land - Property held for lease	\$ 1,586,750			\$ 1,586,750
Land - Event center	34,960			34,960
Total capital assets not being depreciated	<u>1,621,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,621,710</u>
Capital assets being depreciated:				
Buildings and improvements	19,410,994			19,410,994
Equipment	905,878	188,238		1,094,116
Total capital assets being depreciated	<u>20,316,872</u>	<u>188,238</u>	<u>-</u>	<u>20,505,110</u>
Less, accumulated depreciation for:				
Buildings and improvements	(3,595,482)	(490,048)		(4,085,530)
Equipment	(583,436)	(89,587)		(673,023)
Total accumulated depreciation	<u>(4,178,918)</u>	<u>(579,635)</u>	<u>-</u>	<u>(4,758,553)</u>
Total capital assets being depreciated, net	<u>16,137,954</u>	<u>(391,397)</u>	<u>-</u>	<u>15,746,557</u>
Total capital assets, net	<u>\$ 17,759,664</u>	<u>\$ (391,397)</u>	<u>\$ -</u>	<u>\$ 17,368,267</u>

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

Community development	<u>\$ 579,635</u>
-----------------------	-------------------

Activity for the Downtown Development Authority for the year ended June 30, 2019 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)	(113,352)	-	(154,571)
Total capital assets being depreciated, net	<u>4,080,677</u>	<u>(113,352)</u>	<u>-</u>	<u>3,967,325</u>
Total capital assets, net	<u>\$ 4,130,677</u>	<u>\$ (113,352)</u>	<u>\$ -</u>	<u>\$ 4,017,325</u>

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

Community development	<u>\$ 113,352</u>
-----------------------	-------------------

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

5. LONG-TERM DEBT

A. Revenue Bonds

Primary Government

Business-Type Activities

The City issued direct placement revenue 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 direct placement revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2009 Gas Authority Revenue Bonds	4.09%	\$ 2,220,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	2,640,000
		<u>\$ 4,860,000</u>

Revenue bond service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2020	\$ 910,000	\$ 144,522
2021	940,000	117,578
2022	975,000	89,715
2023	1,000,000	60,729
2024	<u>1,035,000</u>	<u>30,927</u>
	<u>\$ 4,860,000</u>	<u>\$ 443,471</u>

B. Notes Payable

Primary Government

Business-Type Activities

In prior years, the City's Water and Sewerage Fund and Sanitation Fund entered into direct borrowing notes payable for system improvements under loan agreements with Georgia Environmental Facilities Authority in the amounts of \$18,028,366 and \$4,006,058 respectively. In the event of default, the Georgia Environmental Facilities Authority may declare all or any part of the indebtedness immediately due and payable.

Notes payables currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Gas recirculation project at landfill – Sanitation Fund	2.33%	\$ 282,806
Construction of Cell No. 5 at landfill – Sanitation Fund	3.03%	2,576,702
Construction of water line – Water and Sewerage Fund	4.10%	361,317
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	1,934,380
Long Cane pump station – Water and Sewerage Fund	1.40%	7,360,609
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	<u>4,711,492</u>
		<u>\$ 17,227,306</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Notes payable service requirements to maturity are as follows:

Year ending June 30:	Business-Type Activities	
	Principal	Interest
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	1,070,333	235,282
2025-2029	5,388,525	859,404
2030-2034	5,128,975	347,716
2035-2037	1,503,195	19,911
	<u>\$ 17,227,306</u>	<u>\$ 2,611,704</u>

The City is in compliance with the covenants as to rates, fees, and charges in the loan agreements authorizing the issuance of the Georgia Environmental Facilities Authority. The loan agreements require the City to establish a schedule of rates, fees, and charges sufficient to produce net revenues at least equal to 1.05 times the amounts required to pay the principal and interest on all notes payable. The debt service coverage ratio calculation for the year ended June 30, 2019 is as follows:

	Water & Sewerage Fund	Sanitation Fund
Operating revenues	\$ 16,986,695	\$ 7,911,900
Operating expenses (less depreciation)	(9,870,882)	(6,431,928)
Nonoperating revenues	<u>239,952</u>	<u>1,069,321</u>
Income available for debt service	7,355,765	2,549,293
Debt service, principal and interest paid (notes payable only)	1,058,147	263,270
Debt service coverage ratio	6.95	9.68

Component Unit

The Downtown LaGrange Development Authority converted a line of credit into a 20 year direct borrowing note payable 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 direct borrowing note payable in September 2017 for the renovation of a building for a craft brewery. The total amount of the loan is \$556,149.

The Authority entered into two separate direct borrowing notes payable in September 2017 for the purpose of refinancing a line of credit for the acquisition of equipment for the craft brewery company. Each loan is a 10 year loan for \$250,000. All of the Authority's direct borrowing notes payable are secured with collateral of assignment of lease income on real property, and/or real property. Also, all notes contain a provision that in the event of default, outstanding amounts become immediately due if the Authority is unable to make a payment.

Purpose	Interest Rate	Balance
Construction of District 4 Health building	3.39%	\$ 1,916,659
Renovation of craft brewery building	3.85%	506,832
Craft brewery equipment	2.00%	209,777
Craft brewery equipment	3.00%	<u>211,476</u>
		<u>\$ 2,844,744</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Notes payable service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2020	\$ 133,632	\$ 94,463
2021	139,406	89,833
2022	143,962	85,277
2023	148,672	80,567
2024	153,349	75,890
2025-2029	746,620	301,719
2030-2034	592,441	185,026
2035-2037	<u>786,662</u>	<u>52,655</u>
	<u>\$ 2,844,744</u>	<u>\$ 965,430</u>

C. Capital Leases

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 9,412,136	\$ 13,114,267
Less, accumulated depreciation	<u>(6,192,572)</u>	<u>(10,018,546)</u>
Total	<u>\$ 3,219,564</u>	<u>\$ 3,095,721</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Year ending June 30:		
2020	\$ 687,884	\$ 382,563
2021	536,734	214,697
2022	358,758	168,079
2023	288,716	155,086
2024	287,288	20,960
2025-2026	<u>574,388</u>	
Total lease payments	2,733,768	941,385
Less, amount representing interest	<u>(197,159)</u>	<u>(53,899)</u>
	<u>\$ 2,536,609</u>	<u>\$ 887,486</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

D. Changes in Long-Term Debt

Primary Government

Long-term debt activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 2,966,873	\$ 213,418	\$ (643,682)	\$ 2,536,609	\$ 627,798
Governmental activities long-term debt	\$ 2,966,873	\$ 213,418	\$ (643,682)	\$ 2,536,609	\$ 627,798
Business-type activities:					
Revenue bonds	\$ 5,740,000		\$ (880,000)	\$ 4,860,000	\$ 910,000
Notes payable	18,211,640		(984,334)	17,227,306	1,003,750
Capital leases	1,536,276	\$ 224,214	(873,004)	887,486	357,462
Business-type activities long-term debt	\$ 25,487,916	\$ 224,214	\$ (2,737,338)	\$ 22,974,792	\$ 2,271,212

Component Unit

Long-term debt activity for Downtown LaGrange Development Authority for the year ending June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 2,975,481	\$ -	\$ (130,737)	\$ 2,844,744	\$ 133,632

The Authority also had an unused letter of credit of \$487,500 at June 30, 2019.

6. OTHER LONG-TERM OBLIGATIONS

Primary Government

A. Compensated Absences

The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2019. 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.

B. Intergovernmental Agreements Payable

The City of LaGrange has entered into three separate intergovernmental contracts for governmental activities and one separate intergovernmental contract for business-type activities.

- 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

- 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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	\$ 1,975,000
Carmike Cinema - Downtown LaGrange Development Authority Series 2014 Revenue Bonds	3.45%	1,445,000
Conference Center – Downtown LaGrange Development Authority 2016 Series Revenue Bonds	3.00% - 5.00%	16,585,000
		<u>\$ 20,005,000</u>

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

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2020	\$ 757,500	\$ 753,131
2021	785,000	723,124
2022	815,000	691,999
2023	852,500	659,572
2024	887,500	625,604
2025-2029	3,692,500	2,616,873
2030-2034	2,880,000	2,055,731
2035-2039	3,405,000	1,532,394
2040-2044	4,070,000	860,512
2045-2046	1,860,000	112,400
	<u>\$ 20,005,000</u>	<u>\$ 10,631,340</u>

Business-Type Activities

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	<u>\$ 2,385,000</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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

Year ending June 30:	Principal	Interest
2020	\$ 295,000	\$ 105,179
2021	310,000	92,169
2022	325,000	78,498
2023	340,000	64,165
2024	355,000	49,172
2025-2026	760,000	50,715
	<u>\$ 2,385,000</u>	<u>\$ 439,898</u>

C. 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 \$8,691,816 reported as the landfill closure and post-closure care liability at June 30, 2019 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. According to EPD guidelines this liability will be frozen at the present amount.

The remaining amount reported as landfill closure and post-closure cost of \$7,146,241 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, 2019, approximately 70% of this landfill's capacity had been utilized and accordingly, a liability of \$7,146,241 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$2,699,544 as the remaining capacity is used.

D. Changes in Other Long-Term Obligations

Primary Government

Long-term obligations activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 558,242	\$ 625,312	\$ (563,547)	\$ 620,007	\$ 248,003
Intergovernmental agreements	20,737,500		(732,500)	20,005,000	757,500
Governmental activities other long-term obligations	<u>\$ 21,295,742</u>	<u>\$ 625,312</u>	<u>\$ (1,296,047)</u>	<u>\$ 20,625,007</u>	<u>\$ 1,005,503</u>
Business-type activities:					
Compensated absences	\$ 350,009	\$ 434,197	\$ (435,728)	\$ 348,478	\$ 139,392
Intergovernmental agreements	2,670,000		(285,000)	2,385,000	295,000
Landfill closure/postclosure	8,451,873	239,943		8,691,816	46,189
Business-type activities other long-term obligations	<u>\$ 11,471,882</u>	<u>\$ 674,140</u>	<u>\$ (720,728)</u>	<u>\$ 11,425,294</u>	<u>\$ 480,581</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

7. DEBT LIMITATION

Generally, the Georgia Constitution limits indebtedness to 10% of the assessed value of taxable property located within a municipality. This provision also states that no new debt may be incurred without the assent of a majority of the qualified voters voting on the question of whether the City should incur the debt. The Constitution exempts from this debt limitation several categories of indebtedness, including but not limited to, temporary loans that are payable on or before December 31 of the calendar year in which they are made, and revenue bonds issued for the purpose of purchase or construction of public works.

The City's total indebtedness at June 30, 2019 was \$25,511,401. Of this total, none of the amount is chargeable to the constitutional debt limit.

The debt limitation for the City at June 30, 2019 would be \$115,660,640.

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from other funds:

	Receivable Fund			Total
	Sanitation Fund	Utility Fund	Internal Service Fund	
Payable Fund:				
General Fund		\$ 372,000		\$ 372,000
SPLOST Fund		650,000		650,000
Nonmajor governmental	\$ 200,000	338,000		538,000
Internal Service Fund			\$ 250,000	250,000
	<u>\$ 200,000</u>	<u>\$ 1,360,000</u>	<u>\$ 250,000</u>	<u>\$ 1,810,000</u>

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

Advances to/from other funds at June 30, 2019 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	<u>\$ 722,810</u>
Nonmajor governmental	Utility Fund	<u>\$ 2,471,277</u>

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 District Fund - Marriott. 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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	\$ 41,864,984
Advances from other funds	(722,810)
Net OPEB obligation	(5,158,349)
Net pension liability	<u>(4,335,532)</u>
Long-term debt and other long-term obligations - Due in more than one year per government-wide Statement of Net Position	<u>\$ 31,648,293</u>

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
Transfers out:					
General Fund		\$ 2,676,497			
Nonmajor governmental	\$ 3,881,571		\$ 188,000		
Utility Fund	9,200,000	130,000		\$ 532,224	\$ 245,068
Water & Sewerage Fund	3,400,000		1,659,395		
Sanitation	<u>1,300,000</u>		<u>700,000</u>		
	<u>\$17,781,571</u>	<u>\$ 2,806,497</u>	<u>\$2,547,395</u>	<u>\$ 532,224</u>	<u>\$ 245,068</u>
					<u>\$ 23,912,755</u>

9. 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, 2019.

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 \$4,959,143 for the year ended June 30, 2019. 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 \$150,000 for general insurance liability and \$600,000 for workers compensation liability for the plan year ended June 30, 2019. Claims exceeding this amount are covered by a private insurance carrier.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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

	<u>Group Insurance</u>	<u>Property and Casualty</u>
Liability balance, June 30, 2017	\$ 700,000	\$ 600,000
Claims and changes in estimate	5,414,159	620,600
Claims payments	<u>(5,414,159)</u>	<u>(620,600)</u>
Liability balance, June 30, 2018	700,000	600,000
Claims and changes in estimate	7,359,520	3,476,427
Claims payments	<u>(7,159,520)</u>	<u>(3,476,427)</u>
Liability balance, June 30, 2019	<u>\$ 900,000</u>	<u>\$ 600,000</u>

The liability is an estimate of claims at June 30, 2019 to be paid within the next fiscal year, therefore this is a 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, 2019 the Property and Casualty Insurance Fund had one claim exceeding its insurance coverage.

10. 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, 2019 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	250
Inactive employees entitled to but not yet receiving benefits	80
Active employees	<u>397</u>
Total	<u>727</u>

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

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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 10.42% for June 30, 2019.

- 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, 2018, using an annual actuarial valuation as of January 1, 2019. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2019
Measurement Date	September 30, 2018
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 10 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, 2019 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, 2019 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 has not changed 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, 2018 are summarized in the following table:

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
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, 2017	\$ 51,525,392	\$ 38,496,096	\$ 13,029,296
Changes for the year:			
Service cost	675,133		675,133
Interest	3,811,600		3,811,600
Differences between expected and actual experience	588,937		588,937
Contributions - employer		2,365,708	(2,365,708)
Contributions - employee			-
Net investment income		3,788,480	(3,788,480)
Benefit payments, including refunds of employee contributions	(2,758,396)	(2,758,396)	-
Administrative expense		(72,327)	72,327
Other			-
Net changes	2,317,274	3,323,465	(1,006,191)
Balances at September 30, 2018	<u>\$ 53,842,666</u>	<u>\$ 41,819,561</u>	<u>\$ 12,023,105</u>

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%)
<u>\$18,636,941</u>	<u>\$12,023,105</u>	<u>\$6,509,694</u>

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

For the year ended June 30, 2019, the City recognized pension expense of \$2,716,045. At June 30, 2019 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	\$ 1,184,531	\$ 20,487
Pension contributions subsequent to measurement date	1,806,093	
Changes of assumptions	538,617	
Net difference between projected and actual earnings on pension plan investments		2,217,904
Total	<u>\$ 3,529,241</u>	<u>\$ 2,238,391</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

\$1,806,093 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, 2020. 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	
2020	\$ 333,213
2021	(311,092)
2022	(353,622)
2023	(183,742)
2024 and thereafter	-
	<u>\$ (515,243)</u>

11. 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, 2019, the City contributed \$147,834 and employees contributed \$484,143. 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, 2019, 284 employees participated in the plan.

12. 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, 2019, the outstanding debt of the Authority was approximately \$6.3 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$364 million at June 30, 2019.

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, 2019, \$4,700,747 has been placed into the Trust for the benefit of the City, of which \$4,700,747 is available without restriction and none of the balance is subject to restrictions.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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.

13. 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, 2019, the City paid \$30,472 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.

14. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2019, the City levied a 5% lodging tax and received \$3,526,384 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 \$2,676,496 of lodging tax received from the City during the year ended June 30, 2019 was used for the promotion of tourism.

15. 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.

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

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

<u>Fund</u>	<u>Department</u>	<u>Final Budget Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Hotel/Motel Tax Fund	Community Development	\$ 681,250	\$ 1,688,515	\$ (1,007,265)
Hotel/Motel Tax Fund	Debt Fund	\$ -	\$ 987,981	\$ (987,981)

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

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

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	<u>382</u>
Total	<u>403</u>

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:

	<u>15-20 Years of Service and Over Age 60</u>	<u>20-25 Years of Service</u>	<u>More Than 25 Years of Service</u>
Healthcare:			
Single	\$ 359	\$ 287	\$ 180
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 \$113,089.

The City contributes annually an amount equal to the pay-as-you-go cost of retiree benefits. For year ending June 30, 2019 the City contributed \$396,468 or 1.98% of the covered payroll for employees of \$19,975,967 under the Plan.

- B. **Total OPEB Liability** – The City's total OPEB liability for the plan was measured as of June 30, 2018, 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, 2018
Reporting Date	June 30, 2019
Actuarial Cost Method	Entry age level percent of pay

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Amortization Method	Open 30 years, level percent of payroll
Remaining Amortization Period	30 years
Asset Valuation Method	Market value
Discount Rate	3.87%
Funding Discount Rate	3.87%
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 Annuitant 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, 2017 was 3.58%, and effective for June 30, 2018 was 3.87%.
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 3.87%. The discount rate was 3.87% as of the last measurement date, June 30, 2017.

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 3.87%, reflects the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2018.

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 (2.87%) or one percentage point higher (4.87%) 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 (2.87%)	Current Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
Total OPEB Liability	\$15,733,897	\$14,304,906	\$13,045,732

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

	1% Decrease in Healthcare Cost Trend Rates (2.87%)	Current Healthcare Cost Trend Rate (3.87%)	1% Increase in Healthcare Cost Trend Rates (4.87%)
Total OPEB Liability	<u>\$12,699,813</u>	<u>\$14,304,906</u>	<u>\$16,194,357</u>

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, 2017	\$ 14,143,525
Changes for the year:	
Service cost	570,148
Interest	518,765
Change of benefit terms	-
Differences between expected and actual experience	(85,513)
Changes of assumptions	(395,962)
Benefit payments, including refunds of member contributions	(446,057)
Net changes	161,381
Balance at June 30, 2018	<u>\$ 14,304,906</u>

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$445,480. At June 30, 2019 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		\$ 212,766
OPEB contributions subsequent to measurement date	\$ 396,468	
Changes of assumptions		1,090,836
Total	<u>\$ 396,468</u>	<u>\$ 1,303,602</u>

\$396,468 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, 2020. 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	
2020	\$ 246,964
2021	246,964
2022	246,964
2023	246,964
2024	246,964
2025, and thereafter	68,782
	<u>\$ 1,303,602</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019
(Continued)

18. RESTATEMENT OF NET POSITION AND FUND BALANCES

The comparative statements of revenue, expenditures, and changes in fund balance of the Hotel/Motel Tax Fund is restated by \$355,186 pertaining to accounts receivable being understated at June 30, 2018. This also affects the restatement of the combining statement of revenues, expenditures, and changes in fund balances, the statement of revenues, expenditures, and changes in fund balance, and the statement of activities for governmental activities.

The Statement of revenues, expenses, and changes in fund net position – Sanitation Fund is restated by \$473,063 pertaining to accounts payable being understated at June 30, 2018. This also affects the restatement of the net position on the Statement of Activities for business-type activities.

19. FUND BALANCES

On the Statement of Revenues, Expenditures, and Changes in Fund Balances, the SPLOST fund has a negative balance of \$216,059. Also, on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for nonmajor governmental funds the Capital Project Fund has a negative balance of \$207,220 and the Tax Allocation Fund - Marriott has a negative balance of \$2,471,207. The City plans to liquidate the negative balance by containing operating costs.

20. SUBSEQUENT EVENTS

Component Unit

In September 2019, the Downtown LaGrange Development Authority entered into a short-term direct borrowing loan agreement with the City of Lagrange. The loan is for \$195,000 to be repaid within 90 days. The purpose of this loan is to fund opportunities and obligations planned by the Authority.

Additionally, in October 2019, the Authority drew \$140,000 on the letter of credit which was previously noted as being unused at June 30, 2019 in Note 5 of these financial statements.



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, 2019

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 675,133	\$ 606,810	\$ 566,691	\$ 601,117	\$ 576,632
Interest	3,811,600	3,689,948	3,467,194	3,246,447	3,069,127
Difference between expected and actual experience	588,937	(34,143)	1,246,142	1,221,867	894,970
Changes of assumptions	-	897,697	-	-	(190,059)
Changes of benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Net change in total pension liability	2,317,274	2,666,012	2,962,756	2,944,546	2,350,201
Total pension liability - beginning	51,525,392	48,859,380	45,896,624	42,952,078	40,601,877
Total pension liability - ending	53,842,666	51,525,392	48,859,380	45,896,624	42,952,078
Plan fiduciary net position					
Contributions:					
Employer	2,365,708	2,248,158	2,119,251	1,967,135	1,850,496
Employee	-	-	-	-	-
Net investment income	3,788,480	5,053,361	3,396,335	353,223	3,132,262
Benefit payments, including refunds of employee contributions	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Administrative expense	(72,327)	(74,652)	(44,222)	(49,424)	(38,786)
Other	-	-	-	-	-
Net change in plan fiduciary net position	3,323,465	4,732,567	3,154,093	146,049	2,943,503
Plan fiduciary net position - beginning	38,496,096	33,763,529	30,609,436	30,463,387	27,519,884
Plan fiduciary net position - ending	41,819,561	38,496,096	33,763,529	30,609,436	30,463,387
Net pension liability - ending	\$ 12,023,105	\$ 13,029,296	\$ 15,095,851	\$ 15,287,188	\$ 12,488,691
Plan fiduciary net position as a % of total pension liability	77.67%	74.71%	69.10%	66.69%	70.92%
Covered payroll	\$ 20,614,975	\$ 19,251,719	\$ 19,666,770	\$ 18,344,451	\$ 18,116,297
Net pension liability as a % of covered payroll	58.32%	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, 2019

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,408,124	\$ 2,351,569	\$ 2,213,688	\$ 2,080,493	\$ 1,929,349
Contributions in relation to actuarially determined contribution	\$ 2,408,124	\$ 2,351,569	\$ 2,213,688	\$ 2,085,952	\$ 1,929,349
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 5,459	\$ -
Covered payroll	\$ 23,103,423	\$ 22,517,609	\$ 22,088,302	\$ 21,792,805	\$ 20,454,970
Contributions as a percentage of covered payroll	10.42%	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, 2019

	2019	2018
Total OPEB Liability		
Service cost	\$ 570,148	\$ 652,817
Interest	518,765	431,222
Change of benefit terms	-	-
Differences between expected and actual experience	(85,513)	(195,255)
Changes of assumptions	(395,962)	(1,052,013)
Benefit payments, including refunds of member contributions	(446,057)	(342,027)
Net change in Total OPEB Liability	161,381	(505,256)
Total OPEB Liability - beginning	14,143,525	14,648,781
Total OPEB Liability - ending	<u>\$ 14,304,906</u>	<u>\$ 14,143,525</u>
Covered employee payroll	\$ 19,975,967	\$ 19,347,185
Plan Total OPEB Liability as a percentage of covered employee payroll	71.61%	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, 2017 was 3.58%, and effective for June 30, 2018 was 3.87%.

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 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 – LaGrange Mall:** This fund is used to account for activity related to the rebate of annual incremental property tax revenue derived from the increase in property taxes generated by new development in a designated redevelopment area to be used for specified redevelopment costs.
- **Tax Allocation Fund – Marriott:** 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, 2019

	Capital Projects	Special Revenue					Total Nonmajor Governmental Funds
	Capital Projects Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund- LaGrange Mall	Tax Allocation Fund- Marriott	
Cash and cash equivalents Investments	\$ 333,816	\$ 41,041 843,952			\$ 70	\$ 374,927 843,952	
Total assets	\$ 333,816	\$ 884,993	\$ -	\$ -	\$ -	\$ 70	\$ 1,218,879
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 3,036	\$ 1,883				\$ 4,919	
Due to other funds	538,000					538,000	
Advances from other funds						2,471,277	
Total liabilities	541,036	1,883	\$ -	\$ -	\$ -	2,471,277	3,014,196
Fund balance:							
Restricted for:							
Community development Unassigned	(207,220)	883,110				(2,471,207)	883,110 (2,678,427)
Total fund balance	(207,220)	883,110	-	-	-	(2,471,207)	(1,795,317)
Total liabilities and fund balance	\$ 333,816	\$ 884,993	\$ -	\$ -	\$ -	\$ 70	\$ 1,218,879

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Capital Projects	Community Development Fund	Hotel/Motel Tax Fund	Special Revenue			Tax Allocation Fund- LaGrange Mall	Tax Allocation Fund- Marriott	Total Nonmajor Governmental Funds
	Capital Projects Fund			Grant Fund					
Revenues:									
Hotel/Motel tax	\$ 844,306	\$ 84,600	\$ 3,526,384						\$ 3,526,384
Rental income					\$ 202,382				928,906
Intergovernmental	1,342	41,037							202,382
Investment income	132,355	4,839						\$ 124,219	42,379
Miscellaneous	978,003	130,476	3,526,384	\$ -	202,382			124,219	261,413
Total revenues									4,961,464
Expenditures:									
Current:									
Community development		74,945	1,688,515		202,382				1,965,842
Redevelopment and housing		206,000							206,000
Debt service:									
Principal retirement	637,676		335,000						972,676
Interest and fees	182,396		652,981						835,377
Capital outlay:									
General government	487,627								487,627
Total expenditures	1,307,699	280,945	2,676,496	-	202,382			-	4,467,522
Excess of revenues over (under) expenditures	(329,696)	(150,469)	849,888	-	-			124,219	493,942
Other financing sources (uses):									
Transfers in	130,000		2,676,497						2,806,497
Transfers out	(188,000)		(3,881,571)						(4,069,571)
Total other financing sources	(58,000)	-	(1,205,074)	-	-			-	(1,263,074)
Net change in fund balance	(387,696)	(150,469)	(355,186)	-	-			124,219	(769,132)
Fund balance, beginning of year (restated)	180,476	1,033,579	355,186					(2,595,426)	(1,026,185)
Fund balance, end of year	\$ (207,220)	\$ 883,110	\$ -	\$ -	\$ -			\$ (2,471,207)	\$ (1,795,317)

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash	\$ 333,816	\$ 251,896
Due from other funds		35,000
		<u>35,000</u>
Total assets	<u>\$ 333,816</u>	<u>\$ 286,896</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3,036	\$ 6,420
Due to other funds	538,000	100,000
		<u>100,000</u>
Total liabilities	<u>541,036</u>	<u>106,420</u>
Fund balance:		
Restricted for:		
Capital projects		180,476
Unassigned	(207,220)	
	<u>(207,220)</u>	
Total fund balance	<u>(207,220)</u>	<u>180,476</u>
Total liabilities and fund balance	<u>\$ 333,816</u>	<u>\$ 286,896</u>

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Rental income	\$ 844,306	\$ 800,154
Interest	1,342	1,639
Intergovernmental		1,100,664
Miscellaneous	132,355	231,622
	<u>978,003</u>	<u>2,134,079</u>
Total revenues		
Expenditures:		
Debt service:		
Principal retirement	637,676	1,062,368
Interest and fees	182,396	214,839
Capital outlay:		
General government	487,627	393,388
Community development		171,895
	<u>1,307,699</u>	<u>1,842,490</u>
Total expenditures		
Excess of revenues over (under) expenditures	<u>(329,696)</u>	<u>291,589</u>
Other financing sources (uses):		
Transfers in	130,000	200,000
Transfers out	<u>(188,000)</u>	<u>(186,000)</u>
Total other financing sources (uses)	<u>(58,000)</u>	<u>14,000</u>
Net change in fund balance	(387,696)	305,589
Fund balance, beginning of year	<u>180,476</u>	<u>(125,113)</u>
Fund balance, end of year	<u>\$ (207,220)</u>	<u>\$ 180,476</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 41,041	\$ 141,042
Investments	843,952	883,221
Due from other funds		15,000
	<u>884,993</u>	<u>1,039,263</u>
Total assets	<u>\$ 884,993</u>	<u>\$ 1,039,263</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,883	\$ 5,684
	<u>1,883</u>	<u>5,684</u>
Total liabilities	<u>1,883</u>	<u>5,684</u>
Fund balance:		
Restricted for:		
Community development	883,110	1,033,579
	<u>883,110</u>	<u>1,033,579</u>
Total fund balance	<u>883,110</u>	<u>1,033,579</u>
Total liabilities and fund balance	<u>\$ 884,993</u>	<u>\$ 1,039,263</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Rental income	\$ 84,600	\$ 57,550
Investment income	41,037	19,233
Miscellaneous	4,839	3,960
	<u>130,476</u>	<u>80,743</u>
Total revenues		
Expenditures:		
Current:		
Community development	74,945	84,594
Redevelopment and housing	206,000	206,000
	<u>280,945</u>	<u>290,594</u>
Total expenditures		
Excess of revenues over (under) expenditures	<u>(150,469)</u>	<u>(209,851)</u>
Net change in fund balance	(150,469)	(209,851)
Fund balance, beginning of year	<u>1,033,579</u>	<u>1,243,430</u>
Fund balance, end of year	<u>\$ 883,110</u>	<u>\$ 1,033,579</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	\$ 84,600	\$ 84,600	\$ -
Investment income	12,000	41,037	29,037
Miscellaneous	1,000	4,839	3,839
Total revenues	97,600	130,476	32,876
Expenditures:			
Current:			
Community development	78,000	74,945	3,055
Redevelopment and housing	206,000	206,000	-
Total expenditures	284,000	280,945	3,055
Excess of revenue over (under) expenditures	(186,400)	(150,469)	35,931
Net change in fund balance	(186,400)	(150,469)	35,931
Fund balance, beginning of year	1,033,579	1,033,579	-
Fund balance, end of year	\$ 847,179	\$ 883,110	\$ 35,931

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Hotel/Motel tax	\$ 3,526,384	\$ 1,122,254
Total revenues	<u>3,526,384</u>	<u>1,122,254</u>
Expenditures:		
Current:		
Community development	1,688,515	688,451
Debt service:		
Principal retirements	335,000	
Interest and fees	<u>652,981</u>	
Total expenditures	<u>2,676,496</u>	<u>688,451</u>
Excess of revenues over (under) expenditures	<u>849,888</u>	<u>433,803</u>
Other financing sources (uses):		
Transfers in	2,676,497	688,451
Transfers out	<u>(3,881,571)</u>	<u>(1,122,254)</u>
Total other financing sources (uses)	<u>(1,205,074)</u>	<u>(433,803)</u>
Net change in fund balance	(355,186)	-
Fund balance, beginning of year (restated)	<u>355,186</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	\$ 1,090,000	\$ 3,526,384	\$ 2,436,384
Total revenues	1,090,000	3,526,384	2,436,384
Expenditures:			
Current:			
Community development	681,250	1,688,515	(1,007,265)
Debt service:			
Principal retirements		335,000	(335,000)
Interest and fees		652,981	(652,981)
Total expenditures	681,250	2,676,496	(1,995,246)
Excess of revenue over (under) expenditures	408,750	849,888	441,138
Other financing sources (uses):			
Transfers in	681,250	2,676,497	1,995,247
Transfers out	(1,090,000)	(3,881,571)	(2,791,571)
Total other financing sources (uses)	(408,750)	(1,205,074)	(796,324)
Net change in fund balance	-	(355,186)	(355,186)
Fund balance, beginning of year (restated)		355,186	355,186
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, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental	\$ -	\$ 74,462
Total revenues	-	74,462
Expenditures:		
Current:		
Redevelopment and housing	-	74,462
Total expenditures	-	74,462
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, 2019

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current:			
Redevelopment and housing	-	-	-
Total expenditures	-	-	-
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-LAGRANGE MALL
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental	\$ 202,382	
Total revenues	202,382	\$ -
Expenditures:		
Current:		
Community development	202,382	
Total expenditures	202,382	-
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-LAGRANGE MALL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 203,000	\$ 202,382	\$ (618)
Total revenues	203,000	202,382	(618)
Expenditures:			
Current:			
Community development	203,000	202,382	618
Total expenditures	203,000	202,382	618
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-MARRIOTT
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash	\$ 70	\$ 70
Total assets	<u>\$ 70</u>	<u>\$ 70</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Advances from other funds	\$ 2,471,277	\$ 2,595,496
Total liabilities	<u>2,471,277</u>	<u>2,595,496</u>
Fund balance:		
Unassigned	<u>(2,471,207)</u>	<u>(2,595,426)</u>
Total fund balance	<u>(2,471,207)</u>	<u>(2,595,426)</u>
Total liabilities and fund balance	<u>\$ 70</u>	<u>\$ 70</u>

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-MARRIOTT
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Investment income		\$ 70
Miscellaneous	\$ 124,219	
Total revenues	124,219	70
Expenditures:		
Current:		
Community development		
Total expenditures	-	-
Excess of revenue over (under) expenditures	124,219	70
Net change in fund balance	124,219	70
Fund balance, beginning of year	(2,595,426)	(2,595,496)
Fund balance, end of year	\$ (2,471,207)	\$ (2,595,426)

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-MARRIOTT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ 125,000	\$ 124,219	\$ (781)
Total revenues	125,000	124,219	(781)
Expenditures:			
Current:			
Community development		-	-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	125,000	124,219	(781)
Net change in fund balance	125,000	124,219	(781)
Fund balance, beginning of year	(2,595,426)	(2,595,426)	-
Fund balance, end of year	<u>\$ (2,470,426)</u>	<u>\$ (2,471,207)</u>	<u>\$ (781)</u>



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.

SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 81,141	\$ 2,024,730
Investments	1,019,220	879,992
Receivables:		
Taxes	1,562,569	1,191,211
Other	9,551	9,551
Inventory	170,003	179,260
Restricted cash and cash equivalents	505,729	72,370
Restricted investments	1,002,897	856,017
	<u>1,002,897</u>	<u>856,017</u>
Total assets	<u>\$ 4,351,110</u>	<u>\$ 5,213,131</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 568,031	\$ 541,783
Due to other governmental entities		922,529
Due to other funds	372,000	
Accrued liabilities	110,060	230,204
Unearned revenue	81,358	637,830
	<u>81,358</u>	<u>637,830</u>
Total liabilities	<u>1,131,449</u>	<u>2,332,346</u>
Fund balance:		
Nonspendable:		
Inventory	170,003	179,260
Assigned for:		
Public safety	7,000	
Restricted for:		
Perpetual care	860,384	860,384
Public safety	60,963	68,003
Community development	50,339	
Debt service	383,060	
Unassigned	1,687,912	1,773,138
	<u>1,687,912</u>	<u>1,773,138</u>
Total fund balance	<u>3,219,661</u>	<u>2,880,785</u>
Total liabilities and fund balance	<u>\$ 4,351,110</u>	<u>\$ 5,213,131</u>

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Taxes:		
Sales	\$ 5,750,141	\$ 5,230,046
Franchise	1,130,709	1,073,386
Insurance premium	2,110,111	1,956,943
Alcoholic beverage	760,968	717,267
Ad valorem	480,732	353,980
Other	788,464	782,733
Licenses and permits	276,267	197,724
Intergovernmental	708,006	758,478
Fines and forfeitures	1,037,600	1,164,063
Garage charges	1,044,834	
Charges for services	294,682	285,318
Investment income	58,258	43,570
Miscellaneous	359,303	271,870
	<u>14,800,075</u>	<u>12,835,378</u>
Total revenues		
Expenditures:		
Current:		
General government	3,096,624	2,085,775
Public safety	17,766,922	17,424,091
Public service	2,780,224	2,856,934
Culture and recreation	1,467,014	1,349,158
Community development	1,930,808	1,547,130
Telecommunications	460,021	466,364
Debt service:		
Principal retirement	403,506	377,785
Interest and fees	30,198	9,860
Capital outlay:		
General government	159,248	105,638
Public safety	944,106	562,887
Public service	671,750	830,449
Culture and recreation	80,891	112,936
	<u>29,791,312</u>	<u>27,729,007</u>
Total expenditures		
Excess of expenditures over (under) revenues	<u>(14,991,237)</u>	<u>(14,893,629)</u>
Other financing sources (uses):		
Sale of capital assets	11,621	13,462
Capital lease	213,418	396,555
Transfers in	17,781,571	15,022,254
Transfers out	(2,676,497)	(688,451)
	<u>15,330,113</u>	<u>14,743,820</u>
Total other financing sources (uses)		
Net change in fund balance	338,876	(149,809)
Fund balance, beginning of year	<u>2,880,785</u>	<u>3,030,594</u>
Fund balance, end of year	<u>\$ 3,219,661</u>	<u>\$ 2,880,785</u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 376,215	\$ 1,841,776
Receivables:		
Intergovernmental	<u>691,850</u>	<u>1,116,754</u>
Total assets	<u>\$ 1,068,065</u>	<u>\$ 2,958,530</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 634,124	\$ 841,092
Due to other funds	<u>650,000</u>	
Total liabilities	<u>1,284,124</u>	<u>841,092</u>
Fund balance:		
Restricted for capital project		2,117,438
Unassigned	<u>(216,059)</u>	
Total fund balance	<u>(216,059)</u>	<u>2,117,438</u>
Total liabilities and fund balance	<u>\$ 1,068,065</u>	<u>\$ 2,958,530</u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	2019	2018
Revenues:		
Intergovernmental	\$ 4,194,143	\$ 3,359,689
Investment income (loss)	3,780	6,354
	<u>4,197,923</u>	<u>3,366,043</u>
Total revenues		
Expenditures:		
Capital outlay:		
Public safety	1,235,688	244,944
Public service	1,697,009	2,450,877
Community development	3,598,723	2,662,186
	<u>6,531,420</u>	<u>5,358,007</u>
Total expenditures		
Excess of revenues over (under) expenditures	<u>(2,333,497)</u>	<u>(1,991,964)</u>
Net change in fund balance	(2,333,497)	(1,991,964)
Fund balance, beginning of year	<u>2,117,438</u>	<u>4,109,402</u>
Fund balance, end of year	<u>\$ (216,059)</u>	<u>\$ 2,117,438</u>



LAGRANGE
GEORGIA

SUPPLEMENTAL INFORMATION ENTERPRISE FUNDS

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

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

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

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 2,335,367	\$ 4,327,061
Investments	25,913,015	23,185,021
Receivables:		
Accounts	9,343,283	9,206,851
Due from other funds	1,360,000	100,000
Prepays	55,023	48,620
Inventory	1,318,144	1,180,744
Restricted assets:		
Restricted investments		950,087
Total current assets	<u>40,324,832</u>	<u>38,998,384</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,574,303	1,574,303
Capital assets, being depreciated	34,060,262	35,105,478
Advances to other funds	2,471,277	2,595,496
Total noncurrent assets	<u>38,105,842</u>	<u>39,275,277</u>
Total assets	<u>78,430,674</u>	<u>78,273,661</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	212,149	219,250
Changes of assumptions	96,466	111,241
Contributions after measurement date	323,471	273,194
Other post-employment benefits:		
Contributions after measurement date	<u>71,008</u>	<u>69,095</u>
Total deferred outflows of resources	<u>703,094</u>	<u>672,780</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018
(Continued)

	<u>2019</u>	<u>2018</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	3,693,076	3,739,844
Customer deposits	2,312,609	2,190,425
Accrued liabilities	37,072	65,622
Accrued compensated absences	86,031	77,280
Due to other funds		35,000
Unearned revenue	1,458,151	2,671,379
Capital leases, current	278,409	262,462
Intergovernmental agreement payable, current	295,000	285,000
Liabilities payable from restricted assets:		
Accrued interest payable	45,599	112,734
Revenue bonds, current	910,000	880,000
Total current liabilities	<u>9,115,947</u>	<u>10,319,746</u>
Noncurrent liabilities:		
Compensated absences	129,047	115,917
Revenue bonds, long-term	3,950,000	4,860,000
Capital leases, long-term	489,939	568,393
Intergovernmental agreement payable, long-term	2,090,000	2,385,000
Advances from other funds	722,810	823,141
Net OPEB obligation	2,562,008	2,190,832
Net pension liability	2,153,339	2,018,238
Total noncurrent liabilities	<u>12,097,143</u>	<u>12,961,521</u>
Total liabilities	<u>21,213,090</u>	<u>23,281,267</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	3,669	4,232
Net difference between projected and actual earnings on investments	397,227	306,839
Changes of assumptions		5,888
Other post-employment benefits:		
Difference between expected and actual experience	38,107	139,678
Changes of assumptions	195,369	25,925
Total deferred outflows of resources	<u>634,372</u>	<u>482,562</u>
<u>NET POSITION</u>		
Net investment in capital assets	30,006,216	30,108,926
Unrestricted	<u>27,280,090</u>	<u>25,073,686</u>
Total net position	<u>\$ 57,286,306</u>	<u>\$ 55,182,612</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Gas system	\$ 14,689,323	\$ 13,313,278
Electric system	51,595,928	49,992,041
Telecommunications	3,376,166	3,215,182
Other sales	631,073	526,560
	<u>70,292,490</u>	<u>67,047,061</u>
Total operating revenues		
Operating expenses:		
Gas system	10,646,172	9,320,395
Electric system	45,676,473	42,746,765
Telecommunications	2,772,582	2,535,436
Depreciation	2,317,528	2,252,833
	<u>61,412,755</u>	<u>56,855,429</u>
Total operating expenses		
Operating income	<u>8,879,735</u>	<u>10,191,632</u>
Nonoperating revenues (expenses):		
Investment income	1,084,801	1,294
Gain (loss) on sale of assets	11,448	(4,053)
Interest expense	(312,393)	(353,308)
	<u>783,856</u>	<u>(356,067)</u>
Total nonoperating revenues (expenses)		
Net income before transfers	9,663,591	9,835,565
Transfers in	2,547,395	2,386,000
Transfers out	(10,107,292)	(10,076,653)
	<u>2,103,694</u>	<u>2,144,912</u>
Change in net position		
Net position, beginning of year	<u>55,182,612</u>	<u>53,037,700</u>
Net position, end of year	<u>\$ 57,286,306</u>	<u>\$ 55,182,612</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 67,770,014	\$ 64,123,925
Cash paid to employees	(3,717,610)	(3,358,621)
Cash paid to suppliers	(54,947,084)	(51,431,901)
Net cash provided (used) by operating activities	<u>9,105,320</u>	<u>9,333,403</u>
Cash flows from noncapital financing activities:		
Repayment of advance to (from) other funds	(100,331)	(95,327)
Advances to other funds	124,219	
Transfers in	2,547,395	2,386,000
Transfers out	(10,107,292)	(10,076,653)
Net cash provided (used) by noncapital financing activities	<u>(7,536,009)</u>	<u>(7,785,980)</u>
Cash flows from capital and related financing activities:		
Principal payments on revenue bonds	(880,000)	(850,000)
Proceeds from sale of assets	11,448	16,542
Acquisition of capital assets	(1,048,097)	(899,493)
Capital lease payments	(286,720)	(247,776)
Payments on intergovernmental agreement	(285,000)	(270,000)
Interest paid	(379,530)	(302,374)
Net cash provided (used) by capital and related financing activities	<u>(2,867,899)</u>	<u>(2,553,101)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(1,777,907)	2,935,108
Investment income	1,084,801	1,294
Net cash provided (used) by investing activities	<u>(693,106)</u>	<u>2,936,402</u>
Net increase (decrease) in cash	(1,991,694)	1,930,724
Cash, beginning of year	<u>4,327,061</u>	<u>2,396,337</u>
Cash, end of year	<u>\$ 2,335,367</u>	<u>\$ 4,327,061</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018
(Continued)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 8,879,735	\$ 10,191,632
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,317,528	2,252,833
Changes in operating assets and liabilities:		
Accounts receivable	(136,432)	(1,207,529)
Inventory	(137,400)	(23,696)
Prepaid expense	(6,403)	(288)
Accounts payable	(46,768)	(215,630)
Accrued vacation	21,881	9,717
Due from other funds	(1,260,000)	222,000
Due to other funds	(35,000)	35,000
Unearned revenue	(1,213,228)	(2,148,223)
Other accrued expenses	(28,550)	35,010
Customer deposits	122,184	175,616
Net OPEB obligation	437,136	35,823
Net pension liability	190,637	(28,862)
	<u>9,105,320</u>	<u>9,333,403</u>
Net cash provided by operating activities	<u>\$ 9,105,320</u>	<u>\$ 9,333,403</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2019 and 2018, the City incurred debt of \$224,214 and \$533,627, 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, 2019

	Electric System	Gas System	Telecom- municatons	Total
Operating revenues	<u>\$ 51,933,231</u>	<u>\$ 14,983,093</u>	<u>\$ 3,376,166</u>	<u>\$ 70,292,490</u>
Operating expenses:				
Electricity and natural gas purchase	39,805,712	8,896,592		48,702,304
Depreciation	777,169	1,098,493	441,866	2,317,528
Other operating	5,870,761	1,749,580	2,772,582	10,392,923
	<u>46,453,642</u>	<u>11,744,665</u>	<u>3,214,448</u>	<u>61,412,755</u>
Operating income	<u>\$ 5,479,589</u>	<u>\$ 3,238,428</u>	<u>\$ 161,718</u>	<u>\$ 8,879,735</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
Year Ended June 30, 2019

	Historical Cost			Allowance of Depreciation				Net Asset Value	
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Balance June 30, 2018	Expenses	Deletions		
Gas system	\$ 34,373,182	\$ 60,959		\$ 34,434,141	\$ (16,031,987)	\$ (1,098,493)		\$ (17,130,480)	\$ 17,303,661
Electric system	24,516,810	750,500		25,267,310	(12,939,490)	(777,169)		(13,716,659)	11,550,651
Telecommunications	11,665,071	460,853		12,125,924	(4,903,805)	(441,866)		(5,345,671)	6,780,253
	<u>\$ 70,555,063</u>	<u>\$ 1,272,312</u>	<u>\$ -</u>	<u>\$ 71,827,375</u>	<u>\$ (33,875,282)</u>	<u>\$ (2,317,528)</u>	<u>\$ -</u>	<u>\$ (36,192,810)</u>	<u>\$ 35,634,565</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE SCHEDULES OF REVENUES
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Gas system:		
Gas sales	\$ 14,689,323	\$ 13,313,278
Miscellaneous	293,770	261,529
	<u>14,983,093</u>	<u>13,574,807</u>
Electric system:		
Electricity sales	47,231,945	45,973,195
Street and security lights	1,443,137	1,341,017
Miscellaneous	3,258,149	2,942,860
	<u>51,933,231</u>	<u>50,257,072</u>
Telecommunications:		
Internet services	2,316,031	2,140,954
Other telecommunications services	1,060,135	1,074,228
	<u>3,376,166</u>	<u>3,215,182</u>
 Total operating revenues	 <u>\$ 70,292,490</u>	 <u>\$ 67,047,061</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 2,040,082	\$ 1,152,843
Investments	11,104,480	10,583,699
Receivables:		
Accounts	2,111,513	2,087,817
Inventory	1,494,248	1,462,181
Total current assets	<u>16,750,323</u>	<u>15,286,540</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,409,553	699,894
Capital assets, being depreciated	67,060,707	70,316,804
Total noncurrent assets	<u>68,470,260</u>	<u>71,016,698</u>
Total assets	<u>85,220,583</u>	<u>86,303,238</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	146,290	174,663
Changes of assumptions	66,519	88,621
Contributions after measurement date	223,052	217,638
Other post-employment benefits:		
Contributions after measurement date	<u>48,964</u>	<u>55,043</u>
Total deferred outflows of resources	<u>484,825</u>	<u>535,965</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018
(Continued)

	<u>2019</u>	<u>2018</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	181,487	138,718
Customer deposits	594,505	577,010
Accrued liabilities	27,317	54,604
Accrued compensated absences	41,106	40,446
Unearned revenue	639,930	
Notes payable, current	822,938	808,523
Total current liabilities	<u>2,307,283</u>	<u>1,619,301</u>
Noncurrent liabilities:		
Compensated absences	61,658	60,669
Notes payable, long-term	13,544,861	14,367,797
Net OPEB obligation	1,766,656	1,745,311
Net pension liability	1,484,853	1,607,815
Total noncurrent liabilities	<u>16,858,028</u>	<u>17,781,592</u>
Total liabilities	<u>19,165,311</u>	<u>19,400,893</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	2,530	3,371
Net difference between projected and actual earnings on investments	273,911	244,440
Changes of assumptions		4,691
Other post-employment benefits:		
Difference between expected and actual experience	26,277	111,273
Changes of assumptions	134,718	20,653
Total deferred inflows of resources	<u>437,436</u>	<u>384,428</u>
<u>NET POSITION</u>		
Net investment in capital assets	54,102,461	55,840,378
Unrestricted	<u>12,000,200</u>	<u>11,213,504</u>
Total net position	<u>\$ 66,102,661</u>	<u>\$ 67,053,882</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Water and sewerage system	\$ 16,568,787	\$ 15,831,839
Other sales	417,908	164,735
	<u>16,986,695</u>	<u>15,996,574</u>
Total operating revenues		
Operating expenses:		
Water and sewerage system	9,870,882	8,724,599
Depreciation	3,530,190	3,609,543
	<u>13,401,072</u>	<u>12,334,142</u>
Total operating expenses		
Operating income (loss)	<u>3,585,623</u>	<u>3,662,432</u>
Nonoperating revenues (expenses):		
Investment income	232,323	177,243
Gain (loss) on sale of assets	7,629	(11,795)
Interest expense	(249,625)	(263,764)
	<u>(9,673)</u>	<u>(98,316)</u>
Total nonoperating revenues (expenses)		
Net income before contributions and transfers	3,575,950	3,564,116
Transfers in	532,224	449,776
Transfers out	<u>(5,059,395)</u>	<u>(5,600,000)</u>
Change in net position	(951,221)	(1,586,108)
Net position, beginning of year, restated	<u>67,053,882</u>	<u>68,639,990</u>
Net position, end of year	<u>\$ 66,102,661</u>	<u>\$ 67,053,882</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers and users	\$ 17,620,424	\$ 15,850,526
Cash paid to employees	(4,333,330)	(4,157,111)
Cash paid to suppliers	(5,549,957)	(4,890,684)
Net cash provided (used) by operating activities	<u>7,737,137</u>	<u>6,802,731</u>
Cash flows from noncapital financing activities:		
Transfers in	532,224	449,776
Transfers out	(5,059,395)	(5,600,000)
Net cash provided (used) by noncapital financing activities	<u>(4,527,171)</u>	<u>(5,150,224)</u>
Cash flows from capital and related financial activities:		
Proceeds from sale of assets	7,629	1,874
Acquisition of capital assets	(983,753)	(1,647,939)
Payments on notes payable	(808,521)	(794,382)
Interest paid	(249,624)	(263,764)
Net cash provided (used) by capital and related financing activities	<u>(2,034,269)</u>	<u>(2,704,211)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(520,781)	29,255
Investment income	232,323	177,243
Net cash provided (used) by investing activities	<u>(288,458)</u>	<u>206,498</u>
Net increase (decrease) in cash	887,239	(845,206)
Cash, beginning of year	<u>1,152,843</u>	<u>1,998,049</u>
Cash, end of year	<u>\$ 2,040,082</u>	<u>\$ 1,152,843</u>
Cash flows from operating activities:		
Operating income	\$ 3,585,623	\$ 3,662,432
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,530,190	3,609,543
Changes in operating assets and liabilities:		
Accounts receivable	(23,696)	(128,687)
Inventory	(32,067)	(102,266)
Accounts payable	42,769	(149,065)
Accrued vacation	1,649	(5,525)
Unearned revenue	639,930	
Other accrued expenses	(27,287)	28,765
Customer deposits	17,495	(17,361)
Net OPEB obligation	56,493	(27,947)
Net pension liability	(53,962)	(67,158)
Net cash provided by operating activities	<u>\$ 7,737,137</u>	<u>\$ 6,802,731</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,247,527	\$ 1,892,312
Receivables:		
Accounts receivable	571,214	647,483
Due from other funds	200,000	
Total current assets	<u>4,018,741</u>	<u>2,539,795</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,437,733	1,437,733
Capital assets, being depreciated	18,756,863	22,165,905
Total noncurrent assets	<u>20,194,596</u>	<u>23,603,638</u>
 Total assets	 <u>24,213,337</u>	 <u>26,143,433</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	68,703	79,264
Changes of assumptions	31,240	40,216
Contributions after measurement date	104,753	98,766
Other post-employment benefits:		
Contributions after measurement date	<u>22,995</u>	<u>24,979</u>
 Total deferred outflows of resources	 <u>227,691</u>	 <u>243,225</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018
(Continued)

	<u>2019</u>	<u>2018</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	73,154	144,886
Customer deposits	1,530	1,530
Accrued liabilities	5,563	24,568
Accrued compensated absences	12,255	22,279
Due to other funds		
Notes payable, current	180,812	175,812
Capital leases, current	79,053	312,029
Landfill postclosure liability, current	46,189	44,413
Total current liabilities	<u>398,556</u>	<u>725,517</u>
Noncurrent liabilities:		
Compensated absences	18,381	33,418
Notes payable, long-term	2,678,695	2,859,508
Capital leases, long-term	40,085	393,393
Landfill postclosure liability	8,645,627	8,407,460
Net OPEB obligation	829,685	792,037
Net pension liability	697,340	729,641
Total noncurrent liabilities	<u>12,909,813</u>	<u>13,215,457</u>
Total liabilities	<u>13,308,369</u>	<u>13,940,974</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Differences between expected and actual experience	1,188	1,530
Net difference between projected and actual earnings on investments	128,639	110,929
Changes of assumptions		2,129
Other post-employment benefits:		
Differences between expected and actual experience	12,340	50,496
Changes of assumptions	63,268	9,372
Total deferred inflows of resources	<u>205,435</u>	<u>174,456</u>
<u>NET POSITION</u>		
Net investment in capital assets	17,215,950	19,862,896
Unrestricted	<u>(6,288,726)</u>	<u>(7,591,668)</u>
Total net position	<u>\$ 10,927,224</u>	<u>\$ 12,271,228</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Sanitation	\$ 7,802,487	\$ 8,639,567
Other sales	109,413	74,255
	<u>7,911,900</u>	<u>8,713,822</u>
Total operating revenues		
Operating expenses:		
Sanitation	6,431,928	7,091,320
Depreciation	1,577,844	1,676,033
	<u>8,009,772</u>	<u>8,767,353</u>
Total operating expenses		
Operating income	<u>(97,872)</u>	<u>(53,531)</u>
Nonoperating revenues (expenses):		
Investment income	4,635	5,448
Gain (loss) on sale of assets	1,064,686	(190,387)
Interest expense	(87,458)	(92,318)
	<u>981,863</u>	<u>(277,257)</u>
Total nonoperating revenues (expenses)		
Net income (loss) before transfers	883,991	(330,788)
Transfers in	245,068	226,877
Transfers out	<u>(2,000,000)</u>	<u>(1,300,000)</u>
Change in net position	(870,941)	(1,403,911)
Net position, beginning of year, restated	<u>11,798,165</u>	<u>13,675,139</u>
Net position, end of year	<u>\$ 10,927,224</u>	<u>\$ 12,271,228</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,788,169	\$ 8,716,858
Cash paid to employees	(1,509,045)	(2,197,575)
Cash paid to suppliers	(5,219,941)	(4,593,063)
Net cash provided (used) by operating activities	<u>1,059,183</u>	<u>1,926,220</u>
Cash flows from noncapital financing activities:		
Transfers in	245,068	226,877
Transfers out	(2,000,000)	(1,300,000)
Net cash provided (used) by noncapital financing activities	<u>(1,754,932)</u>	<u>(1,073,123)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of assets	3,000,000	77,616
Acquisition of capital assets	(104,116)	(187,547)
Capital lease payments	(586,284)	(400,183)
Payments on notes payable	(175,813)	(170,953)
Interest paid	(87,458)	(92,318)
Net cash provided (used) by capital and related financing activities	<u>2,046,329</u>	<u>(773,385)</u>
Cash flows from investing activities:		
Investment income	4,635	5,448
Net cash provided (used) by investing activities	<u>4,635</u>	<u>5,448</u>
Net increase (decrease) in cash	1,355,215	85,160
Cash, beginning of year	<u>1,892,312</u>	<u>1,807,152</u>
Cash, end of year	<u>\$ 3,247,527</u>	<u>\$ 1,892,312</u>
Cash flows from operating activities:		
Operating income	\$ (97,872)	\$ (53,531)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,577,844	1,676,033
Changes in operating assets and liabilities:		
Accounts receivable	76,269	29,569
Accounts payable	(544,795)	73,408
Accrued vacation	(25,061)	2,967
Due to other funds	(200,000)	(26,533)
Other accrued expenses	(19,005)	11,865
Closure/postclosure	239,943	257,793
Net OPEB obligation	55,372	(48,804)
Net pension liability	(3,512)	3,453
Net cash provided by operating activities	<u>\$ 1,059,183</u>	<u>\$ 1,926,220</u>



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, 2019

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 647,004	\$ 1,288,766	\$ 1,935,770
Investments		565,888	565,888
Receivables-other	47,608		47,608
Due from other funds		250,000	250,000
Prepays	16,435		16,435
Advances to other funds		722,810	722,810
	<u>711,047</u>	<u>2,827,464</u>	<u>3,538,511</u>
Total assets			
	<u>711,047</u>	<u>2,827,464</u>	<u>3,538,511</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	26,478	2,053	28,531
Claims reserve	900,000	600,000	1,500,000
Due to other funds	250,000		250,000
	<u>1,176,478</u>	<u>602,053</u>	<u>1,778,531</u>
Total liabilities			
	<u>1,176,478</u>	<u>602,053</u>	<u>1,778,531</u>
<u>NET POSITION</u>			
Net position:			
Unrestricted	<u>(465,431)</u>	<u>2,225,411</u>	<u>1,759,980</u>
	<u>\$ (465,431)</u>	<u>\$ 2,225,411</u>	<u>\$ 1,759,980</u>
Total net position			
	<u>\$ (465,431)</u>	<u>\$ 2,225,411</u>	<u>\$ 1,759,980</u>

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2019

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Premiums	\$ 7,875,709	\$ 3,362,964	\$ 11,238,673
Operating expenses:			
Administrative services	192,982	64,701	257,683
Risk management	7,949,044	4,083,299	12,032,343
Total operating expenses	8,142,026	4,148,000	12,290,026
Operating income (loss)	(266,317)	(785,036)	(1,051,353)
Nonoperating revenues:			
Investment income	4,727	75,779	80,506
Total nonoperating revenues	4,727	75,779	80,506
Change in net position	(261,590)	(709,257)	(970,847)
Net position, beginning of year	(203,841)	2,934,668	2,730,827
Net position, end of year	\$ (465,431)	\$ 2,225,411	\$ 1,759,980

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 7,874,159	\$ 4,097,964	\$ 11,972,123
Cash paid to suppliers	(8,692,060)	(4,157,182)	(12,849,242)
Net cash provided (used) by operating activities	<u>(817,901)</u>	<u>(59,218)</u>	<u>(877,119)</u>
Cash flows from noncapital financing activities:			
Repayment of advance to (from) other funds		100,331	100,331
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>100,331</u>	<u>100,331</u>
Cash flows from investing activities:			
Sale (purchase) of investments		(36,936)	(36,936)
Investment income	4,727	75,779	80,506
Net cash provided (used) by investing activities	<u>4,727</u>	<u>38,843</u>	<u>43,570</u>
Net increase (decrease) in cash	(813,174)	79,956	(733,218)
Cash, beginning of year	<u>1,460,178</u>	<u>1,208,810</u>	<u>2,668,988</u>
Cash, end of year	<u>\$ 647,004</u>	<u>\$ 1,288,766</u>	<u>\$ 1,935,770</u>
Cash flows form operating activities:			
Operating income (loss)	\$ (266,317)	\$ (785,036)	\$ (1,051,353)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	(1,550)		(1,550)
(Increase) decrease in due from other funds		735,000	735,000
Increase (decrease) in accounts payable	(34)	(9,182)	(9,216)
Increase (decrease) in claims reserve	200,000		200,000
Increase (decrease) in due to other funds	(750,000)		(750,000)
Net cash provided (used) by operating activities	<u>\$ (817,901)</u>	<u>\$ (59,218)</u>	<u>\$ (877,119)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 647,004	\$ 1,460,178
Receivables-other	47,608	46,058
Prepays	<u>16,435</u>	<u>16,435</u>
Total assets	<u>711,047</u>	<u>1,522,671</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	26,478	26,512
Claims reserve	900,000	700,000
Due to other funds	<u>250,000</u>	<u>1,000,000</u>
Total current liabilities	<u>1,176,478</u>	<u>1,726,512</u>
<u>NET POSITION</u>		
Net position:		
Unrestricted	<u>(465,431)</u>	<u>(203,841)</u>
Total net position	<u>\$ (465,431)</u>	<u>\$ (203,841)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Premiums	<u>\$ 7,875,709</u>	<u>\$ 7,083,505</u>
Operating expenses:		
Administrative services	192,982	140,982
Risk management	<u>7,949,044</u>	<u>6,034,185</u>
Total operating expenses	<u>8,142,026</u>	<u>6,175,167</u>
Operating income (loss)	<u>(266,317)</u>	<u>908,338</u>
Nonoperating revenues:		
Investment income	<u>4,727</u>	<u>5,440</u>
Total nonoperating revenues	<u>4,727</u>	<u>5,440</u>
Change in net position	(261,590)	913,778
Net position, beginning of year	<u>(203,841)</u>	<u>(1,117,619)</u>
Net position, end of year	<u><u>\$ (465,431)</u></u>	<u><u>\$ (203,841)</u></u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,874,159	\$ 7,077,247
Cash paid to suppliers	(8,692,060)	(6,148,655)
Net cash provided (used) by operating activities	<u>(817,901)</u>	<u>928,592</u>
Cash flows from investing activities:		
Investment income	<u>4,727</u>	<u>5,440</u>
Net cash provided (used) by investing activities	<u>4,727</u>	<u>5,440</u>
Net increase (decrease) in cash	(813,174)	934,032
Cash, beginning of year	<u>1,460,178</u>	<u>526,146</u>
Cash, end of year	<u>\$ 647,004</u>	<u>\$ 1,460,178</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (266,317)	\$ 908,338
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	(1,550)	(6,258)
Increase (decrease) in accounts payable	(34)	26,512
Increase (decrease) in claims reserve	200,000	
Increase (decrease) in due to other funds	<u>(750,000)</u>	
Net cash provided (used) by operating activities	<u>\$ (817,901)</u>	<u>\$ 928,592</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,288,766	\$ 1,208,810
Investments	565,888	528,952
Due from other funds	250,000	985,000
Advances to other funds	<u>722,810</u>	<u>823,141</u>
Total assets	<u>2,827,464</u>	<u>3,545,903</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	2,053	11,235
Claims reserve	<u>600,000</u>	<u>600,000</u>
Total liabilities	<u>602,053</u>	<u>611,235</u>
<u>NET POSITION</u>		
Net position:		
Unrestricted	<u>2,225,411</u>	<u>2,934,668</u>
Total net position	<u>\$ 2,225,411</u>	<u>\$ 2,934,668</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Premiums	\$ 3,362,964	\$ 972,259
Operating expenses:		
Administrative services	64,701	47,280
Risk management	4,083,299	1,283,204
Total operating expenses	4,148,000	1,330,484
Operating income (loss)	(785,036)	(358,225)
Nonoperating revenues:		
Investment income	75,779	53,228
Total nonoperating revenues	75,779	53,228
Change in net position	(709,257)	(304,997)
Net position, beginning of year	2,934,668	3,239,665
Net position, end of year	<u>\$ 2,225,411</u>	<u>\$ 2,934,668</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 4,097,964	\$ 1,067,259
Cash paid to suppliers	(4,157,182)	(1,320,935)
Net cash provided (used) by operating activities	<u>(59,218)</u>	<u>(253,676)</u>
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	<u>100,331</u>	<u>95,327</u>
Net cash provided (used) by noncapital financing activities	<u>100,331</u>	<u>95,327</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(36,936)	1,465
Investment income	<u>75,779</u>	<u>53,228</u>
Net cash provided (used) by investing activities	<u>38,843</u>	<u>54,693</u>
Net increase (decrease) in cash	79,956	(103,656)
Cash, beginning of year	<u>1,208,810</u>	<u>1,312,466</u>
Cash, end of year	<u>\$ 1,288,766</u>	<u>\$ 1,208,810</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (785,036)	\$ (358,225)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in due from other funds	735,000	95,000
Increase (decrease) in accounts payable	<u>(9,182)</u>	<u>9,549</u>
Net cash provided (used) by operating activities	<u>\$ (59,218)</u>	<u>\$ (253,676)</u>

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Governmental fund capital assets:		
Land	\$ 13,601,122	\$ 13,058,444
Construction in progress	3,217,264	300,861
Buildings	22,289,346	22,123,536
Machinery and equipment	13,871,607	13,407,691
Vehicles	5,286,288	4,452,481
Infrastructure	<u>56,724,793</u>	<u>52,930,762</u>
Total governmental fund capital assets	<u>\$ 114,990,420</u>	<u>\$ 106,273,775</u>
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 16,256,061	\$ 14,200,927
General obligation bonds	3,000,000	3,000,000
Capital projects fund	72,882,782	66,326,577
Special revenues fund	4,429,256	4,429,256
Donations	<u>18,422,321</u>	<u>18,317,015</u>
Total governmental fund capital assets	<u>\$ 114,990,420</u>	<u>\$ 106,273,775</u>

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2019

Function and Activity	Total	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Vehicles	Infrastructure
General government	\$ 15,281,943	\$ 4,864,794	\$ 73,535	\$ 6,530,298	\$ 2,775,723	\$ 398,328	\$ 639,265
Public safety	9,490,358	21,465		2,266,959	2,933,941	4,041,117	226,876
Public service	13,132,587	636,261	556,471		2,549,640	451,661	8,938,554
Culture and recreation	5,359,729	1,843,041		206,943	659,751	303,044	2,346,950
Community development	71,725,803	6,235,561	2,587,258	13,285,146	4,952,552	92,138	44,573,148
Total governmental funds capital assets	\$ 114,990,420	\$ 13,601,122	\$ 3,217,264	\$ 22,289,346	\$ 13,871,607	\$ 5,286,288	\$ 56,724,793

*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, 2019

<u>Function and Activity</u>	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
General government	\$ 14,690,361	\$ 610,397	\$ (18,815)	\$ 15,281,943
Public safety	8,595,157	895,201		9,490,358
Public service	12,207,755	978,967	(54,135)	13,132,587
Culture and recreation	5,173,533	186,196		5,359,729
Community development	65,606,969	6,177,556	(58,722)	71,725,803
Total governmental funds capital assets	<u>\$ 106,273,775</u>	<u>\$ 8,848,317</u>	<u>\$ (131,672)</u>	<u>\$ 114,990,420</u>

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

ADDITIONAL DATA

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

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

CHIP Schedules – Disclosures required by specific grant audit requirements.

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2019

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	\$ 10,550,000	\$ 7,059,497	\$ 878,802	\$ 7,938,299
Utility relocation	3,000,000	443,680	149,309	592,989
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	5,478,606	2,298,481	7,777,087
Public safety facilities and equipment	3,400,000	2,340,384	292,955	2,633,339
Special Local Option Sales Tax - 2017:				
The Thread - multi-use trail	\$ 5,000,000		\$ 958,890	\$ 958,890
Park upgrades	550,000		341,353	341,353
Gateway corridor enhancements	2,000,000			-
Roads and bridge improvements	6,000,000		663,119	663,119
Utility relocation	1,400,000		331	331
Regional storm water management initiatives	1,000,000		5,449	5,449
Public safety	4,000,000		942,731	942,731

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
Year Ended June 30, 2019

CHIP CH14XLAGR-01

Total grant	\$ 391,000
Less, total program funds drawn down by recipient for the year ended:	
June 30, 2019	-
June 30, 2018	(74,462)
June 30, 2017	<u>(124,895)</u>
Program funds available for future draw down	<u>\$ 191,643</u>
 Total program funds drawn down by recipient for the year ended June 30, 2019	 \$ -
Add, program income applicable to the year ended June 30, 2019	<u>-</u>
Total program funds drawn by recipient and program income for the year ended June 30, 2019	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
PROJECT COST SCHEDULE
Year Ended June 30, 2019

Activity	Budgeted Expenditures	Expenditures			Questioned Cost
		Prior Years	Current Year	Total	
CHIP CH14XLAGR-01					
Rehabilitation	\$ 385,000	\$ 195,506		\$ 195,506	None
Administration	6,000	3,851		3,851	None
	<u>\$ 391,000</u>	<u>\$ 199,357</u>	<u>\$ -</u>	<u>\$ 199,357</u>	

STATISTICAL SECTION

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

CONTENTS

	<u>PAGE</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104
<u>Revenue Capacity</u> - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	110
<u>Debt Capacity</u> - 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.	115
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	119
<u>Operating Information</u> - 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.	121

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment										
in capital assets	\$ 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	\$ 71,977,857
Restricted	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	1,354,746
Unrestricted	(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)	(35,829,384)
Total governmental activities net position	\$ 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	\$ 37,503,219
Business-type activities:										
Net investment										
in capital assets	\$ 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	\$ 101,324,627
Unrestricted	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	32,991,564
Total business-type activities net position	\$ 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	\$ 134,316,191
Primary government:										
Net investment										
in capital assets	\$ 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	\$ 173,302,484
Restricted	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	1,354,746
Unrestricted	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)	(2,837,820)
Total primary government net position	\$ 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	\$ 171,819,410



LAGRANGE
GEORGIA

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

Fiscal Year Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government										
Public safety	\$ 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	\$ 3,348,886
Public service	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	18,711,064
Culture and recreation	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	3,149,068
Community development	1,082,616	990,442	1,103,386	1,090,148	1,156,457	993,631	1,009,469	1,024,270	1,586,548	1,579,867
Redevelopment and housing	2,480,853	2,317,269	2,590,079	2,885,126	3,160,331	3,330,554	3,547,065	25,296,195	4,551,535	6,359,208
Miscellaneous	748,224	817,226	377,065	398,890	415,457	403,159	438,347	443,353	438,966	451,737
Interest on long-term debt	621,623	502,255	600,050	583,580	327,250	326,751	232,542	533,129	788,434	831,861
Total governmental activities expenses	23,966,550	23,421,424	25,228,948	26,419,214	27,464,367	26,120,696	27,801,873	51,378,541	31,153,635	34,637,691
Business-type activities:										
Water and sewerage	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	13,650,697
Gas	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	12,057,058
Electric system	35,065,463	37,470,631	40,414,968	42,433,294	45,998,584	46,100,926	43,771,606	43,424,244	43,465,618	46,453,642
Sanitation	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	8,097,230
Telecommunications	2,256,707	2,320,373	2,464,663	2,393,405	2,104,518	1,890,481	2,318,542	2,975,595	2,976,708	3,214,448
Total business-type activities expenses	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	83,473,075
Total primary government expenses	\$ 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	\$ 118,110,766
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 100,601	\$ 152,279	\$ 270,308	\$ 119,827	\$ 202,638	\$ 196,652	\$ 356,953	\$ 366,991	\$ 366,546	\$ 1,716,581
Public safety	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	1,388,901
Public service	170,271	279,526	66,275	148,511	63,435	61,110	61,010	44,875	57,315	51,180
Culture and recreation	26,250	1,080,982	1,104,382	1,248,930	1,232,586	1,238,348	1,079,498	1,162,818	861,664	1,057,964
Community development	1,064,311	64,071	66,275	148,511	63,435	61,110	61,010	44,875	57,315	51,180
Redevelopment and housing	64,071	64,071	1,104,382	1,248,930	1,232,586	1,238,348	1,079,498	1,162,818	861,664	1,057,964
Operating grants and contributions	259,664	459,031	660,012	812,440	338,610	74,335	218,943	586,037	2,817,707	910,388
Capital grants and contributions	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	4,556,503
Total government activities program revenues	7,231,433	7,544,716	7,717,471	7,593,634	6,745,114	13,557,312	13,706,773	6,906,249	8,977,951	9,681,517
Business-type activities:										
Charges for services:										
Water and sewerage	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	16,986,695
Gas system	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	14,983,093
Electric system	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	51,933,231
Sanitation	7,030,912	7,645,580	8,368,771	8,533,923	8,420,551	8,731,988	9,456,822	9,406,918	8,713,822	7,911,900
Telecommunications	3,096,680	2,672,258	2,861,178	2,933,962	3,050,010	2,755,585	2,998,812	3,082,439	3,215,182	3,376,166
Operating grants and contributions	1,171,307	248,729	151,268							
Capital grants and contributions	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	95,191,085
Total business-type activities program revenues	\$ 96,350,606	\$ 101,906,957	\$ 98,532,310	\$ 98,128,454	\$ 104,466,065	\$ 112,164,404	\$ 104,593,611	\$ 96,889,466	\$ 100,736,247	\$ 104,872,602
Total primary government program revenues										

Fiscal Year Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (24,955,174)
Business-type activities	18,962,734	21,162,694	15,376,628	11,490,710	13,510,033	17,216,027	13,399,298	11,348,502	12,894,908	11,719,010
Total primary government net expense	\$ 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)	\$ (13,236,164)
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	\$ 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	\$ 7,666,659
Sales tax	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	5,750,141
Franchise taxes	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	1,130,709
Unrestricted investment earnings	106,833	48,205	30,635	132,379	29,289	35,789	42,269	51,222	64,512	100,637
Gain on sale of capital assets										
Transfers	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	13,842,000
Total governmental activities	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	28,490,146
Business-type activities:										
Unrestricted investment earnings	121,858	116,453	91,097	15,114	43,952	72,298	103,009	370,511	183,985	1,321,759
Gain on sale of capital assets										1,083,763
Transfers	(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)	(13,842,000)
Total business-type activities	(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)	(11,436,478)
Total primary government	\$ 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	\$ 17,053,668
Change in Net Position										
Governmental activities	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	3,533,972
Business-type activities	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)	281,532
Total primary government	\$ 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	\$ 3,815,504

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

Fiscal Year Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ 223,439	\$ 248,238	\$ 185,692	\$ 203,335	\$ 197,596	\$ 200,254	\$ 183,753	\$ 195,491	\$ 179,260	\$ 170,003
Restricted	628,958	776,590	861,865	876,905	865,860	812,684	936,059	932,122	928,387	1,354,746
Assigned										7,000
Unassigned	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	1,687,912
Total general fund	\$ 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	\$ 3,219,661
All other governmental funds										
Nonspendable, reported in:										
Debt service										
Capital projects										
Restricted, reported in:										
Special revenue	\$ 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	\$ 883,110
Debt service	1,203,952	928,295	692,818							
Capital projects	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)	(2,894,486)
Total all other governmental funds	\$ 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	\$ (2,011,376)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes, licenses and permits	\$ 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	\$ 14,823,776
Intergovernmental	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	5,104,531
Fines and forfeitures	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	1,037,600
Garage Charges										1,044,834
Charges for services	402,548	284,338	281,683	260,968	257,906	250,170	310,653	253,768	285,318	294,682
Investment income	106,833	52,899	36,484	135,818	39,445	43,704	54,216	67,230	70,866	104,417
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	928,906
Miscellaneous	1,204,796	310,939	233,274	313,802	269,320	197,361	425,595	568,710	507,452	620,716
Total revenues	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	23,959,462
Expenditures										
General government	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	3,096,624
Public safety	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	17,766,922
Public service	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	2,780,224
Culture and recreation	885,939	818,368	946,692	942,167	1,006,218	959,879	944,873	945,898	1,349,158	1,467,014
Community development	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	3,896,650
Redevelopment and housing	436,144	480,592	503,278	577,942	335,399	228,000	228,000	352,895	280,462	206,000
Telecommunications and technology	296,011	326,362	367,318	386,117	392,945	405,217	422,411	443,359	466,364	460,021
Debt service:										
Principal	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	1,376,182
Interest	633,156	585,208	542,588	597,633	371,047	357,059	226,215	259,488	224,699	865,575
Capital outlay	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	8,875,042
Total expenditures	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	40,790,254
Excess of revenues over (under) expenditures	(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)	(16,830,792)
Other financing sources (uses)										
Refunding bonds issued						2,299,000				
Capital lease	195,276	214,753	176,496	235,475	474,797	238,972	2,725,707	713,427	396,555	213,418
Proceeds from sale of assets	13,823	6,153	20,099	2,266	347	36,733	4,984	29,306	13,462	11,621
Transfers in	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	20,588,068
Transfers out	(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)	(6,746,068)
Total other financing sources (uses)	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	14,067,039
Net change in fund balances	\$ (1,790,160)	\$ 436,706	\$ (1,646,110)	\$ (1,279,870)	\$ 1,767,918	\$ 951,345	\$ (144,859)	\$ (3,404,473)	\$ (2,045,965)	\$ (2,763,753)
Debt service as a percentage of noncapital expenditures	8.68%	8.35%	7.33%	8.26%	6.16%	13.65%	4.69%	5.24%	5.64%	6.92%

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

Fiscal Year Ended June 30	Property Tax	Local Option		Special Purpose Local Option		Franchise Tax	Motor Fuel Tax	Alcoholic Beverage		Hotel/Motel Tax	Total
		Sales Tax	Sales Tax	Sales Tax	Sales Tax			Tax	Tax		
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			
2019	-	5,750,141	4,194,143	1,130,709	-	760,968	3,526,384	15,362,345			



LAGRANGE
GEORGIA

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
WATER & SEWER FUND:										
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	24.0	21.0	17.0	13.0	13.0	15.0	14.0	14.0	12.0	14.0
Return on total assets (%)	5.0	5.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Return on equity (%)	5.0	6.0	4.0	3.0	3.0	3.0	3.0	4.0	3.0	4.0
Liabilities/Assets (%)	17.0	11.0	6.0	5.0	11.0	20.0	22.0	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	7.3
Receivables avg. days outstanding	54.4	43.5	44.5	46.9	42.9	43.6	45.1	42.9	47.6	45.4
Equity transfer (% of Income)	-23.0	(3.0)	4.0	64.0	85.0	109.0	157.0	145.0	179.0	136.0
Equity transfer (% of Revenue)	-6.0	(1.0)	1.0	8.0	11.0	16.0	22.0	22.0	23.0	21.0
Net Equity Transfers Out (\$)	-847	(125)	125	1,185	1,760	2,555	3,585	3,600	3,600	3,605
Cash and investments(\$)	3,590	2,133	4,446	6,600	9,354	11,035	11,557	12,611	11,737	13,144
Capital investment to depreciation ratio (x)	1.4	1.0	0.2	0.5	1.9	2.7	0.8	0.2	0.5	0.3
Total capitalization (\$)	73,941	73,403	76,200	76,699	80,607	86,571	86,217	85,039	81,422	79,647
Working Capital (\$)	1,732	1,097	6,435	8,523	9,669	12,040	12,941	14,030	13,668	14,443
OPERATING INFORMATION:										
Water KGAL sales	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	1,942,207
Sewer KGAL sales	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	1,127,385
Revenues \$/KGAL sold	4.64	4.81	5.01	4.97	5.15	5.16	5.37	5.34	5.35	5.53
Total operating expense \$/KGAL	3.38	3.47	3.80	4.23	4.24	3.71	3.69	3.57	3.70	4.15
Distribution expenses \$/Kgal sold	2.61	2.85	3.21	3.32	3.39	3.30	3.40	3.32	3.44	3.52
Installed Water meters	19,342	19,544	19,584	19,607	19,660	19,733	19,783	19,892	19,920	19,991
Water distribution employees	17	17	17	17	17	17	17	17	17	16
Water production employees	13	13	13	13	13	13	13	13	13	13
Meters/distribution employee	1,138	1,150	1,152	1,153	1,156	1,161	1,164	1,170	1,172	1,249
Meters/production employee	1,488	1,503	1,506	1,508	1,512	1,518	1,522	1,530	1,532	1,538
KGAL/distribution employee	123,667	128,652	122,142	112,559	111,213	113,174	112,841	118,640	111,638	121,388
KGAL/production employee	161,718	168,237	159,725	147,193	145,432	147,997	147,561	155,145	145,988	149,401
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	10.0	16.0	16.0	17.0	13.0	24.0	19.0	13.0	22.0	20.0
Electric profit margin (%)	25.0	26.0	19.0	17.0	14.0	17.0	17.0	13.0	16.0	13.0
Telecom profit margin (%)	28.0	14.0	14.0	15.0	9.0	33.0	1.0	6.0	10.0	7.0
Return on total assets (%)	16.0	19.0	15.0	14.0	13.0	18.0	14.0	12.0	15.0	15.0
Return on equity (%)	32.0	33.0	26.0	22.0	21.0	28.0	20.0	16.0	21.0	20.0
Liabilities/Assets (%)	52.0	46.0	45.0	43.0	42.0	39.0	35.0	32.0	30.0	27.0
Current ratio (x)	3.4	4.2	3.8	3.6	4.0	4.4	4.8	4.3	4.5	5.1
Receivables avg. days outstanding	49.5	49.9	53.1	49.2	42.0	41.0	43.7	46.2	50.5	49.0

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Equity transfer (% of Income)	55.0	63.0	112.0	96.0	98.0	75.0	77.0	102.0	81.0	82.0
Equity fund transfer (% of Revenue)	12.0	15.0	22.0	16.0	14.0	15.0	13.0	14.0	14.0	13.0
Net Equity Transfers Out (\$)	7,963	10,763	14,277	10,496	10,533	10,900	8,600	9,081	9,400	9,330
Cash & Investments (\$)	15,268	16,504	18,853	20,942	24,982	27,618	30,967	26,642	27,512	28,248
Capital investment versus depreciation (x)	2.4	0.5	0.4	1.0	0.3	0.5	0.4	0.7	0.4	0.4
Capitalization (\$)	60,618	66,172	63,749	63,722	62,757	63,706	64,297	63,423	62,996	63,816
Working Capital (\$)	18,289	24,186	22,705	22,831	26,199	29,083	31,505	27,747	29,578	34,414
OPERATING INFORMATION:										
Electric MWH purchases ^	515,880	532,868	515,529	525,329	535,331	547,324	548,879	543,805	539,512	551,359
Electric MWH sales	494,628	511,050	492,216	505,156	514,629	532,395	535,192	531,624	526,357	539,896
Electric \$/MWH sold	93.78	98.07	100.23	97.81	103.13	102.66	94.27	91.10	94.98	95.57
Electric total operating expense \$/MWH sold	69.90	72.63	80.85	81.55	88.44	84.90	78.29	79.21	80.13	83.61
Electric purchases expense \$/MWH sold	63.83	67.68	74.46	74.16	79.54	76.51	71.08	72.06	70.70	73.77
Electric distribution expense \$/MWH sold	5.33	4.02	5.38	6.37	7.81	7.29	6.11	6.01	8.08	8.40
Installed electric meters	13,369	13,499	13,581	13,561	13,582	13,583	13,594	13,612	13,609	13,561
Electric distribution employees	12	12	12	12	12	12	12	12	12	17
Electric right-of-way employees	3	5	5	5	5	5	6	6	6	7
Meters/employee	1,114	1,125	1,132	1,130	1,132	1,132	1,133	1,134	1,134	798
MWHs/employee	41,219	42,588	41,018	42,096	42,886	44,366	44,599	44,302	43,863	31,759
Gas Dth purchases ^	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	2,189,843
Gas Dth sales	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	2,160,022
Gas revenue \$/Dth sold	7.47	7.45	6.81	6.81	8.00	7.59	5.60	6.11	6.38	6.80
Gas operating expense \$/Dth sold	6.74	6.27	5.72	5.63	6.94	5.76	4.56	5.34	4.99	5.41
Gas purchases expense \$/Dth sold	5.11	4.76	4.05	3.92	5.36	4.45	3.27	3.96	3.76	4.12
Gas divisional operating expenses \$/Dth sold	0.82	0.69	0.77	0.70	0.85	0.60	0.54	0.61	0.54	0.64
Installed Gas meters	9,543	9,497	9,444	9,460	9,460	9,500	9,496	9,526	9,521	9,165
Gas employees	12	11	10	10	8	8	8	8	8	8
Meters/employee	795	863	944	946	1,183	1,188	1,187	1,191	1,190	1,146
Dth/employee	180,348	201,017	195,793	214,557	268,196	276,893	254,665	239,312	261,028	270,003
Boring Crew					2	2	2	2	2	3
Customer Service Reps	6	6	6	6	6	6	6	6	8	9
Meters/CSR	7,042	7,090	7,102	7,105	7,117	7,136	7,146	7,172	5,381	4,746
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	25,188	25,473	26,759	26,188	22,337	20,816	19,649	18,719	19,048	17,302
Meters/Service Worker	4,695	4,727	4,734	4,736	4,745	4,757	4,764	4,781	4,783	4,746
Orders per USW	2,799	2,830	2,973	2,910	2,482	2,313	2,183	2,080	2,116	1,922
Total equity transfers out	7,116	10,638	14,402	11,681	12,293	13,455	12,185	12,681	13,000	12,935
Total equity transfer (% of Revenue)	9.0	12.0	18.0	14.0	14.0	15.0	15.0	16.0	16.0	15.0

Data Source: City Utility Department

^ 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	2019			2010		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 629,119	1	3.65%	\$ 832,788	1	4.70%
City of Greenville	329,574	2	1.91%	232,295	2	1.30%
City of Hogansville	211,806	3	1.23%	178,106	4	1.00%
Great Wolf Lodge	169,004	4	0.98%			
Troup County Commissioners	162,582	5	0.94%	212,535	3	1.20%
West Georgia Health Systems	108,444	6	0.63%	135,146	5	0.80%
Kimberly Clark	105,203	7	0.61%	116,676	6	0.70%
Troup Co. School System	95,677	8	0.55%			
Duracell USA	91,567	9	0.53%			
Lee's Crossing Apartments	88,739	10	0.51%	84,172	7	0.50%
City of West Point				74,383	8	0.40%
LaGrange College				71,420	9	0.40%
Mountville Mills, Inc.				70,114	10	0.40%
	<u>\$ 1,991,715</u>		<u>11.54%</u>	<u>\$ 2,007,635</u>		<u>11.40%</u>

Data Source: City Utility Department

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

	2019			2010		
	Customer	Customer Charges	Rank	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.		\$ 2,725,827	1	\$ 3,375,453	1	20.90%
KIA Motor Corporation		2,388,054	2	2,153,710	2	13.30%
Mountville Mills, Inc.		722,927	3	464,213	6	2.90%
Jindal Films America		484,387	4			
Great Wolf Lodge		461,164	5			
West Georgia Health Systems		326,190	6	412,578	7	2.60%
Interface Flooring Systems		301,976	7	499,524	5	3.10%
Kimberly Clark		299,557	8	720,493	3	4.50%
CW Matthews Contracting Co, Inc.		182,491	9	233,647	9	1.50%
Troup Co. School System		166,045	10	204,150	10	1.30%
Exxon Mobil				616,308	4	3.80%
City of LaGrange				247,011	8	1.50%
		<u>\$ 8,058,618</u>		<u>\$ 8,927,087</u>		<u>55.40%</u>

Data Source: City Utility Department

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

Customer	2019			2010		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	\$ 3,516,544	1	6.79%			
Duracell USA	2,328,633	2	4.50%	\$ 2,146,291	2	4.70%
Sewon America, Inc.	1,523,857	3	2.94%			
West Georgia Health Systems	1,439,622	4	2.78%	1,519,542	4	3.30%
Wal-Mart	1,374,876	5	2.66%	1,360,415	5	3.00%
Troup Co. School System	1,269,686	6	2.45%	913,358	7	2.00%
Interface Flooring Systems	1,196,719	7	2.31%	1,228,118	6	2.70%
SAFA	1,109,796	8	2.14%	867,477	8	1.90%
LaGrange College	906,140	9	1.75%	746,674	9	1.60%
Freudenburg NOK	711,856	10	1.38%			
Exxon Mobil				3,289,346	1	7.10%
City of LaGrange				1,643,516	3	3.60%
Mountville Mills, Inc.				731,711	10	1.60%
	<u>\$ 15,377,729</u>		<u>29.70%</u>	<u>\$ 14,446,448</u>		<u>31.50%</u>

Data Source: City Utility Department

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

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases	Notes Payable				
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	
2019	20,005,000	2,536,609	-	4,860,000	2,385,000	887,486	17,227,306	47,901,401	9.45%	1,581	

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 119 for personal income and population data.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 13,372,917	43%	\$ 5,750,354
Troup County Board of Public Education	-	43%	-
Subtotal, overlapping debt			<u>5,750,354</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			<u>22,541,609</u>
Subtotal, direct debt			<u>22,541,609</u>
Total direct and overlapping debt			<u>\$ 28,291,963</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	\$ 115,660,640
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	\$ 115,660,640
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 2019										
Net assessed value										\$ 1,004,570,457
Add Back: Exempt real property										152,035,944
Total assessed value										<u>\$ 1,156,606,401</u>
Debt limit (10% of total assessed value)										\$ 115,660,640
Debt applicable to limit:										
General obligation bonds										-
Less: Amount set aside for repayment of general obligation debt										-
Total net debt applicable to limit										<u>-</u>
Legal debt margin										<u>\$ 115,660,640</u>

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

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

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Total Revenue *	Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
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 ***
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%
2019	30,300	506,900,000	16,730	33.0	N/A	12,066	3.6%

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

2019

2010

Employer	Type of Business	Employees	Rank	Percentage	Employees	Rank	Percentage
Troup County School System	Education	1,939	1	20.13%	1,950	1	17.30%
West Georgia Health Systems	Medical Services	1,300	2	13.50%	1,336	2	11.80%
Interface Flooring Systems	Floor coverings	1,300	3	13.50%	1,072	3	9.50%
Wal-Mart Distribution Center	Warehousing	1,175	4	12.20%	1,060	4	9.40%
Mountville Mills, Inc.	Carpet	965	5	10.02%			
Milliken & Co.	Textiles	794	6	8.24%	970	5	8.60%
Sewon America, Inc.	Car Manufacturing Supplier	614	7	6.37%	475	7	4.20%
Troup County Board of Commissioners	Government	552	8	5.73%	517	6	4.60%
American Home Shield	Call Center	499	9	5.18%			
Duracell	Batteries	495	10	5.14%	420	9	3.70%
City of LaGrange	Government				430	8	3.80%
					*	10	*

* Information not available

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government										
Public safety:	16	16	16	16	16	16	16	16	13	13
Police	94	96	95	95	95	99	105	105	105	106
Fire	58	58	58	57	57	57	57	57	64	64
Animal control	3	3	4	4	4	4	4	4	4	4
Court services	3	3	3	3	3	3	3	3	3	3
Probation services	4	5	5	5	5	5	5	5	5	5
Public service:										
Landscaping & cemeteries	9	8	8	8	8	8	8	9	18	18
Highways & streets	19	18	17	17	17	17	17	17	17	16
Traffic control	2	3	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	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	1	1	1	1	0	0	0	0	0	0
Economic development	1	1	1	1	1	1	1	1	1	1
Community and economic development	8	7	7	7	8	8	8	8	9	8
Other governmental services:										
Vehicle maintenance	16	16	16	16	16	16	16	17	17	15
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	246	247	246	245	245	252	258	260	276	273
Business-type activities:										
Water & sewerage	64	64	64	64	64	63	63	63	63	63
Electric	18	17	17	17	17	17	17	17	18	23
Gas	12	10	10	10	10	8	8	8	8	8
Telecommunications	6	6	6	5	6	8	8	8	8	8
Sanitation	32	32	32	32	32	31	31	31	31	33
Business-type activities support services	27	27	27	27	27	29	29	29	32	32
Total business-type activities	159	156	156	155	156	156	156	156	160	167
Grand total	405	403	402	400	401	408	414	416	436	440

Data Source: City Finance Office

* Information not available

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

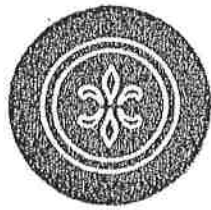
Function	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Physical arrests	5,795	4,769	5,451	6,111	5,780	5,431	4,519	4,018	4,175	3,323
Parking violations	639	215	185	424	298	255	255	391	611	288
Traffic violations	17,920	15,163	17,491	20,060	14,488	13,363	12,625	12,955	15,095	14,809
Fire:										
Number of calls answered	3,332	3,724	4,223	4,723	4,477	4,705	4,634	4,607	4,722	5,040
Inspections	2,427	3,242	2,925	2,715	2,715	2,289	2,479	2,451	1,986	2,598
Health and welfare:										
Animal control (captured animals-City)	1,616	1,370	1,448	1,446	1,331	1,209	1,163	1,132	1,394	1,568
Highways and streets:										
Street resurfacing (miles)	15	17	12	23	3	2	2	5	2	6
Potholes repaired	350	150	89	57	71	53	74	58	72	13
Water and sewerage:										
New water connections	116	166	57	7	36	105	111	144	162	129
New sewage connections	132	11	120	22	31	22	28	29	17	59
Average daily consumption (thousands of gallons)	5,760	5,992	5,688	5,242	5,179	5,271	5,288	5,526	5,200	5,321
Average daily sewage treatment (thousands of gallons)	5,870	4,710	4,550	4,370	4,940	4,270	5,120	4,900	3,750	3,750
Gas:										
Breaks on gas main	10	13	14	1	2	5	6	-	-	1
Solid waste:										
Refuse collected (tons/day)	392	392	412	412	419	442	442	442	442	50
Recyclables collected (tons/day)	9	9	11	11	13	15	15	15	15	20

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

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

Function	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	83	86	82	77	89	86	89	93	98
Fire stations	5	5	5	5	5	5	5	5	5	5
Fire engines	10	10	10	10	10	10	11	11	9	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	11	11
Parks acreage	207	207	207	207	207	207	207	207	207	211
Parks	14	14	14	14	14	14	14	14	14	15
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	209	209	214	218
Streetlights (additions)	138	155	25	25	25	52	209	50	72	84
Traffic signals (City owned)	9	9	9	8	8	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	430	432	434	435	442	446	448	449	445	449
Fire hydrants	2,000	2,030	2,040	2,060	1,919	1,919	1,929	1,939	1,930	1,971
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	216
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	10,000	10,000
Gas:										
Gas lines (miles)	351	309	326	326	327	327	339	343	337	337
Number of distribution stations	13	13	13	14	17	18	19	19	19	18
Sanitation:										
Collection trucks	35	38	41	41	42	44	44	44	44	18

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



LAGRANGE
GEORGIA