



City of  
**Loganville**  
Since 1887  
*"Where People Matter"*

**Annual Financial Report**  
*For Fiscal Year Ending June 30, 2020*

# CITY OF LOGANVILLE, GEORGIA

INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020

CITY OF LOGANVILLE, GEORGIA

TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1-3</b>
<b>MANAGEMENT’S DISCUSSION &amp; ANALYSIS .....</b>	<b>4-10</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position.....	11-12
Statement of Activities .....	13-14
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	19-20
Statement of Net Position – Proprietary Funds .....	21-22
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	23
Statement of Cash Flows – Proprietary Funds .....	24-25
Notes to the Financial Statements.....	26-50
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	51
Schedule of Contributions.....	52
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	53
Schedule of OPEB Contributions .....	54
Notes to the Required Supplementary Information .....	55-58

CITY OF LOGANVILLE, GEORGIA

TABLE OF CONTENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020  
(CONTINUED)

Page

**SUPPLEMENTARY INFORMATION**

**Nonmajor Governmental Funds**

Combining Balance Sheet – Nonmajor Governmental Funds .....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	60

**Special Revenue Funds**

Confiscated Assets Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	61
Hotel/Motel Tax Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	62
Schedule of Projects Constructed with Special Sales Tax Proceeds .....	63-65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual Peach Rd Infrastructure Improvements Pass-Thru.....	66

**Component Units**

Loganville Development Authority	
Balance Sheet .....	67
Statement of Revenue, Expenditures, and Changes in Fund Balances.....	68

**GOVERNMENTAL REPORTS**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	69-70
Schedule of Findings and Response.....	71-72
Schedule of Prior Year Findings.....	73



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows, and the budgetary comparison for the General Fund thereof 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 information and pages 4 through 10, the schedule of changes in the net pension liability and related ratios on page 51, the schedule of contributions on page 52, the schedule of changes in the total OPEB liability and related ratios on page 53, schedule of OPEB contributions on page 54 and the notes to the required supplementary information on pages 55 through 58 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 Loganville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the component unit financial statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the component unit financial statements, and the schedule of projects

constructed with special sales tax proceeds 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 and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the component unit financial statements, and the schedule of projects constructed with special sales tax proceeds are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2021, on our consideration of the City of Loganville, 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 Loganville, 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 Loganville, Georgia's internal control over financial reporting and compliance.

Macon, Georgia  
March 16, 2021



## **MANAGEMENT'S DISCUSSION & ANALYSIS**



## CITY OF LOGANVILLE, GEORGIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

As management of the City of Loganville, Georgia we present management's analysis of the City's financial condition and activities for the fiscal year ended June 30, 2020. This information should be read and considered in conjunction with the financial statements.

#### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of fiscal year 2020 \$52,313,732 (total net position). Of this amount, \$22,145,445 (unrestricted net position) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$4,237,722.
- At the close of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$13,738,181. Of this amount, \$7,933,996 or 58 % is available for spending at the government's discretion (General unassigned fund balance). The balance of this amount, \$4,752,726 is available for spending according to the guidelines of the source of the funds. The balance of \$1,051,459 is nonspendable by nature.
- At the end of the fiscal year, the unassigned fund balance for the general fund was \$7,933,996.

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

Management's Discussion and Analysis (MD&A) serves as an introduction to the City of Loganville's basic financial statements. The City's basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A should be read and considered with the basic audited financial statements and supplementary information.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the City's finances in a manner similar to commercial enterprises.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two being reported as net position. Over time, increases or decreases in net position 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 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 the related cash flows. 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 property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation and housing and development. The business-type activities of the City include water and sewer and the solid waste management.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

(CONTINUED)

**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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into governmental funds and proprietary funds.

**Governmental funds.** Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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 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 the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general which is considered a major fund. The data from the seven other funds, the non-major funds, is aggregated into a single presentation. The individual fund data for these funds is located in the combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund and all special revenue funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The City does not have a debt service fund. The City adopted a project length budget for all Capital project funds. Budgetary comparisons for these non-major funds are included as supplementary information.

**Proprietary funds.** The City maintains one type of proprietary fund. 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 solid waste operations, water and sewer system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water and Sewer Fund, and the Solid Waste Fund. These two funds are considered to be major funds of the City.

**Notes to the financial statements.** The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's obligation in funding pension benefits to its employees.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

(CONTINUED)

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The assets exceeded the liabilities at the close of fiscal year 2020 at \$52,313,732.

The largest component of net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted in the amount of \$22,145,445 or 42%. Another component of the City's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding, which comprises \$29,311,727 or 56%. The City uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's net investment in 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.

An additional portion of the City's net position, \$873,326 or 2% represents resources that are subject to external restrictions on how they may be used and debt service.

(See Chart Next Page)

## CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020  
(CONTINUED)City of Loganville Net Position  
June 30, 2020

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b><u>Assets</u></b>						
Current assets	\$ 14,671,160	\$ 10,843,512	\$ 16,097,558	\$ 12,153,921	\$30,768,718	\$ 22,997,433
Restricted assets	-	-	7,127,899	14,793,457	7,127,899	14,793,457
Capital assets	14,627,481	14,771,076	30,826,300	19,388,786	45,453,781	34,159,862
Total Assets	<u>\$ 29,298,641</u>	<u>\$ 25,614,588</u>	<u>\$ 54,051,757</u>	<u>\$ 46,336,164</u>	<u>\$83,350,398</u>	<u>\$ 71,950,752</u>
<b><u>Deferred Outflows of Resources</u></b>						
Deferred outflows related to pension	2,134,576	1,418,401	482,935	361,274	2,617,511	1,779,675
Deferred outflows related to OPEB	1,103,318	1,275,173	63,792	108,822	1,167,110	1,383,995
Total Deferred Outflows of Resources	<u>3,237,894</u>	<u>2,693,574</u>	<u>546,727</u>	<u>470,096</u>	<u>3,784,621</u>	<u>3,163,670</u>
<b><u>Liabilities</u></b>						
Current and other liabilities	1,471,985	1,485,962	5,582,985	2,244,609	7,054,970	3,730,571
Noncurrent liabilities	7,233,341	5,659,776	20,339,347	16,734,251	27,572,688	22,394,027
Total Liabilities	<u>8,705,326</u>	<u>7,145,738</u>	<u>25,922,332</u>	<u>18,978,860</u>	<u>34,627,658</u>	<u>26,124,598</u>
<b><u>Deferred Inflows of Resources</u></b>						
Deferred inflows related to pensions and OPEB	<u>163,368</u>	<u>738,468</u>	<u>30,261</u>	<u>175,346</u>	<u>193,629</u>	<u>913,814</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	12,547,198	12,478,434	16,747,763	16,894,142	29,294,961	29,372,576
Restricted for:						
Capital outlay	-	-	873,326	684,012	873,326	684,012
Unrestricted	11,120,643	7,945,522	11,024,802	10,073,900	22,145,445	18,019,422
Total Net Position	<u>\$ 23,667,841</u>	<u>\$ 20,423,956</u>	<u>\$ 28,645,891</u>	<u>\$ 27,652,054</u>	<u>\$52,313,732</u>	<u>\$ 48,076,010</u>

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the government as whole, as well as for its separate governmental and business-type activities.

**Revenues.** Property Taxes of \$6,563,432 and sales tax of \$1,461,213 accounted for 71% of total general revenues.

Capital grants and contributions totaled \$2,521,652.

**Expenses.** The total expense for the governmental activities is \$12,451,943. The largest single expenditure activity is public safety. Public safety includes the police department and the fire department. The total public safety expense is \$6,077,092 or 49% of total governmental activity expense.

Total program revenues and general revenues exceeded expenses by \$3,243,885.

## CITY OF LOGANVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

(CONTINUED)

## City of Loganville Changes in Net Position

June 30, 2020

	Governmental Activities		Business Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for service	\$ 1,517,449	\$ 1,758,140	\$ 10,363,160	\$ 10,269,682	\$ 11,880,609	\$ 12,027,822
Operating grants and contributions	282,195	79,030	-	-	282,195	79,030
Capital grants and contributions	2,521,652	1,713,056	44,471	3,165,707	2,566,123	4,878,763
General revenues					-	
Property taxes	6,563,432	6,223,391	-	-	6,563,432	6,223,391
Sales tax	1,461,213	1,346,242	-	-	1,461,213	1,346,242
Other Taxes	2,569,984	2,444,023	-	-	2,569,984	2,444,023
Grants and Contributions not specific					-	
Investment earnings	148,315	50,578	220,853	126,777	369,168	177,355
Miscellaneous	231,588	258,654			231,588	258,654
Total revenue	15,295,828	13,873,114	10,628,484	13,562,166	25,924,312	27,435,280
<b>Expenses</b>						
General government	2,868,471	2,695,588	-	-	2,868,471	2,695,588
Judicial	434,997	423,016	-	-	434,997	423,016
Public safety	6,077,092	5,686,797	-	-	6,077,092	5,686,797
Public works	2,204,413	4,519,955	-	-	2,204,413	4,519,955
Culture and recreation	139,676	137,247	-	-	139,676	137,247
Housing and development	677,215	678,416	-	-	677,215	678,416
Interest and fiscal charges	50,079	82,699	-	-	50,079	82,699
Water and sewer	-	-	7,368,321	7,663,099	7,368,321	7,663,099
Solid waste	-	-	1,866,326	1,768,436	1,866,326	1,768,436
Total Expenses	12,451,943	14,223,718	9,234,647	9,431,535	21,686,590	23,655,253
Increase in net position before transfers	2,843,885	(350,604)	1,393,837	4,130,631	4,237,722	3,780,027
Transfers	400,000	400,000	(400,000)	(400,000)	-	-
Increase in net position	3,243,885	49,396	993,837	3,730,631	4,237,722	3,780,027
Net position - beginning	20,423,956	20,374,560	27,652,054	23,921,423	48,076,010	44,295,983
Net position - ending	\$ 23,667,841	\$ 20,423,956	\$ 28,645,891	\$ 27,652,054	\$ 52,313,732	\$ 48,076,010

**Business-type activities.** Business-type activities increased the City's net position by \$993,837 or 23% of the increase in the government's net position.

**Revenues.** Water and sewer revenue was \$8,109,883. Solid Waste revenue was \$2,253,277. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City. Solid waste is garbage collection services.

**Expenses.** Water and sewer expense was \$7,368,321. Solid waste expense was \$1,866,326.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

(CONTINUED)

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,738,181. Approximately 58% of this amount \$7,933,996 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other fund balances in the amount of \$1,051,459 and \$56,559 are set aside for non-spendable items and assigned items, respectively. The remainder of the fund balance \$4,696,167 is reported as restricted fund balance.

The general fund is the chief operating fund of the City. At the June 30, 2020, unassigned fund balance of the general fund was \$7,933,996. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balances to total fund expenditures. The total fund balance is 83% and the unassigned fund balance is 73% of total general fund expenditures.

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

Unrestricted net position of the Water and Sewer Fund at June 30, 2020 amounted to \$8,193,515 and those of the Solid Waste Fund amounted to \$2,831,287. The total change in Water and Sewer net position was an increase of \$798,180 and the change in Solid Waste net position was an increase of \$195,657.

**Capital Assets and Debt Administration**

**Capital Assets.** The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$45,453,781 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, equipment and vehicles.

Major capital asset events during the current fiscal year include the following:

- |                          |           |
|--------------------------|-----------|
| • Street Improvements    | \$321,257 |
| • 3 Police Vehicles      | \$122,791 |
| • Police Training System | \$51,860  |
| • Chipper Truck          | \$54,244  |
| • Crane Truck            | \$138,279 |
| • 2 Trucks               | \$76,587  |

## CITY OF LOGANVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

(CONTINUED)

**City of Loganville Capital Assets****(Net of Depreciation)**

	<b>Governmental</b>	<b>Business Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Totals</b>
Land	\$ 2,092,701	\$ 1,000,000	\$ 3,092,701
Construction in progress	132,181	12,750,466	12,882,647
Building	6,550,756	11,736,105	18,286,861
Site Improvements	159,310	4,746,242	4,905,552
Equipment	683,186	309,775	992,961
Furniture & Fixtures	6,636	-	6,636
Vehicles	1,403,995	283,712	1,687,707
Infrastructure	3,598,716	-	3,598,716
<b>Total</b>	<b>\$ 14,627,481</b>	<b>\$ 30,826,300</b>	<b>\$ 45,453,781</b>

**Long-term debt:****City of Loganville Outstanding Debt**

	<b>Governmental</b>	<b>Business Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Totals</b>
Revenue Bonds	\$ -	\$ 20,485,126	\$ 20,485,126
OPEB obligation	1,780,329	-	1,780,329
Net Pension Liability	3,503,621	792,674	4,296,295
Notes & Capital Leases	2,080,283	-	2,080,283
Compensated Absences	396,945	83,805	480,750
<b>Total</b>	<b>\$ 7,761,178</b>	<b>\$ 21,361,605</b>	<b>\$ 29,122,783</b>

During the current fiscal year, the City's governmental funds incurred long-term debt totaling \$3,609,631 and retired debt totaling \$1,917,028. The City's enterprise funds incurred long-term debt totaling \$5,230,141 and retired debt totaling \$1,099,030.

Readers should refer to the notes to the financial statements for more detail on capital assets and long-term debt activity.

**Economic Factors**

The management of the City of Loganville is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position of the City or results of operations (revenues, expenses, and other changes in net position) of the City.

**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 of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager and Treasurer, City of Loganville, P. O. Box 39, Loganville, Georgia, 30052.

## **FINANCIAL STATEMENTS**



## CITY OF LOGANVILLE, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Loganville Development Authority
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 12,498,008	\$ 14,735,250	\$ 27,233,258	\$ 41,444
Investments	59,757	852,013	911,770	-
Receivables, net of allowance				
Taxes	50,803	-	50,803	-
Accounts	-	1,097,256	1,097,256	-
Intergovernmental	405,718	-	405,718	-
Internal balances	605,415	(605,415)	-	-
Prepaid items	74,375	18,454	92,829	-
Assets held for resale	977,084	-	977,084	-
Restricted cash and cash equivalents	-	7,127,899	7,127,899	-
Capital assets				
Non depreciable	2,224,882	13,750,466	15,975,348	-
Depreciable, net	12,402,599	17,075,834	29,478,433	-
<b>Total Assets</b>	<b>29,298,641</b>	<b>54,051,757</b>	<b>83,350,398</b>	<b>41,444</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows of resources related to pensions	2,134,576	482,935	2,617,511	-
Deferred outflows of resources related to OPEB	1,103,318	-	1,103,318	-
Deferred charge on refunding	-	63,792	63,792	-
<b>Total Deferred Outflows of Resources</b>	<b>3,237,894</b>	<b>546,727</b>	<b>3,784,621</b>	<b>-</b>

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2020

(CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Loganville Development Authority
<b><u>LIABILITIES</u></b>				
Accounts payable	140,628	3,680,782	3,821,410	714
Accrued expenses	789,552	63,658	853,210	-
Accrued interest payable	13,968	59,548	73,516	-
Customer deposits	-	756,739	756,739	-
Compensated absences	258,014	54,473	312,487	-
Capital leases	139,072	-	139,072	-
Note payable	130,751	-	130,751	-
Revenue bonds	-	967,785	967,785	-
Noncurrent liabilities				
Compensated absences	138,931	29,332	168,263	-
Capital leases	592,226	-	592,226	-
Note payable	1,218,234	-	1,218,234	-
Revenue bonds	-	19,517,341	19,517,341	-
Net pension liability	3,503,621	792,674	4,296,295	-
Total OPEB liability	1,780,329	-	1,780,329	-
<b>Total Liabilities</b>	<b>8,705,326</b>	<b>25,922,332</b>	<b>34,627,658</b>	<b>714</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred inflows of resources related to pensions	133,752	30,261	164,013	-
Deferred inflows of resources related to OPEB	29,616	-	29,616	-
<b>Total Deferred Inflows of Resources</b>	<b>163,368</b>	<b>30,261</b>	<b>193,629</b>	<b>-</b>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	12,547,198	16,747,763	29,294,961	-
Restricted for				
Capital outlay	-	873,326	873,326	-
Unrestricted	11,120,643	11,024,802	22,145,445	40,730
<b>Total Net Position</b>	<b>\$ 23,667,841</b>	<b>\$ 28,645,891</b>	<b>\$ 52,313,732</b>	<b>\$ 40,730</b>

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 2,868,471	\$ 836,078	\$ 200,000	\$ -
Judicial	434,997	-	-	-
Public safety	6,077,092	681,371	82,195	-
Public works	2,204,413	-	-	2,521,652
Culture and recreation	139,676	-	-	-
Housing and development	677,215	-	-	-
Interest on long-term debt	50,079	-	-	-
<b>Total Governmental Activities</b>	<u>12,451,943</u>	<u>1,517,449</u>	<u>282,195</u>	<u>2,521,652</u>
<b>Business-type Activities</b>				
Water and sewer	7,368,321	8,109,883	-	44,471
Solid Waste	1,866,326	2,253,277	-	-
<b>Total Business-Type Activities</b>	<u>9,234,647</u>	<u>10,363,160</u>	<u>-</u>	<u>44,471</u>
<b>Total Primary Government</b>	<u>\$21,686,590</u>	<u>\$ 11,880,609</u>	<u>\$ 282,195</u>	<u>\$ 2,566,123</u>
<b>Component Units</b>				
Loganville Development Authority	\$ 714	\$ -	\$ -	\$ -
<b>Total Component Unit</b>	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>General Revenues</b>				
Property				
Franchise				
Sales				
Hotel/motel				
Alcoholic beverage				
Business and occupational				
Insurance premium				
Investment earnings				
Insurance recoveries				
Miscellaneous				
Transfers				
<b>Total General Revenues and Transfers</b>				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Loganville Development Authority
\$ (1,832,393)	\$ -	\$ (1,832,393)	\$ -
(434,997)	-	(434,997)	-
(5,313,526)	-	(5,313,526)	-
317,239	-	317,239	-
(139,676)	-	(139,676)	-
(677,215)	-	(677,215)	-
(50,079)	-	(50,079)	-
(8,130,647)	-	(8,130,647)	-
-	786,033	786,033	-
-	386,951	386,951	-
-	1,172,984	1,172,984	-
(8,130,647)	1,172,984	(6,957,663)	-
			(714)
			(714)
6,563,432	-	6,563,432	-
796,710	-	796,710	-
1,461,213	-	1,461,213	-
54,846	-	54,846	-
467,791	-	467,791	-
456,704	-	456,704	-
793,933	-	793,933	-
148,315	220,853	369,168	759
17,644	-	17,644	-
213,944	-	213,944	-
400,000	(400,000)	-	-
11,374,532	(179,147)	11,195,385	759
3,243,885	993,837	4,237,722	45
20,423,956	27,652,054	48,076,010	40,685
\$ 23,667,841	\$ 28,645,891	\$52,313,732	\$ 40,730

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,992,387	\$ 4,505,621	\$ 12,498,008
Investments	59,757	-	59,757
Receivables, net of allowance			
Taxes	39,233	11,570	50,803
Intergovernmental	191,024	214,694	405,718
Due from other funds	621,931	-	621,931
Prepaid items	74,375	-	74,375
Assets held for resale	977,084	-	977,084
Total Assets	<u>\$ 9,955,791</u>	<u>\$ 4,731,885</u>	<u>\$ 14,687,676</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 112,028	\$ 28,600	\$ 140,628
Accrued expenses	789,552	-	789,552
Due to other funds	-	16,516	16,516
Total Liabilities	<u>901,580</u>	<u>45,116</u>	<u>946,696</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue-property taxes	2,799	-	2,799
<u>FUND BALANCES</u>			
Nonspendable	1,051,459	-	1,051,459
Restricted	59,757	4,636,410	4,696,167
Assigned	6,200	50,359	56,559
Unassigned	7,933,996	-	7,933,996
Total Fund Balances	<u>9,051,412</u>	<u>4,686,769</u>	<u>13,738,181</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,955,791</u>	<u>\$ 4,731,885</u>	<u>\$ 14,687,676</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per balance sheet of governmental funds	\$ 13,738,181
<b>Capital Assets</b>	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Cost of the assets	24,346,271
Accumulated depreciation	(9,718,790)
<b>Deferred outflows of resources</b>	
Pension contributions	2,134,576
OPEB contributions	1,103,318
<b>Revenues</b>	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,799
<b>Long-term Liabilities</b>	
Long-term liabilities are not due and payable in the current period and, therefore, 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.	
Long-term liabilities at year-end consist of the following:	
Accrued interest	(13,968)
Compensated absences	(396,945)
Capital leases	(731,298)
Note payable	(1,348,985)
Net pension liability	(3,503,621)
Net OPEB liability	(1,780,329)
<b>Deferred inflows of resources</b>	
Net difference between projected and actual investment earnings on pension plan investments	(133,752)
Changes of assumptions or other inputs	(29,616)
Total net position of governmental activities	<u>\$ 23,667,841</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>			
Taxes			
Property	\$ 6,562,400	\$ -	\$ 6,562,400
Franchise	796,710	-	796,710
Sales	1,461,213	-	1,461,213
Hotel/motel	-	54,846	54,846
Alcoholic beverage	467,791	-	467,791
Business and occupational	456,704	-	456,704
Insurance premium	793,933	-	793,933
License and permits	286,423	-	286,423
Intergovernmental	421,247	2,368,867	2,790,114
Charges for services	177,816	432,046	609,862
Fines and forfeitures	565,285	55,879	621,164
Investment earnings	124,721	33,272	157,993
Contributions from private sources	4,055	-	4,055
Miscellaneous	213,030	-	213,030
Total Revenues	12,331,328	2,944,910	15,276,238
<b><u>EXPENDITURES</u></b>			
Current			
General government	2,233,153	-	2,233,153
Judicial	434,997	-	434,997
Public safety	5,493,020	147,301	5,640,321
Public works	1,654,570	90,257	1,744,827
Culture and recreation	133,238	5,638	138,876
Housing and development	649,654	26,648	676,302
Debt service			
Principal	212,359	-	212,359
Interest and other charges	44,848	-	44,848
Capital outlay	-	604,251	604,251
Total Expenditures	10,855,839	874,095	11,729,934
Excess (deficiency) of revenues over (under) expenditures	1,475,489	2,070,815	3,546,304
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Proceeds from sale of assets	914	-	914
Insurance recoveries	17,644	-	17,644
Transfers in	432,499	-	432,499
Transfers out	-	(32,499)	(32,499)
Total Other Financing Sources (Uses)	451,057	(32,499)	418,558
Net Change in Fund Balances	1,926,546	2,038,316	3,964,862
Fund Balances - Beginning	7,124,866	2,648,453	9,773,319
Fund Balances - Ending	\$ 9,051,412	\$ 4,686,769	\$ 13,738,181

The notes to the financial statements are an integral part of this statement.

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Net Change in Fund Balances - total governmental funds	\$ 3,964,862
--	--------------

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	1,013,333
Total depreciation	(1,108,924)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals, donations, trade-ins, annexing) is to decrease net position.	(48,004)
--	----------

Deferred outflows of resources related to pensions is not available during the current period is not reported in the funds

Changes in deferred outflows of resources related to pension	716,175
Changes in deferred outflows of resources related to OPEB	(171,855)

Deferred inflows of resources related to pension is not available during the current period is not reported in the funds

Changes in deferred inflows of resources related to pension	554,674
Changes in deferred inflows of resources related to OPEB	20,426

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	1,032
---	-------

Long-term Debt

Under the modified accrual basis of accounting used in 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. The adjustments for these items are as follows:

Repayment of principal	212,359
Interest on long-term debt	(5,231)
Net pension liability	(1,726,172)
Total OPEB liability	(44,193)
Compensated absences	(134,597)

Change in Net Position of Governmental Activities	<u>\$ 3,243,885</u>
---	---------------------

The notes to the financial statements are an integral part of this statement.



## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Taxes				
Property	\$ 6,649,500	\$ 6,649,500	\$ 6,562,400	\$ (87,100)
Franchise	799,000	799,000	796,710	(2,290)
Sales	1,280,000	1,280,000	1,461,213	181,213
Alcoholic beverage	404,000	404,000	467,791	63,791
Business and occupational	470,000	470,000	456,704	(13,296)
Insurance premium	760,000	760,000	793,933	33,933
License and permits	297,000	297,000	286,423	(10,577)
Intergovernmental	678,072	678,072	421,247	(256,825)
Charges for services	152,500	152,500	177,816	25,316
Fines and forfeitures	588,978	588,978	565,285	(23,693)
Investment earnings	11,000	11,000	124,721	113,721
Contribution from private sources	3,000	3,000	4,055	1,055
Miscellaneous	198,200	198,200	213,030	14,830
Total Revenues	12,291,250	12,291,250	12,331,328	40,078
<b>EXPENDITURES</b>				
Current				
General government				
Council	99,872	99,872	95,282	4,590
Executive	535,900	535,900	457,096	78,804
Board of elections/registrations	7,750	7,750	3,780	3,970
Administration	718,970	604,135	517,701	86,434
Data processing (IT)	538,806	510,106	470,591	39,515
Buildings and plant	566,400	709,935	688,703	21,232
Judicial				
Municipal court	505,087	505,087	434,997	70,090
Public safety				
Police	3,101,213	3,101,213	2,898,334	202,879
Fire administration	2,808,119	2,808,119	2,594,686	213,433

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public works				
Administration	\$ 577,162	\$ 631,406	\$ 552,362	\$ 79,044
Highways and streets	1,590,708	1,590,708	603,380	987,328
Maintenance and shop	591,818	591,818	498,828	92,990
Culture and recreation				
Library	133,240	133,240	133,238	2
Housing and development				
Planning and Zoning	368,301	368,301	356,955	11,346
Tourism - City Events	382,397	382,397	292,699	89,698
Debt service				
Principal	238,274	238,273	212,359	25,914
Interest and other charges	52,233	52,234	44,848	7,386
Total Expenditures	12,816,250	12,870,494	10,855,839	2,014,655
Excess (deficiency) of revenue over (under) expenditure	(525,000)	(579,244)	1,475,489	(2,054,733)
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from sale of assets	-	-	914	914
Insurance recoveries	-	-	17,644	17,644
Transfers in	525,000	525,000	432,499	(92,501)
Total Other Financing Sources (Uses)	525,000	525,000	451,057	(73,943)
Net Change in Fund Balances	-	(54,244)	1,926,546	(2,128,676)
Fund Balances - Beginning	7,124,866	7,124,866	7,124,866	-
Fund Balances - Ending	\$ 7,124,866	\$ 7,070,622	\$ 9,051,412	\$ 1,980,790

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<b><u>ASSETS</u></b>			
Current assets			
Cash and cash equivalents	\$ 12,403,219	\$ 2,332,031	\$ 14,735,250
Investments	310,897	541,116	852,013
Accounts receivable, net	781,346	315,910	1,097,256
Due from other funds	-	-	-
Prepaid items	18,454	-	18,454
Total current assets	13,513,916	3,189,057	16,702,973
Noncurrent assets			
Restricted cash and cash equivalents	7,127,899	-	7,127,899
Capital assets			
Nondepreciable	13,750,466	-	13,750,466
Depreciable, net	17,075,834	-	17,075,834
Total noncurrent assets	37,954,199	-	37,954,199
Total Assets	51,468,115	3,189,057	54,657,172
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows of resources related to pensions	482,935	-	482,935
Deferred charge on refunding	63,792	-	63,792
Total Deferred Outflows of Resources	546,727	-	546,727

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2020  
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<b><u>LIABILITIES</u></b>			
Current liabilities			
Accounts payable	3,518,725	162,057	3,680,782
Accrued expenses	63,658	-	63,658
Due to other funds	409,702	195,713	605,415
Accrued interest payable	59,548	-	59,548
Customer deposits payable	756,739	-	756,739
Compensated absences	54,473	-	54,473
Revenue bond payable	967,785	-	967,785
Total current liabilities	5,830,630	357,770	6,188,400
Noncurrent liabilities			
Compensated absences	29,332	-	29,332
Revenue bonds	19,517,341	-	19,517,341
Net pension liability	792,674	-	792,674
Total noncurrent liabilities	20,339,347	-	20,339,347
Total Liabilities	26,169,977	357,770	26,527,747
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources related to pensions	30,261	-	30,261
<b><u>NET POSITION</u></b>			
Net investment in capital assets	16,747,763	-	16,747,763
Restricted for system improvements	873,326	-	873,326
Unrestricted	8,193,515	2,831,287	11,024,802
Total Net Position	\$ 25,814,604	\$ 2,831,287	\$ 28,645,891

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	
	Fund	Fund	Total
<u>OPERATING REVENUES</u>			
Charges for sales and services	\$ 8,109,883	\$ 2,253,277	\$ 10,363,160
Total Operating Revenues	8,109,883	2,253,277	10,363,160
<u>OPERATING EXPENSES</u>			
Salaries and benefits	2,341,394	-	2,341,394
Purchased/contracted services	916,222	1,866,326	2,782,548
Supplies and materials	2,426,212	-	2,426,212
Amortization	45,030	-	45,030
Depreciation	925,395	-	925,395
Total Operating Expenses	6,654,253	1,866,326	8,520,579
Operating income (loss)	1,455,630	386,951	1,842,581
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	212,147	8,706	220,853
Interest expense	(624,068)	-	(624,068)
Bond issuance costs	(90,000)	-	(90,000)
Total Nonoperating Revenues (Expenses)	(501,921)	8,706	(493,215)
Income before contributions and transfers	953,709	395,657	1,349,366
Capital contributions	44,471	-	44,471
Transfers out	(200,000)	(200,000)	(400,000)
Total Other Financing (Uses)	(155,529)	(200,000)	(355,529)
Change in Net Position	798,180	195,657	993,837
Total Net Position - Beginning	25,016,424	2,635,630	27,652,054
Total Net Position - Ending	\$ 25,814,604	\$ 2,831,287	\$ 28,645,891

The notes to the financial statements are an integral part of this statement.

## CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
	Fund	Fund	
<u>Cash Flows from Operating Activities</u>			
Receipts from customers and users	\$ 8,067,184	\$ 2,185,341	\$ 10,252,525
Payments to vendors for goods and services	(74,787)	(1,822,505)	(1,897,292)
Payments to employees	(2,230,285)	-	(2,230,285)
Net Cash Provided by (Used for)			
Operating Activities	5,762,112	362,836	6,124,948
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers to other funds	(200,000)	(200,000)	(400,000)
Net Cash Provided by (Used for)			
Noncapital Financing Activities	(200,000)	(200,000)	(400,000)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(12,318,438)	-	(12,318,438)
Interest and fiscal charges on notes and bonds	(776,453)	-	(776,453)
Principal payments on bonds	(660,000)	-	(660,000)
Proceeds from debt issuance	4,500,000	-	4,500,000
Net Cash Provided by (Used for)			
Capital and Related Financing Activities	(9,254,891)	-	(9,254,891)
<u>Cash Flows for Investing Activities</u>			
Interest received	212,147	8,706	220,853
Purchases of investments	(4,589)	(7,987)	(12,576)
Net Cash Provided (Used) in Investing Activities	207,558	719	208,277
Net increase (decrease) in cash and cash equivalents	(3,485,221)	163,555	(3,321,666)
Cash and cash equivalents - beginning	23,016,339	2,168,476	25,184,815
Cash and cash equivalents - ending	\$ 19,531,118	\$ 2,332,031	\$ 21,863,149
Classified as			
Current assets	\$ 12,403,219	\$ 2,332,031	\$ 14,735,250
Restricted assets	7,127,899	-	7,127,899
Total cash and cash equivalents	\$ 19,531,118	\$ 2,332,031	\$ 21,863,149

The notes to the financial statements are an integral part of this statement.

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities</u>			
Operating Income (Loss)	\$ 1,455,630	\$ 386,951	\$ 1,842,581
<u>Adjustments to reconcile Operating Income (Loss) to Net</u>			
<u>Cash provided (used) by Operating Activities</u>			
Depreciation	925,395	-	925,395
Amortization	45,030	-	45,030
Accounts receivable, net	5,058	(67,936)	(62,878)
Due from other funds	258,832	-	258,832
Prepaid items	2,241	-	2,241
Deferred outflows of resources related to pensions	(121,661)	-	(121,661)
Accounts payable	2,813,963	21,796	2,835,759
Accrued expenses	18,959	-	18,959
Due to other funds	192,611	22,025	214,636
Compensated absences	18,948	-	18,948
Customer deposits payable	(47,757)	-	(47,757)
Net pension liability	339,948	-	339,948
Deferred inflows of resources related to pensions	(145,085)	-	(145,085)
	4,306,482	(24,115)	4,282,367
Net cash provided (used) by operating activities	\$ 5,762,112	\$ 362,836	\$ 6,124,948
<u>Noncash Investing, Capital and Financing Activities</u>			
Capital contributions	\$ 44,471	\$ -	\$ 44,471

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**



CITY OF LOGANVILLE, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Reporting entity**

The City of Loganville, Georgia (hereinafter the “City”) was incorporated under the laws of the State of Georgia in 1887 and operates under a mayor-council form of government. The City provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general and administrative services, and water utilities.

The accounting policies of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. The following is a summary of the City’s more significant policies applied in the preparation of the accompanying financial statements.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Loganville, Georgia (the primary government) and its component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The component unit discussed below is included in the City’s reporting entity because of the significance of its operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards Board (GASB) No. 61 “The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34,” the City’s relationship with other governments and agencies have been examined. The component unit column in the combined financial statements includes the financial date for the Loganville Development Authority, as of June 30, 2020. The financial information for the component unit is reported in columns separate from the City’s financial information to emphasize that it is legally separate from the City.

**Loganville Development Authority**

The Loganville Development Authority, (the “Authority”) was created to revitalize and redevelop the central business district of the City. The Authority’s governing board is appointed by the City Council. The Authority has not issued separate financial statement for this year.

**B. Government-wide and fund financial statements**

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with 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.

Property taxes, local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, interest and charges for services 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 revenues are considered to be measurable and available only when cash is received by the City.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

Water and Sewer Fund – accounts for the operations of maintenance of the City's water and wastewater services to the residents and businesses of the City.

Solid Waste Fund – accounts for the operation and maintenance of the City's trash collection, leaf and limb collection and recycling.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges for services or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

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

**D. Deposits and Investments**

***Deposits***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

***Investments***

Investments for the City are reported at fair value.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**E. Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

In the fund financial statements, deferred revenue accounts are used to offset receivables to the extent revenue is not recognized under the City's policy.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

**F. Interfund Receivables, Payables, Advances and Transfers**

In the fund financial statements balances that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/interfund payables" or "advances to/from other funds." In the government-wide financial statements these balances are netted and reported as "internal balances."

**G. Prepaid Items**

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.

**H. Restricted Assets and Reserves**

Resources set aside in proprietary funds for repayment of bonds, emergency uses, renewal or extension, and system improvements in the amounts of \$7,216,123 is classified as restricted assets because its use is limited by bond covenants and state laws. A corresponding portion of net position is segregated by its classification in the amount of \$6,342,797 for unspent bond proceeds and interest earned on those proceeds is included "in net investment in capital assets" and \$873,326 as "restricted for system improvements".

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Infrastructure with an individual cost that is equal to or exceeds \$25,000 is recorded as a capital asset. General infrastructure assets (roads, bridges and other infrastructure assets) acquired prior to July 1, 2003 are not reported in the basic financial statements. Capital assets are valued at historical costs or estimated historical cost if actual cost is not available. Donated capital assets are valued at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Preliminary and interim costs incurred by governmental funds for capital projects are reported as "construction in progress." Cost related to abandoned projects are expensed when the project is abandoned.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

Capital assets are depreciated over their estimated useful lives using the straight-line method. These estimated useful lives are as follows:

Asset Class	Years
Computer equipment and heavy machinery	5
Furniture and Fixtures	10
Vehicles	4-10
Lines and Mains	20-50
Buildings	20-50
Land Improvements	10-25
Infrastructure	15-99

**J. Compensated Absences**

Annual leave is earned by all permanent City employees and may be accumulated and carried over to a maximum of 240 hours per employee. The City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

Sick leave is earned by all full-time City employees and 720 hours may be accumulated. Employees leaving the City are not entitled to payment for accumulated sick leave.

**K. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position and proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflow of resources related to pensions and is reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred outflows of resources related to pensions are relative to the pension plan's differences between actual and expected experience, change in assumptions, and accumulation of contributions subsequent to the measurement date. The third is the deferred outflow of resources related to OPEB is reported in the government-wide statement of net position only. Deferred outflows of resources of the OPEB are relative to the accumulation of contributions subsequent to the measurement date. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arise under a modified accrual basis of accounting that qualifies for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflow of resources related to pensions and is reported in the government-wide statement of net position and the proprietary fund statement of net position. Deferred inflows of resources related to pensions are relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

**L. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

The costs related to long-term debt (whose proceeds are used for refunding) are characterized as deferred refunding costs and are netted against outstanding long-term debt. Deferred refunding costs are amortized over the shorter of the remaining life of the refunded debt or the life of the new debt. Deferred refunding costs are amortized using the straight line method.

**M. Fund Equity**

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council. Mayor and Council approve committed resources through a motion and vote during the voting session of Council meetings. The Mayor and Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

The General Fund is the only fund that reports a positive unassigned fund balance.

***Fund balance flow Assumptions***

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2020:

	General Fund	Nonmajor Governmental Funds	Totals
<b><u>Fund Balances</u></b>			
Nonspendable			
Prepays	\$ 74,375	\$ -	\$ 74,375
Assets held for resale	977,084	-	977,084
Restricted for			
Law enforcement	-	33,515	33,515
Capital outlay	59,757	4,602,895	4,662,652
Assigned			
Tourism	-	50,359	50,359
Law enforcement	3,200	-	3,200
Recreation	3,000	-	3,000
Unassigned	7,933,996	-	7,933,996
Total fund balances	\$ 9,051,412	\$ 4,686,769	\$ 13,738,181

***Net position flow assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary information**

An annual appropriated budget is adopted by ordinance for all fund types. Budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types and are consistent with generally accepted accounting principles. All annual appropriations lapse at the end of the fiscal year with the exception of the Capital Projects Funds.

Prior to the first of July of each year, all department heads submit a request for appropriations to the city manager so that a budget may be prepared. Appropriated budgets are compiled by the city manager, finance officer and department heads. Before the first day of June, the proposed budget is presented to the mayor and council for review. After holding a public hearing, a final budget is prepared and adopted no later than June 30. Budgetary control is maintained at the department level. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of city council.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Custodial Credit Risk – Deposits**

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City's bank balances of deposits as of June 30, 2020, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110% of the public funds held.

At June 30, 2020 the Loganville Development Authority, a discretely presented component unit's bank balances were entirely insured or collateralized with securities held by the Authority's agent in the Authority's name.

**B. Investments**

Investment Type	Credit Rating	Value	Maturity
Office of State Treasurer (Georgia Fund 1)	AAAF rated	\$ 911,769	31 days

State statutes authorize the City to invest in obligation of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.



CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**Custodial Credit Risk**

For an investment, the custodial credit risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Office of State Treasurer is not required to disclose custodial credit risk. The City has no such investments with such risks as of June 30, 2020.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The City has no investment policy that would further limit its investment choices. As of June 30, 2020, the City's investment in the Office of the State Treasurer was rated AA+/S1+ by Standard and Poor's.

**Fair Value Measurements**

During 2016, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. This statement establishes a hierarchy of inputs to the valuation techniques of certain assets and liabilities at fair value.

This hierarchy consists of three broad levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted at market process for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable. Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

As of June 30, 2020, the City has investments in Georgia Fund 1, which are not subject to level disclosure.

**NOTE 4 – ASSETS HELD FOR RESALE**

The City has purchased multiple properties in an effort to begin the process of revitalizing the downtown area. The intent of the City is to resale the properties. The City's total investment in assets held for resale is \$977,084.

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 5 – PROPERTY TAXES**

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes on March 1. With the exception of motor vehicles and property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Walton and Gwinnett County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioners for compilation of the tax digest. The completed tax digests must be submitted to the State Revenue Commissioners for approval. The State Revenue Commissioners must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioners have the option to withhold certain state funding if the mandated 40% level is not reached. The City distributes tax notices and collects tax payments.

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	September 8	January 1
Due date and collection date	November 8	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

**NOTE 6 – RECEIVABLES**

	Governmental			Business-Type		
	Major	Nonmajor		Major		
Receivables:	General	Funds	Total	Water & Sewer	Solid Waste	Total
Taxes	\$ 47,496	\$ 11,570	\$ 59,066	\$ -	\$ -	\$ -
Accounts	-	-	-	844,526	340,737	1,185,263
Gross receivables	47,496	11,570	59,066	844,526	340,737	1,185,263
Less: allowance for uncollectibles	(8,263)	-	(8,263)	(63,180)	(24,827)	(88,007)
Net Total Receivables	\$ 39,233	\$ 11,570	\$ 50,803	\$ 781,346	\$ 315,910	\$ 1,097,256

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(CONTINUED)

**NOTE 7 – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2020 are as follows:

Fund	State	County	Total
General	\$ 139,407	\$ 51,617	\$ 191,024
Nonmajor Funds	-	214,694	214,694
Total	\$ 139,407	\$ 266,311	\$ 405,718

**NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances at June 30, 2020 consisted of the following amounts:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Special Revenue Funds	\$ 6,942
General Fund	Nonmajor Capital Project Funds	9,574
General Fund	Solid Waste Fund	195,713
General Fund	Water and Sewer Fund	409,702
		<u>\$ 621,931</u>

The outstanding balances between funds results mainly from the timing difference between the dates that reimbursable expenditures occur and the date payments between funds are made. The City expects to repay all interfund balances with one year.

	Transfers in:
	General
Transfers out:	Fund
Water and Sewer Fund	\$ 200,000
Solid Waste Fund	200,000
Nonmajor special revenue fund	32,499
	<u>\$ 432,499</u>

The Water and Sewer Fund and the Solid Waste Fund transferred \$200,000 and \$200,000 respectively, to the General Fund to assist with general administrative costs.

The Hotel/Motel Tax special revenue fund transferred \$32,499 to the General Fund for amounts owed relative to hotel/motel tax revenues collected by the special revenue fund.

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 9 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<u>Governmental Activities</u>					
Nondepreciable Capital Assets:					
Land	\$ 2,092,701	\$ -	\$ -	\$ -	\$ 2,092,701
Construction in progress	377,164	593,928	(48,004)	(790,907)	132,181
Total nondepreciable capital assets	2,469,865	593,928	(48,004)	(790,907)	2,224,882
Depreciable Capital Assets:					
Infrastructure	6,810,345	88,012	-	790,907	7,689,264
Site improvements	358,143	-	-	-	358,143
Buildings	8,318,373	-	-	-	8,318,373
Machinery and equipment	1,201,812	163,943	-	-	1,365,755
Vehicles	4,305,012	167,450	(127,217)	-	4,345,245
Furniture and fixtures	44,609	-	-	-	44,609
Total depreciable capital assets	21,038,294	419,405	(127,217)	790,907	22,121,389
Less accumulated depreciation for					
Infrastructure	(3,687,510)	(403,038)	-	-	(4,090,548)
Site improvements	(177,656)	(21,177)	-	-	(198,833)
Buildings	(1,573,343)	(194,274)	-	-	(1,767,617)
Machinery and equipment	(541,441)	(141,128)	-	-	(682,569)
Vehicles	(2,721,233)	(347,234)	127,217	-	(2,941,250)
Furniture and fixtures	(35,900)	(2,073)	-	-	(37,973)
Total accumulated depreciation	(8,737,083)	(1,108,924)	127,217	-	(9,718,790)
Total depreciable capital assets, net	12,301,211	(689,519)	-	790,907	12,402,599
Governmental activities capital assets, net	\$ 14,771,076	\$ (95,591)	\$ (48,004)	\$ -	\$ 14,627,481
	Less related long-term debt outstanding				(2,080,283)
	Net investment in capital assets				\$ 12,547,198

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<u>Governmental Activities</u>	
General government	\$ 401,770
Public safety	420,493
Public works	284,948
Culture and recreation	800
Housing and development	913
Total governmental activities depreciation expense	<u>\$ 1,108,924</u>

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<u>Business-Type Activities</u>					
Nondepreciable Capital Assets:					
Land	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Construction in progress	646,357	12,170,501	-	(66,392)	12,750,466
Total nondepreciable capital assets	1,646,357	12,170,501	-	(66,392)	13,750,466
Depreciable Capital Assets:					
Site improvements and infrastructure	7,979,682	-	-	66,392	8,046,074
Buildings	19,324,270	-	-	-	19,324,270
Machinery and equipment	1,352,821	22,200	-	-	1,375,021
Vehicles	744,849	170,208	-	-	915,057
Total depreciable capital assets	29,401,622	192,408	-	66,392	29,660,422
Less: accumulated depreciation for:					
Site improvements and infrastructure	(3,000,778)	(299,054)	-	-	(3,299,832)
Buildings	(7,062,686)	(525,479)	-	-	(7,588,165)
Machinery and equipment	(1,009,538)	(55,708)	-	-	(1,065,246)
Vehicles	(586,191)	(45,154)	-	-	(631,345)
Total accumulated depreciation	(11,659,193)	(925,395)	-	-	(12,584,588)
Total capital assets, being depreciated, net	17,742,429	(732,987)	-	66,392	17,075,834
Business-type activities capital assets, net	\$ 19,388,786	\$ 11,437,514	\$ -	\$ -	\$ 30,826,300
					Less related long-term debt outstanding (20,485,126)
					Plus unspent bond proceeds and interest 6,342,797
					Plus related deferred amounts from refunding 63,792
					Net investment in capital assets \$ 16,747,763

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities

Water and Sewer Fund	\$ 925,395
Solid Waste Fund	-
Total business-type activities depreciation expense	<u>\$ 925,395</u>

## CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(CONTINUED)**NOTE 10 – LONG-TERM DEBT**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental Activities</u></b>					
Compensated Absences	\$ 262,348	\$ 359,284	\$ (224,687)	\$ 396,945	\$ 258,014
Net Pension Liability	1,777,449	3,121,558	(1,395,386)	3,503,621	-
Total OPEB Liability	1,736,136	128,789	(84,596)	1,780,329	-
Capital Leases	866,951	-	(135,653)	731,298	139,072
Note Payable	1,425,691	-	(76,706)	1,348,985	130,751
Total Governmental Activities	\$ 6,068,575	\$ 3,609,631	\$ (1,917,028)	\$ 7,761,178	\$ 527,837
<b><u>Business-Type Activities</u></b>					
Compensated Absences	\$ 64,857	\$ 74,499	\$ (55,551)	\$ 83,805	\$ 54,473
Net Pension Liability	452,726	655,642	(315,694)	792,674	-
Bonds Payable:					
2018 Series	15,425,000	-	(395,000)	15,030,000	405,000
2019 Series	-	4,500,000	(265,000)	4,235,000	495,000
Premium on Bonds	1,287,911	-	(67,785)	1,220,126	67,785
Total Business-Type Activities	\$ 17,230,494	\$ 5,230,141	\$ (1,099,030)	\$ 21,361,605	\$ 1,022,258

The governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the general fund. For business-type activities, compensated absences and net pension liability are liquidated by the applicable fund.

**A. Governmental Activities****Capital Leases**

In 2015, the City entered into a lease agreement as lessee for financing the acquisition of a fire truck valued at \$1,375,777. The equipment has a twelve-year estimated useful life. In 2020, depreciation expense and accumulated depreciation on the equipment was \$122,646 and \$531,466, respectively.

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the inception. The interest rate for the lease is 2.52%. The equipment is included in the governmental activities statement of net position.

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

Annual debt service requirements to maturity for the capital lease are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 139,072	\$ 18,428	\$ 157,500
2022	142,576	14,924	157,500
2023	146,169	11,331	157,500
2024	149,852	7,648	157,500
2025	153,629	3,871	157,500
Total	<u>\$ 731,298</u>	<u>\$ 56,202</u>	<u>\$ 787,500</u>

**Note Payable**

In 2017, the City into a loan agreement with Branch Banking and Trust Company for the financing of the new City Hall. The loan agreement is in the amount of \$1,600,000 for 15 years with an interest rate of 2.190%. The first loan payment is due on September 14, 2017. As of July 2017, the building was completed with a total cost of \$1,673,255.

Annual debt service requirements to maturity for the note payable are as follows:

Fiscal Year Ending June 30,			
	Principal	Interest	Total
2021	\$ 130,751	\$ 35,502	\$ 166,253
2022	107,202	59,051	166,253
2023	109,569	56,684	166,253
2024	111,988	54,265	166,253
2025	114,461	51,792	166,253
2026-2030	611,348	219,917	831,265
2031-2032	163,666	35,837	199,503
Total	<u>\$ 1,348,985</u>	<u>\$ 513,048</u>	<u>\$ 1,862,033</u>

**B. Business-type Activities****Water and Sewer Revenue Bonds**

The Water and Sewer Fund has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of the bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage). The revenue bonds have a first lien on and pledge of the water and sewer fund's net operating revenue. As of June 30, 2020, the City believes it was in compliance with all such significant financial limitations and restrictions.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

***Series 2018 Revenue Bonds***

On June 28, 2018, the City issued Series 2018 Revenue Bonds in the amount of \$15,775,000. The bonds are due at various annual maturities through fiscal year 2038 with various yields ranging from 3% to 5%. The proceeds from the 2018 Bond Series were used to defease outstanding 2012 Revenue Bonds of \$2,725,000 and to fund the construction of the \$14 million wastewater treatment facility expansion project. The Series 2012 Revenue bonds are considered defeased as of June 30, 2018. The result of this transaction is an increase in future debt service payments of \$15,010,791 and an economic loss of \$153,851. As of June 30, 2020 the outstanding principal on the Series 2018 Bonds is \$15,030,000.

***Series 2019 Revenue Bonds***

On June 28, 2019, the City issued Series 2019 Revenue Bonds in the amount of \$4,500,000. The bonds have a maturity date of June 1, 2028 with an interest rate of 1.81%. The proceeds from the 2019 Bond Series were used to fund the construction of the wastewater treatment facility expansion project. As of June 30, 2020 the outstanding principal on the Series 2019 Bonds is \$4,235,000.

The following summarizes the debt service requirements of the revenue bonds.

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 900,000	\$ 714,604	\$ 1,614,604
2022	930,000	685,594	1,615,594
2023	960,000	657,004	1,617,004
2024	995,000	625,432	1,620,432
2025	1,025,000	592,430	1,617,430
2026-2030	5,170,000	2,437,364	7,607,364
2031-2035	5,460,000	1,437,600	6,897,600
2036-2038	3,825,000	310,000	4,135,000
Total	<u>\$ 19,265,000</u>	<u>\$ 7,460,028</u>	<u>\$ 26,725,028</u>

**NOTE 11 – HOTEL/MOTEL TAXES**

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tax special revenue fund. The City retains approximately 60% of the funds collected. During fiscal year 2020, the City collected \$54,846 in hotel motel taxes and expended \$26,648 for tourism related expenditures.

The City has created a tourism department in the general fund and expended \$292,699 for tourism in 2020. Total expenditures relative to tourism for 2020 were more than the current year collection of hotel motel taxes.



CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 12 – PENSION PLAN**

**A. Plan Description**

The City's defined benefit pension plan, City of Loganville Retirement Plan, (the Plan) was established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

**B. Benefits Provided**

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2017, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

**C. Employees Covered by the Plan**

Inactive employees (or their beneficiaries) currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	70
Active Employees	130

**D. Contributions**

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 16.43% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

**E. Net Pension Liability**

**Actuarial Assumptions:** The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increase	3.00% -8.50%, including inflation adjustment
Investment rate of return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25, Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25, and the Sex-

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

distinct Pri-2012 head-count weighted Employee Mortality Table. Plan termination basis (all lives) is based on 1994 Group Annuity Reserving Unisex Table.

The mortality tables (other than the one used for the plan termination basis) are adjusted from 2012 to future years using sex-distinct generational projection under scale SSA2019-2D to reflect expected mortality improvement.

**Changes in the Net Pension Liability:**

The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2020 were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2019	\$ 16,430,156	\$ 14,199,981	\$ 2,230,175
Changes for the year:			
Service cost	395,153	-	395,153
Interest	1,239,179	-	1,239,179
Difference between expected & actual experience	557,852	-	557,852
Contributions - employer	-	1,242,065	(1,242,065)
Net investment income	-	469,015	(469,015)
Benefit payments	(605,848)	(605,848)	-
Administrative expense	-	(26,124)	26,124
Other	1,558,892	-	1,558,892
Net changes	3,145,228	1,079,108	2,066,120
Balances at June 30, 2020	\$ 19,575,384	\$ 15,279,089	\$ 4,296,295

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Water and Sewer Fund Statement of Net Position in the amounts of \$3,503,621 and \$792,674, respectively.

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 weighing 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, 2019 are summarized in the following table:

## CITY OF LOGANVILLE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

Asset Class	Target allocation	Long-term Expected real rate of return
Domestic equity	45.00%	6.41%
International equity	20.00%	6.96%
Domestic fixed income	20.00%	1.96%
Real estate	10.00%	4.76%
Global fixed income	5.00%	3.06%
Cash	0.00%	
Total	100.00%	

**Discount Rate:** The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount rate:** The following presents the City's net pension liability calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher 8.375%) than the current rate:

	1% Decrease 6.375%	Current discount rate 7.375%	1% Increase 8.375%
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 7,186,318	\$ 4,296,295	\$ 1,905,331

**Pension plan fiduciary net position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publicly available at [www.gmanet.com](http://www.gmanet.com).

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the City reported a net pension liability. The net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2020. An expected total pension liability as of September 30, 2020 was determined using standard roll-forward techniques.

For the year ended June 30, 2020, the City recognized pension expense relative to GMEBS in the amount of \$1,270,590. At June 30, 2020, the City reported deferred outflows of

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 659,447	\$ 85,370
Changes of assumptions	1,350,920	-
Net difference between projected & actual earnings on pension plan investments	-	78,643
Employer contributions subsequent to the measurement date	607,144	-
	<u>\$ 2,617,511</u>	<u>\$ 164,013</u>

City contributions subsequent to the measurement date of September 30, 2019 of the net pension liability, but before the end of the City's reporting period, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 387,461
2022	426,367
2023	485,406
2024	547,120
2025	-

**NOTE 13 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS**

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

The City's Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The City of Loganville provides postemployment medical, prescription drug, and dental benefits to retirees through the City of Loganville's OPEB Plan, a defined benefit, single employer OPEB plan. This plan is established by an adoption agreement executed by City Council. The Plan is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan that is administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

**B. Benefits Provided**

For eligible participants that retired prior to 2016, the City pays 100% of retiree premium for current retirees under the age of 65 if the employee retires after completing 20 years of service with the City and 75% of the spouse premium if the employee retires after completing 21 years of service. Retirees have a premium that is blended with the active premium. For future retirees, the City will provide access to the benefits only, but the retirees will pay 100% of the premium.

**C. Employees Covered by Benefits Terms**

At June 30, 2020, the following employees were covered by the benefit terms:

Retired members or beneficiaries currently receiving benefits	6
Vested terminated members entitled to but not yet receiving benefits	-
Active members	120

**D. Contributions**

Membership in the Plan by City retirees is voluntary. The authority to establish and amend the benefit provisions of the OPEB plan rests with the City. The employer does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets. The City's contributed \$78,142 toward OPEB benefits in the year ended June 30, 2020.

**E. Total OPEB Liability**

At June 30, 2020, the City reported a total OPEB liability. The total OPEB liability was measured as of June 30, 2019 and was based on an actuarial valuation as of January 1, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**Actuarial Assumptions:** The City's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of January 1, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increase	3.00% to 8.50%, including inflation
Discount Rate	3.50%
Healthcare Cost trend rates	Medical: 7.00% trended down to 4.50% by 2023
	Drug: 7.00% trended down to 4.50% by 2023
	Dental: 3.00%

Mortality rates were based on the Sex-Distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rate multiplied by 1.25.

The actuarial assumptions used in the January 1, 2018 roll-forward valuation measured on June 30, 2019 were based on the results of an experience study for the period July 1, 2015 to June 30, 2019.

**Changes in the Total OPEB liability of the City:** The changes in the total OPEB liability of the City for the year ended June 30, 2020, were as follows:

	Total OPEB Liability
Balances at June 30, 2019	\$ 1,736,136
Changes for the year:	
Service cost	33,215
Interest	66,962
Difference between expected & actual experience	(6,454)
Changes of assumptions	28,612
Benefit payments	(78,142)
Net changes	44,193
Balances at June 30, 2020	\$ 1,780,329

**Discount Rate:** The discount rate used to measure the total OPEB liability was 3.50%. This was a decrease from the prior discount rate of 3.87%. This rate was determined using a yield or index rate of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which was 3.50% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2019.

**Sensitivity of the Total OPEB Liability to Changes in the Discount rate:** The following presents the City's total OPEB liability calculated using the discount rate of 3.50%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (3.50%) than the current rate:

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

	1% Decrease 2.50%	Current discount rate 3.50%	1% Increase 4.50%
Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	\$ 2,036,112	\$ 1,780,329	\$ 1,570,808

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend rates:**

	1% Decrease	Current Healthcare Cost Trend rates	1% Increase
Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	\$ 1,545,834	\$ 1,780,329	\$ 2,065,071

**F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense relative to GMEBS in the amount of \$195,622. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,410	\$ 14,211
Changes of assumptions or other inputs	1,019,869	15,405
Employer contributions subsequent to the measurement date	71,039	-
	<u>\$ 1,103,318</u>	<u>\$ 29,616</u>

City contributions subsequent to the measurement date of June 30, 2019 of the total OPEB liability, but before the end of the City's reporting period, are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 166,549
2022	166,549
2023	166,549
2024	166,549
2025	166,549
Thereafter	169,918

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 15 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, personal property (i.e., theft, damage and destruction) and injury to employees. The City carries commercial insurance for these various risks. Losses relative to these risks are limited to a \$500 to \$7,500 deductible provided for in the contracts. During the past three years, settlements have not exceeded the coverages.

The City has joined with other municipalities in the state as part of GIRMA and the Worker's Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association administers both risk pools. As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contract and in accordance with the Workers' Compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

**NOTE 16 – CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 17 – JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the twelve county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northeast Georgia Regional Commission  
305 Research Drive  
Athens, Georgia 30610



CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

(CONTINUED)

**NOTE 18 – RELATED ORGANIZATIONS**

The Mayor of the City of Loganville, Georgia is responsible for appointing a member to the City of Loganville Housing Authority. The Loganville Housing Authority has a six-member board with staggered terms. The City is also responsible for appointing board members to the O’Kelly Loganville Library Board. The City’s accountability for these organizations does not extend beyond making the appointments.

**NOTE 19 – SUBSEQUENT EVENTS**

During March 2020, the City modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the City’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined.

The City has evaluated subsequent events through March 16, 2021, the date which the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015
<u>Total Pension Liability</u>						
Service cost	\$ 395,153	\$ 409,471	\$ 418,665	\$ 407,113	\$ 369,509	\$ 369,372
Interest	1,239,179	1,177,511	1,053,906	969,777	836,265	770,561
Differences between expected and actual experience	557,852	(170,738)	465,087	135,664	917,512	(26,714)
Changes in assumptions	1,558,892	-	259,522	-	-	112,245
Benefit payments, including refunds of employee contributions	(605,848)	(553,531)	(457,050)	(396,979)	(404,141)	(351,177)
Net change in total pension liability	3,145,228	862,713	1,740,130	1,115,575	1,719,145	874,287
Total pension liability - beginning	16,430,156	15,567,443	13,827,313	12,711,738	10,992,593	10,118,306
Total pension liability - ending	<u>\$ 19,575,384</u>	<u>\$ 16,430,156</u>	<u>\$ 15,567,443</u>	<u>\$ 13,827,313</u>	<u>\$ 12,711,738</u>	<u>\$ 10,992,593</u>
<u>Plan Fiduciary Net Position</u>						
Contributions - employer	\$ 1,242,065	\$ 743,211	\$ 688,149	\$ 571,233	\$ 527,013	\$ 508,162
Net investment income	469,015	1,272,072	1,659,233	1,084,978	101,507	957,563
Benefit payments, including refunds of employee contributions	(605,848)	(553,531)	(457,050)	(396,979)	(404,141)	(351,177)
Administrative expense	(26,124)	(27,196)	(28,013)	(16,227)	(17,785)	(13,904)
Net change in fiduciary net position	1,079,108	1,434,556	1,862,319	1,243,005	206,594	1,100,644
Plan fiduciary net position - beginning	14,199,981	12,765,425	10,903,106	9,660,101	9,453,507	8,352,863
Plan fiduciary net position - ending	<u>\$ 15,279,089</u>	<u>\$ 14,199,981</u>	<u>\$ 12,765,425</u>	<u>\$ 10,903,106</u>	<u>\$ 9,660,101</u>	<u>\$ 9,453,507</u>
<u>Net Pension Liability</u>						
Net pension liability - ending	<u>\$ 4,296,295</u>	<u>\$ 2,230,175</u>	<u>\$ 2,802,018</u>	<u>\$ 2,924,207</u>	<u>\$ 3,051,637</u>	<u>\$ 1,539,086</u>
Plan's fiduciary net position as a percentage of the total pension liability	78.05%	86.43%	82.00%	78.85%	75.99%	86.00%
Covered-employee payroll	\$ 5,555,067	\$ 4,691,061	\$ 4,967,243	\$ 4,737,027	\$ 4,579,778	\$ 3,878,226
Net pension liability as a percentage of covered-employee payroll	77.34%	47.54%	56.41%	61.73%	66.63%	39.69%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF PENSION CONTRIBUTIONS

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 923,188	\$ 774,540	\$ 809,525	\$ 721,106	\$ 535,923	\$ 524,023
Contributions in relation to the actuarially determined contribution	923,188	774,540	809,525	721,106	535,923	524,023
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$5,618,917	\$4,754,696	\$ 5,034,359	\$ 4,813,792	\$ 4,579,778	\$ 3,878,226
Contributions as a percentage of covered-employee payroll	16.43%	16.29%	16.08%	14.98%	11.70%	13.51%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

## CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018
<u>Total OPEB Liability</u>			
Service cost	\$ 33,215	\$ 6,410	\$ 7,456
Interest	66,962	12,785	11,171
Differences between expected and actual experience	(6,454)	(11,421)	19,858
Changes in benefit terms	-	75,017	-
Changes in assumptions	28,612	1,326,444	(24,650)
Benefit payments, including refunds of employee contributions	(78,142)	(47,638)	(47,638)
Net change in total pension liability	44,193	1,361,597	(33,803)
Total OPEB liability - beginning	1,736,136	374,539	408,342
Total OPEB liability - ending	<u>\$ 1,780,329</u>	<u>\$ 1,736,136</u>	<u>\$ 374,539</u>
Covered-employee payroll	\$ 4,691,061	\$ 4,967,243	\$ 4,579,778
Total OPEB liability as a percentage of covered-employee payroll	37.95%	34.95%	8.18%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION  
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF OPEB CONTRIBUTIONS

	2020	2019	2018
Actuarially determined contribution	\$ 169,099	\$ 162,244	\$ 34,940
Contributions in relation to the actuarially determined contribution	169,099	162,244	47,638
Contribution deficiency (excess)	\$ -	\$ -	\$ (12,698)
City's covered-employee payroll	\$4,790,340	\$4,689,133	\$ 4,962,292
Contributions as a percentage of covered payroll	3.53%	3.46%	0.96%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 1 - PENSION PLAN**

Georgia Municipal Employee Benefit System

*Changes of assumptions:*

Amounts report for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in September 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

*Benefit Changes*

There were no changes in benefit provisions in the last two fiscal years.

Valuation date

The actuarially determined contribution rate was determined as of January 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2021.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 years.
Asset valuation method	Sum of actuarial value at beginning of 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

*Actuarial Assumptions:*

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%



CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

Retirement Age for inactive vested participants 65 years

Mortality Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25  
Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.  
1994 Group Annuity Reserving Unisex Table for Plan termination basis (all lives)

**NOTE 2 – OPEB PLAN**

Georgia Municipal Employee Benefit System

*Changes of assumptions:*

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in June 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The discount rate effective for June 30, 2018 was 3.87%, and effective for June 30, 2019 was 3.50%.

*Benefit Changes*

None.

## **SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Assets Fund – This fund accounts for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

Hotel/Motel Tax Fund – This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

2013 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the construction and improvements in accordance with the sales tax referendum.

2017 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the construction and improvements in accordance with the sales tax referendum.

2019 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the construction and improvements in accordance with the sales tax referendum.

Capital Recovery Impact Fee Construction Fund – This fund accounts for impact fees charges per the City of Loganville Capital Recovery Fee Ordinance for system improvements to the Water and Sewer Fund.

CDBG Fund – This fund is used to account for the Community Development Block Grant proceeds and the expenditures for the Pecan Rd. storm water improvement project.

## CITY OF LOGANVILLE, GEORGIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds					Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	2013 SPLOST	2017 SPLOST	2019 SPLOST	Capital Recovery Impact Fee	CDBG	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 34,715	\$ 46,666	\$ -	\$ 1,137,015	1,436,897	\$ 1,850,328	\$ -	\$ 4,505,621
Receivables, net of allowance								
Taxes	-	11,570	-	-	-	-	-	11,570
Intergovernmental	-	-	-	78,845	135,849	-	-	214,694
Total Assets	<u>\$ 34,715</u>	<u>\$ 58,236</u>	<u>\$ -</u>	<u>\$ 1,215,860</u>	<u>\$ 1,572,746</u>	<u>\$ 1,850,328</u>	<u>\$ -</u>	<u>\$ 4,731,885</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,200	\$ 935	\$ -	\$ 26,144	\$ 321	\$ -	\$ -	\$ 28,600
Due to other funds	-	6,942	-	9,574	-	-	-	16,516
Total Liabilities	<u>1,200</u>	<u>7,877</u>	<u>-</u>	<u>35,718</u>	<u>321</u>	<u>-</u>	<u>-</u>	<u>45,116</u>
<b>FUND BALANCES</b>								
Restricted	33,515	-	-	1,180,142	1,572,425	1,850,328	-	4,636,410
Assigned	-	50,359	-	-	-	-	-	50,359
Total Fund Balances	<u>33,515</u>	<u>50,359</u>	<u>-</u>	<u>1,180,142</u>	<u>1,572,425</u>	<u>1,850,328</u>	<u>-</u>	<u>4,686,769</u>
Total Liabilities and Fund Balances	<u>\$ 34,715</u>	<u>\$ 58,236</u>	<u>\$ -</u>	<u>\$ 1,215,860</u>	<u>\$ 1,572,746</u>	<u>\$ 1,850,328</u>	<u>\$ -</u>	<u>\$ 4,731,885</u>

CITY OF LOGANVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds					Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	2013 SPLOST	2017 SPLOST	2019 SPLOST	Capital Recovery Impact Fee	CDBG	
<b>REVENUES</b>								
Hotel/motel taxes	\$ -	\$ 54,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,846
Intergovernmental	-	-	-	449,205	1,419,394	-	500,268	2,368,867
Charges for services	-	-	-	-	-	432,046	-	432,046
Fines and forfeitures	55,879	-	-	-	-	-	-	55,879
Investment income	-	-	-	1,019	8,659	23,594	-	33,272
Total Revenues	55,879	54,846	-	450,224	1,428,053	455,640	500,268	2,944,910
<b>EXPENDITURES</b>								
Current								
Public safety	147,121	-	-	-	180	-	-	147,301
Public works	-	-	78,729	11,259	-	269	-	90,257
Culture and recreation	-	-	-	5,638	-	-	-	5,638
Housing and development	-	26,648	-	-	-	-	-	26,648
Capital outlay	-	-	-	67,476	36,507	-	500,268	604,251
Total Expenditures	147,121	26,648	78,729	84,373	36,687	269	500,268	874,095
Excess (deficiency) of revenues over (under) expenditures	(91,242)	28,198	(78,729)	365,851	1,391,366	455,371	-	2,070,815
Other financing sources (uses)								
Transfer out	-	(32,499)	-	-	-	-	-	(32,499)
Total other financing sources (uses)	-	(32,499)	-	-	-	-	-	(32,499)
Net Change in Fund Balances	(91,242)	(4,301)	(78,729)	365,851	1,391,366	455,371	-	2,038,316
Fund Balances - Beginning	124,757	54,660	78,729	814,291	181,059	1,394,957	-	2,648,453
Fund Balances - Ending	\$ 33,515	\$ 50,359	\$ -	\$ 1,180,142	\$ 1,572,425	\$ 1,850,328	\$ -	\$ 4,686,769

## CITY OF LOGANVILLE, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 107,000	\$ 55,879	\$ (51,121)
Total Revenues	107,000	55,879	(51,121)
<u>EXPENDITURES</u>			
Current			
Public safety	157,660	147,121	10,539
Total Expenditures	157,660	147,121	10,539
Net Change in Fund Balances	(50,660)	(91,242)	(40,582)
Fund Balances-Beginning	124,757	124,757	-
Fund Balances-Ending	\$ 74,097	\$ 33,515	\$ (40,582)

## CITY OF LOGANVILLE, GEORGIA

HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>			
Taxes	\$ 50,000	\$ 54,846	\$ 4,846
Total Revenues	50,000	54,846	4,846
<u>EXPENDITURES</u>			
Current			
Housing and development	28,500	26,648	1,852
Total Expenditures	28,500	26,648	1,852
Excess (deficiency) of revenues over (under) expenditures	21,500	28,198	6,698
Other financing sources (uses)			
Transfer out	(35,000)	(32,499)	2,501
Net Change in Fund Balances	(13,500)	(4,301)	9,199
Fund Balances-Beginning	54,660	54,660	-
Fund Balances-Ending	\$ 41,160	\$ 50,359	\$ 9,199



CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2013  
PASSED THROUGH FROM WALTON COUNTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 1,000,000	\$ 982,485	\$ 78,729	\$ 1,061,214
Water and Sewer Infrastructure	4,841,679	4,846,665	-	4,846,665
	<u>\$ 5,841,679</u>	<u>\$ 5,829,150</u>	<u>\$ 78,729</u>	<u>\$ 5,907,879</u>

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2017  
PASSED THROUGH FROM GWINNETT COUNTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreational Facilities and Equipment	\$ 1,196,902	\$ 28,783	\$ 5,638	\$ 34,421
Transportation	926,471	90,237	11,259	101,496
Water and Sewer Capital Improvements	380,604	25,233	67,476	92,709
	<u>\$ 2,503,977</u>	<u>\$ 144,253</u>	<u>\$ 84,373</u>	<u>\$ 228,626</u>

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2019  
PASSED THROUGH FROM WALTON COUNTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 3,218,898	\$ 54,453	\$ 36,507	\$ 90,960
Public safety	2,354,726	105,975	180	106,155
Parks and recreation	226,193	-	-	-
	<u>\$ 5,799,817</u>	<u>\$ 160,428</u>	<u>\$ 36,687</u>	<u>\$ 197,115</u>

## CITY OF LOGANVILLE, GEORGIA

PECAN RD. INFRASTRUCTURE IMPROVEMENTS  
 PASS-THRU COMMUNITY DEVELOPMENT BLOCK GRANT  
 #B-18-UC-13-0004

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Years	Current Year	Total to Date	Project Authorization
<u>REVENUES</u>				
Department of Community Affairs	\$ 167,660	\$ 500,268	\$ 667,928	\$ 667,928
Total Revenues	167,660	500,268	667,928	667,928
<u>EXPENDITURES</u>				
*-03J - Water/Sewer Improvements	167,660	500,268	667,928	667,928
Total Expenditures	167,660	500,268	667,928	667,928
Net change in fund balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY  
BALANCE SHEET  
JUNE 30, 2020

ASSETS

Cash and cash equivalents	\$ 41,444
Total Assets	<u>\$ 41,444</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 714
Total Liabilities	<u>714</u>
Fund Balances	
Unassigned	<u>40,730</u>
Total Fund Balances	<u>40,730</u>
Total Liabilities and Fund Balances	<u>\$ 41,444</u>

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
JUNE 30, 2020

REVENUES

Investment income	\$ 759
-------------------	--------

Total Revenues	<u>\$ 759</u>
----------------	---------------

EXPENDITURES

Current

Community Development	<u>714</u>
-----------------------	------------

Total Expenditures	<u>714</u>
--------------------	------------

Net Change in Fund Balance	45
----------------------------	----

Fund Balance - Beginning of year	<u>40,685</u>
----------------------------------	---------------

Fund Balance - End of year	<u>\$ 40,730</u>
----------------------------	------------------

# **GOVERNMENTAL REPORT**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Loganville, Georgia's basic financial statements, and have issued our report thereon dated March 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Loganville, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Loganville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Loganville, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weaknesses.



Honorable Mayor and  
Members of City Council  
City of Loganville, Georgia  
Page Two

### **Compliance and Other Matters**

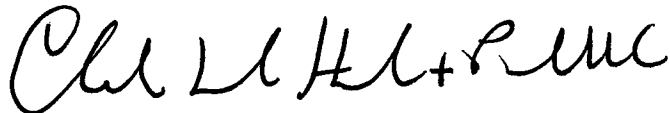
As part of obtaining reasonable assurance about whether the City of Loganville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Loganville, Georgia's Response to the Findings**

The City of Loganville, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Loganville, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Ch L H + RMC", is positioned above the date and location.

Macon, Georgia  
March 16, 2021

CITY OF LOGANVILLE, GEORGIA  
SCHEDULE OF FINDINGS AND RESPONSE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not Considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

There was not an audit of major federal award programs for the year ended June 30, 2020 due to the total amount expended being less than \$750,000.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(CONTINUED)

**Section II – Financial Statement Findings**

Findings noted on the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*:

**2020-001    Capital Recovery Fund/Impact Fees**

*CRITERIA*

In accordance with generally accepted accounting principles, cash and checks are recorded in the period received.

*CONDITION*

Impact fees received from the Water Sewer Fund at the end of the fiscal year were not recorded in the Capital Recovery Fund until fiscal year 2021.

*CONTEXT*

A check transferring \$324,416 of impact fees from the Water Sewer Fund at the end of the fiscal year 2020 was not recorded in the Capital Recovery Fund until July 2021.

*EFFECT*

Revenue from impact fees was understated by \$324,416.

*CAUSE*

The City lacked accounting procedures to insure the issuance of the check and the subsequent deposit occurred in the proper period.

*RECOMMENDATION*

The City should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS*

Management agrees with this finding. The City will focus on preparing procedures to insure transfers are recorded in the proper period.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**2019-001    Accounts Payable / Expenditure or Expenses**

*CONDITION*

The City does not have adequate accounting procedures to insure that expenditure/expenses are recorded and properly classified when a liability is incurred.

*UPDATE*

Resolved.

**2019-002    Capital Assets**

*CONDITION*

The City did not properly post all capital asset activity.

*UPDATE*

Resolved.

**2019-003    Grant Management**

*CONDITION*

The City failed to accrue expenditures and the associated draw requests for the CDBG grant which were incurred/earned in fiscal year 2019.

*UPDATE*

Resolved.