

CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
AUGUST 31, 2016

Prepared by:
Donna Wiernik, Finance Director/Treasurer
Libby Cromer, Accountant
Heather DeWitt, Financial Analyst

INTRODUCTORY SECTION



CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2016

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents	i-iii
Letter of Transmittal	iv-xii
List of Principal Officials	xiii
Organizational Chart	xiv
Certificate of Achievement	xv

FINANCIAL SECTION

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17 and 18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Notes to Financial Statements	26-54
Required Supplementary Information:	
Schedule of Funding Progress – Other Postemployment Benefits	55
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	56 and 57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	58 and 59
Confiscated Assets Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	60
E911 Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	61

CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2016

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

Hotel/Motel Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual 62

Auto Excise Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual 63

2009 SPLOST Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual 64

2014 SPLOST Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual 65

Schedule of Expenditures of Special Purpose
Local Option Sales Tax Proceeds 66

Combining Statement of Net Position – Nonmajor Enterprise Funds..... 67

Combining Statement of Revenues, Expenses, and Changes in Net
Position – Nonmajor Enterprise Funds 68

Combining Statement of Cash Flows – Nonmajor Enterprise Funds..... 69

STATISTICAL SECTION

Financial Trends:

Net Position by Activity Type 70 and 71

Changes in Net Position 72-75

Fund Balances of Governmental Funds..... 76 and 77

Changes in Fund Balances of Governmental Funds 78 and 79

General Governmental Tax Revenues by Source..... 80

General Governmental Revenues by Source 81

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property..... 82 and 83

Direct and Overlapping Property Tax Rates 84

Top Ten Property Taxpayers..... 85

Property Tax Levies and Collections 86

Largest Natural Gas Customers..... 87

Largest Electric Customers 88

Electric Rates 89

Gas Rates..... 90 and 91

Debt Capacity:

Ratio of General Bonded Debt Outstanding..... 92

Direct and Overlapping Governmental Activities Debt..... 93

Legal Debt Margin Information 94 and 95

Pledged Revenue Coverage 96

CITY OF LAWRENCEVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2016

TABLE OF CONTENTS

Page

STATISTICAL SECTION (CONTINUED)

Demographic and Economic Information:

Demographic and Economic Statistics 97

Top Ten Employers 98

Operating Information:

Government Employees by Function 99

Performance Indicators by Function 100

Capital Asset Statistics by Function 101



CITY OF LAWRENCEVILLE

Letter of Transmittal

February 22, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the City of Lawrenceville (the government) for the fiscal year ended August 31, 2016 is hereby transmitted. State law requires all general purpose local governments publish a complete set of financial statements conforming to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants within six months of the close of the fiscal year.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Lawrenceville management. To the best of our knowledge, the data enclosed herein are accurate in all material aspects and fairly present the financial position and results of operations of all of the government's funds.

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

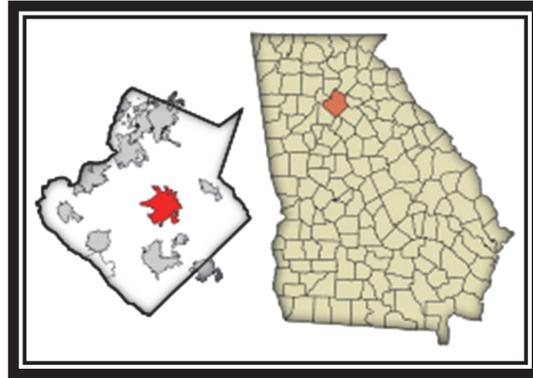
Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read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

CITY PROFILE

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

The City is located in the north central portion of the State of Georgia approximately 34 miles northeast of Atlanta, Georgia and 40 miles west of Athens, Georgia. The City is the county seat

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



Conveniently Located Northeast of Atlanta

CITY ADMINISTRATION AND OFFICIALS

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

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

The Mayor is a member of the City Council, presides at all meetings of the City Council, and votes on matters before the City Council when only two councilmembers are present or to cast a tie-breaking vote. The current Mayor is Mrs. Judy Jordan Johnson who has served as Mayor since January 2011.

The City Manager, who is appointed by and serves at the pleasure of the City Council, is responsible for the day-to-day operations of the City, prepares annual budgets for consideration by the City Council, provides financial reports on the fiscal condition of the City to the City Council on at least a quarterly basis, oversees and authorizes purchases and expenditures by the City, and has such other power and duties as the City Council may prescribe. Chuck Warbington has served as City Manager since April 2016. Prior to his appointment as City Manager, Mr. Warbington served as the Executive Director of the Gwinnett Village Community Improvement

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

CITY SERVICES

The City provides a range of municipal government services to its residents. The City is responsible for police protection services to residents of the City. Fire protection is provided by Gwinnett County through a contractual agreement. The City also offers water service to residents of the City, primarily financed by charges to the City's water customers. The City provides stormwater management to residents of the City, supported by stormwater fees charged to property owners in the City. The City supplies sanitation services (including garbage collection, landfill, and recycling services) to residents of the City, funded by charges to the City's commercial sanitation customers and by General Fund revenues. The City also provides electric service and natural gas service to residents of the City, the cost of which is entirely financed by charges to the City's electric customers and gas customers, respectively. Gas service is also supplied to residents outside the City. The City also offers recreational and cultural activities, traffic control, municipal court, and E911 services to its residents and acquires, constructs, and maintains roads and infrastructure. The City provides building inspection, code enforcement, and community development services to its residents.

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



Lawrenceville Police Department Constructed Using 2005 SPLOST Funds

CITY FACILITIES

The City maintains approximately 92.26 miles of streets and approximately 2,000 street lights. The City's police department had, as of August 31, 2016, one police station, 70 sworn police officers, 24 civilian employees, and 148 vehicles. The City owns three parks (Bartow

Jenkins Park, a portion of Rhodes Jordan Park, and Lawrenceville Lawn) comprised of approximately 12.5 acres, one amphitheater, one playground, one fountain, two sand volley ball courts, 1.1 miles of pedestrian trails, and one picnic area. Rhodes Jordan Park is maintained and operated by Gwinnett County. Bartow Jenkins Park is a passive park consisting of a one-mile walking trail along with outdoor exercise equipment to promote wellness for the citizens of Lawrenceville. Lawrenceville Lawn consists of seven acres of park and event space near the center of the City's downtown area. Now in its third year of operation, Lawrenceville Lawn hosts concerts, movies, festivals, and provides general outdoor recreation for City residents and tourists.



Rock'n Ribville, an annual festival drawing thousands to Lawrenceville, is held at Lawrenceville Lawn.

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

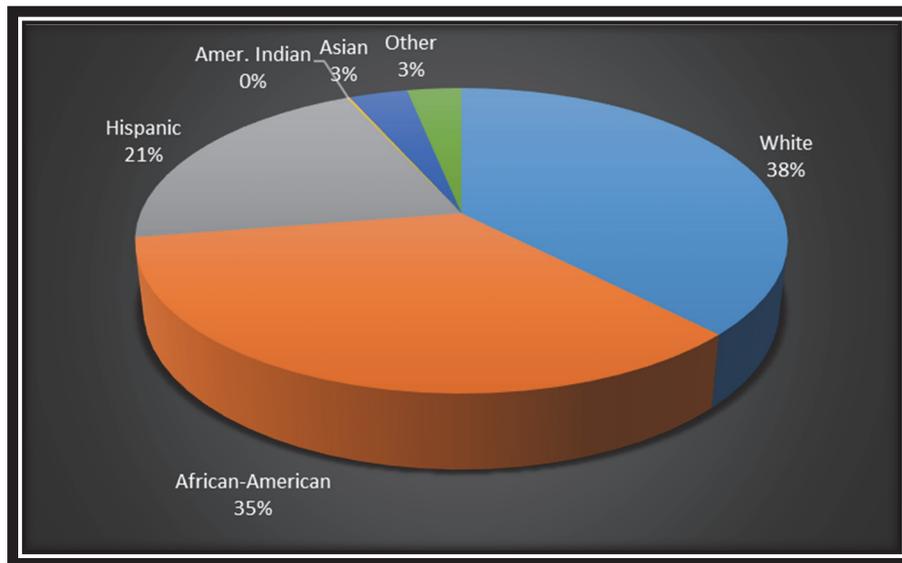
The City also owns and operates a retail electric distribution system that serves an area including most of the corporate limits of the City and certain designated areas outside the City's corporate limits. The City's electric system has approximately 10,400 customer accounts. The major assets of the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

The City also operates a retail natural gas distribution system that serves an area that includes the corporate limits of the City and certain designated areas outside the City's corporate limits, including portions of Gwinnett County, Rockdale County, and Walton County. The City's gas system serves an approximately 230 square mile area containing an estimated population in excess of 115,000 and has approximately 49,000 customer accounts. The major assets of the

City's gas system consist of two delivery points, a third delivery point currently under construction, 135 regulator stations, 58 miles of high pressure pipeline, and approximately 1,352 miles of distribution pipeline.

DEMOGRAPHIC INFORMATION

According to the population estimates provided by the United States Census Bureau for 2015, the population in Lawrenceville is approximately 30,493. From 2010 until 2015, the City has added 2,102 residents, a 7.4% increase. The median age of the residents of the City is 35.1 years, and 51.1% of the population is female while 48.9% is male. The following chart demonstrates the racial composition of the City.



Racial Composition of the City of Lawrenceville

ECONOMIC INFORMATION

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

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

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

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

Niche.com named the City of Lawrenceville one of its “Best Suburbs in Atlanta Metro” for 2016. The City was given “A” or “A-” grades for Public Schools, Diversity, Health and Fitness, Nightlife, and Family Amenities. Following the Great Recession, the City of Lawrenceville has experienced a resurgence in construction activity. Construction of single-family homes has increased from 7 permits issued in FY 2010 to 101 permits in FY 2016. Trulia indicates the City has seen a 12% rise in median sales price for 2016 with a median sales price of \$178,400 in August 2016.

CITY AMENITIES

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

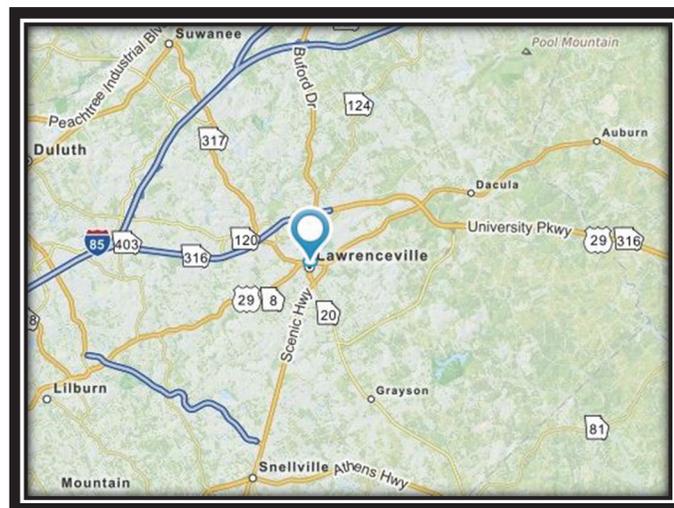


Gwinnett County Historic Courthouse

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

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

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



Access to Several Major Highways

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

is located just outside the City limits. GSMST is ranked by U.S. News and World Report 1st in the State of Georgia and 4th nationally for academic performance.

Georgia Gwinnett College, a four-year, bachelor-degree granting institution of the University System of Georgia, is located in the City and has an enrollment of approximately 12,000 students. Gwinnett Technical College, the flagship vocational school for the Technical College System of Georgia, is located just outside the corporate limits of the City and serves approximately 18,000 students. Many additional colleges, universities, and vocational schools serving the Atlanta area are located within a fifty-mile radius of the City.



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

LONG-TERM FINANCIAL PLANNING

The City issued \$62 million of revenue bonds in September 2015 to complete several major capital improvement projects. Some of the projects to be undertaken include improvements to the gas system, construction of the Georgia Gwinnett College Corridor which will link the downtown area to Georgia Gwinnett College, and construction of a new public works facility. The Georgia Gwinnett College Corridor will be a parkway complete with walking trails and bike paths as well as a linear park along the road. The relocation of the public works facility from the downtown area will allow development in the City's central business district.

In July 2016, the City of Lawrenceville, along with fifteen other cities, signed an intergovernmental agreement with Gwinnett County which provides for the use and distribution of proceeds of the special purpose local option sales tax (SPLOST) to be approved by voters in the November 8, 2016 election. The SPLOST, approved subsequent to fiscal year-end, will commence April 1, 2017 and continue through March 31, 2023. SPLOST funds will be used to fund \$27 million in capital projects, including \$15.8 million for a cultural arts center, \$7 million for transportation, \$3.9 million for parking improvements, and \$1 million for recreational facilities.

FINANCIAL INFORMATION

In accordance with the laws of the State of Georgia, the City adopts annual appropriated budgets for all governmental funds. These budgets are created on a basis consistent with generally accepted accounting principles and adopted through the passage of an annual budget

ordinance. The Lawrenceville Downtown Development Authority (DDA) is a separate entity from the City and adopts its own budget from which to operate.

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lawrenceville, Georgia, for its CAFR for the fiscal year ended August 31, 2015. This was the first year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Respectfully,



Donna Wiernik
Finance Director/Treasurer

CITY OF LAWRENCEVILLE, GEORGIA

LIST OF PRINCIPAL OFFICIALS AUGUST 31, 2016

Mayor Judy Jordan Johnson

City Council

Bob Clark

Tony Powell

Keith Roche

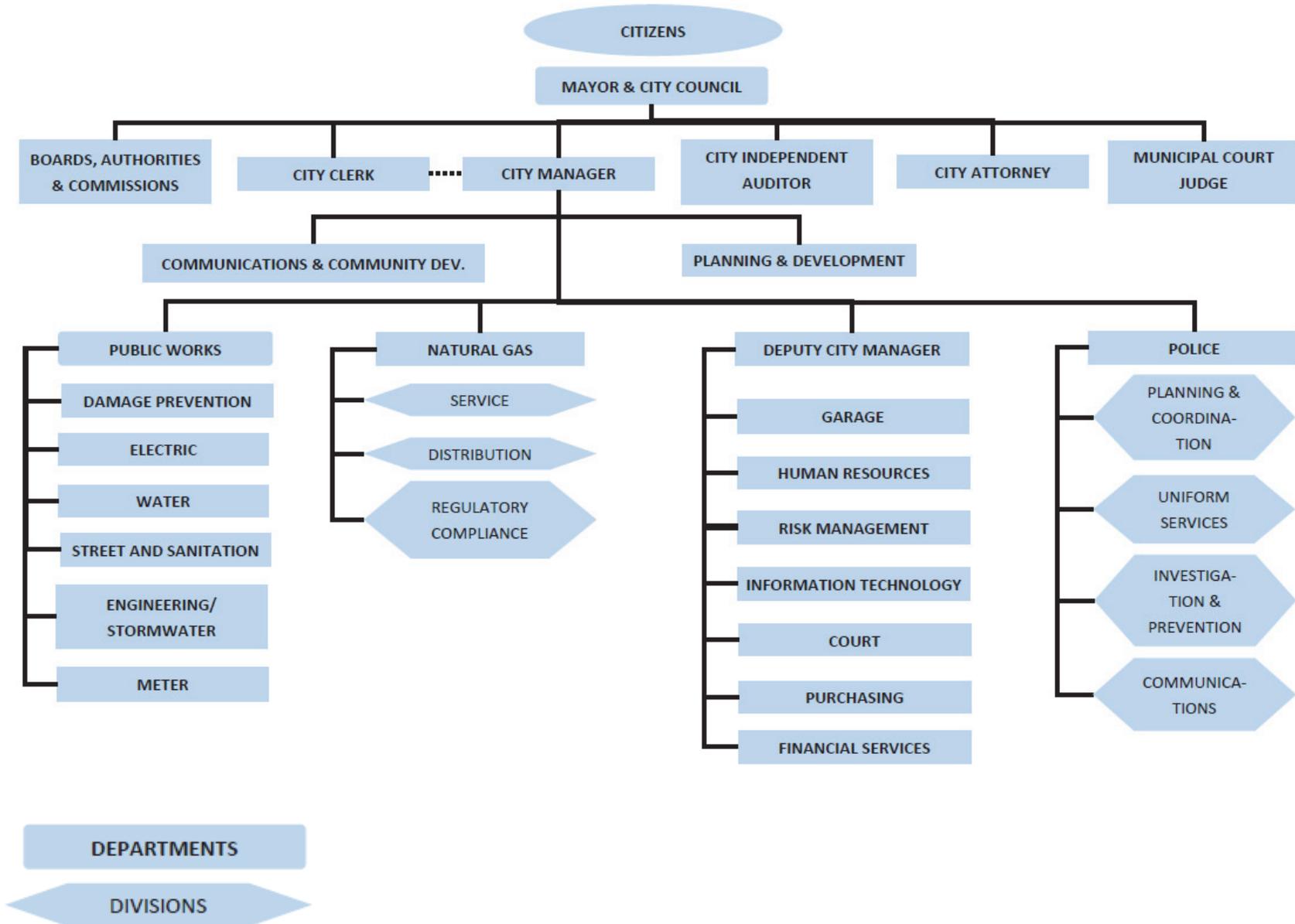
David Still

Management

Chuck Warbington, City Manager

Steve North, Deputy City Manager

**CITY OF LAWRENCEVILLE, GEORGIA
ORGANIZATIONAL CHART
AUGUST 31, 2016**





Government Finance Officers Association

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

Presented to

**City of Lawrenceville
Georgia**

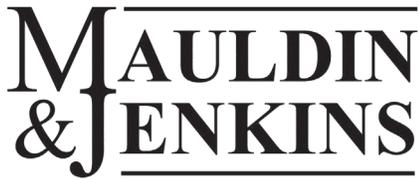
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2015

Executive Director/CEO

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Lawrenceville, Georgia (the "City")** as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceville, Georgia as of August 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress on pages 15 and 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lawrenceville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedule of expenditures of special purpose local option sales tax proceeds (the “supplementary information”) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2017, on our consideration of the City of Lawrenceville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lawrenceville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 22, 2017

CITY OF LAWRENCEVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2016

Within this section of the City of Lawrenceville, Georgia's (the "City") basic financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended August 31, 2016. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the City's primary government. Unless otherwise noted, component units, related organization, and joint ventures reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

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

The City's assets exceeded its liabilities and deferred inflows of resources by \$330,645,828 (net position) as of the end of the fiscal year reported. This compares to the previous year when assets exceeded liabilities and deferred inflows of resources by \$335,214,525.

Total net position is comprised of the following:

- (1) Net investment in capital assets of \$243,627,663 includes land, construction in progress, improvements, vehicles, equipment, and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$45,598,469 is restricted by constraints imposed from outside the City such as grantors, laws, or regulations.
- (3) Unrestricted net position of \$41,419,696 represents the portion available to maintain the City's continuing obligations to citizens and creditors.

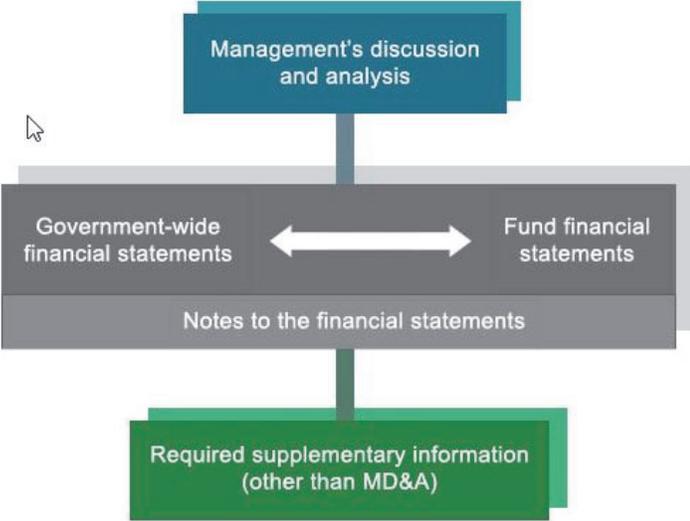
The City's governmental funds reported total ending fund balance of \$67,710,087 this year. This compares to the prior year ending fund balance of \$24,508,452 showing an increase of \$43,201,635 during the current year. Unassigned fund balance of \$6,404,845 as of the fiscal year ended August 31, 2016 shows an \$11,106,358 increase from the prior year.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$6,765,857 or 28.17% of total General Fund expenditures (excluding transfers) and 27.35% of total General Fund expenditures (including transfers out).

Total liabilities of the City increased by \$65,772,371 to \$102,847,059 during the fiscal year. The issuance of the Series 2015 Revenue Bonds by the Lawrenceville Development Authority for \$56,740,000 to fund the costs of acquiring, constructing, and equipping gas system improvements and the acquisition, construction and installation of the new public works facility and a new parkway called the “College Corridor” was the primary contributing factor to the increase. The City is obliged to make payments to the Lawrenceville Building Authority to enable the Authority to make the debt service payments. Interest payable increased by \$1,014,099 as a result of the issuance of the Series 2015 Revenue Bonds. Further information may be found in Note 7 in the Notes to the Financial Statements. The net OPEB obligation due in more than one year increased by \$5,759,903 due to increasing projected retiree health insurance costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



Government-wide Financial Statements

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

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

factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

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

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

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

Fund Financial Statements

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

The City has two kinds of funds:

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and

changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the difference between these two perspectives.

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

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

Notes to the Financial Statements

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

Other information

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

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's net position (governmental and business-type activities) at fiscal year-end is \$330,645,828. This is a \$4,568,697 decrease from last year's net position of \$335,214,525. The following table provides a summary of the City's net position:

	Governmental Activities		Business-type Activities		Total		Percent of Total
	2016	2015	2016	2015	2016	2015	
Assets:							
Current assets	\$ 80,135,861	\$ 36,724,764	\$ 66,904,147	\$ 50,849,576	\$ 147,040,008	\$ 87,574,340	34%
Capital assets, net	234,587,027	233,116,575	53,649,357	53,261,897	288,236,384	286,378,472	66%
Total assets	<u>314,722,888</u>	<u>269,841,339</u>	<u>120,553,504</u>	<u>104,111,473</u>	<u>435,276,392</u>	<u>373,952,812</u>	
Liabilities							
Current liabilities	9,905,289	11,029,173	5,711,395	6,036,558	15,616,684	17,065,731	15%
Long-term liabilities, net	20,868,380	16,123,445	66,361,995	3,885,512	87,230,375	20,008,957	85%
Total liabilities	<u>30,773,669</u>	<u>27,152,618</u>	<u>72,073,390</u>	<u>9,922,070</u>	<u>102,847,059</u>	<u>37,074,688</u>	
Deferred Inflows of Resources							
Unearned property tax	1,783,325	1,663,599	-	-	1,783,325	1,663,599	100%
Total deferred inflows of resources	<u>1,783,325</u>	<u>1,663,599</u>	<u>-</u>	<u>-</u>	<u>1,783,325</u>	<u>1,663,599</u>	
Net Position							
Net investment in capital assets	234,587,027	233,116,575	9,040,636	53,261,897	243,627,663	286,378,472	74%
Restricted	45,598,469	10,015,367	-	-	45,598,469	10,015,367	14%
Unrestricted	1,980,218	(2,106,820)	39,439,478	40,927,506	41,419,696	38,820,686	13%
Total net position	<u>\$ 282,165,714</u>	<u>\$ 241,025,122</u>	<u>\$ 48,480,114</u>	<u>\$ 94,189,403</u>	<u>\$ 330,645,828</u>	<u>\$ 335,214,525</u>	

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$41,140,592 for governmental activities and decreased \$45,709,289 for business-type activities. The City's overall financial position decreased by \$4,568,697 during the fiscal year ended August 31, 2016. For governmental activities, current assets increased by \$43,411,097 which is attributed to a \$51,897,915 increase in cash, cash equivalents, and investments. The increase in cash is due to several factors. First, as a means to increase the unassigned fund balance in the General Fund, transfers from the Gas Fund and Electric Fund were increased by \$15,283,466 and \$1,143,725, respectively. Next, the Water Fund repaid \$1,750,000 of the \$3,881,000 loan made by the General Fund. Finally, the issuance of the Series 2015 Revenue Bonds resulted in a transfer of \$36,998,063 of the bond proceeds in the Series 2015 Project Fund for construction of the College Corridor and the new Public Works Facility. This was offset by a decrease in internal balances with a decline of \$6,608,294 from the prior year and a decrease of \$1,883,181 in land held for resale, resulting from the sale of property held by the Downtown Development Authority whose book value was \$690,729, and a reduction in the fair value of the remaining land held for resale for governmental activities in the amount of \$1,192,452. The increase in current assets was accompanied by a \$1,470,452 increase in net capital assets, resulting from property purchases and miscellaneous capital outlay.

Liabilities for governmental activities increased \$3,621,051, which is primarily due to a \$4,744,935 increase in long-term liabilities. The increase in long-term liabilities is mainly attributed to a \$4,279,365 increase in the net OPEB obligation due in more than one year offset by a decrease of \$850,000 in bonds payable which was reduced with the scheduled debt service payment during the fiscal year.

In the business-type activities, total assets increased by \$16,442,031 to \$120,553,504. Current assets saw an increase over the prior year in the amount of \$16,054,571 to \$66,904,147. Cash and cash equivalents decreased \$5,708,701 while investments increased by \$18,505,165. The decrease in cash is attributed to several factors. First, the Water Fund repaid \$1,750,000 to the General Fund for its loan previously mentioned. The Electric Fund contributed \$2,451,102 to the Municipal Electric Association of Georgia (MEAG) Generation Trust Account resulting in an increase to its investments. This is offset by an increase of \$363,280 in the Municipal Competitive Trust, a cash equivalent of the Electric Fund. This increase is a result of dividends and the change in market value of the trust. The Gas Fund's contribution to the General Fund increased \$15,283,466 while cash generated from its operating activities totaled \$15,881,237. The increases in investments resulted from the aforementioned contributions to the MEAG Generation Trust Account as well as the investment of a portion of the Series 2015 Revenue Bonds proceeds into certificates of deposit totaling \$13,035,194. Internal balances decreased \$6,608,294, prepaid items decreased \$2,478,490, and accounts receivable decreased \$871,697, all of which contributed to the change in current assets. Capital assets increased \$387,460, resulting from a decrease of \$1,201,794 in non-depreciable assets and an increase of \$1,589,254 in depreciable assets, net of accumulated depreciation. The reduction in non-depreciable assets and increase in depreciable assets are due to the reclassification of construction in progress.

Total liabilities for business-type activities increased \$62,151,320 to \$72,073,390. Current liabilities decreased \$325,163 to \$5,711,395 resulting primarily from decreases of \$177,085 in accounts payable. Long-term liabilities increased \$62,476,483 to \$66,361,995. This increase is a result of the Series 2015 Revenue Bonds. The long-term portion of bonds payable experienced an increase of \$59,836,699 with the issuance. The net OPEB obligation due in more than one year increased \$1,480,538 to \$5,249,093 due to the projected rise in health care costs for retirees.

Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net position:

City of Lawrenceville
Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Percent of Total
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program revenues:							
Charges for services	\$ 3,440,022	\$ 4,019,805	\$ 74,927,515	\$ 76,940,089	\$ 78,367,537	\$ 80,959,894	85.8%
Grants & contributions	6,054,664	6,175,770	-	-	6,054,664	6,175,770	6.6%
General revenues:							
Property taxes	2,284,639	2,514,239	-	-	2,284,639	2,514,239	2.5%
Franchise taxes	1,076,929	1,061,585	-	-	1,076,929	1,061,585	1.2%
Excise taxes	824,788	804,926	-	-	824,788	804,926	0.9%
Hotel/Motel taxes	323,791	307,997	-	-	323,791	307,997	0.4%
Insurance premium tax	1,635,902	1,531,262	-	-	1,635,902	1,531,262	1.8%
Financial institution taxes	283,985	128,810	-	-	283,985	128,810	0.3%
Other taxes	131,173	210,586	-	-	131,173	210,586	0.1%
Unrestricted interest	252,781	101,141	62,762	-	315,543	101,141	0.3%
Miscellaneous	30,156	-	452	14,087	30,608	14,087	0.0%
Gain on sale of assets	-	847,957	7,025	-	7,025	847,957	0.0%
Total revenues	16,338,830	17,704,078	74,997,754	76,954,176	91,336,584	94,658,254	100%
Expenses:							
General government	6,888,155	8,401,997	-	-	6,888,155	8,401,997	7.2%
Judicial	1,157,349	984,769	-	-	1,157,349	984,769	1.2%
Public safety	13,025,259	12,384,361	-	-	13,025,259	12,384,361	13.6%
Public works	11,126,532	8,775,978	-	-	11,126,532	8,775,978	11.6%
Culture and recreation	141,659	132,685	-	-	141,659	132,685	0.1%
Housing and development	3,180,125	1,488,239	-	-	3,180,125	1,488,239	3.3%
Interest on long-term debt	173,229	194,213	-	-	173,229	194,213	0.2%
Water & Sewer	-	-	5,203,776	5,107,221	5,203,776	5,107,221	5.4%
Electric	-	-	26,363,870	26,543,376	26,363,870	26,543,376	27.5%
Gas	-	-	26,280,121	26,050,393	26,280,121	26,050,393	27.4%
Solid waste	-	-	2,287,331	1,974,062	2,287,331	1,974,062	2.4%
Stormwater	-	-	77,875	78,996	77,875	78,996	0.1%
Total expenses	35,692,308	32,362,242	60,212,973	59,754,048	95,905,281	92,116,290	100%
Excess (deficiency) of revenues over (under) expenditures before transfers	(19,353,478)	(14,658,164)	14,784,781	17,200,128	(4,568,697)	2,541,964	
Transfers in (out)	60,494,070	10,914,072	(60,494,070)	(10,914,072)	-	-	
Change in net position	41,140,592	(3,744,092)	(45,709,289)	6,286,056	(4,568,697)	2,541,964	
Net position, beginning	241,025,122	244,769,214	94,189,403	87,903,347	335,214,525	332,672,561	
Net position, ending	\$ 282,165,714	\$ 241,025,122	\$ 48,480,114	\$ 94,189,403	\$ 330,645,828	\$ 335,214,525	

GOVERNMENTAL REVENUES

Transfers from business-type activities are the main source of revenue for the operations of the City. Transfers provided 78.73% of the City's total governmental revenues (including transfers in) during the current fiscal year. Transfers increased by \$49,579,998 as a result of two factors. First, the issuance of the Series 2015 Revenue Bonds resulted in a transfer to the Series 2015 Capital Projects Fund in the amount of \$36,998,063 from the Gas Fund. Next, transfers from the Gas System Fund and Electric Fund

to the General Fund increased by \$15,283,466 and \$1,143,725 respectively. Business-type activities subsidize governmental activities to cover the cost of governmental activities without substantial increases in taxes. The largest decrease in the governmental revenues was noted in the gain on sale of assets, which decreased by \$847,957 or 100%. This decrease was due to no assets sold with a gain recognized. The largest increase in governmental revenues (excluding transfers) occurred with the insurance premium tax with an increase of \$155,175. This increase is due to a combination of increased population and rising insurance premiums. The Georgia Commissioner of Insurance distributes this tax annually based on premiums which are allocated using a population ratio formula.

GOVERNMENTAL EXPENSES

Total governmental activities costs for the current fiscal year were \$35,692,308, an increase of \$3,330,066 or 10.29% over the prior year. Of this amount, public safety with \$13,025,259 was the largest operating cost, at 36.49% of the total cost for services provided during the fiscal year ended August 31, 2016. The largest increase occurred in the public works function where expenses increased by \$2,350,554 over the prior year. This increase is primarily attributed to an increase in street resurfacing of \$491,531; an increase in lawn care of \$219,421; an increase in depreciation expense of \$247,943; and an increase in OPEB expense of \$1,014,068.

BUSINESS-TYPE REVENUES

Program revenues for the combined business-type activities decreased from the prior year, seeing a decline of approximately 2.62% or (\$2,012,574). The largest decrease was within the Gas System Fund where charges for services declined by \$2,818,890 or 7.52% from the prior year resulting from decreased consumption due to the warm winter experienced in the region.

BUSINESS-TYPE EXPENSES

The expenses of the Water System Fund increased by \$96,555 or 1.89% while the expenses of the Gas System Fund increased by \$229,728 or 0.88%. The increase in the Water System Fund was a product of several factors. Personal services increased \$29,223; purchased services increased \$14,826; supplies decreased \$15,644; health insurance and workers compensation charges increased \$21,049; and depreciation expense increased \$52,367. The increase in the Gas System Fund was also due to a combination of factors. Supplies decreased \$2,991,587 as a result of the prior year's purchase of distribution equipment which did not occur during this current fiscal year. This decrease was offset by increases in interest expense of \$2,361,684 for the Series 2015 Revenue Bonds debt service; an increase of \$100,702 in depreciation expense; an increase of \$198,977 in health insurance costs; an increase of \$108,412 in purchased services (primarily contract labor); and a \$43,086 increase in personal services. The expenses of the Electrical System Fund decreased by \$179,506 or 0.68% resulting from a \$477,057 decrease in electricity purchased for resale, offset by a \$162,764 increase in health insurance costs and an \$86,494 increase in personal services.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflows and outflows of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$67,710,087. Of this year-end total, \$6,404,845 is unassigned indicating availability for continuing City service requirements. Nonspendable fund balances include \$273,560 for prepaid items; \$3,131,000 for advances to other funds; and \$12,302,213 for land held for resale. Restricted fund balances include \$855,786 for public safety; \$243,818 for road improvements; \$11,202 for housing and development; \$524,820 for emergency telephone system activities; and \$43,962,843 for capital projects.

The total ending fund balances of governmental funds show an increase of \$43,201,635 over the prior year. This increase is primarily the result of the events and programs described with the analysis of the City's governmental activities, in particular, the activity related to the Series 2015 Revenue Bonds and the increased transfers from the Gas System Fund and the Electric Fund.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$8,948,334 for the year ended August 31, 2016. Net transfers in from the enterprise funds of \$23,139,410 helped to increase the fund balance of the General Fund from the prior year while providing resources for governmental expenditures. The General Fund's increase in fund balance is a result of a combination of factors, primarily the aforementioned increase in transfers from the proprietary funds. General Fund revenues decreased \$882,554 with the most significant decrease occurring with a \$559,159 decline in fines and forfeitures, a result of fewer cases going through the municipal court. General Fund expenditures decreased \$1,631,066 with the general government function having the largest decrease in the amount of \$4,996,582 due to a decreased amount of property purchases made during the current fiscal year. The greatest increase in expenditures occurred in the public works function which experienced an increase of \$2,026,350 resulting from the previously mentioned increases in street resurfacing, lawn care, as well as construction costs for the College Corridor and public works facility. There was also a decrease of \$1,007,733 in proceeds from sale of capital assets as well as a \$955,691 reduction in transfers to other funds. The combination of all these events contributed to the increase in the fund balance of the General Fund.

The Downtown Development Authority's fund balance decreased \$1,354,211 for the year ended August 31, 2016. This decrease is primarily a result of reduction in land held for resale in the amount of \$1,571,959. Two parcels were sold for development, with a book value of \$690,729. An \$88,036 loss on disposal of assets was recognized, and a reduction in the fair market value of the remaining land held for resale was made in the amount of \$881,230.

The Series 2015 Project Fund had a fund balance of \$0 at the end of the prior fiscal year. Once the Series 2015 Revenue Bonds were issued, \$36,998,063 was transferred in from the Lawrenceville Building Authority. The proceeds have earned \$144,739 in interest, and \$1,470,121 have been expended for construction of the new public works facility and the College Corridor. This results in a fund balance of \$35,672,681 as of August 31, 2016.

Proprietary Funds

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

Major Proprietary Funds

The Electrical System Fund provides electricity to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing electric utility services. The City's electric utilities are reported within business-type activities in the government-wide statements. The fund reported an increase in net position of \$4,358,575 despite reporting transfers of \$2,972,725 to supplement the General Fund. Total assets increased \$4,530,411 mainly from increases in cash in the amount of \$363,595 and increases in investments in the amount of \$5,431,196 which is the amount paid into the MEAG Generation Trust Account discussed previously along with dividends and change in fair value of the investment. Total liabilities increased \$171,836 due to a combination of increases in accrued liabilities and net OPEB liability.

The Gas System Fund provides natural gas to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing natural gas utility services. The City's gas utilities are reported within business-type activities in the government-wide statements. The fund reported a decrease in net position of \$50,800,581. Total assets increased \$5,738,411 resulting from an increase of \$13,035,194 in investments offset by a \$5,622,157 decrease in cash; a \$2,478,490 decrease in prepaid items; and a \$1,089,867 decrease in capital assets. The Gas Fund's transfers to the General Fund also resulted in a reduction of cash of \$20,283,466 which is an increase of \$15,283,466 over the prior year. Decreases in expenses helped offset this increase. Total liabilities increased \$56,538,992 primarily due to the issuance of the Series 2015 Revenue Bonds in the amount of \$56,740,000. A portion of these bond proceeds (\$36,998,063) were transferred to the Series 2015 Project Fund for the construction of the College Corridor and the public works facility. Since the Gas Fund has responsibility for the liability of the bonds, but does not possess the assets associated with those bonds, its net position is reduced.

The Water System Fund provides water to the City's residential and commercial customers. The City strives to maintain competitive rates to its customers while providing safe drinking water. The City's water utilities are reported within business-type activities in the government-wide statements. Net position increased \$123,290; however, the fund still reports a negative unrestricted net position of \$1,455,205 as of August 31, 2016. Total assets decreased \$1,435,128, which is attributed to a \$485,425 decrease in capital assets accompanied by a \$949,703 decrease in current assets, consisting of \$918,283 decrease in cash and a \$70,195 decrease in receivables. The decrease in capital assets is a result of increases in accumulated depreciation. The decrease in cash is due to the repayment of \$1,750,000 to the General

Fund, as previously mentioned. This was offset by increases in cash generated by operating activities totaling \$1,132,926 and a decrease in purchases of capital assets in the amount of \$262,886. Total liabilities decreased \$1,558,418 resulting from the aforementioned reduction in the loan to the General Fund, coupled with a \$182,532 increase in net OPEB liability. Current liabilities saw a marginal increase in the amount of \$7,132.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget for fiscal year ended August 31, 2016 was \$32,243,099. This was an increase of \$807,600 over the originally adopted budget for the year. The prior year fund balance for the City’s capital plan was incorporated in the budget amendments as well as revenue and expenditure revisions. Actual results were within 25.5% of budgeted amounts. Several capital projects were delayed until the next fiscal year which resulted in the General Fund expending only \$24,022,080 of its budget. The Housing Authority Relocation Project, budgeted for \$2,000,000, was delayed until fiscal year 2016-2017. The City Hall Renovations budgeted for the current fiscal year were \$188,011 under budget, and the Hooper Renwick Project, budgeted for \$200,000, was delayed. Budgeted contingencies in the amount of \$1,129,669 were not utilized. Within the public works function, all of the budgeted projects were delayed until the next fiscal year. These projects’ budgets totaled \$2,208,755.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City’s net investment in capital assets for governmental and business-type activities as of August 31, 2016 was \$234,587,027 and \$53,649,357, respectively. The total increase in this net investment was 0.63% for governmental and an increase of 0.73% for business-type activities. The overall increase was 0.65% for the City as a whole. See Note 6 for additional details.

Capital Assets, Net of Accumulated Depreciation

	Capital Assets (Net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 79,407,165	\$ 73,925,006	\$ 1,246,977	\$ 1,246,977	\$ 80,654,142	\$ 75,171,983
Construction in progress	1,987,666	6,650,181	655,121	1,856,915	2,642,787	8,507,096
Plants and buildings	29,064,384	27,430,123	14,041,447	13,996,002	43,105,831	41,426,125
Improvements	6,509,970	3,112,741	-	-	6,509,970	3,112,741
Vehicles	1,928,483	2,056,582	1,525,958	938,635	3,454,441	2,995,217
Equipment	2,334,027	2,162,318	4,309,798	4,847,555	6,643,825	7,009,873
Infrastructure	113,355,332	117,779,624	-	-	113,355,332	117,779,624
Utility systems	-	-	31,870,056	30,375,813	31,870,056	30,375,813
Total	\$ 234,587,027	\$ 233,116,575	\$ 53,649,357	\$ 53,261,897	\$ 288,236,384	\$ 286,378,472

Long-term Debt

The City reports the governmental long-term debt of the Downtown Development Authority (the “DDA”), a blended component unit of the City. The DDA’s long-term debt as of August 31, 2015 was \$7,425,000 of economic development bonds. During the year ended August 31, 2016, the City made debt service payments of \$850,000 to reduce the outstanding balance to \$6,575,000 as of August 31, 2016. The City has agreed, through an intergovernmental agreement, to pay the debt service of the DDA bonds to the extent the DDA does not have resources to make such payments. See Note 7 for further details.

The City also reports the long-term debt of the Lawrenceville Building Authority (LBA), a blended component unit of the City reported as a proprietary fund type as part of the Gas System Fund. In September 2015, the LBA issued the Series 2015 Revenue Bonds for \$56,740,000. The City made debt service payments in the amount of \$2,965,000 during the fiscal year ended August 31, 2016, reducing the outstanding balance to \$53,775,000. The City has agreed to make payments to the LBA sufficient to pay the debt service of the bonds. The City has also pledged to levy an additional ad valorem tax on all taxable property located within the City limits, should it be necessary to make the debt service payments. See Note 7 for further details.

ECONOMIC ENVIRONMENT AND NEXT YEAR’S BUDGETS

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

For the fiscal year 2016-2017, the City Council approved a total budget of \$164.9 million. This budget includes operating and non-operating funds. The General Fund budget is \$33.6 million, which includes approximately \$21.7 million operating subsidy from business-type activities (Proprietary Funds). The City’s budgets and relative fund balances are maintained in compliance with the City’s adopted financial policies.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF NET POSITION
AUGUST 31, 2016**

ASSETS	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Cash and cash equivalents	\$ 22,395,459	\$ 13,325,982	\$ 35,721,441
Investments	39,564,194	45,029,109	84,593,303
Taxes receivable, net of allowances	1,794,650	-	1,794,650
Accounts receivable, net of allowances	832,028	9,611,560	10,443,588
Due from other governments	842,577	-	842,577
Internal balances	2,131,000	(2,131,000)	-
Land held for resale	12,302,213	-	12,302,213
Prepaid items	273,560	1,068,496	1,342,056
Capital assets:			
Non-depreciable	81,394,831	1,902,098	83,296,929
Depreciable, net of accumulated depreciation	153,192,196	51,747,259	204,939,455
Total assets	<u>314,722,708</u>	<u>120,553,504</u>	<u>435,276,212</u>
LIABILITIES			
Accounts payable	1,162,432	4,936,915	6,099,347
Accrued liabilities	1,256,676	771,505	2,028,181
Customer deposits	7,486,181	2,975	7,489,156
Interest payable	13,698	1,015,870	1,029,568
Net OPEB obligation due in more than one year	13,561,889	5,249,093	18,810,982
Compensated absences, due within one year	286,396	130,168	416,564
Compensated absences, due in more than one year	286,397	130,165	416,562
Claims and judgments payable, due within one year	145,000	-	145,000
Bonds payable, due within one year	870,000	1,875,000	2,745,000
Bonds payable, due in more than one year	5,705,000	57,961,699	63,666,699
Total liabilities	<u>30,773,669</u>	<u>72,073,390</u>	<u>102,847,059</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	1,783,325	-	1,783,325
Total deferred inflows of resources	<u>1,783,325</u>	<u>-</u>	<u>1,783,325</u>
NET POSITION			
Net investment in capital assets	234,587,027	9,040,636	243,627,663
Restricted for:			
Public safety	855,786	-	855,786
Road improvements	243,818	-	243,818
Housing and development	11,202	-	11,202
Emergency telephone activities	524,820	-	524,820
Capital projects	43,962,843	-	43,962,843
Unrestricted	1,980,218	39,439,478	41,419,696
Total net position	<u>\$ 282,165,714</u>	<u>\$ 48,480,114</u>	<u>\$ 330,645,828</u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 6,888,155	\$ 1,341,312	\$ -	\$ -
Judicial	1,157,349	1,591,649	-	-
Public safety	13,025,259	448,461	1,109,317	-
Public works	11,126,532	5,700	-	908,787
Culture and recreation	141,659	52,900	-	4,036,560
Housing and development	3,180,125	-	-	-
Interest on long-term debt	173,229	-	-	-
Total governmental activities	35,692,308	3,440,022	1,109,317	4,945,347
Business-type activities:				
Water & Sewer	5,203,776	5,326,614	-	-
Electric	26,363,870	33,515,170	-	-
Gas	26,280,121	34,691,282	-	-
Solid waste	2,287,331	680,669	-	-
Stormwater	77,875	713,780	-	-
Total business-type activities	60,212,973	74,927,515	-	-
Total primary government	\$ 95,905,281	\$ 78,367,537	\$ 1,109,317	\$ 4,945,347

General revenues:

- Property taxes
- Franchise taxes
- Excise taxes
- Hotel/Motel occupancy taxes
- Insurance premium tax
- Financial institution taxes
- Other taxes
- Unrestricted investment earnings
- Miscellaneous
- Gain on disposal of capital assets

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (5,546,843)	\$ -	\$ (5,546,843)
434,300	-	434,300
(11,467,481)	-	(11,467,481)
(10,212,045)	-	(10,212,045)
3,947,801	-	3,947,801
(3,180,125)	-	(3,180,125)
(173,229)	-	(173,229)
<u>(26,197,622)</u>	<u>-</u>	<u>(26,197,622)</u>
-	122,838	122,838
-	7,151,300	7,151,300
-	8,411,161	8,411,161
-	(1,606,662)	(1,606,662)
<u>-</u>	<u>635,905</u>	<u>635,905</u>
<u>-</u>	<u>14,714,542</u>	<u>14,714,542</u>
<u>(26,197,622)</u>	<u>14,714,542</u>	<u>(11,483,080)</u>
\$ 2,284,639	\$ -	\$ 2,284,639
1,076,929	-	1,076,929
824,788	-	824,788
323,791	-	323,791
1,635,902	-	1,635,902
283,985	-	283,985
131,173	-	131,173
252,781	62,762	315,543
30,156	452	30,608
-	7,025	7,025
60,494,070	(60,494,070)	-
<u>67,338,214</u>	<u>(60,423,831)</u>	<u>6,914,383</u>
41,140,592	(45,709,289)	(4,568,697)
241,025,122	94,189,403	335,214,525
<u>\$ 282,165,714</u>	<u>\$ 48,480,114</u>	<u>\$ 330,645,828</u>

CITY OF LAWRENCEVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2016**

ASSETS	General Fund	Downtown Development Authority	Series 2015 Project Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 8,309,260	\$ 649,365	\$ 4,182,338	\$ 9,254,496	\$ 22,395,459
Investments	8,024,303	-	31,539,891	-	39,564,194
Taxes receivable, net of allowance	1,734,863	7,640	-	52,147	1,794,650
Accounts receivables, net of allowance	820,711	-	11,317	-	832,028
Due from other governments	43,855	-	-	798,722	842,577
Due from other funds	38,538	-	-	95,549	134,087
Advances to other funds	3,131,000	-	-	-	3,131,000
Prepaid items	240,783	-	-	32,777	273,560
Land held for resale	4,790,778	7,511,435	-	-	12,302,213
Total assets	\$ 27,134,091	\$ 8,168,440	\$ 35,733,546	\$ 10,233,691	\$ 81,269,768
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 774,238	\$ 18,017	60,865	\$ 309,312	\$ 1,162,432
Accrued liabilities	1,220,032	-	-	36,644	1,256,676
Customer deposits	7,486,181	-	-	-	7,486,181
Due to other funds	5,900	-	-	128,187	134,087
Advances from other funds	-	1,000,000	-	-	1,000,000
Total liabilities	9,486,351	1,018,017	60,865	474,143	11,039,376
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	6,202	-	-	-	6,202
Unavailable revenue - other	48,256	-	-	-	48,256
Unavailable revenue - fines receivable	595,189	-	-	-	595,189
Unavailable revenue - intergovernmental	42,532	-	-	44,801	87,333
Unearned revenue - property taxes	1,783,325	-	-	-	1,783,325
Total deferred inflows of resources	2,475,504	-	-	44,801	2,520,305
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	240,783	-	-	32,777	273,560
Advances to other funds	3,131,000	-	-	-	3,131,000
Land held for resale	4,790,778	7,511,435	-	-	12,302,213
Restricted:					
Public safety	-	-	-	855,786	855,786
Road improvements	243,818	-	-	-	243,818
Housing and development	-	-	-	11,202	11,202
Emergency telephone system activities	-	-	-	524,820	524,820
Capital projects	-	-	35,672,681	8,290,162	43,962,843
Unassigned (deficit)	6,765,857	(361,012)	-	-	6,404,845
Total fund balances	15,172,236	7,150,423	35,672,681	9,714,747	67,710,087
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,134,091	\$ 8,168,440	\$ 35,733,546	\$ 10,233,691	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	234,587,027
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	736,980
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(20,868,380)
Net position of governmental activities	\$ 282,165,714

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

	<u>General Fund</u>	<u>Downtown Development Authority</u>	<u>Series 2015 Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 6,013,174	\$ -	-	\$ 543,480	\$ 6,556,654
Licenses and permits	349,397	-	-	-	349,397
Intergovernmental	772,986	-	-	5,252,491	6,025,477
Fines and forfeitures	1,556,975	-	-	415,554	1,972,529
Charges for services	940,372	52,900	-	-	993,272
Interest income	100,537	921	144,739	31,129	277,326
Miscellaneous	85,296	-	-	-	85,296
Total revenues	<u>9,818,737</u>	<u>53,821</u>	<u>144,739</u>	<u>6,242,654</u>	<u>16,259,951</u>
EXPENDITURES					
Current:					
General government	6,258,780	-	-	-	6,258,780
Judicial	956,357	-	-	-	956,357
Public safety	9,196,621	-	-	1,563,768	10,760,389
Public works	5,846,498	-	-	-	5,846,498
Culture and recreation	-	-	-	141,659	141,659
Housing and development	1,763,824	1,089,005	-	-	2,852,829
Capital outlay	-	-	1,470,121	4,290,020	5,760,141
Debt service:					
Principal retirements	-	850,000	-	-	850,000
Interest	-	175,000	-	-	175,000
Total expenditures	<u>24,022,080</u>	<u>2,114,005</u>	<u>1,470,121</u>	<u>5,995,447</u>	<u>33,601,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,203,343)</u>	<u>(2,060,184)</u>	<u>(1,325,382)</u>	<u>247,207</u>	<u>(17,341,702)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	12,267	-	-	37,000	49,267
Transfers in	23,855,892	705,973	36,998,063	100,159	61,660,087
Transfers out	<u>(716,482)</u>	<u>-</u>	<u>-</u>	<u>(449,535)</u>	<u>(1,166,017)</u>
Total other financing sources (uses)	<u>23,151,677</u>	<u>705,973</u>	<u>36,998,063</u>	<u>(312,376)</u>	<u>60,543,337</u>
Net change in fund balance	8,948,334	(1,354,211)	35,672,681	(65,169)	43,201,635
FUND BALANCES, beginning of year	<u>6,223,902</u>	<u>8,504,634</u>	<u>-</u>	<u>9,779,916</u>	<u>24,508,452</u>
FUND BALANCES, end of year	<u>\$ 15,172,236</u>	<u>\$ 7,150,423</u>	<u>\$ 35,672,681</u>	<u>\$ 9,714,747</u>	<u>\$ 67,710,087</u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

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

Net change in fund balances - total governmental funds	\$	43,201,635
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,684,351
The net effect of various miscellaneous transactions involving capital assets (i.e., donations, disposal, and sales) is to decrease net position.		(213,899)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(62,950)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents repayments of the principal of long-term debt.		850,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(4,318,545)</u>
Change in net position - governmental activities	\$	<u><u>41,140,592</u></u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
FOR THE YEAR ENDED AUGUST 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,089,625	\$ 6,089,625	\$ 6,013,174	\$ (76,451)
Licenses and permits	261,200	261,200	349,397	88,197
Fines and forfeitures	2,479,500	2,479,500	1,556,975	(922,525)
Charges for services	752,370	752,370	940,372	188,002
Intergovernmental	494,620	494,620	772,986	278,366
Interest	70,000	70,000	100,537	30,537
Miscellaneous	1,560,205	1,560,205	85,296	(1,474,909)
Total revenues	11,707,520	11,707,520	9,818,737	(1,888,783)
EXPENDITURES				
Current:				
General government:				
Administration	1,035,000	1,035,000	-	1,035,000
Mayor	25,171	25,171	24,492	679
City council	111,984	111,984	70,706	41,278
City manager	6,179,840	6,179,840	2,950,223	3,229,617
City clerk	200,412	200,412	200,560	(148)
Information technology	1,559,367	1,559,367	1,355,189	204,178
Facilities and risk management	654,506	654,506	374,845	279,661
Human resources	194,259	194,259	169,216	25,043
Purchasing	147,446	147,446	145,945	1,501
Financial services	1,113,022	1,113,022	964,224	148,798
Elections	14,200	14,200	3,380	10,820
Total general government	11,235,207	11,235,207	6,258,780	4,976,427
Court services	1,300,783	1,300,783	956,357	344,426
Police	8,950,793	9,200,793	9,196,621	4,172
Public works:				
Meter	1,074,196	1,074,196	852,493	221,703
Garage	862,630	862,630	654,506	208,124
Street	2,041,328	2,513,928	2,521,191	(7,263)
Damage prevention	1,173,377	1,258,377	1,253,445	4,932
Public works/engineering	2,763,530	2,763,530	564,863	2,198,667
Total public works	7,915,061	8,472,661	5,846,498	2,626,163
Housing and development:				
Planning and development	1,282,741	1,282,741	1,032,005	250,736
Economic development	750,914	750,914	731,819	19,095
Total housing and development	2,033,655	2,033,655	1,763,824	269,831
Total expenditures	31,435,499	32,243,099	24,022,080	8,221,019
Deficiency of revenues over expenditures	(19,727,979)	(20,535,579)	(14,203,343)	6,332,236
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	50,000	50,000	12,267	(37,733)
Transfers in	19,677,979	20,503,979	23,855,892	3,351,913
Transfers out	-	(11,000)	(716,482)	(705,482)
Total other financing sources (uses)	19,727,979	20,542,979	23,151,677	2,608,698
Net change in fund balances	-	7,400	8,948,334	8,940,934
FUND BALANCES, beginning of year	6,223,902	6,223,902	6,223,902	-
FUND BALANCES, end of year	\$ 6,223,902	\$ 6,231,302	\$ 15,172,236	\$ 8,940,934

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2016**

Business-type Activities - Enterprise Funds					
ASSETS	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	Totals
CURRENT ASSETS					
Cash	\$ 746,762	\$ 7,563,292	\$ 2,889,881	\$ 2,126,047	\$ 13,325,982
Investments	38,775	31,955,140	13,035,194	-	45,029,109
Accounts receivable, net of allowance	1,577,958	5,512,827	2,362,516	158,259	9,611,560
Prepaid items	-	-	1,068,496	-	1,068,496
Total current assets	<u>2,363,495</u>	<u>45,031,259</u>	<u>19,356,087</u>	<u>2,284,306</u>	<u>69,035,147</u>
CAPITAL ASSETS					
Non-depreciable	1,416,860	11,316	472,922	1,000	1,902,098
Depreciable, net of accumulated depreciation	15,595,990	13,449,539	19,291,660	3,410,070	51,747,259
	<u>17,012,850</u>	<u>13,460,855</u>	<u>19,764,582</u>	<u>3,411,070</u>	<u>53,649,357</u>
Total assets	<u>19,376,345</u>	<u>58,492,114</u>	<u>39,120,669</u>	<u>5,695,376</u>	<u>122,684,504</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	780,482	3,110,350	851,109	194,974	4,936,915
Accrued liabilities	273,667	48,712	406,697	42,429	771,505
Interest payable	-	-	1,015,870	-	1,015,870
Deposits payable	-	2,975	-	-	2,975
Compensated absences payable, current	11,846	54,427	34,902	28,993	130,168
Bonds payable, current	-	-	1,875,000	-	1,875,000
Total current liabilities	<u>1,065,995</u>	<u>3,216,464</u>	<u>4,183,578</u>	<u>266,396</u>	<u>8,732,433</u>
NONCURRENT LIABILITIES					
Bonds payable, net	-	-	57,961,699	-	57,961,699
Compensated absences payable	11,845	54,425	34,900	28,995	130,165
Advance from other funds	2,131,000	-	-	-	2,131,000
Net OPEB liability	609,860	843,348	2,823,629	972,256	5,249,093
Total noncurrent liabilities	<u>2,752,705</u>	<u>897,773</u>	<u>60,820,228</u>	<u>1,001,251</u>	<u>65,471,957</u>
Total liabilities	<u>3,818,700</u>	<u>4,114,237</u>	<u>65,003,806</u>	<u>1,267,647</u>	<u>74,204,390</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	17,012,850	13,460,855	(24,844,139)	3,411,070	9,040,636
Unrestricted (deficit)	(1,455,205)	40,917,022	(1,038,998)	1,016,659	39,439,478
Total net position (deficit)	<u>\$ 15,557,645</u>	<u>\$ 54,377,877</u>	<u>\$ (25,883,137)</u>	<u>\$ 4,427,729</u>	<u>\$ 48,480,114</u>

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016**

	Business-type Activities - Enterprise Funds				Totals
	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	
OPERATING REVENUE					
Charges for sales and services	\$ 5,171,788	\$ 33,409,738	\$ 33,431,431	\$ 1,336,332	\$ 73,349,289
Other fees	154,826	105,432	1,259,851	58,117	1,578,226
Total operating revenue	5,326,614	33,515,170	34,691,282	1,394,449	74,927,515
OPERATING EXPENSES					
Salaries and benefits	960,196	1,505,637	3,637,447	1,207,824	7,311,104
General operating expenses	3,495,269	23,849,211	18,481,808	1,047,086	46,873,374
Depreciation and amortization	748,311	1,009,022	1,117,682	110,296	2,985,311
Total operating expenses	5,203,776	26,363,870	23,236,937	2,365,206	57,169,789
Operating income (loss)	122,838	7,151,300	11,454,345	(970,757)	17,757,726
NON-OPERATING REVENUE (EXPENSES)					
Gain on disposal of assets	-	-	7,025	-	7,025
Interest expense	-	-	(2,361,684)	-	(2,361,684)
Interest income	-	-	62,762	-	62,762
Bond issuance costs	-	-	(681,500)	-	(681,500)
Miscellaneous revenues	452	-	-	-	452
Total non-operating revenues (expenses)	452	-	(2,973,397)	-	(2,972,945)
Net income (loss) before transfers	123,290	7,151,300	8,480,948	(970,757)	14,784,781
Transfers in	-	-	-	2,000,000	2,000,000
Transfers out	-	(2,792,725)	(59,281,529)	(419,816)	(62,494,070)
Total transfers	-	(2,792,725)	(59,281,529)	1,580,184	(60,494,070)
Change in net position	123,290	4,358,575	(50,800,581)	609,427	(45,709,289)
Total net position, beginning of year	15,434,355	50,019,302	24,917,444	3,818,302	94,189,403
Total net position (deficit), end of year	\$ 15,557,645	\$ 54,377,877	\$ (25,883,137)	\$ 4,427,729	\$ 48,480,114

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

CITY OF LAWRENCEVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016**

	Business-type Activities - Enterprise Funds				
	Water System Fund	Electrical System Fund	Gas System Fund	Nonmajor Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 5,396,809	\$ 34,008,996	\$ 34,977,285	\$ 1,416,122	\$ 75,799,212
Payments to suppliers	(3,495,382)	(23,951,770)	(16,217,610)	(956,860)	(44,621,622)
Payments to employees	(768,501)	(1,231,242)	(2,878,438)	(907,434)	(5,785,615)
Net cash provided by (used in) operating activities	<u>1,132,926</u>	<u>8,825,984</u>	<u>15,881,237</u>	<u>(448,172)</u>	<u>25,391,975</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	2,000,000	2,000,000
Transfers out to other funds	-	(2,792,725)	(64,139,823)	(419,816)	(67,352,364)
Repayment of long-term advances	(1,750,000)	-	-	-	(1,750,000)
Net cash provided by (used in) non-capital financing activities	<u>(1,750,000)</u>	<u>(2,792,725)</u>	<u>(64,139,823)</u>	<u>1,580,184</u>	<u>(67,102,364)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(262,886)	(238,468)	(2,519,441)	(663,868)	(3,684,663)
Proceeds from bond issuance	-	-	56,740,000	-	56,740,000
Proceeds from bond premium	-	-	6,351,475	-	6,351,475
Debt service payments	-	-	(4,310,814)	-	(4,310,814)
Debt issuance costs	-	-	(681,500)	-	(681,500)
Proceeds from sale of material	452	-	29,141	-	29,593
Net cash provided by (used in) capital and related financing activities	<u>(262,434)</u>	<u>(238,468)</u>	<u>55,608,861</u>	<u>(663,868)</u>	<u>54,444,091</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	-	-	62,762	-	62,762
Purchase of investments	(38,775)	(5,431,196)	(13,035,194)	-	(18,505,165)
Net cash used in investing activities	<u>(38,775)</u>	<u>(5,431,196)</u>	<u>(12,972,432)</u>	<u>-</u>	<u>(18,442,403)</u>
Net increase (decrease) in cash	<u>(918,283)</u>	<u>363,595</u>	<u>(5,622,157)</u>	<u>468,144</u>	<u>(5,708,701)</u>
Cash, beginning of year	<u>1,665,045</u>	<u>7,199,697</u>	<u>8,512,038</u>	<u>1,657,903</u>	<u>19,034,683</u>
Cash, end of year	<u>\$ 746,762</u>	<u>\$ 7,563,292</u>	<u>\$ 2,889,881</u>	<u>\$ 2,126,047</u>	<u>\$ 13,325,982</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 122,838	\$ 7,151,300	\$ 11,454,345	\$ (970,757)	\$ 17,757,726
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	748,311	1,009,022	1,117,682	110,296	2,985,311
Change in assets and liabilities:					
Decrease in accounts receivable	70,195	493,826	286,003	21,673	871,697
Decrease in prepaid items	-	-	2,478,490	-	2,478,490
Increase (decrease) in accounts payable	(113)	(94,159)	(173,039)	90,226	(177,085)
Increase (decrease) in accrued liabilities	5,325	1,151	(41,253)	12,054	(22,723)
Decrease in customer deposits payable	-	(8,400)	-	-	(8,400)
Increase in net OPEB liability	182,532	263,658	750,409	283,939	1,480,538
Increase in compensated absences payable	3,838	9,586	8,600	4,397	26,421
Net cash provided by (used in) operating activities	<u>\$ 1,132,926</u>	<u>\$ 8,825,984</u>	<u>\$ 15,881,237</u>	<u>\$ (448,172)</u>	<u>\$ 25,391,975</u>

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

CITY OF LAWRENCEVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Blended Component Units

The Lawrenceville Development Authority (the “LDA”) is responsible for promoting and further developing trade and has been included as a blended component unit, reported as a special revenue fund in the accompanying financial statements. The LDA operates under a seven member board, which is all appointed by the City Council members who can impose their will on the LDA. The only current service provided by the LDA is as a financing mechanism for the City. Financial information with regard to the LDA can be obtained from Lawrenceville City Hall. Separate financial statements for the Lawrenceville Development Authority are not prepared.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

B. Government-wide and Fund Financial Statements

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

The remainder of this page is intentionally left blank

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City also reports the following fund types:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The **debt service fund** accounts for the financing activities of the LDA.

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

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

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

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

D. Budgets

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets (Continued)

All appropriations lapse at the end of each year.

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

E. Deposits and Investments

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

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

F. Receivables

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

G. Interfund Receivables and Payables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Receivables and Payables (Continued)

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2016 are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

I. Capital Assets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations (Continued)

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

M. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity (Continued)

Fund balances are classified as follows (continued):

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

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

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

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

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

N. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$20,868,380 difference are as follows:

Bonds payable	\$	(6,575,000)
Accrued interest payable		(13,698)
Compensated absences		(572,793)
Claims and judgments payable		(145,000)
Net OPEB obligation		<u>(13,561,889)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u><u>(20,868,380)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$1,684,351 difference are as follows:

Capital outlay	\$	8,162,167
Depreciation expense		<u>(6,477,816)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	\$	<u><u>1,684,351</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., disposals and donations) is to decrease net position.” The details of this \$213,899 difference are as follows:

Disposal of capital assets	\$ (355,728)
Donation of capital assets	<u>141,829</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (213,899)</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$4,318,545 difference are as follows:

Compensated absences (i.e., vacation)	\$ (40,951)
Accrued interest	1,771
Net OPEB Obligation	<u>(4,279,365)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (4,318,545)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of August 31, 2016 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 35,721,441
Investments	84,593,303
	<u>\$ 120,314,744</u>
Deposits with financial institutions	\$ 80,796,665
Investments in the Municipal Competitive Trust	39,518,079
	<u>\$ 120,314,744</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2016, the City had the following investments:

Investment	Rating	Amount	Weighted Average Maturity
Certificates of deposit	n/a	\$ 52,638,163	11.66 months
Municipal Competitive Trust	AA+	39,518,079	7.03 years
Total		<u>\$ 92,156,242</u>	

\$7,562,939 of the Municipal Competitive Trust is considered a cash equivalent.

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

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of August 31, 2016, the City's deposits are insured or collateralized as required by state law.

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

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust (Intermediate)	\$ -	\$ 31,735	\$ -	\$ 31,735
Municipal Competitive Trust (Intermediate Extended)	-	31,923,405	-	31,923,405
Total investments measured at fair value	<u>\$ -</u>	<u>\$ 31,955,140</u>	<u>\$ -</u>	<u>\$ 31,955,140</u>
Investments recorded at cost:				
Certificate of Deposit				<u>52,638,163</u>
Total investments				<u>\$ 84,593,303</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

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

Receivables at August 31, 2016 for the City’s individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Due From Other Governments</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
General Fund	\$ 1,823,148	\$ 1,013,004	\$ 43,855	\$ (280,578)	\$ 2,599,429
Downtown Development Authority	7,640	-	-	-	7,640
Series 2015 Project Fund	-	11,317	-	-	11,317
Other governmental funds	52,147	-	798,722	-	850,869
Water System Fund	-	1,584,590	-	(6,632)	1,577,958
Electrical System Fund	-	5,519,362	-	(6,535)	5,512,827
Gas System Fund	-	2,370,775	-	(8,259)	2,362,516
Nonmajor enterprise funds	-	197,900	-	(39,641)	158,259
	<u>\$ 1,882,935</u>	<u>\$ 10,696,948</u>	<u>\$ 842,577</u>	<u>\$ (341,645)</u>	<u>\$ 13,080,815</u>

The remainder of this page is intentionally left blank

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended August 31, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 73,925,006	\$ 5,482,159	\$ -	\$ -	\$ 79,407,165
Construction in progress	6,650,181	1,289,650	(5,948,165)	(4,000)	1,987,666
Total	<u>80,575,187</u>	<u>6,771,809</u>	<u>(5,948,165)</u>	<u>(4,000)</u>	<u>81,394,831</u>
Capital assets, being depreciated:					
Buildings	32,389,082	-	2,495,692	(402,966)	34,481,808
Improvements	4,454,392	102,069	3,452,473	-	8,008,934
Vehicles	6,839,330	701,167	-	(130,781)	7,409,716
Equipment	4,248,583	670,732	-	(33,698)	4,885,617
Infrastructure	222,601,212	58,219	-	-	222,659,431
Total	<u>270,532,599</u>	<u>1,532,187</u>	<u>5,948,165</u>	<u>(567,445)</u>	<u>277,445,506</u>
Less accumulated depreciation for:					
Buildings	(4,958,959)	(530,413)	-	71,948	(5,417,424)
Improvements	(1,341,651)	(157,313)	-	-	(1,498,964)
Vehicles	(4,782,748)	(829,266)	-	130,781	(5,481,233)
Equipment	(2,086,265)	(478,313)	-	12,988	(2,551,590)
Infrastructure	(104,821,588)	(4,482,511)	-	-	(109,304,099)
Total	<u>(117,991,211)</u>	<u>(6,477,816)</u>	<u>-</u>	<u>215,717</u>	<u>(124,253,310)</u>
Total capital assets, being depreciated, net	<u>152,541,388</u>	<u>(4,945,629)</u>	<u>5,948,165</u>	<u>(351,728)</u>	<u>153,192,196</u>
Governmental activities capital assets, net	<u>\$ 233,116,575</u>	<u>\$ 1,826,180</u>	<u>\$ -</u>	<u>\$ (355,728)</u>	<u>\$ 234,587,027</u>

The remainder of this page is intentionally left blank

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,246,977	\$ -	\$ -	\$ -	\$ 1,246,977
Construction in Progress	1,856,915	2,548,679	(3,750,473)	-	655,121
Total	<u>3,103,892</u>	<u>2,548,679</u>	<u>(3,750,473)</u>	<u>-</u>	<u>1,902,098</u>
Capital assets, being depreciated:					
Plants and Buildings	18,229,721	-	469,025	-	18,698,746
Utility Systems	60,937,943	-	3,281,448	-	64,219,391
Vehicles	3,875,521	901,984	2,034	(24,620)	4,754,919
Machinery and equipment	6,896,680	234,000	(2,034)	(44,857)	7,083,789
Total	<u>89,939,865</u>	<u>1,135,984</u>	<u>3,750,473</u>	<u>(69,477)</u>	<u>94,756,845</u>
Less accumulated depreciation for:					
Plants and Buildings	(4,233,719)	(423,580)	-	-	(4,657,299)
Utility Systems	(30,562,130)	(1,787,205)	-	-	(32,349,335)
Vehicles	(2,936,886)	(294,579)	-	2,504	(3,228,961)
Machinery and equipment	(2,049,125)	(769,723)	-	44,857	(2,773,991)
Total	<u>(39,781,860)</u>	<u>(3,275,087)</u>	<u>-</u>	<u>47,361</u>	<u>(43,009,586)</u>
Total capital assets, being depreciated, net	<u>50,158,005</u>	<u>(2,139,103)</u>	<u>3,750,473</u>	<u>(22,116)</u>	<u>51,747,259</u>
Business-type activities capital assets, net	<u>\$ 53,261,897</u>	<u>\$ 409,576</u>	<u>\$ -</u>	<u>\$ (22,116)</u>	<u>\$ 53,649,357</u>

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

Governmental activities:	
General government	\$ 476,317
Public safety	1,255,807
Public works	4,733,255
Judicial	4,829
Housing and development	7,608
Total depreciation expense - governmental activities	<u>\$ 6,477,816</u>
 Business-type activities:	
Water System Fund	\$ 748,311
Electrical System Fund	1,009,022
Gas System Fund	1,407,458
Solid Waste Fund	52,125
Stormwater Fund	58,171
Total depreciation expense - business-type activities	<u>\$ 3,275,087</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended August 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds	\$ 7,425,000	\$ -	\$ (850,000)	\$ 6,575,000	\$ 870,000
Compensated absences	531,842	449,386	(408,435)	572,793	286,396
Claims and judgments	145,000	-	-	145,000	145,000
Net OPEB obligation	9,282,524	4,398,312	(118,947)	13,561,889	-
Governmental activities Long-term liabilities	<u>\$ 17,384,366</u>	<u>\$ 4,847,698</u>	<u>\$ (1,377,382)</u>	<u>\$ 20,854,682</u>	<u>\$ 1,301,396</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Revenue Bonds	\$ -	\$ 56,740,000	\$ (2,965,000)	\$ 53,775,000	\$ 1,875,000
Original issue premium	-	6,351,475	(289,776)	6,061,699	524,960
Net revenue bonds	-	63,091,475	(3,254,776)	59,836,699	2,399,960
Compensated absences	233,912	150,696	(124,275)	260,333	130,168
Net OPEB obligation	3,768,555	1,521,690	(41,152)	5,249,093	-
Business-type activities Long-term liabilities	<u>\$ 4,002,467</u>	<u>\$ 64,763,861</u>	<u>\$ (3,420,203)</u>	<u>\$ 65,346,125</u>	<u>\$ 2,530,128</u>

For governmental activities, compensated absences, claims and judgments, and OPEB obligations are liquidated by the General Fund.

Governmental Activities

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue bonds (Continued)

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

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

Year Ending August 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 870,000	\$ 153,500	\$ 1,023,500
2018	895,000	131,438	1,026,438
2019	915,000	108,813	1,023,813
2020	940,000	85,625	1,025,625
2021	960,000	61,875	1,021,875
2022-2023	<u>1,995,000</u>	<u>50,188</u>	<u>2,045,188</u>
Total	<u>\$ 6,575,000</u>	<u>\$ 591,439</u>	<u>\$ 7,166,439</u>

Business-Type Activities

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue bonds (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending August 31,			
2017	\$ 1,875,000	\$ 2,438,088	\$ 4,313,088
2018	1,930,000	2,381,838	4,311,838
2019	2,005,000	2,304,638	4,309,638
2020	2,090,000	2,224,438	4,314,438
2021	2,190,000	2,119,938	4,309,938
2022-2026	12,720,000	8,842,688	21,562,688
2027-2031	15,680,000	5,883,663	21,563,663
2032-2035	15,285,000	1,957,247	17,242,247
Total	<u>\$ 53,775,000</u>	<u>\$ 28,152,538</u>	<u>\$ 81,927,538</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2016 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
2014 SPLOST Fund (nonmajor)	General Fund	\$ 5,900
2014 SPLOST Fund (nonmajor)	Other governmental funds	89,649
		<u>\$ 95,549</u>
General Fund	Other governmental funds	<u>\$ 38,538</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and when payments between funds are made. The payables to the SPLOST Fund is a difference in the timing of the cash transfers to the SPLOST Fund to cover a portion of the project costs.

NOTES TO FINANCIAL STATEMENTS

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

Advances to/from other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water System Fund	\$ 2,131,000
General Fund	Downtown Development Authority	1,000,000
		<u>\$ 3,131,000</u>

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

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 359,885
General Fund	Electrical System Fund	2,792,725
General Fund	Gas System Fund	20,283,466
General Fund	Nonmajor enterprise funds	419,816
Downtown Development Authority	General Fund	705,973
Series 2015 Project Fund	Gas System Fund	36,998,063
Other governmental funds	General Fund	10,509
Other governmental funds	Other governmental funds	89,650
Nonmajor enterprise funds	Gas System Fund	2,000,000
		<u>\$ 63,660,087</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

The City of Lawrenceville's Internal Revenue Code Section 401(a) and 457(b) Plans are deferred compensation plans and qualify as a defined contribution pension plan. The Plans are administered by the Government Employees Benefit Corporation (GEBCorp) for all full time employees, excluding elected officials. Monthly contributions to the 401(a) plan are equivalent to 4.00% of regular full-time employees' pay and are 100% contributed by the City. The City's 457(b) plan is voluntary and for participants who elect to contribute a minimum of 4% of their annual compensation, the City will contribute an additional 6% of employee earnings into the 401(a) plan, for a total City contribution of 10%. For those employees who have reached the age of 45 with 10 years of consecutive service, the City will contribute an additional 4.00% of their base salary in the City's 401(a) plan for a total City contribution of 14% of employee earnings. Employees are fully vested at the age of 65. Employees less than 65 years of age vest at the following scale: employees with less than three years of service are not vested; employees with three to four years of service are 20% vested; employees with four to five years of service are 40% vested; employees with five to six years of service are 60% vested; employees with six to seven years of service are 80% vested; and employees with over seven years of service are 100% vested. Plan provisions and contribution requirements are established and may be amended by the City's Council. At August 31, 2016, there were 329 plan members. During the year ending August 31, 2016, employee contributions were \$831,462 and employer contributions were \$1,344,328.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City of Lawrenceville's OPEB Plan is a single-employer defined benefit healthcare plan administered by Blue Cross Blue Shield for retirees under the age of 65 and by Aetna for retirees over 65. The City provides medical, dental, and vision insurance to retirees and spouses, at no cost to the retiree. Substantially all of the City's employees may become eligible for those benefits after 20 years of service with a minimum retirement age of 55. As of August 31, 2015, the date of the most recent actuarial valuation, there were 36 retirees eligible for the benefits and 269 active employees. The City Council has the authority to establish and amend benefit provisions. The City has not elected to advance fund the plan but rather maintains the plan on a "pay as you go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds.

The Plan does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following schedule reflects membership for the OPEB Plan as of August 31, 2015, the most recent actuarial valuation:

Active participants	269
Retirees and beneficiaries currently receiving benefits	36
Total	305

The following is a schedule of funding progress:

Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
08/31/15	\$ -	\$ 42,285,000	\$ 42,285,000	0%	\$ 12,437,000	340.0%

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

Annual OPEB Cost and Net OPEB Obligation

	For The Plan Year Ending August 31, 2016
Annual required contribution	\$ 5,866,000
Interest on net OPEB obligation	507,002
Adjustments to annual required contribution	(453,000)
Annual OPEB cost	5,920,002
Contributions made	(160,099)
Increase in net OPEB obligation	5,759,903
Net OPEB obligation, beginning of year	13,051,079
Net OPEB obligation, end of year	\$ 18,810,982

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The recommended contribution was determined as part of the August 31, 2015 actuarial valuation. The chart below shows the annual OPEB cost for the current and two preceding years, along with the percentage actually contributed by the City.

Schedule of Employer Costs and Contributions

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
August 31, 2014	\$ 1,729,828	\$ 427,312	24.7%	\$ 7,643,919
August 31, 2015	5,709,000	301,840	5.3%	13,051,079
August 31, 2016	5,920,002	160,099	2.7%	18,810,982

Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of August 31, 2015 and the current sharing pattern of costs between employer and employee. The assumptions used in the August 31, 2015 actuarial valuation are as follows:

Cost Method:	Projected unit credit
Discount Rate:	4.00% per annum
Inflation Rate:	2.75% per annum
Payroll Increase:	3.50% per annum
Select Healthcare Trend Rate:	8.00% – 5.50%
Ultimate Healthcare Trend Rate:	5.00% per annum
Year of Ultimate Trend Rate:	2021
Amortization Method:	Level Percentage of Pay, Open
Remaining Amortization Period:	30 years

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURE

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

NOTE 12. RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2016	\$ 344,547	\$ 5,235,359	\$ 5,139,387	440,519
2015	257,806	4,176,230	4,089,489	344,547

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Judgments Payable:

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

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at August 31, 2016, the City has contractual commitments on uncompleted contracts of approximately \$724,210.

Grant Contingencies:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia:

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City, which costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2016, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs is based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to \$14,475,863 in the fiscal year ended August 31, 2016.

At August 31, 2016, the outstanding debt of MGAG was approximately \$260 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$29 million at August 31, 2016.

Agreements with the Municipal Electric Authority of Georgia:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

As of August 31, 2016, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$23,437,882 in the fiscal year ended August 31, 2016.

At August 31, 2016, the outstanding debt of MEAG was approximately \$6.4 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$185 million at August 31, 2016.

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$323,791 for the year ended August 31, 2016. Of this amount, 100%, or \$323,791, was used on the promotion of tourism as required by O.C.G.A. 48-13-51.

NOTE 15. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended August 31, 2016, the City received \$219,689 in motor vehicle excise taxes. Of this amount, 100%, or \$219,689, was used for these purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. FUND DEFICITS

For the year ended August 31, 2016, the City's Solid Waste Fund had a deficit of \$573,717. The fund deficit will be reduced by future appropriations from the General Fund, if necessary, and evaluation of the service charge being charged to the fund's customers. For the year ended August 31, 2016, the Gas System Fund had a deficit of \$25,883,137. The fund deficit will be reduced by the service charge being charged to the fund's customers.

NOTE 17. RELATED ORGANIZATION

The Lawrenceville Housing Authority (the Authority) is a related organization of the City of Lawrenceville. The City Council appoints a voting majority of the Board for the Authority; however, the City is not able to impose the City Council's will on the Authority. The City is not financially liable for the operating deficits or the debt of the Authority. During the fiscal year ended August 31, 2016, the City reported expenditures of \$1,026 to the Authority.

REQUIRED SUPPLEMENTARY INFORMATION



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

**SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED AUGUST 31, 2016**

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

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

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

CITY OF LAWRENCEVILLE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Capital Projects Fund

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

2014 SPLOST Fund – The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures related to the City’s 2014 Special Purpose Local Options Sales Tax referendums.

Debt Service Fund

Lawrenceville Development Authority – To account for financing resources for various construction and improvement projects for the City of Lawrenceville.

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2016**

	Special Revenue Funds			
	Confiscated			Auto
	Assets Fund	E911 Fund	Hotel/Motel Fund	Excise Tax Fund
ASSETS				
Cash and cash equivalents	\$ 1,091,073	\$ 563,611	\$ 29,947	\$ 89,650
Taxes receivable	-	-	31,109	21,038
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	29,693	3,084	-	-
Total assets	<u><u>\$ 1,120,766</u></u>	<u><u>\$ 566,695</u></u>	<u><u>\$ 61,056</u></u>	<u><u>\$ 110,688</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 235,287	\$ 2,147	\$ 43,557	\$ -
Accrued liabilities	-	36,644	-	-
Due to other funds	-	-	17,499	110,688
Total liabilities	<u>235,287</u>	<u>38,791</u>	<u>61,056</u>	<u>110,688</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund Balances:				
Nonspendable:				
Prepaid items	29,693	3,084	-	-
Restricted:				
Public safety	855,786	-	-	-
Housing and development	-	-	-	-
E911 activities	-	524,820	-	-
Capital projects	-	-	-	-
Total fund balances	<u>885,479</u>	<u>527,904</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 1,120,766</u></u>	<u><u>\$ 566,695</u></u>	<u><u>\$ 61,056</u></u>	<u><u>\$ 110,688</u></u>

Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
Lawrenceville Development Authority	SPLOST 2009 Fund	SPLOST 2014 Fund	
\$ 11,202	\$ 1,895,447	\$ 5,573,566	\$ 9,254,496
-	-	-	52,147
-	-	798,722	798,722
-	-	95,549	95,549
-	-	-	32,777
<u>\$ 11,202</u>	<u>\$ 1,895,447</u>	<u>\$ 6,467,837</u>	<u>\$ 10,233,691</u>
\$ -	\$ 255	\$ 28,066	\$ 309,312
-	-	-	36,644
-	-	-	128,187
-	255	28,066	474,143
-	-	44,801	44,801
-	-	44,801	44,801
-	-	-	32,777
-	-	-	855,786
11,202	-	-	11,202
-	-	-	524,820
-	1,895,192	6,394,970	8,290,162
<u>11,202</u>	<u>1,895,192</u>	<u>6,394,970</u>	<u>9,714,747</u>
<u>\$ 11,202</u>	<u>\$ 1,895,447</u>	<u>\$ 6,467,837</u>	<u>\$ 10,233,691</u>

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016**

	Special Revenue Funds			
	Confiscated Assets Fund	E911 Fund	Hotel/Motel Fund	Auto Excise Tax Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 323,791	\$ 219,689
Fines and forfeitures	415,554	-	-	-
Intergovernmental	-	794,697	-	-
Interest	3,845	-	-	-
Total revenues	419,399	794,697	323,791	219,689
EXPENDITURES				
Current				
Public safety	760,318	803,450	-	-
Culture and recreation	-	-	141,659	-
Capital outlay	-	-	-	-
Total expenditures	760,318	803,450	141,659	-
Excess (deficiency) of revenues over (under) expenditures	(340,919)	(8,753)	182,132	219,689
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	37,000	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(229,846)	(219,689)
Total other financing sources (uses)	37,000	-	(229,846)	(219,689)
Net change in fund balances	(303,919)	(8,753)	(47,714)	-
FUND BALANCES, beginning of year	1,189,398	536,657	47,714	-
FUND BALANCES, end of year	\$ 885,479	\$ 527,904	\$ -	\$ -

Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
Lawrenceville Development Authority	SPLOST 2009 Fund	SPLOST 2014 Fund	
\$ -	\$ -	\$ -	\$ 543,480
-	-	-	415,554
-	-	4,457,794	5,252,491
12	7,294	19,978	31,129
12	7,294	4,477,772	6,242,654
-	-	-	1,563,768
-	-	-	141,659
-	446,356	3,843,664	4,290,020
-	446,356	3,843,664	5,995,447
12	(439,062)	634,108	247,207
-	-	-	37,000
-	-	100,159	100,159
-	-	-	(449,535)
-	-	100,159	(312,376)
12	(439,062)	734,267	(65,169)
11,190	2,334,254	5,660,703	9,779,916
<u>\$ 11,202</u>	<u>\$ 1,895,192</u>	<u>\$ 6,394,970</u>	<u>\$ 9,714,747</u>

**CITY OF LAWRENCEVILLE, GEORGIA
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 17,200	\$ 17,200	\$ 415,554	\$ 398,354
Interest	-	-	3,845	3,845
Total revenues	<u>17,200</u>	<u>17,200</u>	<u>419,399</u>	<u>402,199</u>
EXPENDITURES				
Public safety	<u>17,200</u>	<u>762,300</u>	<u>760,318</u>	<u>1,982</u>
OTHER FINANCING SOURCES				
Proceeds from disposal of capital assets	-	-	<u>37,000</u>	<u>(37,000)</u>
Net change in fund balances	-	(745,100)	(303,919)	441,181
FUND BALANCES, beginning of year	<u>1,189,398</u>	<u>1,189,398</u>	<u>1,189,398</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,189,398</u>	<u>\$ 444,298</u>	<u>\$ 885,479</u>	<u>\$ 441,181</u>

CITY OF LAWRENCEVILLE, GEORGIA
E911 FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,034,957	\$ 1,034,957	\$ 794,697	\$ (240,260)
Total revenues	<u>1,034,957</u>	<u>1,034,957</u>	<u>794,697</u>	<u>(240,260)</u>
EXPENDITURES				
Public safety	<u>1,034,957</u>	<u>1,034,957</u>	<u>803,450</u>	<u>231,507</u>
Net change in fund balances	-	-	(8,753)	(8,753)
FUND BALANCES, beginning of year	<u>536,657</u>	<u>536,657</u>	<u>536,657</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 536,657</u>	<u>\$ 536,657</u>	<u>\$ 527,904</u>	<u>\$ (8,753)</u>

CITY OF LAWRENCEVILLE, GEORGIA
HOTEL/MOTEL FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 269,900	\$ 524,900	\$ 323,791	\$ (201,109)
Total revenues	<u>269,900</u>	<u>524,900</u>	<u>323,791</u>	<u>(201,109)</u>
EXPENDITURES				
Culture and recreation	<u>171,112</u>	<u>196,112</u>	<u>141,659</u>	<u>54,453</u>
Total expenditures	<u>171,112</u>	<u>196,112</u>	<u>141,659</u>	<u>54,453</u>
Excess of revenues over expenditures	98,788	328,788	182,132	(146,656)
OTHER FINANCING USES				
Transfer out	<u>-</u>	<u>(230,000)</u>	<u>(229,846)</u>	<u>(154)</u>
Net change in fund balance	98,788	98,788	(47,714)	(146,810)
FUND BALANCES, beginning of year	<u>47,714</u>	<u>47,714</u>	<u>47,714</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 146,502</u>	<u>\$ 146,502</u>	<u>\$ -</u>	<u>\$ (146,810)</u>

CITY OF LAWRENCEVILLE, GEORGIA
AUTO EXCISE TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 175,000	\$ 220,000	\$ 219,689	\$ (311)
Total revenues	175,000	220,000	219,689	(311)
OTHER FINANCING USES				
Transfer out	(175,000)	(220,000)	(219,689)	311
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF LAWRENCEVILLE, GEORGIA
2009 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 7,294	\$ 5,294
Total revenues	2,000	2,000	7,294	5,294
EXPENDITURES				
Capital outlay	1,405,746	1,405,746	446,356	959,390
Total expenditures	1,405,746	1,405,746	446,356	959,390
Net change in fund balances	(1,403,746)	(1,403,746)	(439,062)	964,684
FUND BALANCES, beginning of year	2,334,254	2,334,254	2,334,254	-
FUND BALANCES, end of year	\$ 930,508	\$ 930,508	\$ 1,895,192	\$ 964,684

CITY OF LAWRENCEVILLE, GEORGIA
2014 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,758,000	\$ 4,803,360	\$ 4,457,794	\$ (345,566)
Interest	2,000	2,000	19,978	17,978
Total revenues	<u>4,760,000</u>	<u>4,805,360</u>	<u>4,477,772</u>	<u>(327,588)</u>
EXPENDITURES				
Capital outlay	<u>4,760,000</u>	<u>4,816,000</u>	<u>3,843,664</u>	<u>972,336</u>
Total expenditures	<u>4,760,000</u>	<u>4,816,000</u>	<u>3,843,664</u>	<u>972,336</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>10,640</u>	<u>100,159</u>	<u>(89,519)</u>
Net change in fund balances	-	-	734,267	734,267
FUND BALANCES, beginning of year	<u>5,660,703</u>	<u>5,660,703</u>	<u>5,660,703</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 5,660,703</u>	<u>\$ 5,660,703</u>	<u>\$ 6,394,970</u>	<u>\$ 734,267</u>

CITY OF LAWRENCEVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL
PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED AUGUST 31, 2016**

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
2009 SPLOST						
Roads, Streets, and Bridges	\$ 11,334,450	\$ 11,334,450	\$ 4,772,151	\$ 446,356	\$ 5,218,507	46 %
Public Safety Facilities and Equipment	6,900,000	6,900,000	6,418,109	-	6,418,109	93 %
Recreational Facilities	4,400,000	4,400,000	4,400,000	-	4,400,000	100 %
Water and Sewer Capital Improvements	2,408,353	2,408,353	1,919,279	-	1,919,279	80 %
TOTAL 2009 SPLOST	\$ 25,042,803	\$ 25,042,803	\$ 17,509,539	\$ 446,356	\$ 17,955,895	
2014 SPLOST						
Roads, Streets, and Bridges	\$ 13,458,662	\$ 13,458,662	\$ -	\$ 3,839,164	\$ 3,839,164	28.53 %
Recreational Facilities	1,495,407	1,495,407	512,945	4,500	517,445	34.60 %
TOTAL 2014 SPLOST	\$ 14,954,069	\$ 14,954,069	\$ 512,945	\$ 3,843,664	\$ 4,356,609	

CITY OF LAWRENCEVILLE, GEORGIA

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

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

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

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2016**

ASSETS	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CURRENT ASSETS			
Cash	\$ -	\$ 2,126,047	\$ 2,126,047
Accounts receivable, net of allowance	75,228	83,031	158,259
Total current assets	75,228	2,209,078	2,284,306
CAPITAL ASSETS			
Non-depreciable	-	1,000	1,000
Depreciable, net of accumulated depreciation	618,702	2,791,368	3,410,070
	618,702	2,792,368	3,411,070
Total assets	693,930	5,001,446	5,695,376
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	194,974	-	194,974
Accrued liabilities	42,429	-	42,429
Compensated absences payable, current	28,993	-	28,993
Total current liabilities	266,396	-	266,396
NONCURRENT LIABILITIES			
Compensated absences payable	28,995	-	28,995
Net OPEB liability	972,256	-	972,256
Total noncurrent liabilities	1,001,251	-	1,001,251
Total liabilities	1,267,647	-	1,267,647
NET POSITION (DEFICIT)			
Investment in capital assets	618,702	2,792,368	3,411,070
Unrestricted (deficit)	(1,192,419)	2,209,078	1,016,659
Total net position (deficit)	\$ (573,717)	\$ 5,001,446	\$ 4,427,729

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016**

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
OPERATING REVENUE			
Charges for sales and services	\$ 637,476	\$ 698,856	\$ 1,336,332
Other fees	43,193	14,924	58,117
Total operating revenue	<u>680,669</u>	<u>713,780</u>	<u>1,394,449</u>
OPERATING EXPENSES			
Salaries and benefits	1,206,532	1,292	1,207,824
General operating expenses	1,028,674	18,412	1,047,086
Depreciation	52,125	58,171	110,296
Total operating expenses	<u>2,287,331</u>	<u>77,875</u>	<u>2,365,206</u>
Operating income (loss)	(1,606,662)	635,905	(970,757)
Transfers in	2,000,000	-	2,000,000
Transfers out	(419,816)	-	(419,816)
Total transfers	<u>1,580,184</u>	<u>-</u>	<u>1,580,184</u>
Change in net position	(26,478)	635,905	609,427
Total net position (deficit), beginning of year	<u>(547,239)</u>	<u>4,365,541</u>	<u>3,818,302</u>
Total net position (deficit), end of year	<u>\$ (573,717)</u>	<u>\$ 5,001,446</u>	<u>\$ 4,427,729</u>

CITY OF LAWRENCEVILLE, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016**

	Business-type Activities - Enterprise Funds		
	Solid Waste Fund	Stormwater Fund	Nonmajor Enterprise Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 691,173	\$ 724,949	\$ 1,416,122
Payments to suppliers	(896,462)	(60,398)	(956,860)
Payments to employees	(906,142)	(1,292)	(907,434)
Net cash provided by (used in) operating activities	<u>(1,111,431)</u>	<u>663,259</u>	<u>(448,172)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	2,000,000	-	2,000,000
Transfers out from other funds	(419,816)	-	(419,816)
Net cash provided by non-capital financing activities	<u>1,580,184</u>	<u>-</u>	<u>1,580,184</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(468,753)	(195,115)	(663,868)
Net cash used in capital and related financing activities	<u>(468,753)</u>	<u>(195,115)</u>	<u>(663,868)</u>
Net increase in cash	-	468,144	468,144
Cash, beginning of year	-	1,657,903	1,657,903
Cash, end of year	<u>\$ -</u>	<u>\$ 2,126,047</u>	<u>\$ 2,126,047</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,606,662)	\$ 635,905	\$ (970,757)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	52,125	58,171	110,296
Change in assets and liabilities:			
Decrease in accounts receivable	10,504	11,169	21,673
Increase (decrease) in accounts payable	132,212	(41,986)	90,226
Increase in accrued liabilities	12,054	-	12,054
Increase in net OPEB liability	283,939	-	283,939
Increase in compensated absences payable	4,397	-	4,397
Net cash provided by (used in) operating activities	<u>\$ (1,111,431)</u>	<u>\$ 663,259</u>	<u>\$ (448,172)</u>

STATISTICAL SECTION

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

Page

Financial Trends 70-81

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

Revenue Capacity 82-91

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

Debt Capacity 92-96

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

Demographic and Economic Information 97 and 98

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

Operating Information..... 99-101

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

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

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

	2007	2008	2009	2010
Primary government - governmental activities				
Net investment in capital assets	\$ 172,029,866	\$ 172,506,550	\$ 176,609,278	\$ 185,634,619
Restricted	-	-	-	-
Unrestricted (deficit)	10,600,979	28,076,403	31,717,500	21,761,883
Total governmental activities net position	<u>182,630,845</u>	<u>200,582,953</u>	<u>208,326,778</u>	<u>207,396,502</u>
Primary government - business-type activities				
Net investment in capital assets	38,269,793	46,165,578	46,244,833	45,935,848
Restricted	-	-	-	-
Unrestricted	16,474,713	162,400	2,415,216	12,407,009
Total business-type activities net position	<u>54,744,506</u>	<u>46,327,978</u>	<u>48,660,049</u>	<u>58,342,857</u>
Total primary government				
Net investment in capital assets	210,299,659	218,672,128	222,854,111	231,570,467
Restricted	-	-	-	-
Unrestricted	27,075,692	28,238,803	34,132,716	34,168,892
Total primary government net position	<u>\$ 237,375,351</u>	<u>\$ 246,910,931</u>	<u>\$ 256,986,827</u>	<u>\$ 265,739,359</u>

2011	2012	2013	2014	2015	2016
\$ 187,916,543	\$ 190,617,824	\$ 226,760,901	\$ 228,329,233	\$ 233,116,575	\$ 234,587,027
562,901	883,860	7,024,476	6,814,080	10,015,367	45,598,469
23,830,982	26,039,736	16,071,181	9,625,901	(2,106,820)	1,980,218
<u>212,310,426</u>	<u>217,541,420</u>	<u>249,856,558</u>	<u>244,769,214</u>	<u>241,025,122</u>	<u>282,165,714</u>
49,825,048	49,143,494	51,500,331	52,959,314	53,261,897	9,040,636
17,740,893	16,492,114	-	-	-	-
2,084,425	2,986,803	27,850,551	34,944,033	40,927,506	39,439,478
<u>69,650,366</u>	<u>68,622,411</u>	<u>79,350,882</u>	<u>87,903,347</u>	<u>94,189,403</u>	<u>48,480,114</u>
237,741,591	239,761,318	278,261,232	281,288,547	286,378,472	243,627,663
18,303,794	17,375,974	7,024,476	6,814,080	10,015,367	45,598,469
25,915,407	29,026,539	43,921,732	44,569,934	38,820,686	41,419,696
<u>\$ 281,960,792</u>	<u>\$ 286,163,831</u>	<u>\$ 329,207,440</u>	<u>\$ 332,672,561</u>	<u>\$ 335,214,525</u>	<u>\$ 330,645,828</u>

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

	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 7,352,980	\$ 6,270,873	\$ 8,164,765	\$ 7,197,689
Planning and zoning	441,524	2,319,871	499,549	357,925
Judicial	-	-	-	-
Public safety	5,949,007	9,225,835	10,329,891	10,228,690
Public works	2,863,595	332,999	896,389	2,093,223
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Total governmental activities expenses	<u>16,607,106</u>	<u>18,149,578</u>	<u>19,890,594</u>	<u>19,877,527</u>
Business-type activities:				
Water and sewer	3,353,976	4,111,093	4,215,540	7,321,400
Electric	21,115,589	20,753,576	19,200,601	19,137,886
Gas	35,503,102	35,991,268	31,864,685	33,823,518
Solid waste	1,548,982	1,576,124	1,616,906	1,700,961
Stormwater	-	157,534	210,392	239,563
Total business-type activities expenses	<u>61,521,649</u>	<u>62,589,595</u>	<u>57,108,124</u>	<u>62,223,328</u>
Total primary government expenses	<u>\$ 78,128,755</u>	<u>\$ 80,739,173</u>	<u>\$ 76,998,718</u>	<u>\$ 82,100,855</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 824,182	\$ 756,478	\$ 839,981	\$ 839,780
Planning and zoning	447,509	388,387	337,974	277,683
Judicial	-	-	-	-
Public safety	3,087,129	2,964,549	3,470,709	2,504,173
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Interest on long-term debt	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	752,837	153,883	3,749,065	3,891,534
Total governmental activities program revenue	<u>5,111,657</u>	<u>4,263,297</u>	<u>8,397,729</u>	<u>7,513,170</u>
Business-type activities:				
Charges for services:				
Water and sewer	4,570,620	3,717,958	3,772,871	4,231,669
Electric	24,924,460	25,879,873	24,507,099	28,133,721
Gas	42,112,606	42,498,914	41,435,617	42,583,588
Solid waste	1,088,299	1,057,567	1,039,204	1,049,966
Stormwater	-	678,998	691,214	709,160
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>72,695,985</u>	<u>73,833,310</u>	<u>71,446,005</u>	<u>76,708,104</u>
Total primary government program revenues	<u>77,807,642</u>	<u>78,096,607</u>	<u>79,843,734</u>	<u>84,221,274</u>
Total primary government net expense	<u>\$ (321,113)</u>	<u>\$ (2,642,566)</u>	<u>\$ 2,845,016</u>	<u>\$ 2,120,419</u>

	2011	2012	2013	2014	2015	2016
\$	7,373,018	\$ 6,837,474 ⁽¹⁾	\$ 7,752,325	\$ 7,435,877	\$ 8,401,997	\$ 6,888,155 ⁽⁵⁾
	348,482	516,335 ⁽¹⁾	-	-	-	-
	-	- ⁽²⁾	948,876	791,195	984,769	1,157,349
	12,110,803	12,535,965 ⁽²⁾	11,374,379	10,748,892	12,384,360	13,025,259
	1,071,239	2,122,411 ⁽³⁾	6,981,826	8,205,138	8,775,978	11,126,532 ⁽⁵⁾
	-	-	259,618	254,371	132,685	141,659
	-	-	464,048	714,604	1,488,240	3,180,125 ⁽⁵⁾
	-	-	-	214,446	194,213	173,229
	<u>20,903,542</u>	<u>22,012,185</u>	<u>27,781,072</u>	<u>28,364,523</u>	<u>32,362,242</u>	<u>35,692,308</u>

	4,328,598	4,487,656	4,149,089	4,612,198	5,107,221	5,203,776
	17,075,636	23,244,876	24,775,235	25,038,603	26,543,376	26,363,870
	31,268,109	26,311,839	28,661,647	32,696,627	26,050,393	26,280,121
	1,689,352	1,721,036	1,783,331	1,717,250	1,974,062	2,287,331
	52,343	113,016	142,973	144,407	78,996	77,875
	<u>54,414,038</u>	<u>55,878,423</u>	<u>59,512,275</u>	<u>64,209,085</u>	<u>59,754,048</u>	<u>60,212,973</u>
\$	<u>75,317,580</u>	<u>77,890,608</u>	<u>87,293,347</u>	<u>92,573,608</u>	<u>92,116,290</u>	<u>95,905,281</u>

\$	778,280	\$ 839,076 ⁽¹⁾	\$ 1,246,518	\$ 1,401,359	\$ 1,485,410	\$ 1,341,312
	285,264	299,330 ⁽¹⁾	-	-	-	-
	-	- ⁽²⁾	1,849,733	1,913,998	2,453,774	1,591,649
	6,577,967	3,761,396 ⁽²⁾	116,849	156,722	71,926	448,461
	-	-	2,450	3,825	3,025	5,700
	-	-	-	2,480	5,670	52,900
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	1,594,450 ⁽⁴⁾	1,189,949	1,109,020	1,109,317
	3,899,476	6,673,325	5,015,115	5,012,641	5,066,750	4,945,347
	<u>11,540,987</u>	<u>11,573,127</u>	<u>9,825,115</u>	<u>9,680,974</u>	<u>10,195,575</u>	<u>9,494,686</u>

	4,496,110	4,823,600	4,803,739	5,059,486	5,179,551	5,326,614
	28,054,430	29,917,820	30,633,625	32,085,457	32,579,922	33,515,170
	38,165,349	31,415,141	34,866,922	41,330,437	37,510,172	34,691,282
	1,015,705	1,031,024	1,079,058	1,184,127	954,231	680,669
	667,389	690,111	686,432	715,681	716,213	713,780
	-	-	-	-	-	-
	1,652,087	-	-	39,868	-	-
	<u>74,051,070</u>	<u>67,877,696</u>	<u>72,069,776</u>	<u>80,415,056</u>	<u>76,940,089</u>	<u>74,927,515</u>
	<u>85,592,057</u>	<u>79,450,823</u>	<u>81,894,891</u>	<u>90,096,030</u>	<u>87,135,664</u>	<u>84,422,201</u>
\$	<u>10,274,477</u>	<u>1,560,215</u>	<u>(5,398,456)</u>	<u>(2,477,578)</u>	<u>(4,980,626)</u>	<u>(11,483,080)</u>

Continued

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

	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes:				
Property taxes	\$ 2,039,265	\$ 2,108,111	\$ 2,159,932	\$ 1,900,278
Franchise taxes	743,775	855,844	1,029,779	1,000,589
Excise taxes	-	-	-	-
Alcoholic beverage taxes	581,667	609,954	595,516	578,043
Insurance premium taxes	1,173,600	1,224,195	1,253,520	1,241,760
Hotel/motel & motor vehicle rental taxes	526,240	331,400	291,002	389,019
Financial institution taxes	-	-	-	-
Other taxes	573,975	544,762	519,048	446,682
Interest and investment earnings	1,767,479	1,069,611	679,349	393,619
Miscellaneous	169,954	285,669	171,712	269,845
Gain on sales of capital assets	-	-	-	-
Transfers	-	11,000,000	12,536,832	5,214,246
Total governmental activities	<u>7,575,955</u>	<u>18,029,546</u>	<u>19,236,690</u>	<u>11,434,081</u>
Business-type activities:				
Interest and investment earnings	-	-	-	-
Miscellaneous	211,738	901,854	531,022	412,278
Gain on sale of capital assets	-	-	-	-
Transfers	-	(11,000,000)	(12,536,832)	(5,214,246)
Total business-type activities	<u>211,738</u>	<u>(10,098,146)</u>	<u>(12,005,810)</u>	<u>(4,801,968)</u>
Total primary government	<u>7,787,693</u>	<u>7,931,400</u>	<u>7,230,880</u>	<u>6,632,113</u>
Changes in Net Position				
Governmental activities	(3,919,494)	4,143,265	7,743,825	(930,276)
Business-type activities	<u>11,386,074</u>	<u>1,145,569</u>	<u>2,332,071</u>	<u>9,682,808</u>
Total primary government	<u>\$ 7,466,580</u>	<u>\$ 5,288,834</u>	<u>\$ 10,075,896</u>	<u>\$ 8,752,532</u>

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

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

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

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

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

	2011	2012	2013	2014	2015	2016
\$	1,744,314	\$ 1,544,764	\$ 2,187,024	\$ 2,374,343	\$ 2,514,239	\$ 2,284,639
	978,793	1,013,346	1,005,159	983,876	1,061,585	1,076,929
	-	-	820,590	800,987	804,926	824,788
	576,018	597,321	-	-	-	-
	1,205,671	1,338,927	1,422,165	1,472,516	1,531,262	1,635,902
	402,038	429,077	264,737	290,510	307,997	323,791
	-	-	139,610	145,515	128,810	283,985
	465,877	442,208	84,405	81,865	210,586	131,173
	303,686	201,714	153,744	139,571	101,141	252,781
	142,719	689,475	-	-	-	30,156
	-	-	-	-	847,957	-
	8,457,363	9,413,220	9,836,829	7,474,819	10,914,072	60,494,070
	<u>14,276,479</u>	<u>15,670,052</u>	<u>15,914,263</u>	<u>13,764,002</u>	<u>18,422,575</u>	<u>67,338,214</u>
	-	-	-	-	-	62,762
	127,840	504,240	-	-	14,087	452
	-	-	70,657	7,255	-	7,025
	<u>(8,457,363)</u>	<u>(9,413,220)</u>	<u>(9,836,829)</u>	<u>(7,474,819)</u>	<u>(10,914,072)</u>	<u>(60,494,070)</u>
	<u>(8,329,523)</u>	<u>(8,908,980)</u>	<u>(9,766,172)</u>	<u>(7,467,564)</u>	<u>(10,899,985)</u>	<u>(60,423,831)</u>
	<u>5,946,956</u>	<u>6,761,072</u>	<u>6,148,091</u>	<u>6,296,438</u>	<u>7,522,590</u>	<u>6,914,383</u>
	4,913,924	5,230,994	(2,041,694)	(4,919,547)	(3,744,092)	41,140,592
	11,307,509	3,090,293	2,791,329	8,738,407	6,286,056	(45,709,289)
\$	<u>16,221,433</u>	<u>\$ 8,321,287</u>	<u>\$ 749,635</u>	<u>\$ 3,818,860</u>	<u>\$ 2,541,964</u>	<u>\$ (4,568,697)</u>

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

	2007	2008	2009	2010
General Fund				
Reserved	\$ 248,284	\$ 237,707	\$ 267,640	\$ 88,561
Unreserved	6,684,827	21,137,715	24,214,048	21,715,718
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total General Fund	<u>6,933,111</u>	<u>21,375,422</u>	<u>24,481,688</u>	<u>21,804,279</u>
All other governmental funds				
Reserved	-	-	-	-
Unreserved, reported in:	-	-	-	-
Special revenue fund	275,211	143,666	460,239	97,796
Capital projects fund	2,211,823	6,040,110	5,954,236	881,926
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	<u>\$ 2,487,034</u>	<u>\$ 6,183,776</u>	<u>\$ 6,414,475</u>	<u>\$ 979,722</u>

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

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

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

2011 ⁽¹⁾	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
228,121	85,511	3,981,887	5,019,611	10,111,204 ⁽³⁾	8,162,561
-	-	-	184,621	235,451	243,818
-	-	-	-	-	-
21,153,925	25,089,170	16,674,036	9,595,958 ⁽²⁾	(4,122,753) ^{(2)/(3)}	6,765,857
<u>21,382,046</u>	<u>25,174,681</u>	<u>20,655,923</u>	<u>14,800,190</u>	<u>6,223,902</u>	<u>15,172,236</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,024,476	9,029,592	9,083,394	7,544,212
4,366,365	5,384,966	-	6,629,459	9,779,916	45,354,651
(36,872)	-	-	(438,903)	(578,760)	(361,012)
<u>\$ 4,329,493</u>	<u>\$ 5,384,966</u>	<u>\$ 7,024,476</u>	<u>\$ 15,220,148</u>	<u>\$ 18,284,550</u>	<u>\$ 52,537,851</u>

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

	2007	2008	2009	2010
Revenues				
Taxes	\$ 11,637,265	\$ 10,375,747	\$ 5,546,067	\$ 5,834,191
Licenses and permits	447,509	388,387	337,974	277,683
Intergovernmental	752,837	153,883	3,749,065	3,891,534
Fines and forfeitures	3,087,129	2,964,549	3,470,709	2,504,173
Charges for services	824,182	756,478	839,981	839,780
Interest income	1,558,556	1,233,829	655,717	443,142
Miscellaneous	169,954	285,669	171,712	269,845
Total revenues	<u>18,477,432</u>	<u>16,158,542</u>	<u>14,771,225</u>	<u>14,060,348</u>
Expenditures				
General government	13,763,984 ⁽¹⁾	6,005,328	8,628,998	8,676,074
Planning and zoning	437,465	2,325,774	493,370	335,517
Judicial	-	-	-	-
Public safety	7,949,315	9,472,988	12,622,019	17,365,574 ⁽²⁾
Public works	2,698,102	777,496	2,226,705	1,767,199
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>24,848,866</u>	<u>18,581,586</u>	<u>23,971,092</u>	<u>28,144,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,371,434)</u>	<u>(2,423,044)</u>	<u>(9,199,867)</u>	<u>(14,084,016)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	11,000,000	12,536,832	5,214,246
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>11,000,000</u>	<u>12,536,832</u>	<u>5,214,246</u>
Net change in fund balance	<u>\$ (6,371,434)</u>	<u>\$ 8,576,956</u>	<u>\$ 3,336,965</u>	<u>\$ (8,869,770)</u>

Debt service as a percentage of noncapital expenditures

0.00%	0.00%	0.00%	0.00%
-------	-------	-------	-------

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

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

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

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

	2011	2012	2013	2014	2015	2016
\$	4,698,502	\$ 6,718,371	\$ 6,213,742	\$ 6,180,080	\$ 6,566,666	\$ 6,556,654
	285,264	299,330	304,915	316,544	308,055	349,397
	3,930,634	6,673,325	6,549,884	5,901,584	6,076,690	6,025,477
	6,577,967	3,761,396	1,926,374	1,900,549	2,160,300	1,972,529
	778,280	839,076	815,650	856,187	975,722	993,272
	285,337	187,748	184,222	146,824	116,056	277,326
	142,719	689,475	163,043	224,836	264,778	85,296
	<u>16,698,703</u>	<u>19,168,721</u>	<u>16,157,830</u>	<u>15,526,604</u>	<u>16,468,267</u>	<u>16,259,951</u>
	6,220,262	8,234,883	7,115,045	6,934,671	11,255,362 ⁽³⁾	6,258,780 ⁽⁴⁾
	321,817	498,690	-	-	-	-
	-	-	908,584	788,299	802,333	956,357
	11,061,098	11,313,850	11,219,586	10,986,581	9,823,919	10,760,389
	4,625,351	2,803,594	3,142,693	5,568,464	3,820,148	5,846,498 ⁽⁴⁾
	-	-	259,618	254,371	132,685	141,659
	-	-	464,048	988,752	1,212,472	2,852,829 ⁽⁴⁾
	-	-	1,903,968	3,121,801	5,841,364	5,760,141
	-	-	-	780,000	830,000	850,000
	-	-	-	216,071	195,942	175,000
	<u>22,228,528</u>	<u>22,851,017</u>	<u>25,013,542</u>	<u>29,639,010</u>	<u>33,914,225</u>	<u>33,601,653</u>
	<u>(5,529,825)</u>	<u>(3,682,296)</u>	<u>(8,855,712)</u>	<u>(14,112,406)</u>	<u>(17,445,958)</u>	<u>(17,341,702)</u>
	-	-	128,001	91,500	1,020,000	49,267
	8,457,363	8,530,404	10,864,686	9,443,839	12,964,985	61,660,087
	-	-	(1,027,857)	(1,969,020)	(2,050,913)	(1,166,017)
	<u>8,457,363</u>	<u>8,530,404</u>	<u>9,964,830</u>	<u>7,566,319</u>	<u>11,934,072</u>	<u>60,543,337</u>
\$	<u>2,927,538</u>	<u>\$ 4,848,108</u>	<u>\$ 1,109,118</u>	<u>\$ (6,546,087)</u>	<u>\$ (5,511,886)</u>	<u>\$ 43,201,635</u>
	0.00%	0.00%	0.00%	4.60%	4.52%	4.03%

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

Year	Property Taxes	Franchise Taxes	Excise Taxes	Insurance Premium Taxes	Hotel/Motel & Motor Vehicle Taxes	Financial Institution Taxes	Other Taxes	Total
2007	\$ 2,039,265	\$ 743,775	\$ 581,667	\$ 1,173,600	\$ 526,240	\$ 135,162	\$ 438,813	\$ 5,638,522
2008	2,108,111	855,844	609,954	1,224,195	331,400	135,754	409,008	5,674,266
2009	2,159,932	1,029,779	595,516	1,253,520	291,002	125,294	393,754	5,848,797
2010	1,900,278	1,000,589	578,043	1,241,760	389,019	138,026	308,656	5,556,371
2011	1,744,314	978,793	576,018	1,205,671	402,038	132,441	333,436	5,372,711
2012	1,544,764	1,013,346	597,321	1,338,927	429,077	145,515	296,693	5,365,643
2013	2,187,024	1,005,159	820,590	1,422,165	264,737	139,610	84,405	5,923,690
2014	2,374,343	983,876	800,987	1,472,516	290,510	145,515	81,865	6,149,612
2015	2,514,239	1,061,585	804,926	1,531,262	307,997	128,810	210,586	6,559,405
2016	2,284,639	1,076,929	824,788	1,635,902	323,791	283,985	131,173	6,561,207

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

	Taxes	Charges for							Total
		Licenses and Permits	Intergovernmental	Fines & Forfeitures	Services	Interest Income	Miscellaneous		
2007	\$ 11,637,265	\$ 447,509	\$ 752,837	\$ 3,087,129	\$ 824,182	\$ 1,558,556	\$ 169,954	\$ 18,477,432	
2008	10,375,747	388,387	153,883	2,964,549	756,478	1,233,829	285,669	16,158,542	
2009	5,546,067 ⁽¹⁾	337,974	3,749,065	3,470,709	839,981	655,717	171,712	14,771,225	
2010	5,834,191	277,683	3,891,534	2,504,173	839,780	443,142	269,845	14,060,348	
2011	4,698,502	285,264	3,930,634	6,577,967 ⁽²⁾	778,280	285,337	142,719	16,698,703	
2012	6,718,371	299,330	6,673,325	3,761,396 ⁽³⁾	839,076	187,748	689,475	19,168,721	
2013	6,213,742	304,915	6,549,884	1,926,374	815,650	184,222	163,043	16,157,830	
2014	6,180,080	316,544	5,901,584	1,900,549	856,187	146,824	224,836	15,526,604	
2015	6,566,666	308,055	6,076,690	2,160,300	975,722	116,056	264,778	16,468,267	
2016	6,556,654	349,397	6,025,477	1,972,529	993,272	277,326	85,296	16,259,951	

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

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

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

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

Calendar Year	Real Property	Personal Property	Motor Vehicle	Mobile Homes	Other
2006	\$ 803,082,418	\$ 175,000,000	\$ 63,871,510	\$ 1,157,960	\$ -
2007	869,462,464	176,138,180	70,030,630	1,180,280	-
2008	917,823,158	194,491,220	72,113,190	735,480	-
2009	896,843,690	178,460,330	73,388,390	719,280	88,800
2010	839,960,980	165,870,090	60,612,840	712,920	88,800
2011	748,823,880	160,000,000	57,833,300	707,400	58,040
2012	635,406,725	175,000,000	59,999,060	659,520	999,200
2013	643,768,870	155,000,000	64,849,010	565,720	103,500
2014	711,875,120	160,000,000	56,785,530	653,320	60,700
2015	732,161,640	168,500,000	40,393,160	638,280	131,200

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

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

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽¹⁾
\$ 85,859,290	\$ 957,252,598	2.31	\$ 2,393,131,495	40%
90,123,350	1,026,688,204	2.2	2,566,720,510	40%
88,443,230	1,096,719,818	2.16	2,741,799,545	40%
89,361,000	1,060,139,490	2.16	2,650,348,725	40%
89,142,050	978,103,580	2.16	2,445,258,950	40%
86,399,670	881,022,950	2.16	2,202,557,375	40%
80,862,100	791,202,405	2.16	1,978,006,013	40%
83,067,200	781,219,900	2.16	1,953,049,750	40%
83,738,650	845,636,020	2.076	2,114,090,050	40%
83,116,810	858,707,470	2.025	2,146,768,675	40%

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

Calendar Year	Overlapping Rates											Total Direct & Overlapping Rates		
	City of Lawrenceville Millage		Gwinnett County Millage					Gwinnett County School Board Millage					State	
	Operating	Debt Service	Operating	Debt Service	Fire Protection	Police Services	Development District	Recreation	Total	Operations	Debt Service			Total
2006	2.310	0.48	10.00	0.00	0.00	0.00	0.00	0.82	11.30	19.25	1.30	20.55	0.25	34.41
2007	2.200	0.47	9.81	0.00	0.00	0.00	0.00	0.80	11.08	19.25	1.30	20.55	0.25	34.08
2008	2.160	0.46	9.72	0.00	0.00	0.00	0.00	0.79	10.97	19.25	1.30	20.55	0.25	33.93
2009	2.160	0.47	11.78	0.00	0.00	0.00	0.00	1.00	13.25	19.25	1.30	20.55	0.25	36.21
2010	2.160	0.47	11.78	0.00	0.00	0.00	0.00	1.00	13.25	19.25	1.30	20.55	0.25	36.21
2011	2.160	0.24	11.78	0.00	0.00	0.00	0.00	1.00	13.02	19.25	1.30	20.55	0.25	35.98
2012	2.160	0.24	11.78	0.00	0.00	0.00	0.00	1.00	13.02	19.25	1.30	20.55	0.20	35.93
2013	2.160	0.24	7.40	0.00	3.20	0.00	0.00	0.95	11.79	19.80	2.05	21.85	0.15	35.95
2014	2.076	0.24	7.40	0.00	3.20	0.00	0.00	0.95	11.79	19.80	2.05	21.85	0.10	35.82
2015	2.025	0.24	7.23	0.00	3.20	0.00	0.00	0.95	11.62	19.80	2.05	21.85	0.05	35.54
2016	2.025	0.24	6.83	0.00	3.20	0.00	0.00	0.95	11.22	19.80	2.05	21.85	0.00	35.09

Source: Gwinnett County Tax Commissioner website

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

Taxpayer	2015*			2006		
	Taxable Assessed Value	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total City Taxable Assessed Value
Walmart Real Estate Business Trust	\$ 12,885,480	1	1.50%	\$ 17,061,000	1	1.78%
Elysian at Ten Oaks LP	7,941,600	2	0.92%			
CMC Georgia Rebar	7,825,180	3	0.91%			
Terrace Park Properties I LLC	7,760,000	4	0.90%			
Gwinnett Retirement Inv LLC	7,675,160	5	0.89%			
Bellsouth Telecommunications	6,121,200	6	0.71%	10,572,658	2	1.10%
Aramark Uniform Services, Inc.	6,046,090	7	0.70%			
Gwinnett Medical Properties, Inc.	5,943,960	8	0.69%			
Lund International	5,932,350	9	0.69%	6,678,212	5	0.70%
C P O Commerce Inc	5,792,270	10	0.67%			
Bluelinx Corporation				7,444,948	3	0.78%
3370 Sugarloaf Parkway Holdings LLC				7,340,840	4	0.77%
Inland Western Lawrenceville Simonton LLC				5,320,000	7	0.56%
Tara Materials				5,491,671	6	0.57%
Jackson E M C				4,781,450	8	0.50%
Lawrenceville West LLC				4,683,000	9	0.49%
Gwinnett 500 Building LLP				4,670,398	10	0.49%

Source: Gwinnett County Tax Commissioner's Office

*2015 data for Top Ten Property Taxpayers is the latest data available at the time of publication.

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

Fiscal Year	Collected within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years		Total Collection to Date	
	Total Tax Levy	Amount	Percentage	Collections in Subsequent Years	Amount	Percentage of Levy
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	2,381,906	401,942	16.87%	1,979,964	2,381,906	100.00%
2009	2,367,199	0	0.00%	2,123,610	2,123,610	89.71%
2010	2,165,070	157,636	7.28%	1,786,360	1,943,996	89.79%
2011	1,925,783	170,218	8.84%	1,755,565	1,925,783	100.00%
2012	1,746,602	13,654	0.78%	1,622,743	1,636,397	93.69%
2013	1,889,584	113,364	6.00%	1,527,699	1,641,063	86.85%
2014	1,762,441	97,695	5.54%	1,625,908	1,723,603	97.80%
2015	1,744,117	73,586	4.22%	1,638,187	1,711,773	98.15%
2016	1,816,850	99,125	5.46%	N/A	99,125	5.46%

⁽¹⁾ Information is only available back to FY 2008.

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

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

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

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

Taxpayer	2016			2007		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Ricoh Electronics	\$ 1,103,117	1	3.18%	\$ 908,571	1	2.15%
Gwinnett Co. Justice & Admin Center	954,191	2	2.75%	774,663	3	1.84%
Gwinnett Hospital System	742,922	3	2.14%	648,803	4	1.54%
Publix Warehouse	445,537	4	1.28%	788,684	2	1.87%
Gwinnett County Jail	388,776	5	1.12%	508,458	5	1.21%
All American Poly of GA	386,632	6	1.11%	323,532	6	0.77%
Gwinnett Physicians Center	303,164	7	0.87%			
Ingles Market Inc	291,377	8	0.84%	219,947	10	0.52%
Kroger	253,717	9	0.73%			
Formex Manufacturing	249,109	10	0.72%	302,866	7	0.72%
Gwinnett Womens Pavilion				254,816	8	0.60%
Block USA - GA Division				232,845	9	0.55%

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

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

Taxpayer	2016			2007		
	Total Billings	Rank	% of Revenues	Total Billings	Rank	% of Revenues
Gwinnett Hospital System	\$ 2,413,144	1	7.20%	\$ 1,099,282	1	4.39%
Rehrig Pacific Company	1,628,835	2	4.86%			
Auto Ventshade Co.	1,089,726	3	3.25%	753,230	3	3.01%
Gwinnett Co. Justice & Admin Center	954,191	4	2.85%	774,663	2	3.10%
Vista Eyecare Inc	394,791	5	1.18%	197,153	9	0.79%
All American Poly of GA	386,632	6	1.15%	323,532	4	1.29%
Gwinnett Physician's Center	303,164	7	0.90%			
BST-F5618	297,667	8	0.89%			
Ingles Market Inc	291,377	9	0.87%	219,947	7	0.88%
Kroger Store GA-352	253,717	10	0.76%			
Gwinnett County Facilities Mgmt.				188,873	10	0.76%
Formex Manufacturing Inc.				302,866	5	1.21%
White Lightning Products				199,329	8	0.80%
Block USA - GA Division				232,845	6	0.93%

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

City of Lawrenceville, Georgia
Electric Rates
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Commercial (per month) FY 2006-FY 2009										
Base Charge	\$ 10.00	\$ 10.00	\$ 10.00							
First 200 Hours Use of Demand										
First 3,000 kWh or less	0.11200	0.11200	0.11200							
Next 7,000 kWh	0.10300	0.10300	0.10300							
Next 190,000 kWh	0.09000	0.09000	0.09000							
Over 200,000 kWh	0.07333	0.07333	0.07333							
Next 200 Hours Use of Demand										
All kWh	0.02261	0.02261	0.02261							
Next 200 Hours Use of Demand										
All kWh	0.02085	0.02085	0.02085							
Over 600 Hours Use of Demand										
All kWh	0.01913	0.01913	0.01913							
Commercial Small Power FY 2010-Current										
Base Charge				\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Demand Charge (per kW of billing demand)				2.25	2.25	2.25	2.25	2.25	2.25	2.25
All consumption (kWh) not greater than 200 hours times the billing demand				0.100	0.100	0.100	0.100	0.100	0.100	0.100
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand				0.050	0.050	0.050	0.050	0.050	0.050	0.050
Consumption (kWh) in excess of 400 hours times the billing demand				0.045	0.045	0.045	0.045	0.045	0.045	0.045
Commercial Medium Power FY 2010-Current										
Base Charge				30.00	30.00	30.00	30.00	30.00	30.00	30.00
Demand Charge (per kW of billing demand)				2.75	2.75	2.75	2.75	2.75	2.75	2.75
All consumption (kWh) not greater than 200 hours times the billing demand				0.090	0.090	0.090	0.090	0.090	0.090	0.090
First 6,000 kWh				0.080	0.080	0.080	0.080	0.080	0.080	0.080
Over 6,000 kWh				0.080	0.080	0.080	0.080	0.080	0.080	0.080
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand				0.045	0.045	0.045	0.045	0.045	0.045	0.045
Consumption (kWh) in excess of 400 hours times the billing demand				0.040	0.040	0.040	0.040	0.040	0.040	0.040
										<i>Continued</i>
Commercial Large Power FY 2010-Current										
Base Charge				50.00	50.00	50.00	50.00	50.00	50.00	50.00
Demand Charge (per kW of billing demand)				3.25	3.25	3.25	3.25	3.25	3.25	3.25
All consumption (kWh) not greater than 200 hours times the billing demand				0.072	0.072	0.072	0.072	0.072	0.072	0.072
First 100,000 kWh				0.062	0.062	0.062	0.062	0.062	0.062	0.062
Over 100,000 kWh				0.062	0.062	0.062	0.062	0.062	0.062	0.062
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand				0.040	0.040	0.040	0.040	0.040	0.040	0.040
Consumption (kWh) in excess of 400 hours and not greater than 600 hours times the billing demand				0.036	0.036	0.036	0.036	0.036	0.036	0.036
Consumption (kWh) in excess of 600 hours times the billing demand				0.032	0.032	0.032	0.032	0.032	0.032	0.032
Temporary Service Rate										
Base Charge	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95	19.95
First 3,000 kWh	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297	0.1297
Over 3,000 kWh	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185	0.1185
Residential (per month) FY 2006-FY 2009										
Base Charge	7.15	7.15	7.15							
June-September										
First 650 kWh or less	0.0552	0.0552	0.0552							
Next 350 kWh	0.0853	0.0853	0.0853							
Over 1,000 kWh	0.0875	0.0875	0.0875							
October-May										
First 650 kWh or less	0.0552	0.0552	0.0552							
Next 350 kWh	0.0488	0.0488	0.0488							
Over 1,000 kWh	0.0482	0.0482	0.0482							
Residential (per month) FY 2010-FY 2015										
Base Charge				8.00	8.00	8.00	8.00	8.00	8.00	8.00
May-October										
First 650 kWh or less				0.074	0.074	0.074	0.074	0.074	0.074	0.074
Next 350 kWh				0.096	0.096	0.096	0.096	0.096	0.096	0.096
Over 1,000 kWh				0.102	0.102	0.102	0.102	0.102	0.102	0.102
November-April										
First 650 kWh or less				0.074	0.074	0.074	0.074	0.074	0.074	0.074
Next 350 kWh				0.066	0.066	0.066	0.066	0.066	0.066	0.066
Over 1,000 kWh				0.064	0.064	0.064	0.064	0.064	0.064	0.064

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential/Commercial	\$ 12.08	\$ 14.09	\$ 10.10	\$ 10.44
Hospital	12.05	14.06	9.80	10.14

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

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 10.27	\$ 9.72	\$ 9.64	\$ 9.81	\$ 8.21	\$ 8.24
9.97	9.42	9.34	9.51	7.91	7.94

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

Fiscal Year	Governmental Activities	Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	Revenue Bonds			
2007	-	0.00%	-	-
2008	-	0.00%	-	-
2009	-	0.00%	-	-
2010	-	0.00%	-	-
2011	-	0.00%	-	-
2012	-	0.00%	-	-
2013	\$ 9,035,000	1.16%	1.40%	302
2014	8,255,000	0.98%	1.59%	273
2015	7,425,000	0.86%	1.27%	243.50
2016	6,575,000	0.71%	N/A	N/A

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

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

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

City of Lawrenceville, Georgia
Direct and Overlapping Governmental Activities Debt
August 31, 2016

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt			
Series 2012 Economic Development Revenue Bonds	\$ 6,575,000	100%	\$ 6,575,000
Series 2015 Lawrenceville Building Authority Rev. Bonds	53,775,000	100%	53,775,000
Total Direct Debt	60,350,000		60,350,000
Overlapping Debt⁽¹⁾			
Gwinnett County GO Bonds, Leases Payable	100,989,000	3.59%	3,625,734
Gwinnett County Board of Education GO Bonds, Certificates of Participation	1,159,643,688	3.59%	41,633,835
Total Overlapping Debt	1,260,632,688	3.59%	45,259,569
Total Direct and Overlapping Debt	\$ 1,381,332,688		\$ 51,834,569

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

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2015

Gwinnett County Board of Education Comprehensive Annual Financial Report for June 30, 2015

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

	2007	2008	2009	2010
Assessed value of all taxable property	\$ 1,026,688,204	\$ 1,096,719,818	\$ 1,060,139,490	\$ 978,103,580
Debt limit: 10% of assessed value	102,668,820	109,671,982	106,013,949	97,810,358
Total net debt applicable to limit ⁽¹⁾	-	-	-	-
Legal debt margin	102,668,820	109,671,982	106,013,949	97,810,358
 Total net debt applicable to the limit as a percentage of debt limit	 0%	 0%	 0%	 0%

⁽¹⁾ The only long-term debt obligations as of August 31, 2016 are the Series 2012 Economic Development Revenue Bonds and the Series 2015 Revenue Bonds which are not subject to the legal debt limit in the State of Georgia.

	2011	2012	2013	2014	2015	2016
\$	881,022,950	\$ 791,202,405	\$ 781,219,900	\$ 845,636,020	\$ 858,707,470	\$ 929,996,188
	88,102,295	79,120,241	78,121,990	84,563,602	85,870,747	92,999,619
	-	-	-	-	-	-
	<u>88,102,295</u>	<u>79,120,241</u>	<u>78,121,990</u>	<u>84,563,602</u>	<u>85,870,747</u>	<u>92,999,619</u>
	0%	0%	0%	0%	0%	0%

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

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

Fiscal Year	Less: Housing and Development		Net Available Revenue	Principal	Interest	Coverage
	Transfers from City	Expenditures				
	\$	\$	\$	\$	\$	
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	1,042,832	345,386	697,446	780,000	216,071	0.70
2015	1,078,950	145,834	933,116	830,000	195,942	0.91
2016	705,973	207,775	498,198	850,000	175,000	0.49

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

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

Fiscal Year	Population ⁽¹⁾	Per Capita Personal		Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
		Income ⁽¹⁾			
2007	28,766	\$	18,282	\$ 525,900,516	5.4%
2008	29,268		18,201	532,699,437	8.1%
2009	29,837		17,514	522,560,847	15.3%
2010	28,546		18,147	518,019,721	14.1%
2011	28,946		18,208	527,055,396	13.2%
2012	29,404		17,247	507,137,328	11.0%
2013	29,868		17,373	518,901,032	9.7%
2014	30,212		17,190	519,346,103	8.4%
2015	30,493		19,178	584,794,754	6.6%
2016 ⁽⁴⁾	N/A		N/A	N/A	5.1%

⁽¹⁾ United States Census Bureau

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

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

⁽⁴⁾ FY 2016 data was not available at the time of publication.

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

Employer	2015			2008		
	Number of Employees	Rank	% of Total Employment ⁽³⁾	Number of Employees	Rank	% of Total Employment
Gwinnett Cty Bd of Commissioners	5,323	1	37.28%	4,150	1	30.18%
Gwinnett Medical Center	5,231	2	36.63%	4,198	2	30.53%
Gwinnett Bd of Education	1,118	3	7.83%	974	3	7.08%
Lund Int'l (Auto Ventshade)	415	4	2.91%	383	6	2.79%
City of Lawrenceville	274	5	1.92%	276	8	2.01%
Life Care Center of L'ville	231	6	1.62%			
Averitt Express	211	7	1.48%			
Encompass Supply Chain Solutions, Inc	202	8	1.41%			
Plumbing Distributors	196	9	1.37%			
Atlanta Attachment Company	183	10	1.28%			
East Inc (Wal-Mart)				650	4	4.73%
Dept of Family & Children Services				400	5	2.91%
Tara Materials				290	7	2.11%
Gwinnett County Mental Health				275	9	2.00%
National Vision				190	10	1.38%
	<u>13,384</u>		<u>93.73%</u>	<u>11,786</u>		<u>85.72%</u>

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

⁽²⁾Data for top employers is only available back to 2008. 2015 numbers are the latest available at the time of publication.

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
General government	33	35	36	34	34	34	39	35	37	37
Planning and zoning	5	6	6	6	5	11	7	7	8	6
Judicial	13	14	14	13	12	10	7	8	9	11
Public safety	91	93	97	95	90	92	106	92	94	97
Public works	44	48	48	51	51	55	54	53	50	58
Housing and development	-	-	-	-	-	2	3	6	6	6
Utilities										
Water and sewer	10	8	8	9	9	9	9	8	9	9
Electric	12	12	12	12	12	11	12	10	9	14
Gas	25	26	27	27	28	31	40	32	38	43
Solid waste	16	16	15	15	15	14	14	13	14	14
	<u>249</u>	<u>258</u>	<u>263</u>	<u>262</u>	<u>256</u>	<u>269</u>	<u>291</u>	<u>264</u>	<u>274</u>	<u>295</u>

Source: Human Resources Department

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Administration										
Checks Processed	5,710	5,538	5,736	5,933	5,513	5,623	6,104	6,107	5,637	6,375
Public Safety										
Calls for Service	86,120	108,284	107,584	108,209	96,485	96,065	90,869	79,006	77,227	87,878
Cases Referred to Investigative Division	2,460	2,356	2,362	2,218	1,986	2,029	1,798	1,911	2,728	2,465
Public Works ⁽¹⁾										
Gas Department:										
Leaks Repaired	NA	NA	NA	NA	NA	1,566	1,548	1,643	1,775	1,911
Number of Set New Meters	NA	NA	NA	NA	NA	301	255	271	672	1,011
Damage Prevention:										
Locate Requests	NA	NA	NA	NA	NA	22,136	28,688	32,187	38,049	35,319
Housing and Development										
Building Permits Processed	446	341	278	294	352	312	232	247	318	350

⁽¹⁾Data not available prior to FY 2012.

Source: City departments

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Administration										
Vehicles	1	1	1	1	2	2	2	2	2	2
Public Safety										
Patrol Vehicles	29	39	54	62	85	104	118	129	134	146
Public Works										
Vehicles	190	186	180	135	143	150	139	144	154	161
Streets (miles) ⁽¹⁾	N/A	N/A	N/A	84.91	84.91	84.91	87.63	87.63	87.27	92.26
Water Lines (miles)	84	84	84	84	84	84	84	84	84	100.6
Housing and Development										
Vehicles	5	4	5	3	3	4	3	2	2	4

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

Source: City departments