



Annual Financial Report

For Fiscal Year Ending

June 30, 2019



City of
Loganville
where people matter

**CITY OF
LOGANVILLE, GEORGIA**

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

CITY OF LOGANVILLE, GEORGIA

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JUNE 30, 2019

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CITY OF LOGANVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and pages 4 through 11, the schedule of changes in the net pension liability and related ratios on page 52, the schedule of contributions on page 53, the schedule of changes in the total OPEB liability and related ratios on page 54, and the notes to the required supplementary information on pages 55 and 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loganville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the component unit financial statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2020, on our consideration of the City of Loganville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Loganville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Loganville, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
July 2, 2020



MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

As management of the City of Loganville, Georgia we present management's analysis of the City's financial condition and activities for the fiscal year ended June 30, 2019. This information should be read and considered in conjunction with the financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2019 by \$48,076,010 (total net position). Of this amount, \$18,019,422 (unrestricted net position) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$3,780,027.
- At the close of fiscal year 2019, the City's governmental funds reported combined ending fund balances of \$9,773,319. Of this amount, \$5,673,720 or 58 % is available for spending at the government's discretion (General unassigned fund balance). The balance of this amount, \$4,099,599 is available for spending according to the guidelines of the source of the funds.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$5,673,720.

Overview of the Financial Statements

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

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

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

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

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

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

(CONTINUED)

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

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

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

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

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

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its solid waste operations, water and sewer system operations.

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

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

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

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

(CONTINUED)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The assets exceeded the liabilities at the close of fiscal year 2019 by \$48,076,010.

The largest component of net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted in the amount of \$18,019,422 or 38%. Another component of the City's net position is net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding, which comprises \$29,372,576 or 61%. The City uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$684,012 or 1% represents resources that are subject to external restrictions on how they may be used and debt service.

(See Chart Next Page)

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2019
 (CONTINUED)

City of Loganville Net Position
 June 30, 2019

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	\$ 10,843,512	\$ 11,667,641	\$ 12,153,921	\$ 11,078,746	\$ 22,997,433	\$ 22,746,387
Restricted assets	-	-	14,793,457	14,614,876	14,793,457	14,614,876
Capital assets	14,771,076	14,096,827	19,388,786	19,892,432	34,159,862	33,989,259
Total Assets	\$ 25,614,588	\$ 25,764,468	\$ 46,336,164	\$ 45,586,054	\$ 71,950,752	\$ 71,350,522
Deferred Outflows of Resources						
Deferred outflows related to pensions	1,418,401	1,238,871	361,274	333,899	1,779,675	1,572,770
Deferred outflows related to OPEB	1,275,173	65,012	-	-	1,275,173	65,012
Deferred charge of refunding	-	-	108,822	153,851	108,822	153,851
Total Deferred Outflows of Resources	2,693,574	1,303,883	470,096	487,750	3,163,670	1,791,633
Liabilities						
Current and other liabilities	1,485,962	1,209,423	2,244,609	1,973,866	3,730,571	3,183,289
Noncurrent liabilities	5,659,776	4,946,535	16,734,251	20,039,371	22,394,027	24,985,906
Total Liabilities	7,145,738	6,155,958	18,978,860	22,013,237	26,124,598	28,169,195
Deferred Inflows of Resources						
Deferred inflows related to pensions	688,426	516,266	175,346	139,144	863,772	655,410
Deferred inflows related to OPEB	50,042	21,567	-	-	50,042	21,567
Total Deferred Inflows of Resources	738,468	537,833	175,346	139,144	913,814	676,977
Net Position						
Net investment in capital assets	12,478,434	11,571,526	16,894,142	13,937,599	29,372,576	25,509,125
Restricted for:						
Capital outlay	-	4,224,349	684,012	-	684,012	4,224,349
Unrestricted	7,945,522	4,578,685	10,073,900	9,983,824	18,019,422	14,562,509
Total Net Position	\$ 20,423,956	\$ 20,374,560	\$ 27,652,054	\$ 23,921,423	\$ 48,076,010	\$ 44,295,983

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

Revenues. Property Taxes of \$6,223,391 and sales tax of \$1,346,242 accounted for 71% of total general revenues.

Capital grants and contributions totaled \$4,878,763.

Expenses. The total expense for the governmental activities is \$14,223,718. The largest single expenditure activity is public safety. Public safety includes the police department and the fire department. The total public safety expense is \$5,686,797 or 40% of total governmental activity expense.

Total program revenues and general revenues exceeded expenses by \$49,396.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2019
 (CONTINUED)

City of Loganville Changes in Net Position
 For the Fiscal Year Ended June 30, 2019

	Governmental Activities		Business Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for service	\$ 1,758,140	\$ 1,450,938	\$ 10,269,682	\$ 10,230,760	\$ 12,027,822	\$ 11,681,698
Operating grants and contributions	79,030	87,297	-	-	79,030	87,297
Capital grants and contributions	1,713,056	2,107,988	3,165,707	484,431	4,878,763	2,592,419
General revenues						
Property taxes	6,223,391	4,989,344	-	-	6,223,391	4,989,344
Sales tax	1,346,242	1,109,476	-	-	1,346,242	1,109,476
Other Taxes	2,444,023	2,249,730	-	-	2,444,023	2,249,730
Grants and Contributions not specific						
Gain on Capital Assets		15,512			-	15,512
Investment earnings	50,578	7,800	126,777	11,948	177,355	19,748
Miscellaneous	258,654	233,610	-	-	258,654	233,610
Total revenue	<u>13,873,114</u>	<u>12,251,695</u>	<u>13,562,166</u>	<u>10,727,139</u>	<u>27,435,280</u>	<u>22,978,834</u>
Expenses						
General government	2,695,588	2,425,024	-	-	2,695,588	2,425,024
Judicial	423,016	391,439	-	-	423,016	391,439
Public safety	5,686,797	5,353,782	-	-	5,686,797	5,353,782
Public works	4,519,955	2,201,523	-	-	4,519,955	2,201,523
Culture and recreation	137,247	134,038	-	-	137,247	134,038
Housing and development	678,416	663,024	-	-	678,416	663,024
Interest and fiscal charges	82,699	62,094	590,960	-	673,659	62,094
Loss on capital assets	-	-	413,394	-	413,394	-
Water and sewer	-	-	6,658,745	6,419,743	6,658,745	6,419,743
Solid waste	-	-	1,768,436	1,718,012	1,768,436	1,718,012
Total Expenses	<u>14,223,718</u>	<u>11,230,924</u>	<u>9,431,535</u>	<u>8,137,755</u>	<u>23,655,253</u>	<u>19,368,679</u>
Increase in net position before transfers	(350,604)	1,020,771	4,130,631	2,589,384	3,780,027	3,610,155
Transfers	400,000	398,077	(400,000)	(398,077)	-	-
Increase in net position	49,396	1,418,848	3,730,631	2,191,307	3,780,027	3,610,155
Net position - beginning, as restated	20,374,560	18,955,712	23,921,423	21,730,116	44,295,983	40,685,828
Net position - ending	<u>\$ 20,423,956</u>	<u>\$ 20,374,560</u>	<u>\$ 27,652,054</u>	<u>\$ 23,921,423</u>	<u>\$ 48,076,010</u>	<u>\$ 44,295,983</u>

Business-type activities. Business-type activities increased the City's net position by \$3,730,631 or 99% of the increase in the government's net position.

Revenues. Water and sewer revenue was \$8,085,965. Solid Waste revenue was \$2,183,717. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City. Solid waste is garbage collection services.

Expenses. Water and sewer expense was \$7,663,099. Solid waste expense was \$1,768,436.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

(CONTINUED)

Financial Analysis of the Government's Funds

The City of Loganville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,773,319. Approximately 58% of this amount \$5,673,720 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other fund balances in the amount of \$1,081,230 and \$185,860 are set aside for non-spendable items and assigned items, respectively. Committed fund balance totals \$179,841 and the remainder of the fund balance is reported as restricted fund balance.

The general fund is the chief operating fund of the City. At the June 30, 2019, unassigned fund balance of the general fund was \$5,673,720. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balances to total fund expenditures. The total fund balance is 63% and the unassigned fund balance is 50% of total general fund expenditures.

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

Unrestricted net position of the Water and Sewer Fund at June 30, 2019 amounted to \$7,438,270 and those of the Solid Waste Fund amounted to \$2,635,630. The total change in Water and Sewer net position was an increase of \$3,502,842 and the change in Solid Waste net position was \$227,789.

General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budgeted expenditures are \$1,484,076 or 11% under the final budget.

General Fund operating revenues were \$474,900 less than budgeted. Property tax revenues and intergovernmental revenues came in under budget by \$251,421 and \$538,005, respectively.

General Fund expenditures were \$1,484,076 less than budgeted. The General government – administration, highways and streets, and fire administration departments were under budget by \$254,347, 719,391, and \$302,028, respectively. Actual road improvements expenditures in the General government-administration department were \$162,320 less than budgeted. Actual salaries and group insurance expenditures in the fire department came were less than the budgeted amounts by \$132,693 and \$64,855, respectively. Actual highway and street department road improvement expenditures were less than the budgeted amounts by \$667,928.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

(CONTINUED)

Capital Assets and Debt Administration

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$34,159,862 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, equipment and vehicles.

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

- Machinery & Infrastructure \$169,040
- Street Improvements \$82,352
- Police Vehicles (5) \$143,046
- In Car Police Computers \$158,980
- Public Safety Equipment \$73,410
- Transportation Equipment \$72,746

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

	Governmental Activities	Business Type Activities	Totals
Land	\$ 2,092,701	\$ 1,000,000	\$ 3,092,701
Construction in progress	377,164	646,357	1,023,521
Building	6,745,030	12,261,584	19,006,614
Site Improvements	180,487	4,978,904	5,159,391
Equipment	660,371	343,283	1,003,654
Furniture & Fixtures	8,709	-	8,709
Vehicles	1,583,779	158,658	1,742,437
Infrastructure	3,122,835	-	3,122,835
Total	\$ 14,771,076	\$ 19,388,786	\$ 34,159,862

Long-term debt:

City of Loganville Outstanding Debt

	Governmental Activities	Business Type Activities	Totals
Revenue Bonds	\$ -	\$ 16,712,911	\$ 16,712,911
OPEB obligation	1,736,136	-	1,736,136
Net Pension Liability	1,777,449	452,726	2,230,175
Notes & Capital Leases	2,642	-	2,642
Compensated Absences	262,348	64,857	327,205
Total	\$ 3,778,575	\$ 17,230,494	\$ 21,009,069

During the current fiscal year, the City's governmental funds incurred long-term debt totaling \$3,005,132 and retired debt totaling \$2,250,024. The City's enterprise funds incurred long-term debt totaling \$419,840 and retired debt totaling \$3,966,384.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

(CONTINUED)

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

Economic Factors

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

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager and Treasurer, City of Loganville, P. O. Box 39, Loganville, Georgia, 30052.

BASIC FINANCIAL STATEMENTS

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Loganville Development Authority
<u>ASSETS</u>				
Cash and cash equivalents	\$ 9,029,898	\$ 10,391,358	\$ 19,421,256	\$ 40,496
Investments	58,875	839,437	898,312	-
Accrued interest receivable				189
Receivables, net of allowance				
Taxes	19,097	-	19,097	-
Accounts	-	1,034,378	1,034,378	-
Intergovernmental	522,465	-	522,465	-
Internal balances	131,947	(131,947)	-	-
Prepaid items	104,146	20,695	124,841	-
Assets held for resale	977,084	-	977,084	-
Restricted cash and cash equivalents	-	14,793,457	14,793,457	-
Capital assets				
Non depreciable	2,469,865	1,646,357	4,116,222	-
Depreciable, net	12,301,211	17,742,429	30,043,640	-
Total Assets	25,614,588	46,336,164	71,950,752	40,685
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows of resources related to pensions	1,418,401	361,274	1,779,675	-
Deferred outflows of resources related to OPEB	1,275,173	-	1,275,173	-
Deferred charge on refunding	-	108,822	108,822	-
Total Deferred Outflows of Resources	2,693,574	470,096	3,163,670	-

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2019

(CONTINUED)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Loganville Development Authority
LIABILITIES				
Accounts payable	323,195	845,023	1,168,218	-
Retainage payable	16,766	-	16,766	-
Accrued expenses	728,465	44,699	773,164	-
Accrued interest payable	8,737	54,148	62,885	-
Customer deposits	-	804,496	804,496	-
Compensated absences	170,526	33,458	203,984	-
Capital leases payable	135,653	-	135,653	-
Note payable	102,620	-	102,620	-
Revenue bonds	-	462,785	462,785	-
Noncurrent liabilities				
Compensated absences	91,822	31,399	123,221	-
Capital leases payable	731,298	-	731,298	-
Note payable	1,323,071	-	1,323,071	-
Revenue bonds	-	16,250,126	16,250,126	-
Net pension liability	1,777,449	452,726	2,230,175	-
Total OPEB liability	1,736,136	-	1,736,136	-
Total Liabilities	7,145,738	18,978,860	26,124,598	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	688,426	175,346	863,772	-
Deferred inflows of resources related to OPEB	50,042	-	50,042	-
Total Deferred Inflows of Resources	738,468	175,346	913,814	-
NET POSITION				
Net investment in capital assets	12,478,434	16,894,142	29,372,576	-
Restricted for				
Capital outlay	-	684,012	684,012	-
Unrestricted	7,945,522	10,073,900	18,019,422	40,685
Total Net Position	\$ 20,423,956	\$ 27,652,054	\$ 48,076,010	\$ 40,685

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<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	\$ 2,695,588	\$ 884,588	\$ -	\$ -
Judicial	423,016	-	-	-
Public safety	5,686,797	873,552	79,030	-
Public works	4,519,955	-	-	1,713,056
Culture and recreation	137,247	-	-	-
Housing and development	678,416	-	-	-
Interest on long-term debt	82,699	-	-	-
Total Governmental Activities	<u>14,223,718</u>	<u>1,758,140</u>	<u>79,030</u>	<u>1,713,056</u>
Business-type Activities				
Water and sewer	7,663,099	8,085,965	-	3,165,707
Solid Waste	1,768,436	2,183,717	-	-
Total Business-Type Activities	<u>9,431,535</u>	<u>10,269,682</u>	<u>-</u>	<u>3,165,707</u>
Total Primary Government	<u>\$23,655,253</u>	<u>\$ 12,027,822</u>	<u>\$ 79,030</u>	<u>\$ 4,878,763</u>
Component Units				
Loganville Development Authority	\$ 1,456	\$ -	\$ 189	\$ -
Total Component Unit	<u>\$ 1,456</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ -</u>

General Revenues
 Property
 Franchise
 Sales
 Hotel/motel
 Alcoholic beverage
 Business and occupational
 Insurance premium
 Investment earnings
 Insurance recoveries
 Miscellaneous
 Transfers
 Total General Revenues and Transfers

Change in Net Position
 Net Position - Beginning
 Net Position - Ending

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Loganville Development Authority
\$ (1,811,000)	\$ -	\$ (1,811,000)	\$ -
(423,016)	-	(423,016)	-
(4,734,215)	-	(4,734,215)	-
(2,806,899)	-	(2,806,899)	-
(137,247)	-	(137,247)	-
(678,416)	-	(678,416)	-
(82,699)	-	(82,699)	-
<u>(10,673,492)</u>	<u>-</u>	<u>(10,673,492)</u>	<u>-</u>
-	3,588,573	3,588,573	-
-	415,281	415,281	-
-	<u>4,003,854</u>	<u>4,003,854</u>	<u>-</u>
<u>(10,673,492)</u>	<u>4,003,854</u>	<u>(6,669,638)</u>	<u>-</u>
			<u>(1,267)</u>
			<u>(1,267)</u>
6,223,391	-	6,223,391	-
780,275	-	780,275	-
1,346,242	-	1,346,242	-
52,466	-	52,466	-
418,259	-	418,259	-
443,446	-	443,446	-
749,577	-	749,577	-
50,578	126,777	177,355	-
5,953	-	5,953	-
252,701	-	252,701	-
400,000	(400,000)	-	-
<u>10,722,888</u>	<u>(273,223)</u>	<u>10,449,665</u>	<u>-</u>
49,396	3,730,631	3,780,027	(1,267)
<u>20,374,560</u>	<u>23,921,423</u>	<u>44,295,983</u>	<u>41,952</u>
<u>\$ 20,423,956</u>	<u>\$ 27,652,054</u>	<u>\$48,076,010</u>	<u>\$ 40,685</u>

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

CITY OF LOGANVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Capital Projects Fund 2013 SPLOST	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,610,275	\$ 78,259	\$ 2,341,364	\$ 9,029,898
Investments	58,875	-	-	58,875
Receivables, net of allowance				
Taxes	4,521	-	14,576	19,097
Intergovernmental	171,013	620	350,832	522,465
Due from other funds	503,325	-	217,091	720,416
Prepaid items	104,146	-	-	104,146
Assets held for resale	977,084	-	-	977,084
Total Assets	\$ 8,429,239	\$ 78,879	\$ 2,923,863	\$ 11,431,981
<u>LIABILITIES</u>				
Accounts payable	\$ 315,309	\$ 150	\$ 7,736	\$ 323,195
Retainage payable	-	-	16,766	16,766
Accrued expenses	728,465	-	-	728,465
Due to other funds	258,832	-	329,637	588,469
Total Liabilities	1,302,606	150	354,139	1,656,895
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-property taxes	1,767	-	-	1,767
<u>FUND BALANCES</u>				
Nonspendable	1,081,230	-	-	1,081,230
Restricted	58,875	78,729	2,515,064	2,652,668
Committed	179,841	-	-	179,841
Assigned	131,200	-	54,660	185,860
Unassigned	5,673,720	-	-	5,673,720
Total Fund Balances	7,124,866	78,729	2,569,724	9,773,319
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,429,239	\$ 78,879	\$ 2,923,863	\$ 11,431,981

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

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019

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

Total fund balances per balance sheet of governmental funds	\$ 9,773,319
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Cost of the assets	23,508,159
Accumulated depreciation	(8,737,083)
Deferred outflows of resources	
Pension contributions	1,418,401
OPEB contributions	1,275,173
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	1,767
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position.	
Long-term liabilities at year-end consist of the following:	
Accrued interest	(8,737)
Compensated absences	(262,348)
Capital leases	(866,951)
Note payable	(1,425,691)
Net pension liability	(1,777,449)
Net OPEB liability	(1,736,136)
Deferred inflows of resources	
Net difference between projected and actual investment earnings on pension plan investments	
	(688,426)
Changes of assumptions or other inputs	(50,042)
	<hr/>
Total net position of governmental activities	<u>\$ 20,423,956</u>

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Capital Projects Fund 2013 SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Property	\$ 6,222,348	\$ -	\$ -	\$ 6,222,348
Franchise	780,275	-	-	780,275
Sales	1,346,242	-	-	1,346,242
Hotel/motel	-	-	52,466	52,466
Alcoholic beverage	418,259	-	-	418,259
Business and occupational	443,446	-	-	443,446
Insurance premium	749,577	-	-	749,577
License and permits	321,816	-	-	321,816
Intergovernmental	204,604	635,862	950,248	1,790,714
Charges for services	146,972	-	471,914	618,886
Fines and forfeitures	596,598	-	220,840	817,438
Investment earnings	30,683	-	21,267	51,950
Contributions from private sources	400	-	-	400
Miscellaneous	250,588	-	-	250,588
Total Revenues	11,511,808	635,862	1,716,735	13,864,405
EXPENDITURES				
Current				
General government	2,788,208	-	-	2,788,208
Judicial	423,016	-	-	423,016
Public safety	5,383,539	-	58,860	5,442,399
Public works	1,706,088	330	2,269	1,708,687
Culture and recreation	133,238	-	3,209	136,447
Housing and development	651,695	-	25,002	676,697
Debt service				
Principal	232,659	2,555,163	444,837	3,232,659
Interest and other charges	57,783	24,916	-	82,699
Capital outlay	-	-	841,103	841,103
Total Expenditures	11,376,226	2,580,409	1,375,280	15,331,915
Excess (deficiency) of revenues over (under) expenditures	135,582	(1,944,547)	341,455	(1,467,510)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	1,713	-	-	1,713
Insurance recoveries	5,953	-	-	5,953
Transfers in	415,267	-	-	415,267
Transfers out	-	-	(15,267)	(15,267)
Total Other Financing Sources (Uses)	422,933	-	(15,267)	407,666
Net Change in Fund Balances	558,515	(1,944,547)	326,188	(1,059,844)
Fund Balances - Beginning	6,566,351	2,023,276	2,243,536	10,833,163
Fund Balances - Ending	\$ 7,124,866	\$ 78,729	\$ 2,569,724	\$ 9,773,319

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

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Net Change in Fund Balances - total governmental funds \$ (1,059,844)

Capital Assets

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

Total capital outlays	1,644,444
Total depreciation	(970,195)

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

Changes in deferred outflows of resources related to pension	179,530
Changes in deferred outflows of resources related to OPEB	1,210,161

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

Changes in deferred inflows of resources related to pension	(172,160)
Changes in deferred inflows of resources related to OPEB	(28,475)

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	1,043
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Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Repayment of principal	232,659
Net pension liability	429,701
Total OPEB liability	(1,361,597)
Compensated absences	(55,871)

Change in Net Position of Governmental Activities	<u>\$ 49,396</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 6,473,769	\$ 6,473,769	\$ 6,222,348	\$ (251,421)
Franchise	726,730	726,730	780,275	53,545
Sales	1,075,000	1,075,000	1,346,242	271,242
Alcoholic beverage	372,000	372,000	418,259	46,259
Business and occupational	480,000	480,000	443,446	(36,554)
Insurance premium	725,000	725,000	749,577	24,577
License and permits	389,000	389,000	321,816	(67,184)
Intergovernmental	742,609	742,609	204,604	(538,005)
Charges for services	180,000	180,000	146,972	(33,028)
Fines and forfeitures	617,000	617,000	596,598	(20,402)
Investment earnings	2,000	2,000	30,683	28,683
Contribution from private sources	3,100	3,100	400	(2,700)
Miscellaneous	200,500	200,500	250,588	50,088
Total Revenues	11,986,708	11,986,708	11,511,808	(474,900)
EXPENDITURES				
Current				
General government				
Council	91,372	91,372	90,154	1,218
Executive	407,600	427,600	414,573	13,027
Board of elections/registrations	3,750	3,750	100	3,650
Administration	1,009,000	1,301,110	1,122,351	178,759
Data processing (IT)	459,238	458,368	424,668	33,700
Buildings and plant	845,232	957,357	736,362	220,995
Judicial				
Municipal court	467,348	469,848	423,016	46,832
Public safety				
Police	2,854,389	2,846,289	2,780,957	65,332
Fire administration	2,729,913	2,719,912	2,602,582	117,330

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public works				
Administration	\$ 563,600	\$ 616,844	\$ 441,065	\$ 175,779
Highways and streets	1,320,223	1,320,223	821,914	498,309
Maintenance and shop	460,553	456,829	443,109	13,720
Culture and recreation				
Library	133,240	133,240	133,238	2
Housing and development				
Planning and Zoning	407,550	408,550	311,792	96,758
Tourism - City Events	363,150	358,250	339,903	18,347
Debt service				
Principal	232,768	232,769	232,659	110
Interest and other charges	57,782	57,991	57,783	208
Total Expenditures	12,406,708	12,860,302	11,376,226	1,484,076
Excess (deficiency) of revenue over (under) expenditure	(420,000)	(873,594)	135,582	(1,009,176)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	1,713	1,713
Insurance recoveries	-	-	5,953	5,953
Transfers in	420,000	420,000	415,267	(4,733)
Total Other Financing Sources (Uses)	420,000	420,000	422,933	2,933
Net Change in Fund Balances	-	(453,594)	558,515	(1,006,243)
Fund Balances - Beginning	6,566,351	6,566,351	6,566,351	-
Fund Balances - Ending	\$ 6,566,351	\$ 6,112,757	\$ 7,124,866	\$ 1,012,109

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
	Fund	Fund	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 8,222,882	\$ 2,168,476	\$ 10,391,358
Investments	306,308	533,129	839,437
Accounts receivable, net	786,404	247,974	1,034,378
Due from other funds	258,832	-	258,832
Prepaid items	20,695	-	20,695
Total current assets	9,595,121	2,949,579	12,544,700
Noncurrent assets			
Restricted cash and cash equivalents	14,793,457	-	14,793,457
Capital assets			
Nondepreciable	1,646,357	-	1,646,357
Depreciable, net	17,742,429	-	17,742,429
Total noncurrent assets	34,182,243	-	34,182,243
Total Assets	43,777,364	2,949,579	46,726,943
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	361,274	-	361,274
Deferred charge on refunding	108,822	-	108,822
Total Deferred Outflows of Resources	470,096	-	470,096

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	Total
	Fund	Fund	
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	704,762	140,261	845,023
Accrued expenses	44,699	-	44,699
Due to other funds	217,091	173,688	390,779
Accrued interest payable	54,148	-	54,148
Customer deposits payable	804,496	-	804,496
Compensated absences	33,458	-	33,458
Revenue bond payable	462,785	-	462,785
Total current liabilities	2,321,439	313,949	2,635,388
Noncurrent liabilities			
Compensated absences	31,399	-	31,399
Revenue bonds	16,250,126	-	16,250,126
Net pension liability	452,726	-	452,726
Total noncurrent liabilities	16,734,251	-	16,734,251
Total Liabilities	19,055,690	313,949	19,369,639
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources related to pensions	175,346	-	175,346
<u>NET POSITION</u>			
Net investment in capital assets	16,894,142	-	16,894,142
Restricted for system improvements	684,012	-	684,012
Unrestricted	7,438,270	2,635,630	10,073,900
Total Net Position	\$ 25,016,424	\$ 2,635,630	\$ 27,652,054

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<u>OPERATING REVENUES</u>			
Charges for sales and services	\$ 8,085,965	\$ 2,183,717	\$ 10,269,682
Total Operating Revenues	8,085,965	2,183,717	10,269,682
<u>OPERATING EXPENSES</u>			
Salaries and benefits	2,186,035	-	2,186,035
Purchased/contracted services	884,272	1,768,436	2,652,708
Supplies and materials	2,615,557	-	2,615,557
Amortization	45,030	-	45,030
Depreciation	927,851	-	927,851
Total Operating Expenses	6,658,745	1,768,436	8,427,181
Operating income (loss)	1,427,220	415,281	1,842,501
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	114,269	12,508	126,777
Interest expense	(590,960)	-	(590,960)
Loss on disposal of property	(413,394)	-	(413,394)
Total Nonoperating Revenues (Expenses)	(890,085)	12,508	(877,577)
Income before contributions and transfers	537,135	427,789	964,924
Capital contributions	3,165,707	-	3,165,707
Transfers out	(200,000)	(200,000)	(400,000)
Total Other Financing (Uses)	2,965,707	(200,000)	2,765,707
Change in Net Position	3,502,842	227,789	3,730,631
Total Net Position - Beginning	21,513,582	2,407,841	23,921,423
Total Net Position - Ending	\$ 25,016,424	\$ 2,635,630	\$ 27,652,054

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers and users	\$ 8,015,039	\$ 2,191,131	\$ 10,206,170
Payments to vendors for goods and services	(3,030,950)	(1,700,374)	(4,731,324)
Payments to employees	(2,294,069)	-	(2,294,069)
Net Cash Provided by (Used for) Operating Activities	2,690,020	490,757	3,180,777
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers to other funds	(200,000)	(200,000)	(400,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(200,000)	(200,000)	(400,000)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(671,892)	-	(671,892)
Interest and fiscal charges on notes and bonds	(608,945)	-	(608,945)
Principal payments on bonds	(350,000)	-	(350,000)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,630,837)	-	(1,630,837)
<u>Cash Flows for Investing Activities</u>			
Interest received	114,269	12,508	126,777
Purchases of investments	(6,873)	(11,963)	(18,836)
Net Cash Provided (Used) in Investing Activities	107,396	545	107,941
Net increase (decrease) in cash and cash equivalents	966,579	291,302	1,257,881
Cash and cash equivalents - beginning	22,049,760	1,877,174	23,926,934
Cash and cash equivalents - ending	\$ 23,016,339	\$ 2,168,476	\$ 25,184,815
Classified as			
Current assets	\$ 8,222,882	\$ 2,168,476	\$ 10,391,358
Restricted assets	14,793,457	-	14,793,457
Total cash and cash equivalents	\$ 23,016,339	\$ 2,168,476	\$ 25,184,815

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities</u>			
Operating Income (Loss)	\$ 1,427,220	\$ 415,281	\$ 1,842,501
<u>Adjustments to reconcile Operating Income (Loss) to Net</u>			
<u>Cash provided (used) by Operating Activities</u>			
Depreciation	927,851	-	927,851
Amortization	45,030	-	45,030
Accounts receivable, net	(91,986)	7,414	(84,572)
Due from other funds	(40,720)	-	(40,720)
Prepaid items	3,159	-	3,159
Deferred outflows of resources related to pensions	(27,375)	-	(27,375)
Accounts payable	435,767	(6,359)	429,408
Accrued expenses	11,898	-	11,898
Due to other funds	70,673	74,421	145,094
Compensated absences	13,383	-	13,383
Customer deposits payable	21,060	-	21,060
Net pension liability	(142,142)	-	(142,142)
Deferred inflows of resources related to pensions	36,202	-	36,202
	<u>1,262,800</u>	<u>75,476</u>	<u>1,338,276</u>
Net cash provided (used) by operating activities	\$ 2,690,020	\$ 490,757	\$ 3,180,777
<u>Noncash Investing, Capital and Financing Activities</u>			
Capital contributions	\$ 3,165,707	\$ -	\$ 3,165,707

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting entity

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

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

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

The component unit discussed below is included in the City’s reporting entity because of the significance of its operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards Board (GASB) No. 61 “The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34,” the City’s relationship with other governments and agencies have been examined. The component unit column in the combined financial statements includes the financial date for the Loganville Development Authority, as of June 30, 2019. The financial information for the component unit is reported in columns separate from the City’s financial information to emphasize that it is legally separate from the City.

Loganville Development Authority

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

B. Government-wide and fund financial statements

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

The City reports the following major governmental funds:

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

2013 SPLOST Fund – The capital project fund accounts for the collection of sales taxes and uses these revenues to complete construction and improvements in accordance with the sales tax referendum.

The City reports the following major proprietary funds:

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

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

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

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

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

D. Deposits and Investments

Deposits

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

Investments

Investments for the City are reported at fair value.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

E. Receivables

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

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

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

F. Interfund Receivables, Payables, Advances and Transfers

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

G. Prepaid Items

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

H. Restricted Assets and Reserves

Resources set aside in proprietary funds for repayment of bonds, emergency uses, renewal or extension, and system improvements in the amounts of \$14,793,457 is classified as restricted assets because its use is limited by bond covenants and state laws. A corresponding portion of net position is segregated by its classification in the amount of \$14,109,445 for unspent bond proceeds and interest earned on those proceeds is included "in net investment in capital assets" and \$684,012 as "restricted for system improvements".

I. Capital Assets

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

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

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

J. Compensated Absences

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

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

K. Deferred outflows/inflows of resources

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

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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

L. Long-term obligations

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

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

M. Fund Equity

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

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

Fund balance flow Assumptions

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

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

- Committed
- Assigned
- Unassigned

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

The following is a summary of the fund balance classifications as of June 30, 2019:

	General Fund	Capital Projects Fund 2013 SPLOST	Nonmajor Governmental Funds	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 104,146	\$ -	\$ -	\$ 104,146
Assets held for resale	977,084	-	-	977,084
Restricted for				
Law enforcement	-	-	124,757	124,757
Capital outlay	58,875	78,729	2,390,307	2,527,911
Committed				
Retirement funding	179,841	-	-	179,841
Assigned				
Tourism	-	-	54,660	54,660
Law enforcement	3,200	-	-	3,200
Recreation	3,000	-	-	3,000
Retirement funding	125,000	-	-	125,000
Unassigned	5,673,720	-	-	5,673,720
Total fund balances	\$ 7,124,866	\$ 78,729	\$ 2,569,724	\$ 9,773,319

Net position flow assumption

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

B. Excess of Expenditures over Appropriations

The following departments had expenditures over appropriations

Hotel/Motel Tax Fund – Transfers out	\$ 767
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NOTE 3 – DEPOSITS AND INVESTMENTS

A. Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits may not be recovered. The City’s bank balances of deposits as of June 30, 2019, are entirely insured or collateralized with securities held by the City’s agent in the City’s name.

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

At June 30, 2019, the Loganville Development Authority, a discretely presented component unit’s bank balances were entirely insured or collateralized with securities held by the Authority’s agent in the Authority’s name.

B. Investments

Investment Type	Credit Rating	Value	Maturity
Office of State Treasurer (Georgia Fund 1)	AAAf rated	\$ 898,312	31 days

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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

Custodial Credit Risk

For an investment, the custodial credit risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Office of State Treasurer is not required to disclose custodial credit risk. The City has no such investments with such risks as of June 30, 2019.

Interest Rate Risk

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

Credit Risk

Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The City has no investment policy that would further limit its investment choices. As of June 30, 2019, the City's investment in the Office of the State Treasurer was rated AA Af/S1+ by Standard and Poor's.

Fair Value Measurements

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

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

As of June 30, 2019, the City has investments in Georgia Fund 1, which are not subject to level disclosure.

NOTE 4 – ASSETS HELD FOR RESALE

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

NOTE 5 – PROPERTY TAXES

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

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

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

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

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

NOTE 6 – RECEIVABLES

	Governmental				Business-Type		
	Major		Nonmajor Funds	Total	Major		
Receivables:	General	2013 SPLOST			Water & Sewer	Solid Waste	Total
Taxes	\$ 18,106	\$ -	\$ 14,576	\$ -	\$ -	\$ -	
Accounts	-	-	-	843,992	259,153	1,103,145	
Intergovernmental	171,013	620	350,832	-	-	-	
Gross receivables	189,119	620	365,408	843,992	259,153	1,103,145	
Less: allowance for uncollectibles	(13,585)	-	-	(57,588)	(11,179)	(68,767)	
Net Total Receivables	\$ 175,534	\$ 620	\$ 365,408	\$ 786,404	\$ 247,974	\$ 1,034,378	

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<u>Governmental Activities</u>					
Nondepreciable Capital Assets:					
Land	\$ 2,092,701	\$ -	\$ -	\$ -	\$ 2,092,701
Construction in progress	166,017	318,207	-	(107,060)	377,164
Total nondepreciable capital assets	<u>2,258,718</u>	<u>318,207</u>	<u>-</u>	<u>(107,060)</u>	<u>2,469,865</u>
Depreciable Capital Assets:					
Infrastructure	6,810,345	-	-	-	6,810,345
Site improvements	358,143	-	-	-	358,143
Buildings	7,690,513	627,860	-	-	8,318,373
Machinery and equipment	680,182	414,570	-	107,060	1,201,812
Vehicles	4,029,663	275,349	-	-	4,305,012
Furniture and fixtures	36,151	8,458	-	-	44,609
Total depreciable capital assets	<u>19,604,997</u>	<u>1,326,237</u>	<u>-</u>	<u>107,060</u>	<u>21,038,294</u>
Less accumulated depreciation for					
Infrastructure	(3,299,400)	(388,110)	-	-	(3,687,510)
Site improvements	(156,479)	(21,177)	-	-	(177,656)
Buildings	(1,396,309)	(177,034)	-	-	(1,573,343)
Machinery and equipment	(481,790)	(59,651)	-	-	(541,441)
Vehicles	(2,397,756)	(323,477)	-	-	(2,721,233)
Furniture and fixtures	(35,154)	(746)	-	-	(35,900)
Total accumulated depreciation	<u>(7,766,888)</u>	<u>(970,195)</u>	<u>-</u>	<u>-</u>	<u>(8,737,083)</u>
Total depreciable capital assets, net	<u>11,838,109</u>	<u>356,042</u>	<u>-</u>	<u>107,060</u>	<u>12,301,211</u>
Governmental activities capital assets, net	<u>\$ 14,096,827</u>	<u>\$ 674,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,771,076</u>
					<u>(2,292,642)</u>
					<u>\$ 12,478,434</u>

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

<u>Governmental Activities</u>	
General government	\$ 359,179
Public safety	358,892
Public works	249,605
Culture and recreation	800
Housing and development	1,719
Total governmental activities depreciation expense	<u>\$ 970,195</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<u>Business-Type Activities</u>					
Nondepreciable Capital Assets:					
Land	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Construction in progress	405,400	471,520	-	(230,563)	646,357
Total nondepreciable capital assets	1,405,400	471,520	-	(230,563)	1,646,357
Depreciable Capital Assets:					
Site improvements and infrastructure	7,847,073	132,609	-	-	7,979,682
Buildings	19,324,270	182,831	(413,394)	230,563	19,324,270
Machinery and equipment	1,309,589	43,232	-	-	1,352,821
Vehicles	737,442	7,407	-	-	744,849
Total depreciable capital assets	29,218,374	366,079	(413,394)	230,563	29,401,622
Less: accumulated depreciation for:					
Site improvements and infrastructure	(2,703,934)	(296,844)	-	-	(3,000,778)
Buildings	(6,537,207)	(525,479)	-	-	(7,062,686)
Machinery and equipment	(945,570)	(63,968)	-	-	(1,009,538)
Vehicles	(544,631)	(41,560)	-	-	(586,191)
Total accumulated depreciation	(10,731,342)	(927,851)	-	-	(11,659,193)
Total capital assets, being depreciated, net	18,487,032	(561,772)	(413,394)	230,563	17,742,429
Business-type activities capital assets, net	\$ 19,892,432	\$ (90,252)	\$ (413,394)	\$ -	\$ 19,388,786
					Less related long-term debt outstanding (16,712,911)
					Plus unspent bond proceeds and interest 14,109,445
					Plus related deferred amounts from refunding 108,822
					<u>Net investment in capital assets \$ 16,894,142</u>

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

Business-Type Activities

Water and Sewer Fund	\$ 927,851
Solid Waste Fund	-
Total business-type activities depreciation expense	<u>\$ 927,851</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

NOTE 8 – LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 206,477	\$ 271,918	\$ (216,047)	\$ 262,348	\$ 170,526
Net Pension Liability	2,207,150	1,312,558	(1,742,259)	1,777,449	-
Total OPEB Liability	374,539	1,420,656	(59,059)	1,736,136	-
Capital Leases	999,270	-	(132,319)	866,951	135,653
Note Payable	1,526,031	-	(100,340)	1,425,691	102,620
Total Governmental Activities	\$ 5,313,467	\$ 3,005,132	\$ (2,250,024)	\$ 6,068,575	\$ 408,799
<u>Business-Type Activities</u>					
Compensated Absences	\$ 51,474	\$ 43,737	\$ (30,354)	\$ 64,857	\$ 33,458
Net Pension Liability	594,868	376,103	(518,245)	452,726	-
Notes Payable:					
2015 GEFA Loan	3,000,000	-	(3,000,000)	-	-
Bonds Payable:					
2018 Series	15,775,000	-	(350,000)	15,425,000	395,000
Premium on Bonds	1,355,696	-	(67,785)	1,287,911	67,785
Total Business-Type Activities	\$ 20,777,038	\$ 419,840	\$ (3,966,384)	\$ 17,230,494	\$ 496,243

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

A. Governmental Activities

Capital Leases

In 2015, the City entered into a lease agreement as lessee for financing the acquisition of a fire truck valued at \$1,375,777. The equipment has a twelve-year estimated useful life. In 2019, depreciation expense and accumulated depreciation on the equipment was \$122,646 and \$531,466, respectively.

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

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

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 135,653	\$ 21,847	\$ 157,500
2021	139,072	18,428	157,500
2022	142,576	14,924	157,500
2023	146,169	11,331	157,500
2024	149,852	7,648	157,500
2025	153,629	3,871	157,500
Total	\$ 866,951	\$ 78,049	\$ 945,000

Note Payable

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 102,620	\$ 30,382	\$ 133,002
2021	104,886	28,116	133,002
2022	107,202	25,800	133,002
2023	109,569	23,433	133,002
2024	111,988	21,014	133,002
2025-2029	598,141	66,869	665,010
2030-2032	291,285	8,030	299,315
Total	\$ 1,425,691	\$ 203,644	\$ 1,629,335

B. Business-type Activities

GEFA Loan

The City has entered into a loan agreement with Georgia Environmental Finance Authority. The loan is in the amount of \$3,000,000 to finance the costs of acquiring, constructing, and installing the environmental facilities at Big Flat Creek. The loan bears an interest rate of 1.02%. Accrued interest on the note is payable monthly on the first day of the calendar month following the earlier of (1) the completion date, (2) June 1, 2018 or (3) the date that the loan evidenced by the note is fully disbursed. During 2018, only interest payments of \$28,616 were made and capitalized along with the construction costs of the project. The GEFA loan balance was paid off in June 2019.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

Water and Sewer Revenue Bonds

The Water and Sewer Fund has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of the bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage). The revenue bonds have a first lien on and pledge of the water and sewer fund's net operating revenue. As of June 30, 2019, the City believes it was in compliance with all such significant financial limitations and restrictions.

Series 2018 Revenue Bonds

On June 28, 2018, the City issued Series 2018 Revenue Bonds in the amount of \$15,775,000. The bonds are due at various annual maturities through fiscal year 2038 with various yields ranging from 3% to 5%. The proceeds from the 2018 Bond Series were used to defease outstanding 2012 Revenue Bonds of \$2,725,000 and to fund the construction of the \$14 million wastewater treatment facility expansion project. The Series 2012 Revenue bonds are considered defeased as of June 30, 2018. The result of this transaction is an increase in future debt service payments of \$15,010,791 and an economic loss of \$153,851. As of June 30, 2019 the outstanding principal on the Series 2018 Bonds is \$15,425,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 395,000	\$ 649,800	\$ 1,044,800
2021	405,000	637,950	1,042,950
2022	425,000	617,700	1,042,700
2023	445,000	598,450	1,043,450
2024	470,000	576,200	1,046,200
2025-2029	3,030,000	2,519,500	5,549,500
2030-2034	5,250,000	1,647,600	6,897,600
2035-2038	5,005,000	510,200	5,515,200
Total	<u>\$ 15,425,000</u>	<u>\$ 7,757,400</u>	<u>\$ 23,182,400</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2019 consisted of the following amounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Special Revenue Funds	\$ 8,746
General Fund	Nonmajor Capital Project Funds	320,891
General Fund	Solid Waste Fund	173,688
Water and Sewer Fund	General Fund	258,832
Nonmajor Capital Project Fund	Water and Sewer Fund	217,091
		<u>\$ 979,248</u>

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

<u>Transfers out:</u>	<u>Transfers in:</u>
	<u>General</u>
	<u>Fund</u>
Water and Sewer Fund	\$ 200,000
Solid Waste Fund	200,000
Nonmajor special revenue fund	15,267
	<u>\$ 415,267</u>

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

The Hotel/Motel Tax special revenue fund transferred \$15,267 to the General Fund for amounts owed relative to hotel/motel tax revenues collected by the special revenue fund.

NOTE 10 – HOTEL/MOTEL TAXES

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tax special revenue fund. The City retains approximately 60% of the funds collected. During fiscal year 2019, the City collected \$52,466 in hotel motel taxes and expended \$25,002 for tourism related expenditures.

The City has created a tourism department in the general fund and expended \$339,903 for tourism in 2019. Total expenditures relative to tourism for 2019 were more than the current year collection of hotel motel taxes.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

NOTE 11 – PENSION PLAN

A. Plan Description

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

B. Benefits Provided

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

C. Employees Covered by the Plan

Inactive employees (or their beneficiaries) currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	68
Active Employees	111

D. Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 16.29% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

E. Net Pension Liability

Actuarial Assumptions: The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of January 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25% -8.25%, including inflation adjustment
Investment rate of return	7.50%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females, and the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates. Plan termination basis (all lives) is based on 1994 Group Annuity Reserving Unisex Table.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

The RP-2000 mortality tables were determined to contain sufficient provisions to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

Changes in the Net Pension Liability:

The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2019 were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2018	\$ 15,567,443	\$ 12,765,425	\$ 2,802,018
Changes for the year:			
Service cost	409,471	-	409,471
Interest	1,177,511	-	1,177,511
Difference between expected & actual experience	(170,738)	-	(170,738)
Contributions - employer	-	743,211	(743,211)
Net investment income	-	1,272,072	(1,272,072)
Benefit payments	(553,531)	(553,531)	-
Administrative expense	-	(27,196)	27,196
Net changes	862,713	1,434,556	(571,843)
Balances at June 30, 2019	\$ 16,430,156	\$ 14,199,981	\$ 2,230,175

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Water and Sewer Fund Statement of Net Position in the amounts of \$1,777,449 and \$452,726, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018 are summarized in the following table:

Asset Class	Target allocation	Long-term Expected real rate of return
Domestic equity	45.00%	6.40%
International equity	20.00%	7.40%
Real estate	10.00%	5.10%
Global fixed income	5.00%	3.03%
Domestic fixed income	20.00%	1.75%
Cash	0.00%	
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 4,551,032	\$ 2,230,175	\$ 305,244

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

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

At June 30, 2019, the City reported a net pension liability. The net pension liability was measured as of September 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2019. An expected total pension liability as of September 30, 2018 was determined using standard roll-forward techniques.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

For the year ended June 30, 2019, the City recognized pension expense relative to GMEBS in the amount of \$757,735. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 516,819	\$ 128,055
Changes of assumptions	155,712	-
Net difference between projected & actual earnings on pension plan investments	-	735,717
Employer contributions subsequent to the measurement date	1,107,144	-
	<u>\$ 1,779,675</u>	<u>\$ 863,772</u>

City contributions subsequent to the measurement date of September 30, 2018 of the net pension liability, but before the end of the City's reporting period, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 150,885
2021	(159,659)
2022	(120,753)
2023	(61,714)
2024	-

NOTE 12 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

B. Benefits Provided

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

C. Employees Covered by Benefits Terms

At June 30, 2019, the following employees were covered by the benefit terms:

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

D. Contributions

Membership in the Plan by City retirees is voluntary. The authority to establish and amend the benefit provisions of the OPEB plan rests with the City. The employer does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets. The City's contributed \$47,638 toward OPEB benefits in the year ended June 30, 2019.

E. Total OPEB Liability

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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

Inflation	2.75%
Salary increase	3.25% to 8.25%, including inflation
Discount Rate	3.87%
Healthcare Cost trend rates	Medical: 7.00% trended down to 4.50% by 2023
	Drug: 7.00% trended down to 4.50% by 2023
	Dental: 3.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females, and the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an experience study for the period January 1, 2010 to June 30, 2014.

Changes in the Total OPEB liability of the City: The changes in the total OPEB liability of the City for the year ended June 30, 2019, were as follows:

	Total OPEB Liability
Balances at June 30, 2018	<u>\$ 374,539</u>
Changes for the year:	
Service cost	6,410
Interest	12,785
Change of benefit terms	75,017
Difference between expected & actual experience	(11,421)
Changes of assumptions	1,326,444
Benefit payments	<u>(47,638)</u>
Net changes	<u>1,361,597</u>
Balances at June 30, 2019	<u>\$ 1,736,136</u>

Discount Rate: The discount rate used to measure the total OPEB liability was 3.87%. This was an increase from the prior discount rate of 3.58%. This rate was determined using an index rate of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which was 3.87% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount rate: The following presents the City's total OPEB liability calculated using the discount rate of 3.87%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019
 (CONTINUED)

	1% Decrease <u>2.87%</u>	Current discount rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	\$ 1,975,249	\$ 1,736,136	\$ 1,539,555

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

	1% Decrease	Current Healthcare Cost Trend rates	1% Increase
Sensitivity of the Total OPEB Liability to Changes in the Discount Rate	\$ 1,529,866	\$ 1,736,136	\$ 1,984,193

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

For the year ended June 30, 2019, the City recognized OPEB expense relative to GMEBS in the amount of \$257,990. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,266	\$ 9,989
Changes of assumptions or other inputs	1,160,635	40,053
Employer contributions subsequent to the measurement date	82,272	-
	<u>\$ 1,275,173</u>	<u>\$ 50,042</u>

City contributions subsequent to the measurement date of June 30, 2018 of the total OPEB liability, but before the end of the City's reporting period, are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

<u>Year ended June 30:</u>	
2020	\$ 163,180
2021	163,180
2022	163,180
2023	163,180
2024	163,180
Thereafter	326,959

NOTE 14 – RISK MANAGEMENT

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

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

NOTE 15 – CONTINGENT LIABILITIES

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

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

NOTE 16 – JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the twelve county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

required to pay annual dues thereto. Membership in an RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

NOTE 17 – RELATED ORGANIZATIONS

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

NOTE 18 – SUBSEQUENT EVENTS

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

The City has evaluated subsequent events through July 2, 2020, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOGANVILLE, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

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

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

CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SCHEDULE OF CONTRIBUTIONS

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

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

CITY OF LOGANVILLE, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates. 1994 Group Annuity Reserving Unisex Table for Plan termination basis (all lives)

NOTE 2 – OPEB PLAN

Georgia Municipal Employee Benefit System

Changes of assumptions:

Amounts report for the fiscal year ending in 2019 and later reflect the following assumption changes based on an actuarial study conducted in June 2018:

The discount rate effective for June 30, 2017 was 3.58%, and affective for June 30, 2018 was 3.87%.

Claim costs for four members over 65 were value for the first time in this valuation (four grandfathered participants only).

Medical and prescription drug trend rates increased.

Dental claims trend rate changed from 5% to 3% per year.

The inflation assumption was decreased from 3.25% to 2.75%.

Salary scale changed from the rage 3.75% - 8.75% to the range 3.25% - 8.25%

Active spouse participation assumed in retirement was changed from 40% to 25%

Benefit Changes

After 2015, retirees who retire between the age of 60 and 65 are eligible to receive benefits. The required employee contribution is equal to the total premium for plan participants.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

2014 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the construction and improvements in accordance with the sales tax referendum.

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

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

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

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

CITY OF LOGANVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds	
	Confiscated Assets	Hotel/ Motel Tax	2014 SPLOST	2017 SPLOST	2019 SPLOST	Capital Recovery Impact Fee		CDBG
ASSETS								
Cash and cash equivalents	\$ 129,582	\$ 48,830	\$ -	\$ 750,776	234,310	\$ 1,177,866	\$ -	\$ 2,341,364
Receivables, net of allowance								
Taxes	-	14,576	-	-	-	-	-	14,576
Intergovernmental	-	-	-	76,000	107,172	-	167,660	350,832
Due from other funds	-	-	-	-	-	217,091	-	217,091
Total Assets	\$ 129,582	\$ 63,406	\$ -	\$ 826,776	\$ 341,482	\$ 1,394,957	\$ 167,660	\$ 2,923,863
LIABILITIES								
Accounts payable	\$ 4,825	\$ -	\$ -	\$ 2,911	\$ -	\$ -	\$ -	\$ 7,736
Retainage payable	-	-	-	-	-	-	16,766	16,766
Due to other funds	-	8,746	-	9,574	160,423	-	150,894	329,637
Total Liabilities	4,825	8,746	-	12,485	160,423	-	167,660	354,139
FUND BALANCES								
Restricted	124,757	-	-	814,291	181,059	1,394,957	-	2,515,064
Assigned	-	54,660	-	-	-	-	-	54,660
Total Fund Balances	124,757	54,660	-	814,291	181,059	1,394,957	-	2,569,724
Total Liabilities and Fund Balances	\$ 129,582	\$ 63,406	\$ -	\$ 826,776	\$ 341,482	\$ 1,394,957	\$ 167,660	\$ 2,923,863

CITY OF LOGANVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds	
	Confiscated Assets	Hotel/ Motel Tax	2014 SPLOST	2017 SPLOST	2019 SPLOST	Capital Recovery Impact Fee		CDBG
REVENUES								
Hotel/motel taxes	\$ -	\$ 52,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,466
Intergovernmental	-	-	-	441,273	341,315	-	167,660	950,248
Charges for services	-	-	-	-	-	471,914	-	471,914
Fines and forfeitures	220,840	-	-	-	-	-	-	220,840
Investment income	-	-	-	1,200	172	19,895	-	21,267
Total Revenues	220,840	52,466	-	442,473	341,487	491,809	167,660	1,716,735
EXPENDITURES								
Current								
Public safety	58,860	-	-	-	-	-	-	58,860
Public works	-	-	5	2,264	-	-	-	2,269
Culture and recreation	-	-	-	3,209	-	-	-	3,209
Housing and development	-	25,002	-	-	-	-	-	25,002
Debt service								
Principal	-	-	444,837	-	-	-	-	444,837
Capital outlay	302,022	-	-	78,384	160,428	132,609	167,660	841,103
Total Expenditures	360,882	25,002	444,842	83,857	160,428	132,609	167,660	1,375,280
Excess (deficiency) of revenues over (under) expenditures	(140,042)	27,464	(444,842)	358,616	181,059	359,200	-	341,455
Other financing sources (uses)								
Transfer out	-	(15,267)	-	-	-	-	-	(15,267)
Total other financing sources (uses)	-	(15,267)	-	-	-	-	-	(15,267)
Net Change in Fund Balances	(140,042)	12,197	(444,842)	358,616	181,059	359,200	-	326,188
Fund Balances - Beginning	264,799	42,463	444,842	455,675	-	1,035,757	-	2,243,536
Fund Balances - Ending	\$ 124,757	\$ 54,660	\$ -	\$ 814,291	\$ 181,059	\$ 1,394,957	\$ -	\$ 2,569,724

CITY OF LOGANVILLE, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 75,000	\$ 220,840	\$ 145,840
Total Revenues	75,000	220,840	145,840
<u>EXPENDITURES</u>			
Current			
Public safety	59,033	58,860	173
Capital outlay	302,023	302,022	1
Total Expenditures	361,056	360,882	174
Net Change in Fund Balances	(286,056)	(140,042)	146,014
Fund Balances-Beginning	264,799	264,799	-
Fund Balances-Ending	\$ (21,257)	\$ 124,757	\$ 146,014

CITY OF LOGANVILLE, GEORGIA

HOTEL/MOTEL TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>			
Taxes	\$ 30,000	\$ 52,466	\$ 22,466
Total Revenues	30,000	52,466	22,466
<u>EXPENDITURES</u>			
Current			
Housing and development	25,003	25,002	1
Total Expenditures	25,003	25,002	1
Excess (deficiency) of revenues over (under) expenditures	4,997	27,464	22,467
Other financing sources (uses)			
Transfer out	(14,500)	(15,267)	(767)
Net Change in Fund Balances	(9,503)	12,197	21,700
Fund Balances-Beginning	42,463	42,463	-
Fund Balances-Ending	\$ 32,960	\$ 54,660	\$ 21,700

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2013
 PASSED THROUGH FROM WALTON COUNTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 1,000,000	\$ 982,485	\$ -	\$ 982,485
Water and Sewer Infrastructure	4,841,679	2,266,256	2,580,409	4,846,665
	<u>\$ 5,841,679</u>	<u>\$ 3,248,741</u>	<u>\$ 2,580,409</u>	<u>\$ 5,829,150</u>

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2014
 PASSED THROUGH FROM GWINNETT COUNTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 648,040	\$ 701,137	\$ -	\$ 701,137
Water and Sewer Capital Improvements	648,039	-	444,842	444,842
	<u>\$ 1,296,079</u>	<u>\$ 701,137</u>	<u>\$ 444,842</u>	<u>\$ 1,145,979</u>

The City closed out the 2014 SPLOST fund during FY 2019. The City expended the remaining funds for debt service payments in the Water & Sewer Fund.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2017
 PASSED THROUGH FROM GWINNETT COUNTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreational Facilities and Equipment	\$ 1,196,902	\$ 25,574	\$ 3,209	\$ 28,783
Transportation	926,471	34,822	55,415	90,237
Water and Sewer Capital Improvements	380,604	-	25,233	25,233
	<u>\$ 2,503,977</u>	<u>\$ 60,396</u>	<u>\$ 83,857</u>	<u>\$ 144,253</u>

CITY OF LOGANVILLE, GEORGIA

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

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

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY
BALANCE SHEET
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$	40,496
Interest receivable		<u>189</u>
Total Assets	\$	<u><u>40,685</u></u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$	<u>-</u>
Total Liabilities		<u>-</u>
Fund Balances		
Unassigned		<u>40,685</u>
Total Fund Balances		<u>40,685</u>
Total Liabilities and Fund Balances	\$	<u><u>40,685</u></u>

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
JUNE 30, 2019

REVENUES

Intergovernmental revenues	\$ 189
Total Revenues	<u>\$ 189</u>

EXPENDITURES

Current	
Community Development	<u>1,456</u>
Total Expenditures	<u>1,456</u>
Net Change in Fund Balance	(1,267)
Fund Balance - Beginning of year	<u>41,952</u>
Fund Balance - End of year	<u>\$ 40,685</u>

GOVERNMENTAL REPORT



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City of Loganville, Georgia's basic financial statements, and have issued our report thereon dated July 2, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001, 2019-002 and 2019-003 that we consider to be material weaknesses.

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

Compliance and Other Matters

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

City of Loganville, Georgia's Response to the Findings

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

Purpose of this Report

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



Macon, Georgia
July 2, 2020

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs for the year ended June 30, 2019 due to the total amount expended being less than \$750,000.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

Section II – Financial Statement Findings

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

2019-001 Accounts Payable / Expenditure or Expenses

CRITERIA

In accordance with generally accepted accounting principles, expenditure / expenses are recognized as soon as a liability is incurred. Year-end procedures are necessary to ensure that expenses or expenditures and accounts payable are recorded in the appropriate period.

CONDITION

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

CONTEXT

The General Fund’s accounts payable/retainage payable was overstated by \$102,456 due to an FY2020 expenditure being recorded in FY2019.

EFFECT

Material audit adjustments were needed to fairly state expenditures for the year ended June 30, 2019.

CAUSE

The City lacked accounting procedures to insure the recording and proper classification of incurred expenses at the end of the fiscal period.

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. The City will focus on procedures in place for recording of liabilities.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

2019-002 **Capital Assets**

CRITERIA

Accounting and control procedures should be designed to insure that capital asset activity is recorded and reported in the governmental activities and business-type activities financial statements. Capital asset records must be supported by detailed records that include location, department, cost, estimated useful life, depreciation and other detail supporting documentation.

CONDITION

The City did not properly post all capital asset activity.

CONTEXT

Audit procedures identified adjustments necessary to correct the recording of capital assets previously recorded as construction in progress and completed and in service at year-end and to record engineering fees not capitalized properly relative to construction projects audit adjustments required were as follows:

- Items totaling \$56,522 were capitalized that did not meet the requirements to be capitalized per the City's capitalization policy.
- The governmental capital assets needed to be decreased by \$25,233 for water and sewer lines that needed to be reported as capital contributions and capital asset additions in the Water & Sewer Fund.
- Governmental capital assets were overstated by \$85,690 due to the net effect of an FY 2020 invoice that was improperly recorded in FY 2019, and two FY 2019 invoices that were not recorded.
- Adjustments with a net effect of \$194,935 were needed to increase the governmental depreciation expense and accumulated depreciation.
- Additionally, several material reclassifications were needed between various governmental capital asset classes.

EFFECT

Material audit adjustments were needed to fairly report capital asset information for the year ended June 30, 2019.

CAUSE

Accounting personnel lacked an understanding of identifying and accounting for capital asset activity.

RECOMMENDATION

The City should insure that the proper reconciling procedures are being performed monthly and at year-end to balance and reconcile capital asset records.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. The City will focus on preparing procedures for adequate posting of capital asset activity.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

2019-003 **Grant Management**

CRITERIA

An effective grant management system should include strategic planning, grant identification and effective tracking and monitoring.

CONDITION

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

CONTEXT

Material audit adjustments totaling \$167,660 were required to accrue grant expenditures and the associated draw requests.

EFFECT

Interim year-end financial reports understated revenue and expenditures for the CDBG Capital Project Fund.

CAUSE

The City lacked accounting procedures to insure the recording and proper classification of incurred expenses at the end of the fiscal period.

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. The City will focus on preparing for adequate posting of accrued expenditures and draw requests for the CDBG grant.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

2018-001 Accounts Payable / Expenditure or Expenses

CONDITION

The City does not have adequate accounting procedures to insure that expenditure/expenses are recorded and properly classified when a liability is incurred. Additionally, the City did not properly reconcile the accounts payable listing.

UPDATE

Unresolved. See current year finding 2019-001.

2018-002 Capital Assets

CONDITION

The City did not properly post all capital asset activity.

UPDATE

Unresolved. See current year finding 2019-002.

2018-003 Assets held for Resale

CONDITION

The City improperly recognized unrealized gains on assets held for resale.

UPDATE

Resolved.