

CITY OF LOCUST GROVE

REGULAR MEETING AGENDA
Monday, August 5, 2019 - 6:00 P.M.
Public Safety Building - 3640 Highway 42 S.
Locust Grove, GA 30248

CALL TO ORDER Mayor Robert Price

INVOCATION City Manager Tim Young

PLEDGE OF ALLEGIANCE Councilman Gardner

APPROVAL OF THE AGENDA (Motion) Mayor Robert Price

PUBLIC COMMENTS Register with Clerk Before Meeting

PUBLIC HEARING ITEMS None

APPROVAL OF THE MINUTES 4 Items

1. July 1, 2019 Regular Meeting Minutes (Motion)
2. July 1, 2019 Executive Session Minutes (Motion)
3. July 15, 2019 Workshop Meeting Minutes (Motion)
4. July 15, 2019 Executive Session Minutes (Motion)

ACCEPTANCE OF THE FINANCIAL STATEMENT 2 Items

5. June 2019 Financial Statement
6. Draft FY 2018 Audit Document Presentation

UNFINISHED BUSINESS/ACTION ITEMS 2 Items

7. Resolution to approve the preliminary plat for a proposed R-2 subdivision along South Bethany Road (Motion)
8. Resolution to approve architectural plans submitted for Starbucks/Urgent Care Building at 4837 Bill Gardner Parkway (Motion)

NEW BUSINESS/ACTION ITEMS 1 Item

9. Special Event Request - Caring for a Cause/Ending Childhood Cancer - September 7, 2019 - Claude Gray Park 3:00 PM to 10:00 PM with music and limited vendors (Motion)

CITY MANAGER'S COMMENTS Tim Young

MAYOR'S COMMENTS Mayor Robert Price

EXECUTIVE SESSION - If needed for property acquisition, litigation and/or personnel

ADJOURN

POSTED AT CITY HALL - July 31, 2019 at 16:30

ADA Compliance: Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting, or the facilities are required to contact the City Clerk at (770) 957-5043 promptly to allow the City to make reasonable accommodations for those persons.

Public Comment may be limited to no more than ten (10) minutes with up to 3 minutes per requesting applicant to speak. Please register your NAME and ADDRESS prior to the beginning of the meeting with the City Clerk.

**City of Locust Grove
Council Meeting Minutes
3640 Highway 42
Locust Grove, GA 30248
Monday, July 1, 2019
6:00 PM**

Members Present:	Staff Present:
Robert Price - Mayor	Tim Young – City Manager
Willie Taylor – Councilman	Misty Spurling – City Clerk
Randy Gardner – Councilman	Jennifer Adkins – Assistant City Clerk
Vernon Ashe – Councilman	Jack Rose – Public Works Director
Carlos Greer – Councilman/Mayor Pro Tem	Jesse Patton – Police Chief
Keith Boone – Councilman	Andy Welch - Attorney
	Staff Not Present:
Members Not Present:	Bert Foster – Community Development Director
Otis Hammock – Councilman	Anna Ogg - Main Street Manager

Mayor Price called the meeting to order at 6:00 PM

Invocation given by Mayor Price.

Councilman Greer led the Pledge of Allegiance.

APPROVAL OF AGENDA –

Councilman Greer made the motion to approve the July 1, 2019 meeting agenda.

RESULT	APPROVED
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN BOONE
VOTE	MOTION CARRIED - ALL IN FAVOR

PUBLIC COMMENTS – NONE

PUBLIC HEARING ITEMS – NONE

APPROVAL OF THE MINUTES

1. JUNE 3, 2019- REGULAR MEETING MINUTES –

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the June 3, 2019 regular meeting minutes.

RESULT	APPROVED JUNE 3, 2019 REGULAR MEETING MINUTES
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN GARDNER
FAVOR	MOTION CARRIED – ALL IN FAVOR

2. JUNE 3, 2019 EXECUTIVE SESSION MEETING MINUTES --

Mayor Price asked for a motion. Councilman Greer made the motion to approve the June 3, 2019 executive session meeting minutes.

RESULT	APPROVED JUNE 3, 2019 EXECUTIVE SESSION MEETING MINUTES
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN BOONE
FAVOR	MOTION CARRIED -- ALL IN FAVOR

3. JUNE 17, 2019- WORKSHOP MEETING MINUTES --

Mayor Price asked for a motion. Councilman Boone made the motion to approve the June 17, 2019 workshop meeting minutes.

RESULT	APPROVED JUNE 17, 2019 WORKSHOP MEETING MINUTES
MADE MOTION	COUNCILMAN BOONE
2 ND MOTION	COUNCILMAN GREER
FAVOR	MOTION CARRIED -- ALL IN FAVOR

4. JUNE 17, 2019 EXECUTIVE SESSION MEETING MINUTES --

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the June 17, 2019 executive session meeting minutes.

RESULT	APPROVED JUNE 17, 2019 EXECUTIVE SESSION MEETING MINUTES
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN GARDNER
FAVOR	MOTION CARRIED -- ALL IN FAVOR

ACCEPTANCE OF THE FINANCIAL STATEMENT --

5. MAY 2019 - Financial Statement --

Mayor Price asked for a motion. Councilman Greer made the motion to approve the May 2019 Financial Statement

RESULT	APPROVED MAY 2019 FINANCIAL STATEMENT
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN BOONE
FAVOR	MOTION CARRIED -- ALL IN FAVOR

UNFINISHED BUSINESS/ACTION ITEMS --

- 6. Resolution to approve architectural plans submitted for Havenwood Grove, a new senior apartment complex to be located along Indian Creek road -- ARB Item --.**

Mayor Price asked for a motion. Councilman Greer made the motion to approve the request by approving resolution #19-07-054.

RESULT	APPROVED RESOLUTION #19-07-054
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN BOONE
VOTE	MOTION CARRIED – ALL IN FAVOR

7. Resolution to approve architectural plans submitted for a new Waffle House to be located along Bill Gardner Parkway, west of the I-75 interchange – ARB Item -

Mayor Price asked for a motion. Councilman Ashe made the motion to approve the request by approving ordinance #19-07-055

RESULT	APPROVED ORDINANCE #19-07-055
MADE MOTION	COUNCILMAN ASHE
2 ND MOTION	COUNCILMAN TAYLOR
VOTE	MOTION CARRIED – ALL IN FAVOR

8. Resolution to accept application for annexation from Christine and Derek Law for annexation of 10.0 +/- acres located at 387 and 397 Colvin Drive –

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the request by approving resolution #19-07-056.

RESULT	APPROVED RESOLUTION #19-07-056
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN GARDNER
VOTE	MOTION CARRIED – FOUR IN FAVOR (TAYLOR, GARDNER, ASHE, GREER) AND ONE OPPOSED (BOONE) – HAMMOCK NOT PRESENT

9. Resolution to accept application for annexation from Robert and Donna Price for annexation of 1.18 acres located at 1206 Davis Lake Road –

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the request by approving resolution #19-07-057.

RESULT	APPROVED RESOLUTION #19-07-057
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN GARDNER
VOTE	MOTION CARRIED – FOUR IN FAVOR (TAYLOR, GARDNER, ASHE, GREER) AND ONE OPPOSED (BOONE) – HAMMOCK NOT PRESENT

NEW BUSINESS/ACTION ITEMS –

10. Special Event Request – Fruit of the Spirit Princesses – Back to School Bash – July 12, 2019 –

City Manager Tim Young stepped forward in Mr. Foster’s absence and led discussion this is a request from the applicant; Joan Lawrence, to hold a Back-to-School Bash on July 12, 2019 from 3:00 PM – 7:00 PM at Claude Gray Park. This is a non-profit organization and a \$75.00 refundable deposit will be charged for cleaning.

The applicant; Mrs. Joan Lawrence, stepped forward to make a comment. Mrs. Lawrence said she thought the fee would be waived. Mr. Young said the special event fee is waived due to the nonprofit status; however, the \$75 is a cleaning deposit which is a requirement for everyone reserving the pavilion and is refundable. Nothing further.

Mayor Price asked for a motion. Councilman Greer made the motion to approve the Special Event Request.

RESULT	APPROVED SPECIAL EVENT
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN TAYLOR
VOTE	MOTION CARRIED - ALL IN FAVOR

CITY MANAGER’S COMMENTS –

City Manager Tim Young said we will be finalizing the 2018 audit next week. Mr. Young said we are expecting plans back for the interchange bridge during the week and hopeful to receive final plans on the Peeksville Road connector. Further, Mr. Young asked everyone to keep Bert and his family in prayers due to the recent passing of his mom. Nothing further.

MAYOR’S COMMENTS – NONE

EXECUTIVE SESSION – Potential Litigation

Mayor Price asked for a motion to enter executive session. Councilman Boone made the motion with second by Councilman Greer. All in favor and motion carried. Council entered executive session at 6:10 PM.

Mayor Price asked for a motion to reconvene to regular session from executive session at 6:39 PM. Councilman Boone made the motion with second by Councilman Greer. All in favor and motion carried.

REGULAR SESSION RECONVENED –

City Manager Tim Young gave an update the City Managers and County Manager agreed to have a follow-up meeting for further discussion on the 70/30 split for SPLOST V to hopefully narrow the gap and be beneficial to everyone.

Attorney Andy Welch made a comment he was very impressed with Tim’s hard work and preparation for the SPLOST meeting at the County last week. Discussion took place and Attorney Andy Welch said everyone is doing a great job with collaborating to reach an agreement.

Councilman Boone made a comment about the 70/30 and 75/25 split and discussion took place. Attorney Andy Welch said the 70/30 split is more pragmatic and further discussion took place. Nothing further.

ADJOURNMENT –

Mayor Price asked for a motion to adjourn. Councilman Boone made the motion to adjourn.

RESULT	APPROVED – ADJOURN MEETING
MADE MOTION	COUNCILMAN BOONE
2 ND MOTION	COUNCILMAN TAYLOR
FAVOR	MOTION CARRIED MEETING ADJOURNED @ 6:52 PM.

Notes taken by:

Misty Spurling, City Clerk

DRAFT

**City of Locust Grove
 Council Workshop Meeting Minutes
 Public Safety Building – 3640 Highway 42
 Locust Grove, GA 30248
 Monday, July 15, 2019
 6:00 PM**

Members Present:	Staff Present:
Robert Price – Mayor	Tim Young – City Manager
Randy Gardner – Councilman	Misty Spurling – City Clerk
Willie Taylor – Councilman	Jennifer Adkins – Assistant City Clerk
Carlos Greer – Councilman	Anna W. Ogg – Main Street Manager
Otis Hammock – Councilman	Jack Rose – Public Works Director
Vernon Ashe – Councilman	Bert Foster – Community Development Director
Keith Boone – Councilman	Jesse Patton – Police Chief
	Andy Welch – City Attorney

Mayor Price called the meeting to order at 6:00 PM.

Invocation given by Community Development Director Bert Foster.

Councilman Taylor led the Pledge of Allegiance.

APPROVAL OF AGENDA –

Mayor Price asked for a motion. Councilman Hammock made the motion to approve the July 15, 2019 meeting agenda.

RESULT	APPROVED
MADE MOTION	COUNCILMAN HAMMOCK
2 ND MOTION	COUNCILMAN GARDNER
VOTE	MOTION CARRIED - ALL IN FAVOR

PUBLIC COMMENTS –

NEW BUSINESS/ACTION ITEMS –

- Ordinance to set the 2019 Tax Millage at 6.826 mils and roll back said amount to 0.00 mils in reflection of local option sales taxes required for Maintenance and Operations of the City** – City Manager Tim Young stepped forward and led discussion this is required by State Law every year and is calculated according to the previous year sales taxes and net M & O tax digest of the City. This will be submitted to the Department of Revenue after approval. Nothing further.

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the request by approving ordinance **#19-07-058**

RESULT	APPROVED ORDINANCE #19-07-058
MADE MOTION	COUNCILMAN HAMMOCK
2 ND MOTION	COUNCILMAN GARDNER
VOTE	MOTION CARRIED - ALL IN FAVOR

2. Resolution to agree on an Intergovernmental Agreement for SPLOST V –

City Manager Tim Young led discussion this is for the consideration and adoption of the Project Listing and the Intergovernmental Agreement (IGA) for the SPLOST proposed for the continuation in its Fifth edition (SPLOST V) to begin in Spring of 2020 through Spring 2026. This proposal is the requested 30% Municipalities 70% for the County. Discussion took place and Exhibit C reviewed.

Mayor Price asked for a motion. Councilman Hammock made the motion to approve the request with second by Councilman Gardner. Mayor Price asked for any further discussion and Councilman Boone had a comment.

Councilman Boone made a comment the County has yet to finalize their project list and said he is not ready to approve the 70/30 without seeing their proposed list. Discussion took place.

Mr. Young said regardless of the outcome [70/30 or 75/25] the City’s project list does not change.

Attorney Andy Welch replied Council is not voting on the County’s project list; only voting so that the County will have our agreement in place should they finalize a project list. This will basically serve as our commitment to the County we have our list and agreeing to a 70/30 split. Attorney Andy Welch asked Tim if the County has confirmed a date as to when they will decide. Mr. Young replied the County is not making a final selection until closer to end of July. Discussion took place about changing effective date to allow more time.

Councilman Greer made a comment he does not agree with what the County has proposed.

Attorney Andy Welch specified language for effective date be revised as follows:

Resolution 1 and Resolution 2 shall take effect immediately.

Resolution 3 and subsequent Resolutions shall take effect on the date of adoption by the Henry County Board of Commissioners of an Intergovernmental Agreement marked in Resolution 3, as written, along with all required attachments.

Mayor Price asked for a motion. Councilman Hammock made the motion to approve the request by approving resolution #19-07-059 as amended.

RESULT	APPROVED RESOLUTION #19-07-059 AS AMENDED
MADE MOTION	COUNCILMAN HAMMOCK
2 ND MOTION	COUNCILMAN GARDNER
VOTE	MOTION CARRIED – FIVE IN FAVOR (BOONE, HAMMOCK, TAYLOR, GARDNER, ASHE) AND ONE OPPOSED (GREER) - ?? Boone??

3. Ordinance for vote on extended hours for alcohol sales – “Brunch Bill” - City Manager Tim Young led discussion this is a revised call for a vote on extending alcohol sales on Sundays from 12:30AM to 11:00AM. This is for placement on the ballot in accordance with our regular vote in November.

Mayor Price asked for a motion. Councilman Greer made the motion to approve the request by approving ordinance #19-07-060

RESULT	APPROVED ORDINANCE #19-07-060
MADE MOTION	COUNCILMAN GREER
2 ND MOTION	COUNCILMAN HAMMOCK
VOTE	MOTION CARRIED – FIVE IN FAVOR (GREER, HAMMOCK, TAYLOR, GARDNER, ASHE) AND ONE OPPOSED (BOONE)

4. **Ordinance to amend the Position and Pay Plan of the Personnel Policy –** City Manager Tim Young led discussion we previously discussed the need for additional positions and are still in need of a Utility Billing Manager; however, there has been little interest in or qualified applicants for the Planner I position at this time. The other positions originally requested has been agreed to be filled by existing staff positions after discussions for posting of those openings. As an alternative, we would like to advance Bert into Assistant City Manager and replace his position quickly to allow for that transition.

Councilman Greer asked why it has been a challenge to attract qualified applicants for the Planner I position. Mr. Young replied that position would need someone who knows the area and comes in with experience. Attorney Andy Welch said that position will be hard to fill because it is an entry level position. Discussion took place. Councilman Greer asked if Bert will automatically transition into the suggested position or open to public. Mr. Young replied the position will be open internally first. Nothing further.

Mayor Price asked for a motion. Councilman Taylor made the motion to approve the request by approving ordinance #19-07-061

RESULT	APPROVED ORDINANCE #19-07-061
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN HAMMOCK
VOTE	MOTION CARRIED – ALL IN FAVOR

CITY OPERATION REPORTS / WORKSHOP DISCUSSION ITEMS

MAIN STREET OPERATIONS –ANNA W. OGG

Mrs. Ogg gave an update she has been assisting the Mayor and others on a project to acquire a Cannon as part of a donation for public display at the new proposed Veteran’s Memorial. Mrs. Ogg said we are working with Falcon Design on sketches for the Scatter Garden and progress continues with the website update. DCA accepted their first tax credit project from Peach Pit, and the HPC is gathering information on the proposed expansion of HPDO [Cities with protected districts] which would include three contributing historic properties and two noncontributing historic properties. The Fourth Friday event in June was very successful and the next Fourth Friday event is July 26, 2019. Further, Yoga in the Park attendance has been very successful and continues this Saturday at 9:30AM. Nothing further.

PUBLIC SAFETY OPERATIONS— CHIEF JESSE PATTON

Chief Jesse Patton stepped forward and reviewed the monthly report and collections for June 2019. Total collections were \$68,155.39 with 22 investigations, including eleven for Detective Shoemaker and eleven for Detective Yarian. Chief Patton said Wreck Master hosted an event in the training room and ATSSA hosted DOT training. The July 4th event went as expected and seemed busier during the night hours. The investigation is ongoing with GBI on the Drug Task Force, and next week the Chief said he will be in Savannah for the Chiefs' conference. Nothing further.

Mayor Price asked Chief Patton to talk about speeding issues that have been brought to our attention. Chief Patton said we have had complaints of increased speeding on Bowden Street and Grove Road. Chief Patton said he has researched and said there are two options; initiated ticket signs or raised speed tables. Chief Patton said we think the speed tables are a better option and discussion took place why opposed to the initiated ticket signs.

Councilman Greer asked Chief to explain the option on the signs that initiate speeding tickets. Chief Patton replied there is a law on writing tickets in speed limits of 10 mph over the posted limit and discussion took place. The speed was increased twelve years ago from 25 to 35 mph on Grove Road as part of radar certification. Attorney Andy Welch asked Chief if we have inquired about reducing speed limit. Chief Patton said he has requested and has been denied. Attorney Andy Welch suggested the Chief to submit another request for reducing the limit.

Councilman Greer said he thinks the presence of our officers would make a difference and Chief replied we do have officers patrol that road. Discussion took place. Attorney Andy Welch said the speed tables seem to be a 24/7 slowing device and the better option versus the sign is an attempt to lower speeding. Mr. Young said the speed tables are about \$4,000 each. Discussion took place and we will try this option first. Nothing further.

Councilman Boone asked if the vendors hosting training charges a fee to attend. Chief Patton replied yes; however, not for City employees. We also received a grant from ATSSA for \$4,500.00 for hosting events. Nothing further.

PUBLIC WORKS – JACK ROSE –

Public Works Director Jack Rose gave an update his department is continuing with general maintenance. Further, normal repairs for water leaks, and continuing with grass cutting and street maintenance. Nothing further.

ADMINISTRATION – TIM YOUNG

City Manager Tim Young passed out the draft cemetery regulations regarding the scatter garden is in early stages and will be discussing fees, etc. at the next workshop meeting. Attorney Andy Welch said we can charge whatever the current internment fee is unless you want to change that fee. Mr. Young said we would like to change the fee.

Councilman Hammock said he suggests we change the fee since the City will maintain. Discussion took place. Nothing further.

Mr. Young proceeded with discussion on other items.

- **SDS (Service Delivery Strategy) Update-** City Manager Tim Young gave an update to remind everyone this meeting is Thursday at 9:00AM at the Henry County Administration Building. The main point is tax equity (who pays for what services) and not duplicating services in County and Cities. Attorney Andy Welch said discussion will take place on Police, Fire, Roads, and Parks and Recreation. Further, Attorney Andy Welch reviewed the SDS process so that the public has a clearer understanding on the process. Nothing further.
- **Transportation Projects Update** – Mr. Young gave an update we should be receiving plans soon for Peeksville Road improvements. After meetings with GDOT we should have a good plan in place for the Bill Gardner project. We are asking for a waiver from GDOT for the signal at Market Place and Hwy 42 and should be able to move forward with that soon. Nothing further.
- **Rezoning of water tanks to TCU in August** – Mr. Young said we are requesting to zone all water tanks to TCU (Transportation Communication Utilities) versus currently zoned RA. This will be brought back in August. Nothing further.

COMMUNITY DEVELOPMENT OPERATIONS – BERT FOSTER

- **Special Event Request – Haven House casino night fundraiser – October 5, 2019** – Mr. Foster said this is a request from Katie Tucker, of the Flint Circuit Council on family violence on behalf of Haven House. This will be held at the Locust Grove Event Center and the applicant is present tonight to answer any questions.

Councilman Greer said he has read statistics on domestic violence which stated statistics showing 55% [domestic violence incidents] are alcohol related and asked if alcohol will be served at this event. Councilman Greer asked if the Haven House is a shelter for women and children of domestic abuse.

The applicant; Katie Tucker, stepped forward to reply. Mrs. Tucker confirmed by replying yes to Councilman Greer's questions.

Councilman Boone asked Mrs. Tucker why they are serving alcohol. Mrs. Tucker replied the Board of Directors has deemed them to do so and said some research has found there is not a correlation between the two [alcohol and domestic abuse]. Mrs. Tucker said the alcohol is not a free service; there is a charge to those who choose to drink. Mrs. Lucinda Wirt; President of the Haven House, stepped forward and said participants pay a fee to attend and in the past, have raised over \$30,000 with 100 percent of the proceeds being used for the victims of domestic violence. Nothing further.

- **Review of the preliminary plat for a proposed R-2 subdivision along South Bethany Road** – Mr. Foster said this is was approved in April 2019; however, the initial plat that Council approved has changed. Mr. Foster reviewed the revisions including relocating the entrance further south as well as reducing the lot count from 50 to 47. The applicant is also adding a north/south connection to the street network on the eastern side of the subdivision.

Councilman Boone asked if the retention pond is in the front because of the land outlay. Mr. Foster replied yes. Discussion took place about cluster boxes being covered. Mr. Foster said he will confirm. Attorney Andy Welch said this item will come back as a final plat approval and said that can be specified at that time. Nothing further.

Community Development Director Bert Foster gave an update his department has issued 1058 permits in 2019 including 230 new single-family house permits and 230 CO's. Building and land disturbance is ongoing in various locations and new development activity underway in several subdivisions. The plans are under second review for the Havenwood Grove senior community, and we received the first reviews for the Waffle House near LaQuinta Inn. The Community Development office remodel is on schedule and going well. Nothing further.

ARCHITECTURAL REVIEW BOARD (ARB) –

- 5. Architectural plans submitted for Starbucks/Urgent Care Building at 4837 Bill Gardner Parkway –** Mr. Foster said the applicant; GDP of Akron, Ohio, submitted architectural plans for a proposed dual-tenant commercial building. Mr. Foster said the representative from the architectural firm is present.

Councilman Greer said the lot seems small and asked if that location will be enough to accommodate the additional traffic. Mr. Young said there will eventually be a raised median in that area. Mr. Foster said the building will sit far back enough to allow for drive through vehicles to not interfere.

Councilman Boone asked how many the urgent care is looking to serve, and Mr. Foster replied the ordinance requires six parking spaces per each practitioner. Discussion took place regarding Starbucks parking that per every three tables should equal one parking space. Nothing further.

CITY MANAGER'S COMMENTS - NONE

MAYOR'S COMMENTS- NONE

EXECUTIVE SESSION – Property Acquisition and Potential Litigation

Mayor Price asked for a motion to enter executive session. Councilman Boone made the motion with second by Councilman Greer. All in favor and motion carried. Council entered executive session at 7:48 PM.

Mayor Price asked for a motion to reconvene to regular session from executive session at 8:34PM. Councilman Greer made the motion with second by Councilman Boone. All in favor and motion carried.

ADJOURNMENT-

Mayor Price asked for a motion to adjourn. Councilman Taylor made the motion to adjourn.

RESULT	ADOPTED
MADE MOTION	COUNCILMAN TAYLOR
2 ND MOTION	COUNCILMAN GREER
VOTE	MOTION CARRIED - ALL IN-FAVOR MEETING ADJOURNED @ 8:34 PM.

Notes taken by:

Misty Spurling, City Clerk



Administration Department

P. O. Box 900
Locust Grove, Georgia 30248

Phone: (770) 957-5043
Facsimile (770) 954-1223

Item Coversheet

Item: FY 2018 Audit Review

Action Item: Yes No

Public Hearing Item: Yes No

Executive Session Item: Yes No

Advertised Date: N/A

Budget Item: Yes, all funds – Governmental and Business Activities

Date Received: August 1, 2019

Workshop Date: N/A

Regular Meeting Date: August 5, 2019

Discussion:

Attached is the Draft Audit for Fiscal Year 2018, ended December 31, 2018. The following items are included in the audit for emphasis: 1) Net Position increased \$1.4 million with nearly a quarter of that attributed to development; 2) Over 40% is expended for Public Safety and courts; 3) Business Activities increased by nearly \$2.5 million – a bulk of that being from development related charges and new growth; 4) Sanitation is losing slightly in terms of Expenses over Revenues; 5) Deficiencies noted are for items we are continuing to address related to new budgeting methods to separate Capital and M/O expenditures as well as better reporting of our year end transition in figures to prevent unnecessary adjustments and correcting journal entries.

Please note that there was a transition within our Auditing Team over the life of this audit. John Thomas left WHTCPA for work in the Entertainment industry. Newer staff were charged with the completion with the audit, with transitional items that explains for part of the delay in reporting.

Recommendation:

Discussion at this time. These are to be sent to DOAA and DCA per their requirements.

CITY OF LOCUST GROVE, GEORGIA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

With Independent Auditors' Report Thereon

DRAFT

**CITY OF LOCUST GROVE, GEORGIA
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-14
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	16-17
STATEMENT OF ACTIVITIES	18
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS	21
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET (GAAP) AND ACTUAL - GENERAL FUND	23
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	24-25
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	26
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	27-28
NOTES TO FINANCIAL STATEMENTS	29-47
REQUIRED SUPPLEMENTAL INFORMATION	
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS	49
SCHEDULE OF CONTRIBUTIONS	50
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	51-52
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	54
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	55
<u>GENERAL FUND</u>	
BALANCE SHEET	56
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	57

**CITY OF LOCUST GROVE, GEORGIA
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

	<u>Page</u>
<u>SPECIAL REVENUE FUNDS</u>	
CONFISCATED ASSETS SPECIAL REVENUE FUND BALANCE SHEET	58
CONFISCATED ASSETS SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	59
HOTEL/MOTEL SPECIAL REVENUE FUND BALANCE SHEET	60
HOTEL/MOTEL SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	61
<u>CAPITAL PROJECTS FUNDS</u>	
DEVELOPMENT IMPACT SPECIAL REVENUE FUND BALANCE SHEET	62
DEVELOPMENT IMPACT SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	63
SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND BALANCE SHEET	64
SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	65
<u>ENTERPRISE FUNDS</u>	
<i>WATER/SEWER ENTERPRISE FUND:</i>	
STATEMENT OF NET POSITION	66-67
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	68
STATEMENT OF CASH FLOWS	69
<i>SOLID WASTE MANAGEMENT FUND:</i>	
STATEMENT OF NET POSITION	70
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	71
STATEMENT OF CASH FLOWS	72
<i>STORMWATER MANAGEMENT FUND:</i>	
STATEMENT OF NET POSITION	73
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	74
STATEMENT OF CASH FLOWS	75
OTHER REPORTING SECTIONS	
INDEPENDENT AUDITORS' 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	77-79
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX	80

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Locust Grove, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Locust Grove, Georgia (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the index to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Locust Grove, Georgia as of December 31, 2018, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-14 and the required supplementary information on pages 49-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Locust Grove, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the special purpose local option sales tax report 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 and 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 fund financial statements and schedules, and the special purpose local option sales tax report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2019 on our consideration of the City of Locust Grove, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Locust Grove, Georgia's internal control over financial reporting and compliance.

July 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

The management of the City of Locust Grove provides this Management's Discussion and Analysis for readers of the City's financial statements for the year ended December 31, 2018. The purpose of this narrative is to provide readers of these financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Locust Grove. This narrative overview of the City's financial activities should be read in conjunction with the information included in the notes to the financial statements.

Financial Highlights

- The assets of the City of Locust Grove exceeded its liabilities at December 31, 2018 by \$32,598,643 (reported as "Net Position"). Of this amount \$3,616,761 is unrestricted.
- The total net position increased by \$3,925,042.
- As of the close of the current fiscal year, the City of Locust Grove's governmental funds reported combined ending fund balances of \$5,986,134, an increase of \$1,413,409 in comparison with the prior year. Of this amount \$3,704,942 is unassigned and available for spending and \$1,723,176 is restricted for capital projects and other specific future uses.
- At the end of the current year, unassigned fund balance for the general fund was \$3,704,942, which is 80 percent of total General Fund expenditures for the year ending December 31, 2018.
- The City of Locust Grove's total debt obligations (including accrued compensated absences) decreased by \$1,187,982 to a total of \$6,103,136 as of year-end. The City made principal payments during the year on its long-term debt of \$707,204.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Locust Grove. The financial statements of the City of Locust Grove comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

Government-wide financial statements

The focus of the government-wide financial statements is on the overall financial position and the activities of the City of Locust Grove. The government-wide financial statements include the statement of net position and the statement of activities, and are designed to provide readers with a broad overview of the City of Locust Grove's finances, in a manner similar to a private-sector business. These statements include all assets and liabilities using the accrual basis of accounting. Accrual of the current year's revenues and expenses is taken into account regardless of when cash is received or paid.

Statement of Net Position

The statement of net position (pages 16-17) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The City's net position, which is the difference between assets (what the citizens own), and liabilities (what the citizens owe), is one way to measure the City's financial 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. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and utility systems) must be considered to assess the overall health of the City.

Statement of Activities

The statement of activities (page 18) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

Governmental activities – Most of the City's basic services are reported under this category. These services include police, infrastructure maintenance, parks and recreation, and general administration. Taxes, fines/forfeitures and intergovernmental revenues (governmental activities) finance most of these activities.

Business-type activities – The City charges fees to customers to offset most of the cost of certain services it provides. The City's utility and solid waste services are reported under this category.

Fund financial statements

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law. The City of Locust Grove uses two categories of funds: governmental funds and proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

In fund financial statements, information is presented in separate columns for each of the major funds. Data from non-major funds are combined into a single, aggregated column for presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements beginning on page 54.

Governmental funds

Most of the City's basic governmental activities reported in the government-wide statements are accounted for in governmental funds, which focus on how money flows into and out of the funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation beside the fund financial statements.

In addition to the General Fund, which is considered a major fund, the City of Locust Grove maintains one additional major fund, the SPLOST Capital Projects Fund.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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 financial decisions. An analysis of the balance that reconciles the two statements is provided at the bottom of each statement.

Proprietary funds

When the City charges customers for the full or partial cost of the services it provides (whether to outside customers or to other units of the City), these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities, using the accrual basis of accounting. Enterprise funds are a type of proprietary fund used to account for functions reported as business-type activities in the government-wide statements. The City uses three enterprise funds to account for separate business-type activities, which are reported in the basic proprietary fund financial statements, on pages 24-28 of this report. The City of Locust Grove uses enterprise funds to account for its water and sewer, storm water, and solid waste functions. The Water and Sewer Utility is considered a major fund.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-47 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combined financial statements for non-major funds described earlier. Individual fund statements and schedules are presented following the required supplementary information. These statements and schedules contain much more detailed financial information about individual services or divisions of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

This report includes two schedules on pages 20 and 22 that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on the fund financial statements.
- Certain revenues that are earned, but not available, are reported as revenue on the government-wide statement, but are reported as unearned revenue on the fund financial statements.
- Unless due and payable, long-term liabilities appear only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Repayment of debt principal reduces a liability on the government-wide statements, but is an expenditure on the fund financials.
- Some expenses reported in the government-wide statements represent increases in liabilities on the government-wide statements but are not reported as expenditures in governmental funds because they do not require the use of current financial resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Locust Grove, assets exceeded liabilities by \$32,598,643 as of December 31, 2018. The following table provides a summary of the City's governmental and business-type net position for the year ending December 31, 2018.

CITY OF LOCUST GROVE, GEORGIA
NET POSITION AS OF DECEMBER 31, 2018 AND 2017
(IN THOUSANDS)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 6,232	\$ 4,947	\$ 3,912	\$ 3,030	\$ 10,145	\$ 7,977
Capital assets	14,543	14,352	17,647	17,832	32,189	32,184
Total assets	20,775	19,299	21,559	20,862	42,334	40,161
Deferred outflows of resources	198	127	31	44	228	170
Current liabilities	610	715	1,144	1,035	1,755	1,749
Long-term liabilities	623	602	7,394	9,178	8,016	9,780
Total liabilities	1,233	1,317	8,538	10,212	9,771	11,528
Deferred inflows of resources	167	103	26	26	193	129
Net investment in capital assets	14,463	14,352	11,913	11,574	26,376	25,926
Restricted net position	2,085	1,604	521	508	2,606	2,113
Unrestricted net position	3,025	2,050	592	(1,415)	3,617	635
Total net position	\$ 19,573	\$ 18,006	\$ 13,026	\$ 10,668	\$ 32,599	\$ 28,674

The largest portion of the City's net position as of December 31, 2018 (81%) reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment and the street and sidewalks). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

CITY OF LOCUST GROVE, GEORGIA
CHANGE IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(IN THOUSANDS)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 2,131	\$ 1,475	\$ 5,708	\$ 4,336	\$ 7,839	\$ 5,811
Operating grants	91	79	-	-	91	79
Capital grants	845	763	-	-	845	763
General revenues:						
Taxes	4,355	3,690	-	-	4,355	3,690
Interest and investment earnings	8	5	1	1	9	6
Other	145	81	6	3	151	85
Total revenues	7,574	6,092	5,715	4,340	13,289	10,433
Expenses						
General government	1,456	1,329	-	-	1,456	1,329
Judicial	319	313	-	-	319	313
Public safety	2,229	2,208	-	-	2,229	2,208
Public works	1,001	819	-	-	1,001	819
Parks and recreation	29	69	-	-	29	69
Community development	968	852	-	-	968	852
Water and sewer utility	-	-	2,754	3,144	2,754	3,144
Solid waste	-	-	405	421	405	421
Storm water utility	-	-	198	193	198	193
Total expenditures	6,002	5,590	3,357	3,758	9,359	9,348
Change in net position	1,573	502	2,358	582	3,931	1,085
Net position, beginning of year (restated)	18,006	17,504	10,668	10,085	28,674	27,589
Net position, end of year	\$ 19,579	\$ 18,006	\$ 13,026	\$ 10,667	\$ 32,605	\$ 28,673

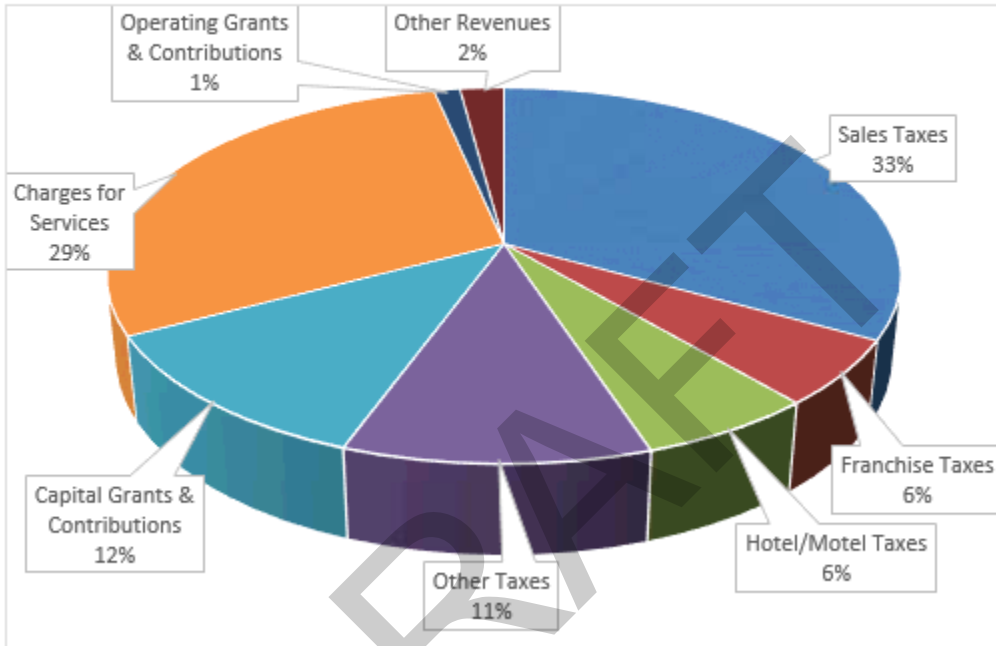
MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Governmental Activities

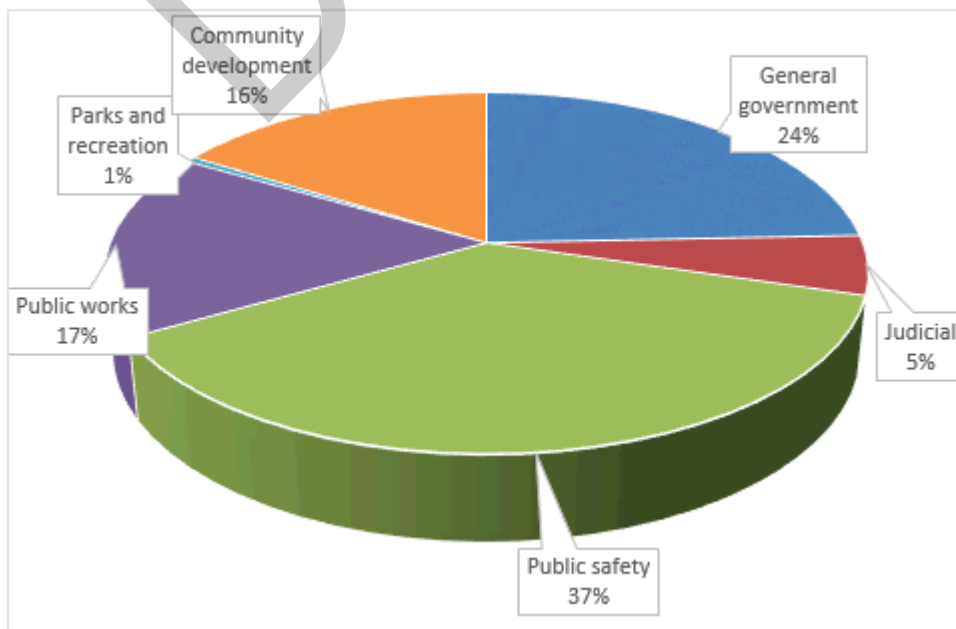
Governmental Activities increased the City's net position by \$1,407,913. Key elements of this increase were as follows:

- An increase of approximately \$239,000 in licenses and permits from the prior year.

Revenue by Source, Governmental Activities



Expenditures by Program, Governmental Activities



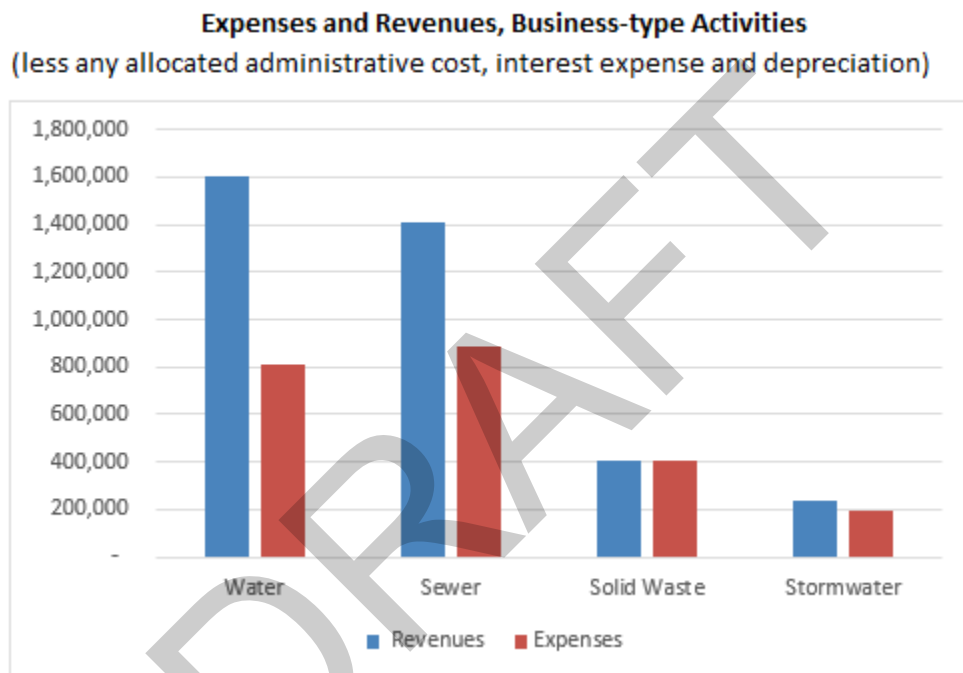
MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Business-type Activities

Operations of business-type activities increased the City's net position by \$2,357,847. Key elements of this increase were as follows:

- Revenues from business type activities increased approximately \$1,374,000.
- Expenses from business-type activities decreased approximately \$391,000.

Total revenues and expenses by funds (less interest, depreciation and allocated costs) were as follows by fund:



Financial Analysis of the Government's Individual Funds

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

Governmental funds

The City uses governmental funds 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, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current year, the City's General Fund reported an ending fund balance of \$3,733,680 an increase of \$759,048 or 25% in comparison with the prior year. Approximately 99% of this amount (\$3,704,942) constitutes an unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is in a non-spendable form.

Review pages 56-57 for additional information on the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Special Revenue Funds

- Confiscated Assets Fund: The City created this fund to account for assets obtained by the City as a result of investigations into illegal drug activities. As of December 31, 2018 this fund had a fund balance of \$158, which is restricted for police activities.
- Hotel/Motel Tax Fund: The Hotel/Motel Tax Fund receives revenues from taxes on hotels and motels within the City. 43.75% of these revenues must be paid to the Henry County Chamber of Commerce for tourism and promotional purposes. The fund balance for this fund was \$529,140 and \$458,026 at December 31, 2018 and 2017, respectively.

Review pages 58-61 for additional information on the Special Revenue funds

Capital Projects Fund

- SPLOST Fund: The City has one Special Purpose Local Option Sales Tax fund for the purpose of funding capital projects. These funds were voted on by the citizens of Henry County, Georgia and are passed to the City of Locust Grove by way of an intergovernmental agreement. The fund balance for this fund was \$931,018 and \$707,199 at December 31, 2018 and 2017, respectively.
- Development Impact Fund: The Development Impact Fund collects revenues generated through a Fee Ordinance approved by the City Council. The City uses these fees to fund major capital improvements for parks, police and streets. The fund balance for this fund was \$792,158 and \$438,206 at December 31, 2018 and 2017, respectively. The recent return to near-normal construction from the recent recessionary levels means that more funds will be made available for capital projects.

Review pages 62-65 for additional information on the Capital Project Fund.

Proprietary Funds

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

2018 net position of the City's three proprietary funds are as follows:

Water and sewer:	\$ 12,317,877
Solid waste utility:	\$ 163,770
Storm water utility:	\$ 543,913

The increase in net position for the funds was approximately \$2,358,000, which is a 22% change from the prior year. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's Business-type activities.

Review pages 66-75 for additional information on the Enterprise funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities was \$32,189,401 and \$32,183,917 (net of accumulated depreciation) at December 31, 2018 and 2017. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and distributions systems for water/sewer and storm water management.

During the year ended December 31, 2018, the City invested \$1,339,625 in new capital assets. Investment for business-type activities was \$597,119, while \$674,822 governmental activities. Major capital asset events during the current year ended December 31, 2018 included the following:

Governmental activities:

Buildings and improvements	\$ 48,548
Improvements other than building	\$ 381,483
Machinery and equipment	\$ 63,436
Vehicles and related equipment	\$ 181,355

Business-type activities:

Other improvements	\$ 29,738
Machinery and equipment	\$ 567,381

More information on capital assets may be found in the Note 6 to the Financial Statements on pages 37-38 of this report.

Debt Administration

At the end of the current fiscal year, the City had \$6,210,000 outstanding Water and Sewerage Refunding Revenue Bonds, Series 2016, with an interest rate of 2%. The bonds refunded the previous Series 2013 bonds which financed improvements in water/sewer infrastructure. The City also had two outstanding notes payable related to equipment. The total liability related to these notes payable at year-end was \$163,763.

More information on long-term debt may be found in the Note 8 to the Financial Statements on pages 39-40 of this report.

Economic Factors and Next Year's Budget

- Population and growth in utility customers has been tremendous in the past year, with estimates over 10% in growth due to over 400 new homes and nearly 3,000 total utility customers. Rates of growth in this area are now back to the rates for Henry County as a whole in the 1990s, when the county was one of the top tier in population growth. Interestingly, the growth in unincorporated Henry County has been very modest due mainly to the lack of available lots for construction. It is projected the City of Locust Grove will surpass Hampton to become the 3rd largest city in the county by the end of the decade.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Economic Factors and Next Year's Budget (Continued)

- Inflationary trends in the region continue to compare favorably to national indices, with more volatility in swings either up or down due to dependency on volatile fuel costs and the considerable distance from the Atlanta Region Core, with construction costs markedly higher due to continued reduced competition since the Great Recession. Transportation and other large public works projects have some of the greatest variability between estimates and pricing.
- New large-scale commercial and industrial permits continued to increase in 2018, with considerable interest on development of the northern and western quadrants of the I-75 and Bill Gardner Interchange. Industrial development will soon outpace most other nonresidential development for the next several years in overall square footage, especially northward along I-75 towards Bethlehem Road where a new interchange is proposed.
- Building permits for residential construction accelerated in 2018 well beyond Pre-Recession levels. Many undeveloped lots purchased in the past several years are now under construction and will continue further as interest rates and relative price advantages to other parts of the region continue to hold true throughout the rest of this decade.
- The unemployment rate for the City of Locust Grove continues to compare reasonably between the state and regional rates, with the rate declining nearly in line with the Atlanta Regional Commission area, especially in a post-recovery boom period.
- The biggest challenge in terms of employment is the availability of a trained workforce that's ready for work. This has been noted in prospective industrial tenants as well as our own needs for employees for various skilled and unskilled functions.
- The occupancy rate of the City's downtown area is now nearly 100%, including redevelopment of several storefronts into office and restaurant uses.
- Tourism increased in 2018 due to the national recovery and due to completed construction of the Express Lanes on I-75 north of the City, helping Hotel/Motel tax revenues increase during 2018. The City also saw the final construction of the new Hampton Inn that opened in early 2019 as well as a new Fairfield Inn and Suites to open in late Summer 2019. Hotel/Motel revenues should continue to increase over the next several years as the exit continues to grow and develop as a tourist stop/destination.
- The City entered into renegotiations of the Service Delivery Strategy agreement between Henry County and the other incorporated cities as part of the adoption of a new Comprehensive Plan Update which may require the use of Special Tax Districts to fund services in either the county or the city. The cities and county have yet to reach a settlement and are currently in mediation in accordance with state law. Impacts should be positive for the cities in terms of more favorable tax treatment, although the final outcome remains to be seen.
- Collections for LOST and SPLOST continue to increase; however, at a decreasing rate as alternative retail chain options such as Amazon cause erosion in the overall retail industry. New construction of region-serving retail and entertainment within Henry County should benefit all jurisdictions' shares in those revenue streams; however, continued erosion in brick and mortar retail continue to hinder large-scale retail projects that were proposed in the Stockbridge area as well as originally proposed in the city over a decade ago. The rapid growth in population with new housing may bring enough critical mass for larger retail offerings in the future.
- The City's LOST percentage increased in 2017 and will remain the same share through 2022. Given a conservative increase in total Henry County sales, it is expected that collections will be over \$500,000 higher from the previous 10-year period of collection and distribution.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF LOCUST GROVE, GEORGIA
(Unaudited)

Economic Factors and Next Year's Budget (Continued)

- SPLOST IV collections under the new intergovernmental agreement began in April 2014. These proceeds will continue to be collected through March 2020 and provide much needed financing for improvements to the City's infrastructure. Major projects include renovations to the existing City Hall (Roofing and Soffit repair completed in 2017), the new Public Safety Complex (supplemented by General Fund balance), and transportation improvements citywide (supplemented by LMIG). Collections remain above the initial conservative projections, but most of the City's collections must pay off bonds for the Public Safety Building for the next couple of years before additional funds collected are distributed for use.
- SPLOST V is proposed for a continuation of the existing SPLOST with a different scope of projects. It remains to be seen if this vote by the public will be positive given the history of SPLOST votes within the county. This could cause deferred activity in capital spending for at least a year should a failure occur.
- Collections from Utilities into the Enterprise Funds increase steadily as part of overall growth and development of the City along with automatic 2% increases in January and July of each calendar year. Continued increases at this rate is a challenge due to rates rising above parity with surrounding jurisdictions.
- More funds will be needed for basic road maintenance and meeting congestion needs over the coming decades to replace pavement within the recently-developed subdivisions as they age. The City seeks to find additional funding from HB 170 to assist with some of this growing need, as well as the possibility of future funding options from fractional sales tax votes within Henry County and its cities (T-SPLOST). We are embarked on a proposal to spend over \$1 million in General Fund for the enhancement of transportation along Bill Gardner Parkway in the next year.
- The City added several new positions to a few of the administrative departments due to growth and the anticipated future positive revenues, including Administration and Community Development. Meeting the demand is partially met with Administrative Charges to Enterprise funds: (Hotel/Motel, Water and Sewer, Sanitation, and Stormwater) in the provision of HR and Payroll, IT/Telephone, etc. Additional positions will be needed in Administration and Community Development as well as Public Safety as the rate of population and development increases.
- As part of continuing staff development, we have increased training on the computerized financial system (including additional on-site training with an accounting expert a minimum of three times per year) as well as more accounting training for our City Clerk and Assistant City Clerk through off-site training with Tyler Technologies and/or online training via the Carl Vinson Institute on Financial Management. We are continuing the effort to expand to more employees, especially new hires.
- These factors were considered in preparing the City of Locust Grove's budget for FY 2019.

Requests for Information

This financial report is designed to provide a general overview of the City of Locust Grove's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 957-5043 or at the following address: City of Locust Grove Finance Department P.O. Box 900, Locust Grove, Georgia 30248-0900.

Basic Financial Statements

DRAFT

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary government		
	Governmental activities	Business-type activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,320,951	\$ 2,500,470	\$ 8,821,421
Restricted assets			
Cash	-	520,791	520,791
Receivables, net			
Taxes	453,937	-	453,937
Accounts	-	264,894	264,894
Fines	83,392	-	83,392
Internal balances	(625,933)	625,933	-
Prepaid items	80	-	80
Total current assets	6,232,427	3,912,088	10,144,515
Noncurrent assets:			
Capital assets			
Nondepreciable	2,693,064	1,423,964	4,117,028
Depreciable, net	11,849,592	16,222,781	28,072,373
Total noncurrent assets	14,542,656	17,646,745	32,189,401
Total assets	20,775,083	21,558,833	42,333,916
Deferred outflows of resources:			
Pension contributions subsequent to measurement date	38,985	6,034	45,019
Pension experience differences	131,125	20,299	151,424
Pension assumption changes	27,689	4,287	31,976
Total deferred outflows of resources	197,799	30,620	228,419

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary government		
	Governmental activities	Business-type activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 162,492	\$ 218	\$ 162,710
Accrued absences	363,841	29,762	393,603
Capital lease payable	-	24,321	24,321
Note payable	79,157	20,073	99,230
Other current liabilities	4,644	-	4,644
Liabilities payable from restricted assets			
Notes payable	-	585,000	585,000
Customer deposits payable	-	457,244	457,244
Interest payable	-	27,838	27,838
Total current liabilities	610,134	1,144,456	1,754,590
Noncurrent liabilities:			
Notes payable	-	5,124,533	5,124,533
Unearned revenue	-	2,062,397	2,062,397
Net pension liability	622,655	206,643	829,298
Total noncurrent liabilities	622,655	7,393,573	8,016,228
Total liabilities	1,232,789	8,538,029	9,770,818
Deferred inflows of resources:			
Pension experience differences	79,282	12,278	91,560
Pension investment return differences	81,060	12,554	93,614
Pension assumption changes	6,668	1,032	7,700
Total deferred inflows of resources	167,010	25,864	192,874
Net position:			
Net investment in capital assets	14,463,499	11,912,891	26,376,390
Restricted for:			
Public safety	158	-	158
Debt service	-	520,791	520,791
Capital outlay	1,723,176	-	1,723,176
Tourism	361,367	-	361,367
Unrestricted	3,024,883	591,878	3,616,761
Total net position	\$ 19,573,083	\$ 13,025,560	\$ 32,598,643

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program revenues			Net revenue (expenses)
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government					
Governmental activities					
General government	\$ 1,455,838	\$ 798,149	\$ 90,619	\$ -	\$ (567,070)
Judicial	318,996	-	-	-	(318,996)
Public safety	2,228,722	671,340	-	845,264	(712,118)
Public works	1,001,175	661,752	-	-	(339,423)
Parks and recreation	29,273	-	-	-	(29,273)
Community development	967,575	-	-	-	(967,575)
Interest on long-term debt	5,497	-	-	-	(5,497)
Total governmental activities	6,007,076	2,131,241	90,619	845,264	(2,939,952)
Business-type activities:					
Water and sewer utility	2,753,987	5,067,765	-	-	2,313,778
Solid waste	405,168	402,159	-	-	(3,009)
Storm water utility	197,784	237,891	-	-	40,107
Total business-type activities	3,356,939	5,707,815	-	-	2,350,876
Total primary government	\$ 9,364,015	\$ 7,839,056	\$ 90,619	\$ 845,264	\$ (589,076)
		Primary government			
		Governmental activities	Business-type activities	Total	
Change in net position					
Net (expense) revenue	\$ (2,939,952)	\$ 2,350,876	\$ (589,076)		
General revenues					
Taxes:					
Property	25,937	-	25,937		
Sales	2,400,220	-	2,400,220		
Insurance premium	415,428	-	415,428		
Occupational	177,034	-	177,034		
Franchise	442,394	-	442,394		
Intangible	48,644	-	48,644		
Alcohol excise	397,740	-	397,740		
Hotel/motel	447,127	-	447,127		
Interest and investment earnings	7,632	1,164	8,796		
Miscellaneous	144,991	5,807	150,798		
Total general revenues and transfers	4,507,147	6,971	4,514,118		
Change in net position	1,567,195	2,357,847	3,925,042		
Net position, beginning of year	18,005,888	10,667,713	28,673,601		
Net position, end of year	\$ 19,573,083	\$ 13,025,560	\$ 32,598,643		

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

CITY OF LOCUST GROVE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor governmental funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 4,147,236	\$ 931,018	\$ 1,242,697	\$ 6,320,951
Receivables, net				
Taxes	377,219	-	76,718	453,937
Fines	83,392	-	-	83,392
Due from other funds	-	-	1,941	1,941
Prepaid items	-	-	80	80
Total assets	<u>\$ 4,607,847</u>	<u>\$ 931,018</u>	<u>\$ 1,321,436</u>	<u>\$ 6,860,301</u>
LIABILITIES				
Accounts payable	\$ 162,492	\$ -	\$ -	\$ 162,492
Due to other funds	627,874	-	-	627,874
Notes payable	79,157	-	-	79,157
Other liabilities	4,644	-	-	4,644
Total liabilities	<u>874,167</u>	<u>-</u>	<u>-</u>	<u>874,167</u>
Fund balances:				
Nonspendable prepaid items	-	-	80	80
Assigned for tourism	-	-	167,673	167,673
Restricted for:				
Capital projects	-	931,018	792,158	1,723,176
Public Safety	-	-	158	158
Tourism	-	-	361,367	361,367
Committed for cemetery	28,738	-	-	28,738
Unassigned	3,704,942	-	-	3,704,942
Total fund balances	<u>3,733,680</u>	<u>931,018</u>	<u>1,321,436</u>	<u>5,986,134</u>
Total liabilities and fund balances	<u>\$ 4,607,847</u>	<u>\$ 931,018</u>	<u>\$ 1,321,436</u>	<u>\$ 6,860,301</u>

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

**CITY OF LOCUST GROVE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Total fund balance, total governmental funds \$ 5,986,134

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

Some assets are not financial resources and, therefore, are not reported in the funds.

These are:

Capital assets	18,779,145	
Less: accumulated depreciation	<u>(4,236,489)</u>	14,542,656

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Net pension liability		(622,655)
Compensated absences		<u>(363,841)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

These are:

Deferred outflows of resources:		
Pension contributions subsequent to measurement date	38,985	
Pension experience differences	131,125	
Pension assumption changes	27,689	
Deferred inflows of resources:		
Pension experience differences	(79,282)	
Pension investment return differences	(81,060)	
Pension assumption changes	<u>(6,668)</u>	<u>30,789</u>

Net position of governmental activities \$ 19,573,083

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor governmental funds</u>	<u>Total</u>
REVENUES				
Taxes	\$ 3,585,119	\$ -	\$ 447,128	\$ 4,032,247
Licenses and permits	763,374	-	-	763,374
Fines, fees and forfeitures	671,340	-	-	671,340
Rental income	34,775	-	-	34,775
Charges for services	92,849	-	568,903	661,752
Intergovernmental	90,619	820,173	-	910,792
Interest	7,126	25,091	506	32,723
Other	144,991	-	-	144,991
Total revenues	<u>5,390,193</u>	<u>845,264</u>	<u>1,016,537</u>	<u>7,251,994</u>
EXPENDITURES				
Current:				
General government	565,286	569,755	-	1,135,041
Judicial	317,869	-	-	317,869
Public safety	1,806,993	-	-	1,806,993
Public works	874,059	-	-	874,059
Parks and recreation	29,273	-	-	29,273
Community development	542,317	-	376,108	918,425
Capital expenditures	489,852	51,690	215,383	756,925
Total expenditures	<u>4,625,649</u>	<u>621,445</u>	<u>591,491</u>	<u>5,838,585</u>
Net change in fund balance	764,544	223,819	425,046	1,413,409
Fund balances, beginning of year	<u>2,974,632</u>	<u>707,199</u>	<u>896,390</u>	<u>4,578,221</u>
Fund balances, end of year	<u>\$ 3,739,176</u>	<u>\$ 931,018</u>	<u>\$ 1,321,436</u>	<u>\$ 5,991,630</u>

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

**CITY OF LOCUST GROVE, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - total governmental funds \$ 1,413,409

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

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

Capital outlays	742,504	
Depreciation	<u>(542,973)</u>	199,531

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of disposed assets	24,995	
Related accumulated depreciation	<u>(15,969)</u>	9,026

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	157,840	
Cost of benefits net of employee contributions	<u>(203,418)</u>	(45,578)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Principal payments on notes payable	76,456	
Compensated absences	<u>(85,649)</u>	<u>(9,193)</u>

Change in net position of governmental activities \$ 1,567,195

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,707,250	\$ 4,515,340	\$ 3,585,119	\$ (930,221)
Licenses and permits	796,730	594,130	763,374	169,244
Fines, fees and forfeitures	757,500	762,500	671,340	(91,160)
Rental income	36,000	15,000	34,775	19,775
Charges for services	101,500	94,000	92,849	(1,151)
Intergovernmental	100,000	100,000	90,619	(9,381)
Interest	3,550	5,150	7,126	1,976
Other	137,100	28,500	144,990	116,490
Total revenues	<u>5,639,630</u>	<u>6,114,620</u>	<u>5,390,192</u>	<u>(724,428)</u>
EXPENDITURES				
Current:				
General government	139,900	152,900	113,420	(39,480)
Financial administration	873,925	692,250	451,118	(241,132)
Municipal court	356,450	350,350	317,869	(32,481)
Police	2,309,650	2,088,000	1,806,993	(281,007)
Highway and streets	1,128,030	944,100	871,008	(73,092)
Fleet maintenance	6,725	7,080	3,051	(4,029)
Parks and recreation	113,000	174,500	29,273	(145,227)
Community development	631,750	550,540	542,317	(8,223)
Maintenance and repairs	47,050	47,550	6,245	(41,305)
Capital expenditures	-	-	489,852	489,852
Total expenditures	<u>5,606,480</u>	<u>5,007,270</u>	<u>4,631,146</u>	<u>(376,124)</u>
Excess of revenues over expenditures	33,150	1,107,350	759,046	(348,304)
Fund balances, beginning of year	<u>2,974,632</u>	<u>2,974,632</u>	<u>2,974,632</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,007,782</u>	<u>\$ 4,081,982</u>	<u>\$ 3,733,678</u>	<u>\$ (348,304)</u>

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type activities			Total
	Water and sewer	Solid waste	Storm water management	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,331,566	\$ -	\$ 168,904	\$ 2,500,470
Restricted assets:				
Cash and cash equivalents	520,791	-	-	520,791
Accounts receivable, net	213,942	34,893	16,059	264,894
Due from other funds	163,315	147,745	314,873	625,933
Total current assets	<u>3,229,614</u>	<u>182,638</u>	<u>499,836</u>	<u>3,912,088</u>
Noncurrent assets:				
Capital assets				
Non-depreciable	1,423,964	-	-	1,423,964
Depreciable, net	16,012,905	-	209,876	16,222,781
Total noncurrent assets	<u>17,436,869</u>	<u>-</u>	<u>209,876</u>	<u>17,646,745</u>
Total assets	<u>20,666,483</u>	<u>182,638</u>	<u>709,712</u>	<u>21,558,833</u>
Deferred outflow of resources:				
Pension contributions subsequent to measurement date	4,243	482	1,309	6,034
Pension experience differences	14,273	1,623	4,403	20,299
Pension assumption changes	3,014	343	930	4,287
Total deferred outflows of resources	<u>21,530</u>	<u>2,448</u>	<u>6,642</u>	<u>30,620</u>
LIABILITIES				
Current liabilities:				
Accounts payable	218	-	-	218
Accrued absences	19,904	249	9,609	29,762
Capital lease payable	-	-	24,321	24,321
Note payable	-	-	20,073	20,073
Liabilities payable from restricted assets:				
Notes payable	585,000	-	-	585,000
Customer deposits	457,244	-	-	457,244
Interest payable	27,838	-	-	27,838
Total current liabilities	<u>1,090,204</u>	<u>249</u>	<u>54,003</u>	<u>1,144,456</u>

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type activities			Total
	Water and sewer	Solid waste	Storm water management	
Noncurrent liabilities:				
Net pension liability	\$ 139,349	\$ 18,999	\$ 48,295	\$ 206,643
Unearned revenue	2,062,397	-	-	2,062,397
Capital lease payable	-	-	-	-
Notes payable	5,060,000	-	64,533	5,124,533
Total noncurrent liabilities	7,261,746	18,999	112,828	7,393,573
Total liabilities	8,351,950	19,248	166,831	8,538,029
Deferred inflow of resources:				
Pension experience changes	8,633	982	2,663	12,278
Pension investment return differences	8,827	1,004	2,723	12,554
Pension assumption changes	726	82	224	1,032
Total deferred inflows of resources	18,186	2,068	5,610	25,864
Net position:				
Net investment in capital assets	11,791,869	-	121,022	11,912,891
Restricted for debt service	520,791	-	-	520,791
Unrestricted	5,217	163,770	422,891	591,878
Total net position	\$ 12,317,877	\$ 163,770	\$ 543,913	\$ 13,025,560

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Business-type activities</u>			<u>Total</u>
	<u>Water and sewer</u>	<u>Solid waste</u>	<u>Storm water management</u>	
Operating revenues:				
Charges for sales and services	\$ 5,067,765	\$ 402,159	\$ 237,891	\$ 5,707,815
Other	2,919	2,888	-	5,807
Total operating revenues	<u>5,070,684</u>	<u>405,047</u>	<u>237,891</u>	<u>5,713,622</u>
Operating expenses:				
Cost of sales and services	1,537,163	390,937	121,921	2,050,021
Salaries and benefits	340,095	14,231	50,954	405,280
Depreciation	760,870	-	21,269	782,139
Total operating expenses	<u>2,638,128</u>	<u>405,168</u>	<u>194,144</u>	<u>3,237,440</u>
Operating income (loss)	<u>2,432,556</u>	<u>(121)</u>	<u>43,747</u>	<u>2,476,182</u>
Non-operating revenues (expenses):				
Interest revenue	1,164	-	-	1,164
Interest expense	(115,859)	-	(3,640)	(119,499)
Total non-operating revenues (expenses)	<u>(114,695)</u>	<u>-</u>	<u>(3,640)</u>	<u>(118,335)</u>
Change in net position	2,317,861	(121)	40,107	2,357,847
Net position, beginning of year	<u>10,000,016</u>	<u>163,891</u>	<u>503,806</u>	<u>10,667,713</u>
Net position, end of year	<u>\$ 12,317,877</u>	<u>\$ 163,770</u>	<u>\$ 543,913</u>	<u>\$ 13,025,560</u>

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type activities			Total
	Water and sewer	Solid waste	Storm water management	
Cash flows from operating activities:				
Receipts from customers	\$ 3,914,716	\$ 397,565	\$ 237,891	\$ 4,550,172
Payments to suppliers	(1,558,724)	(386,222)	(116,815)	(2,061,761)
Payments to employees	(335,526)	(14,231)	(50,954)	(400,711)
Other receipts	2,919	2,888	-	5,807
Net cash provided by operating activities	<u>2,023,385</u>	<u>-</u>	<u>70,122</u>	<u>2,093,507</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(489,444)	-	(107,675)	(597,119)
Payments of bond principal	(565,000)	-	-	(565,000)
Proceeds from issuance of long-term debt	-	-	104,000	104,000
Principal payments of long-term debt	-	-	(42,969)	(42,969)
Interest paid	(118,646)	-	(3,640)	(122,286)
Net cash used in capital and related financing activities	<u>(1,173,090)</u>	<u>-</u>	<u>(50,284)</u>	<u>(1,223,374)</u>
Cash flows from investing activities:				
Interest received	1,164	-	-	1,164
Net cash provided by (used in) investing activities	<u>1,164</u>	<u>-</u>	<u>-</u>	<u>1,164</u>
Net increase in cash and cash equivalents	851,459	-	19,838	871,297
Cash and cash equivalents, beginning of year	<u>2,000,898</u>	<u>-</u>	<u>149,066</u>	<u>2,149,964</u>
Cash and cash equivalents, end of year	<u>\$ 2,852,357</u>	<u>\$ -</u>	<u>\$ 168,904</u>	<u>\$ 3,021,261</u>

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

CITY OF LOCUST GROVE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type activities			Total
	Water and sewer	Solid waste	Storm water management	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,432,556	\$ (121)	\$ 43,747	\$ 2,476,182
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	760,870	-	21,269	782,139
(Increase) decrease in assets:				
Accounts receivable	2,539	(4,594)	-	(2,055)
Due from other funds	(10,808)	3,245	(1,002)	(8,565)
Pension contributions	3,878	589	1,577	6,044
Pension experience	7,142	1,199	3,214	11,555
Pension investment returns	(3,014)	(343)	(930)	(4,287)
Increase (decrease) in liabilities:				
Accounts payable	(22,187)	-	-	(22,187)
Accrued absences	4,569	249	2,165	6,983
Customer deposits	86,048	-	-	86,048
Unearned revenue	(1,241,636)	-	-	(1,241,636)
Net pension liability	2,217	252	684	3,153
Pension investment return	(6,456)	(1,279)	(2,858)	(10,593)
Pension assumption changes	8,295	924	2,528	11,747
Pension assumption	(628)	(121)	(272)	(1,021)
Net cash provided by operating activities	\$ 2,023,385	\$ -	\$ 70,122	\$ 2,093,507
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	\$ 2,331,566	\$ -	\$ 168,904	\$ 2,500,470
Restricted assets				
Cash and cash equivalents	520,791	-	-	520,791
Total cash and cash equivalents	\$ 2,852,357	\$ -	\$ 168,904	\$ 3,021,261

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

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies

The City of Locust Grove, Georgia (the "City") was incorporated under the laws of the State of Georgia. The City operates under a council/mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, and general and administrative services. In addition, the City operates public utilities (water, sewer, solid waste and stormwater management) for the incorporated and immediate surrounding areas.

The City is governed by an elected mayor and a five-member council.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

Basis of Presentation, Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

Basis of Presentation, Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

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

SPLOST Capital Projects Fund – This fund is used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Henry County, Georgia through the special purpose local option sales tax referendum.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary fund:

Water and Sewer Fund - This fund is used to account for activities connected with the development, operation and maintenance of water and sewer services in the City.

Solid Waste Management Fund – This fund is used to account for the activities related to sanitation and recycling services provided to the residential and commercial users of the City.

Stormwater Management Fund – This fund is used to account for activities related to management of the flood plains within the City by maintaining natural and artificial water drainage within the city.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds – This fund type is used to account for financial resources to be use for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for the General Fund, Special Revenue Funds, and Enterprise Funds. The Capital Projects Fund is budgeted by the City Council when capital projects are approved. Annual operating budgets are adopted each fiscal year through approval by the Council. Before the end of each year, the City Manager submits a proposed budget for the upcoming year to the City Council for their review. Prior to adoption, a public hearing is held to receive comment from the citizenry on the proposed budget. This hearing

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

is publicized in the local newspaper one week before the hearing, and the budget document is made available for public inspection during this week. After the public hearing, the budget is then revised by the City Council and the first reading of the proposed budget is made. At the next City Council meeting, the second reading of the proposed budget is made and the City Council votes to adopt the proposed budget. The annual operating budget is adopted no later than December 31st for the following year.

The annual budgets for the General Fund and Special Revenue Funds are prepared in accordance with the basis of accounting utilized by that fund. The budgets for the Enterprise Funds are adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, non-operating income and expense items are not considered. All unencumbered budget appropriations, except project budgets, lapse at the end of each year.

The legal level of budgetary control is the departmental level. Any increases in total appropriations of a department require approval and amendment of the budget by the City Council. Except as indicated on the major fund budgetary comparison statement, budget amounts included in this report are as amended as of December 31, 2018.

Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet.

Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items. The cost of the prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the year ended December 31, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Prior to January 1, 2007, neither their historical

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

costs nor related depreciation had historically been reported in the financial statements. For entities the size of the City, retroactive reporting of infrastructure assets was not required.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Land and construction-in-progress are not depreciated. Other property, plant equipment, and infrastructure of the primary government with an original cost of \$3,500 or more are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

<u>Description</u>	<u>Life</u>
Buildings and improvements	25-50 years
Improvements other than buildings	20-40 years
Furniture and fixtures	10-20 years
Vehicles	3-5 years
Machinery and equipment	40-50 years
Infrastructure	40-50 years
Water tanks	40-50 years

All land improvements will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflow of resource for their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources related to their defined pension plan.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

Sometimes the government 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 is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds represent certain resources set aside for the repayment of revenue bonds because they are maintained in a separate bank account and their use is limited by applicable bond covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

Fund Balances – Governmental Funds

The City has implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, governmental funds report the following classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as non-spendable at December 31, 2018, by the City are non-spendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City’s highest level of decision making authority, which include the language “committed for the purpose of.” Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 120 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City’s adopted policy, amounts may be assigned by the City Manager, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year’s budget shall constitute assignments and are documented by adoption of the City’s annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as non-spendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

Long-Term Obligations

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

Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City’s deposits may not be returned. The City has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized. At December 31, 2018, the City had no uninsured, uncollateralized deposits.

Interest Rate Risk

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

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City has no investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The City has no formal policy on the amount the City may invest in any one issuer.

Foreign currency risk

The City has no investments denominated in a foreign currency.

3. Accounts Receivable

Net accounts receivable at December 31, 2018 consist of the following:

Major funds:

Water/sewer utility	\$	411,349
Less: allowance for uncollectible receivables		197,407
Solid waste fund		44,893
Less: allowance for uncollectible receivables		10,000

Other funds:

Stormwater		16,059
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Accounts receivable, net		\$ 264,894
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4. Taxes Receivable

Taxes receivable at December 31, 2018 are as follows:

Franchisee taxes	\$	333,471
Other taxes		120,466
Total taxes receivable		\$ 453,937

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

5. Interfund Receivables, Payables, and Transfers

The City records interfund transactions primarily when pooled cash balances in the general fund are used to pay expenditures of other major funds. A summary of interfund receivables and payables as of December 31, 2018, is as follows:

Due from the general fund to major funds:

Water and sewer	\$	163,315
Stormwater management		314,873
Solid waste		147,745
Nonmajor government		<u>1,941</u>
Total due from general fund	\$	<u>627,874</u>

6. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2018 was as follows:

	<u>Beginning</u>		<u>Decreases</u>	<u>Ending</u>
Governmental activities:	Balances	Increases	Decreases	Balances
Non-depreciable assets:				
Land	\$ 2,693,064	\$ -	\$ -	\$ 2,693,064
Total non-depreciable assets	<u>2,693,064</u>	<u>-</u>	<u>-</u>	<u>2,693,064</u>
Depreciable assets:				
Buildings and improvements	8,196,421	48,548	-	8,244,966
Other improvements	1,707,241	381,483	-	2,088,724
Infrastructure	2,180,273	67,684	-	2,247,957
Machinery and equipment	1,614,677	63,436	-	1,678,113
Vehicles	1,088,498	181,355	(24,995)	1,244,858
Furniture and fixtures	<u>581,463</u>	<u>-</u>	<u>-</u>	<u>581,463</u>
Total depreciable assets	<u>15,368,573</u>	<u>742,506</u>	<u>(24,995)</u>	<u>16,086,081</u>
Accumulated depreciation:				
Buildings and improvements	743,111	213,325	-	956,436
Other improvements	456,183	64,893	-	521,076
Infrastructure	213,558	54,929	-	268,487
Machinery and equipment	1,235,629	51,915	-	1,287,544
Vehicles	930,605	100,192	(15,969)	1,014,828
Furniture and fixtures	<u>130,399</u>	<u>57,719</u>	<u>-</u>	<u>188,118</u>
Total accumulated depreciation	<u>3,709,485</u>	<u>542,973</u>	<u>(15,969)</u>	<u>4,236,489</u>
Total depreciable assets, net	<u>11,659,088</u>	<u>199,531</u>	<u>(9,026)</u>	<u>11,849,592</u>
Governmental activities capital assets, net	<u>\$ 14,352,152</u>	<u>\$ 199,531</u>	<u>\$ (9,026)</u>	<u>\$ 14,542,656</u>

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

6. Capital Assets (Continued)

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Business-type activities:				
Non-depreciable assets:				
Land	\$ 1,423,964	\$ -	\$ -	\$ 1,423,964
Total non-depreciable assets	<u>1,423,964</u>	<u>-</u>	<u>-</u>	<u>1,423,964</u>
Depreciable assets:				
Buildings and improvements	226,260	-	-	226,260
Other improvements	14,355,167	29,738	-	14,384,905
Machinery and equipment	1,108,270	567,381	-	1,675,651
Vehicles	187,460	-	-	187,460
Water tank	1,698,913	-	-	1,698,913
Sewer treatment plant	7,623,294	-	-	7,623,294
Total depreciable assets	<u>25,199,366</u>	<u>597,119</u>	<u>-</u>	<u>25,796,483</u>
Accumulated depreciation:				
Buildings and improvements	98,508	5,657	-	104,165
Other improvements	4,367,463	477,487	-	4,844,949
Machinery and equipment	974,522	57,961	-	1,032,483
Vehicles	174,826	7,980	-	182,806
Water tank	663,289	42,473	-	705,762
Sewer treatment plant	2,512,955	190,582	-	2,703,537
Total accumulated depreciation	<u>8,791,563</u>	<u>782,139</u>	<u>-</u>	<u>9,573,702</u>
Total depreciable assets, net	<u>16,407,803</u>	<u>(185,020)</u>	<u>-</u>	<u>16,222,781</u>
Business-type activities capital assets, net	<u>\$ 17,831,765</u>	<u>\$ (185,020)</u>	<u>\$ -</u>	<u>\$ 17,646,745</u>

Depreciation expense for the year ended December 31, 2018 was charged to functions/programs as follows:

Primary Government

Governmental activities:

General government	\$ 215,403
Public safety	232,806
Highways and streets	59,537
Parks and recreation	24,797
Community development	<u>10,430</u>
 Total depreciation expense for governmental activities	 <u>\$ 542,973</u>

Business-type activities

Water/sewer	\$ 760,870
Stormwater	<u>21,269</u>
 Total business-type activities	 <u>\$ 782,139</u>

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

7. Capital Lease Agreement

In 2014, the City entered into a capital lease for an earth moving machine. The terms of the agreement meets the criteria of a capital lease as defined by GASB Statement No. 62, paragraph 212, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. At December 31, 2018 the balance of this lease was \$24,321.

Total assets leased under capital leases are \$114,359 for governmental activities, consisting of:

Cost	\$	114,359
Less: accumulated depreciation		<u>77,827</u>
Total		<u>\$ 36,532</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2018:

<u>Year ending December 31,</u>		
2019	\$	<u>25,091</u>
Total minimum lease payments		25,091
Less: amounts representing interest		<u>770</u>
Present value of minimum lease payments	\$	<u>24,321</u>

The City's lease agreement are relatively minor commitments (generally for office machines) and are in compliance with state law.

8. Long-Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, while revenue bonds are issued for the construction and expansion of proprietary activities. General obligation bonds are direct obligations and pledge the full faith, credit and taxing powers of the City while revenue bonds pledge the revenues of the proprietary activity for repayment of the bond issues.

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at December 31, 2018:

On May 10, 2016, the City issued \$6,785,000 in Water and Sewerage Refunding Revenue Bonds, Series 2016, with an interest rate of 2%. The \$6,785,000 revenue bonds are due in semi-annual installments through April 1, 2029; interest at 2.00% (\$5,645,000 outstanding), for the refunding of the 2013 Water and Sewerage Revenue Series Bonds, which were issued for the expansion of the water and sewer system in the City of Locust Grove.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

8. Long-Term Debt (Continued)

The Revenue Bond is being reported as Notes payable in the financial statements. Annual debt service requirements to maturity for revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 2019	\$ 585,000	\$ 107,050	\$ 692,050
December 31, 2020	595,000	95,250	690,250
December 31, 2021	610,000	83,200	693,200
December 31, 2022	595,000	71,150	666,150
December 31, 2023	595,000	59,250	654,250
December 31, 2024	605,000	47,250	652,250
December 31, 2025	575,000	35,450	610,450
December 31, 2026	590,000	23,800	613,800
December 31, 2027	405,000	13,850	418,850
December 31, 2028	<u>490,000</u>	<u>7,700</u>	<u>497,700</u>
Total	<u>\$ 5,645,000</u>	<u>\$ 543,950</u>	<u>\$ 6,188,950</u>

During the year ended December 31, 2018, the City entered into a \$104,000 note payable with a financial institution to purchase equipment. The note has a balance of \$84,606 at December 31, 2018, bears interest at 3.445%, requires annual payments of \$23,034, and matures on September 1, 2022.

During the year ended December 31, 2017, the City entered into a \$235,695 note payable with a financial institution to purchase equipment. The note has a balance of \$79,157 at December 31, 2018, bears interest at 3.532%, requires annual payments of \$81,953, and matures on December 31, 2019.

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2018:

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Due</u> <u>within</u> <u>one year</u>
Governmental activities:					
Accrued absences	\$ 345,723	\$ 363,841	\$ (345,723)	\$ 363,841	\$ 363,841
Note payable to bank	<u>155,613</u>	<u>-</u>	<u>(76,456)</u>	<u>79,157</u>	<u>79,157</u>
Total governmental activities	<u>\$ 501,336</u>	<u>\$ 363,841</u>	<u>\$ (422,179)</u>	<u>\$ 442,998</u>	<u>\$ 442,998</u>
Business-type activities:					
Accrued absences	\$ 22,779	\$ 29,762	\$ (22,779)	\$ 29,762	\$ 29,762
Capital lease	47,896	-	(23,575)	24,321	24,321
Revenue bonds	6,210,000	-	(565,000)	5,645,000	585,000
Note payable to bank	<u>-</u>	<u>104,000</u>	<u>(19,394)</u>	<u>84,606</u>	<u>20,073</u>
Total business-type activities	<u>\$ 6,280,675</u>	<u>\$ 133,762</u>	<u>\$ (630,748)</u>	<u>\$ 5,783,689</u>	<u>\$ 659,156</u>
Total long-term debt	<u>\$ 6,782,011</u>	<u>\$ 497,603</u>	<u>\$ (1,052,927)</u>	<u>\$ 6,226,687</u>	<u>\$ 1,102,154</u>

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

8. Long-Term Debt (Continued)

Total interest expense for business-type activities was \$115,859 for the year ended December 31, 2018. Interest expense related to governmental activities was \$5,497 for the year ended December 31, 2018.

9. Defined Benefit Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are covered under the plan and are eligible for immediate participation.

There are no loans to any of the City officials or other “party-in-interest,” and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Locust Grove. The funds are managed by independent money managers. The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

At March 31, 2018, the date of the most recent actuarial valuation, there were 89 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	18
Terminated vested participants entitled to but not yet receiving benefits	22
Active participants	<u>53</u>
Total number of participants	<u><u>93</u></u>

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members with thirty years of total service are eligible to retire at age 62 with no reduction in benefit. Officials are eligible to retire at age 65 with no reduction of benefits. Members are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 2.00% with a ten year vesting schedule for terminations.

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. Defined Benefit Pension Plan (Continued)

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the year period ending December 31, 2018 was \$167,323 or 7.33% of covered employee payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2018, the City reported a net pension liability of \$829,298. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. For the fiscal year ended December 31, 2018, the City recognized pension expense of \$185,691.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 151,424	\$ (91,560)
Changes in assumptions	31,976	(7,700)
Net difference between projected and actual earnings on pension plan investments	-	(93,614)
Pension contributions subsequent to measurement date	45,019	-
Total	\$ 228,419	\$ (192,874)

The \$45,019 of deferred outflows of resources resulting from the City's prior year contributions during the measurement period will be recognized as a reduction of the net position liability in the fiscal year ending December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

December 31, 2019	\$ 4,866
December 31, 2020	11,617
December 31, 2021	(17,689)
December 31, 2022	(26,410)
December 31, 2023	18,142
Total	\$ (9,474)

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Cost of living adjustments	0.00%
Projected salary increases	2.75% plus service based merit increases
Net investment rate of return	7.50%

Healthy 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. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates. The mortality and economic actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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

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

Asset class:	Target allocation	Expected real rate of return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Real estate	10%	5.21%
Cash	<u>0%</u>	
Total	<u><u>100%</u></u>	

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 contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. Defined Benefit Pension Plans (Continued)

Changes in Net Pension Liability (Asset)

	<u>(a) Total pension liability (asset)</u>	<u>(b) Plan fiduciary net position</u>	<u>(a) – (b) Net pension liability (asset)</u>
Balance, March 31, 2017	\$ 3,103,037	\$ 2,297,262	\$ 805,775
Changes for the year:			
Service cost	114,007	-	114,007
Interest	236,950	-	236,950
Differences between expected and actual experience	70,462	-	70,462
Contributions - employer	-	157,840	(157,840)
Net investment income	-	288,521	(288,521)
Benefit payments, including refunds of employee contributions	(91,224)	(91,224)	-
Other	38,371	-	38,371
Administrative expenses	-	(10,094)	10,094
Net changes	<u>368,566</u>	<u>345,043</u>	<u>23,523</u>
Balance, March 31, 2018	<u>\$ 3,471,603</u>	<u>\$ 2,642,303</u>	<u>\$ 829,298</u>
Plan's Fiduciary net position as a percentage of the total pension liability			76.11%
Covered-employee payroll			\$2,143,962
Net Pension liability as a percentage of covered-employee payroll			38.68%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	<u>Discount rate</u>	<u>Net pension asset (liability)</u>
1% decrease	6.50%	\$ 1,409,508
Current discount rate	7.50%	\$ 829,298
1% increase	8.50%	\$ 353,764

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans. In addition to the plan above, various City employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia and the Firefighters Pension Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report.

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

10. Deferred Compensation Plan/Defined Contribution Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457 (The City of Locust Grove Deferred Compensation Plan, the "Plan"). The Plan is administered by the Securian Retirement Services. Investments are managed by the Plan trustee under one of three investment options, or a combination thereof, as selected by the participant. The Plan, which is available to all employees, permits them to defer a portion of their salary until future years. Participation in the Plan is elective and is not mandatory.

In addition to the employees' contributions, under the defined contribution portion of the Plan, the City will contribute 2% of each participants' compensation for all employees who contribute 5% or more of their compensation and have incurred one year of service. Matching contributions vest immediately. The contribution requirements of the City are established and may be amended by the City Council.

During the year ended December 31, 2018, employees contributed \$68,890 to the plan. Contributions by the City for matching contributions were \$25,808. Total eligible salaries for the year ended December 31, 2018 were \$938,054.

11. Hotel/Motel Lodging Tax

The City has levied an 8% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(5.2). The City is required to spend, of the total taxes collected, an amount equal to at least 33 1/3% for the purpose of promoting tourism, conventions, and trade shows, 16 2/3% for the purpose of marketing or operating a community auditorium or theater, and 33 1/3% for general recreation purposes. A summary of the transactions for the year ended December 31, 2018 is as follows:

Lodging tax receipts	<u>\$ 447,128</u>
Disbursements to promote tourism, conventions, and trade shows, operation of community theater, and general recreation purposes	<u>\$ 376,108</u> 84% of tax receipts

12. Unearned Revenue

In a prior period the City received water and sewer impact fees from a private developer in the amount of \$5,600,000. As a result of the payment, the developer owned credits to be applied to future water and sewer connections for subsequent development projects. The developer subsequently transferred the fee credits to a bank as a part of a settlement agreement. As of December 31, 2018, the bank held \$2,062,397 in impact credits toward future water and sewer connections in the City. During the year ending December 31, 2018, the City recognized \$1,241,636 in water and sewer impact fees related the fee credits claimed from the bank.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

13. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the Metropolitan Atlanta area, is a member of the Atlanta Regional Commission (“ARC”). Membership in this organization is required by the Official Code of Georgia Annotated (“OCGA”) Section 50-8-34, which provides for the organizational structure of the commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and fifteen citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC.

Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

14. Risk Management

Material estimates have been made by management about the life of depreciated fixed assets. Management has used a conservative approach on these estimates.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Locust Grove became a member of the Georgia Municipal Associated Workers’ Compensation Self Insurance Fund. The liability of the fund to the employees of any employer, including the City, is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers’ compensation and/or employer’s liability.

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 pool’s 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 obligated to allow the pool’s 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 government contract and in accordance with the worker’s compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At December 31, 2017 the City has no losses that are probable or estimable and accordingly has not recognized any liability.

**CITY OF LOCUST GROVE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

15. Commitments and Contingencies

Commitments

Amounts received or receivable from grant agencies are subject to audit adjustments 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 amount, if any, to be immaterial.

Contingencies

The City's legal counsel has stated that there are presently no determinable lawsuits.

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Required Supplemental Information

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CITY OF LOCUST GROVE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
DECEMBER 31, 2018
(Unaudited)

	<u>Fiscal</u> <u>year end</u>	<u>Fiscal</u> <u>year end</u>	<u>Fiscal</u> <u>year end</u>	<u>Fiscal</u> <u>year end</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 114,007	\$ 119,528	\$ 104,748	\$ 74,722
Interest	236,950	227,535	206,702	181,677
Differences between expected and actual experience	70,462	(137,342)	41,791	167,555
Changes of assumptions	38,371	-	-	(17,971)
Benefit payments	(91,224)	(85,250)	(83,598)	(82,566)
Net change in total pension liability	368,566	124,471	269,643	323,417
Total pension liability - beginning	3,103,037	2,978,566	2,708,923	2,385,506
Total pension liability - ending (a)	<u>\$ 3,471,603</u>	<u>\$ 3,103,037</u>	<u>\$ 2,978,566</u>	<u>\$ 2,708,923</u>
Plan fiduciary net position				
Contributions - employer	\$ 157,840	\$ 141,537	\$ 114,820	\$ 124,851
Net investment income	288,521	254,578	6,713	171,322
Benefit payments, including refunds of employee contributions	(91,224)	(85,250)	(83,598)	(82,566)
Administrative expense	(10,094)	(10,015)	(6,438)	(5,206)
Net change in total pension liability	345,043	300,850	31,497	208,401
Plan fiduciary net position - beginning	2,297,262	1,996,412	1,964,915	1,756,514
Plan fiduciary net position - ending (b)	<u>\$ 2,642,305</u>	<u>\$ 2,297,262</u>	<u>\$ 1,996,412</u>	<u>\$ 1,964,915</u>
Net pension liability (asset) - ending : (a) - (b)	<u>\$ 829,298</u>	<u>\$ 805,775</u>	<u>\$ 982,154</u>	<u>\$ 744,008</u>
Plan's fiduciary net position as a percentage of the total pension liability	76.11%	74.03%	67.03%	72.53%
Covered-employee payroll	\$ 2,143,962	\$ 2,173,333	\$ 2,278,667	\$ 2,152,833
Net pension liability as a percentage of covered-employee payroll	38.68%	37.08%	43.10%	34.56%

Note: 2015 was the first year of implementation. Therefore, only four years are reported.

CITY OF LOCUST GROVE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

	<u>Fiscal year end</u>	<u>Fiscal year end</u>	<u>Fiscal year end</u>	<u>Fiscal year end</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 167,323	\$ 159,400	\$ 135,583	\$ 107,899
Contributions in relation to the actuarially determined contribution	<u>\$ (167,323)</u>	<u>(159,400)</u>	<u>(135,583)</u>	<u>(107,899)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,173,333	\$ 2,173,333	\$ 2,278,667	\$ 2,152,833
Contributions as a percentage of covered-employee payroll	7.70%	7.33%	5.95%	5.01%

Note: 2015 was the first year of implementation. Therefore, only four years are reported.

CITY OF LOCUST GROVE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2018.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method: Projected unit credit cost method. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by service.

Amortization method: The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.

Asset valuation method: Sum of the actuarial value at the beginning of year and the cash flow during year plus the assumed investment return, adjusted by 10 percent of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted if necessary, to be within 20% of market value.

Net investment rate of return: 7.50% - On-going basis, based on long-term expected rate of return on pension plan investments.

Projected salary increases:

Years of service:	Annual Rate*
0-1	8.25%
2	5.25%
3	5.00%
4	4.75%
5	4.50%
6	4.25%
7	4.00%
8	3.75%
9	3.50%
10 or more	3.25%

*Note the above rates include inflation of 2.75%.

Retirement age for inactive vested participants: 65

CITY OF LOCUST GROVE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

Mortality:

Healthy: RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

Disabled: RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Plan termination basis (all lives): 1994 Group Annuity Reserving Unisex Table.

3. Changes in benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes in methods and assumptions

There were no changes in methods or assumptions from the prior valuation.

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Supplemental Information

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**CITY OF LOCUST GROVE, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2018**

	<u>Special revenue</u>		<u>Capital projects</u>	<u>Total nonmajor governmental funds</u>
	<u>Confiscated assets fund</u>	<u>Hotel motel fund</u>	<u>Development impact fund</u>	
ASSETS				
Cash and cash equivalents	\$ 158	\$ 450,381	\$ 792,158	\$ 1,242,697
Receivables:				
Taxes	-	76,718	-	76,718
Due from other funds		1,941		1,941
Prepaid items	-	80	-	80
Total assets	<u>\$ 158</u>	<u>\$ 529,120</u>	<u>\$ 792,158</u>	<u>\$ 1,321,436</u>
FUND BALANCES				
Nonspendable prepaid items	\$ -	\$ 80	\$ -	\$ 80
Assigned for tourism	-	167,673	-	167,673
Restricted for:				
Capital projects	-	-	792,158	792,158
Public safety	158	-	-	158
Tourism	-	361,367	-	361,367
Total fund balances	<u>158</u>	<u>529,120</u>	<u>792,158</u>	<u>1,321,436</u>
Total liabilities and fund balances	<u>\$ 158</u>	<u>\$ 529,120</u>	<u>\$ 792,158</u>	<u>\$ 1,321,436</u>

CITY OF LOCUST GROVE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Special revenue</u>		<u>Capital projects</u>	<u>Total nonmajor governmental funds</u>
	<u>Confiscated assets fund</u>	<u>Hotel motel fund</u>	<u>Development impact fund</u>	
Revenues:				
Taxes	\$ -	\$ 447,128	\$ -	\$ 447,128
Charges for services	-	-	568,903	568,903
Interest	-	74	432	506
Total revenues	<u>-</u>	<u>447,202</u>	<u>569,335</u>	<u>1,016,537</u>
Expenditures:				
Current:				
Housing and development	-	376,108	-	376,108
Capital expenditures	-	-	215,383	215,383
Total expenditures	<u>-</u>	<u>376,108</u>	<u>215,383</u>	<u>591,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>71,094</u>	<u>353,952</u>	<u>425,046</u>
Fund balances, beginning of year	<u>158</u>	<u>458,026</u>	<u>438,206</u>	<u>896,390</u>
Fund balance, end of year	<u>\$ 158</u>	<u>\$ 529,120</u>	<u>\$ 792,158</u>	<u>\$ 1,321,436</u>

**CITY OF LOCUST GROVE, GEORGIA
GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2018**

ASSETS

Cash and cash equivalents	\$ 4,222,537
Receivables, net:	
Taxes	377,219
Fines	<u>83,392</u>
Total assets	<u><u>\$ 4,683,148</u></u>

LIABILITIES

Accounts payable	\$ 162,492
Due to other funds	703,175
Other liabilities	<u>4,644</u>
Total liabilities	<u>870,311</u>

Fund balances:

Committed for cemetery	28,738
Unassigned	<u>3,784,099</u>
Total fund balances	<u>3,812,837</u>
Total liabilities and fund balances	<u><u>\$ 4,683,148</u></u>

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CITY OF LOCUST GROVE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Taxes	\$ 3,585,119
Licenses and permits	763,374
Fines, fees and forfeitures	671,340
Charges for services	92,849
Intergovernmental	90,619
Interest	7,126
Other	<u>179,766</u>
Total revenues	<u><u>5,390,193</u></u>

EXPENDITURES

Current:

General government	570,782
Judicial	317,869
Public safety	2,296,845
Public works	874,059
Parks and recreation	29,273
Community development	<u>542,317</u>
Total expenditures	<u><u>4,631,145</u></u>

Net change in fund balance	759,048
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Fund balances, beginning of year	<u>3,053,789</u>
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Fund balances, end of year	<u><u>\$ 3,812,837</u></u>
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**CITY OF LOCUST GROVE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2018**

ASSETS

Cash and cash equivalents	\$ 158
	<hr/>
Total assets	\$ 158
	<hr/> <hr/>

FUND BALANCES

Restricted for:	
Public safety	\$ 158
	<hr/>
Total fund balances	\$ 158
	<hr/> <hr/>

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**CITY OF LOCUST GROVE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018**

EXPENSES	
Other	\$ -
	<hr/>
Change in fund balance	-
	<hr/>
Fund balances, beginning of year	158
	<hr/>
Fund balances, end of year	\$ 158
	<hr/> <hr/>

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**CITY OF LOCUST GROVE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2018**

ASSETS

Cash and cash equivalents	\$	450,381
Receivables:		
Taxes		76,718
Due from other funds		1,941
Prepaid items		80
		80
Total assets	\$	529,120
		529,120

FUND BALANCES

Nonspendable for prepaid items	\$	80
Assigned for tourism		167,673
Restricted for:		
Tourism		361,367
		361,367
Total fund balances		529,120
		529,120
Total liabilities and fund balances	\$	529,120
		529,120

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CITY OF LOCUST GROVE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues:	
Taxes	\$ 447,128
Interest	<u>74</u>
Total revenues	<u>447,202</u>
Expenditures:	
Current:	
Housing and development	<u>376,108</u>
Total expenditures	<u>376,108</u>
Excess (deficiency) of revenues over (under) expenditures	71,094
Fund balances, beginning of year	<u>458,026</u>
Fund balance, end of year	<u><u>\$ 529,120</u></u>

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CITY OF LOCUST GROVE, GEORGIA
DEVELOPMENTAL IMPACT CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	<u>\$ 792,158</u>
Total assets	<u><u>\$ 792,158</u></u>

FUND BALANCES

Restricted for:	
Capital projects	<u>\$ 792,158</u>
Total fund balances	<u><u>\$ 792,158</u></u>

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**CITY OF LOCUST GROVE, GEORGIA
 DEVELOPMENTAL IMPACT CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Revenues:	
Charges for services	\$ 568,903
Interest	<u>432</u>
Total revenues	<u>569,335</u>
Expenditures:	
Capital expenditures	<u>215,383</u>
Total expenditures	<u>215,383</u>
Excess (deficiency) of revenues over (under) expenditures	353,952
Fund balances, beginning of year	<u>438,206</u>
Fund balance, end of year	<u><u>\$ 792,158</u></u>

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CITY OF LOCUST GROVE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents \$ 931,018

Total assets \$ 931,018

FUND BALANCES:

Restricted for:

Capital projects \$ 931,018

Total fund balances 931,018

Total liabilities and fund balances \$ 931,018

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CITY OF LOCUST GROVE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues:	
Intergovernmental	\$ 820,173
Interest	<u>25,091</u>
Total revenues	<u>845,264</u>
Expenditures:	
Capital outlay	<u>621,445</u>
Total expenditures	<u>621,445</u>
Excess (deficiency) of revenues over (under) expenditures	223,819
Fund balances, beginning of year	<u>707,199</u>
Fund balances, end of year	<u><u>\$ 931,018</u></u>

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**CITY OF LOCUST GROVE, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,331,566
Restricted assets:	
Cash and cash equivalents	520,791
Accounts receivable, net	213,942
Due from other funds	163,315
Total current assets	3,229,614

Noncurrent assets:

Capital assets	
Non-depreciable	1,423,964
Depreciable, net	16,012,905
Total noncurrent assets	17,436,869

Total assets

20,666,483

Deferred outflow of resources:

Pension contributions subsequent to measurement date	4,243
Pension experience differences	14,273
Pension assumption changes	3,014
Total deferred outflows of resources	21,530

LIABILITIES

Current liabilities:

Accounts payable	218
Accrued absences	19,904
Liabilities payable from restricted assets:	
Notes payable	585,000
Customer deposits	457,244
Interest payable	27,838
Total current liabilities	1,090,204

Noncurrent liabilities:

Net pension liability	139,349
Unearned revenue	2,062,397
Notes payable	5,060,000
Total noncurrent liabilities	7,261,746
Total liabilities	8,351,950

**CITY OF LOCUST GROVE, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Deferred inflow of resources:	
Pension experience changes	\$ 8,633
Pension investment return differences	8,827
Pension assumption changes	<u>726</u>
Total deferred inflows of resources	<u>18,186</u>
 Net position:	
Net investment in capital assets	11,791,869
Restricted for debt service	520,791
Unrestricted	<u>5,217</u>
Total net position	<u><u>\$ 12,317,877</u></u>

DRAFT

CITY OF LOCUST GROVE, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Operating revenues:	
Charges for sales and services	\$ 5,067,765
Other	<u>2,919</u>
Total operating revenues	<u>5,070,684</u>
Operating expenses:	
Cost of sales and services	1,537,163
Salaries and benefits	340,095
Depreciation	<u>760,870</u>
Total operating expenses	<u>2,638,128</u>
Operating income	<u>2,432,556</u>
Non-operating revenues (expenses):	
Interest revenue	1,164
Interest expense	<u>(115,859)</u>
Total non-operating revenues (expenses)	<u>(114,695)</u>
Change in net position	2,317,861
Net position, beginning of year	<u>10,000,016</u>
Net position, end of year	<u><u>\$ 12,317,877</u></u>

**CITY OF LOCUST GROVE, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash flows from operating activities:	
Receipts from customers	\$ 3,914,716
Payment to suppliers	(1,558,724)
Payments to employees	(335,526)
Other receipts	2,919
	<hr/>
Net cash provided by operating activities	2,023,385
	<hr/>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(489,444)
Payments of bond principal	(565,000)
Interest paid	(118,646)
	<hr/>
Net cash used in capital and related financing	(1,173,090)
	<hr/>
Cash flows from investing activities:	
Interest received	1,164
	<hr/>
Net cash provided by investing activities	1,164
	<hr/>
Net increase in cash and cash equivalents	851,459
Cash and cash equivalents, beginning of year	2,000,898
Cash and cash equivalents, end of year	\$ 2,852,357
	<hr/> <hr/>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,432,556
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	760,870
(Increase) decrease in assets:	
Accounts receivable	2,539
Due to other funds	(10,808)
Pension contributions	3,878
Pension experience	7,142
Pension investment returns	(3,014)
Increase (decrease) in liabilities:	
Accounts payable	(22,187)
Accrued absences	4,569
Customer deposits	86,048
Unearned revenue	(1,241,636)
Net pension liability	2,217
Pension experience changes	(6,456)
Pension investment return differences	8,295
Pension assumption changes	(628)
	<hr/>
Net cash provided by operating activities	\$ 2,023,385
	<hr/> <hr/>

CITY OF LOCUST GROVE, GEORGIA
SOLID WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS

Current assets:

Accounts receivable, net	\$	34,893
Due from other funds		<u>147,745</u>
 Total current assets		 <u>182,638</u>
 Total assets		 <u>182,638</u>

Deferred outflow of resources:

Pension contributions subsequent to measurement date		482
Pension experience differences		1,623
Pension assumption changes		<u>343</u>
 Total deferred outflows of resources		 <u>2,448</u>

LIABILITIES

Current liabilities:

Accrued absences		<u>249</u>
 Total current liabilities		 <u>249</u>

Noncurrent liabilities:

Net pension liability		<u>18,999</u>
 Total noncurrent liabilities		 <u>18,999</u>
 Total liabilities		 <u>19,248</u>

Deferred inflow of resources:

Pension experience changes		982
Pension investment return differences		1,004
Pension assumption changes		<u>82</u>
 Total deferred inflows of resources		 <u>2,068</u>

Net position:

Unrestricted		<u>163,770</u>
 Total net position		 <u><u>\$ 163,770</u></u>

CITY OF LOCUST GROVE, GEORGIA
SOLID WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Operating revenues:	
Charges for sales and services	\$ 402,159
Other	<u>2,888</u>
Total operating revenues	<u>405,047</u>
Operating expenses:	
Cost of sales and services	390,937
Salaries and benefits	<u>14,231</u>
Total operating expenses	<u>405,168</u>
Change in net position	(121)
Net position, beginning of year	<u>163,891</u>
Net position, end of year	<u><u>\$ 163,770</u></u>

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**CITY OF LOCUST GROVE, GEORGIA
SOLID WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash flows from operating activities:	
Receipts from customers	\$ 397,565
Payment to suppliers	(386,222)
Payments to employees	(14,231)
Other receipts	2,888
	<hr/>
Net cash used in operating activities	-
	<hr/>
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
	<hr/>
Cash and cash equivalents, end of year	\$ -
	<hr/> <hr/>
 Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (121)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in assets:	
Accounts receivable	(4,594)
Due to other funds	3,245
Pension contributions	589
Pension experience	1,199
Pension investment returns	(343)
Increase (decrease) in liabilities:	
Accrued absences	249
Net pension liability	252
Pension experience changes	(1,279)
Pension investment return differences	924
Pension assumption changes	(121)
	<hr/>
Net cash used in operating activities	\$ -
	<hr/> <hr/>

CITY OF LOCUST GROVE, GEORGIA
STORMWATER MANAGEMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$ 168,904
Accounts receivable, net	16,059
Due from other funds	314,873
	499,836

Noncurrent assets:

Depreciable, net	209,876
	209,876

Total noncurrent assets 209,876

Total assets 709,712

Deferred outflow of resources:

Pension contributions subsequent to measurement date	1,309
Pension experience differences	4,403
Pension assumption changes	930
	6,642

Total deferred outflows of resources 6,642

LIABILITIES

Current liabilities:

Capital lease payable	24,321
Accrued absences	9,609
Notes payable	20,073
	54,003

Total current liabilities 54,003

Noncurrent liabilities:

Net pension liability	48,295
Notes payable	64,533
	112,828

Total noncurrent liabilities 112,828

Total liabilities 166,831

Deferred inflow of resources:

Pension experience changes	2,663
Pension investment return differences	2,723
Pension assumption changes	224
	5,610

Total deferred inflows of resources 5,610

Net position:

Net investment in capital assets	185,555
Unrestricted	358,358
	543,913

Total net position \$ 543,913

CITY OF LOCUST GROVE, GEORGIA
STORMWATER MANAGEMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Operating revenues:	
Charges for sales and services	\$ 237,891
Total operating revenues	<u>237,891</u>
Operating expenses:	
Cost of sales and services	121,921
Salaries and benefits	50,954
Depreciation expense	21,269
Total operating expenses	<u>194,144</u>
Operating income	<u>43,747</u>
Non-operating expenses:	
Interest expense	(3,640)
Total non-operating expenses	<u>(3,640)</u>
Change in net position	40,107
Net position, beginning of year	<u>503,806</u>
Net position, end of year	<u><u>\$ 543,913</u></u>

CITY OF LOCUST GROVE, GEORGIA
STORMWATER MANAGEMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Receipts from customers	\$ 237,891
Payment to suppliers	(116,815)
Payments to employees	(50,954)
	<u>70,122</u>
Net cash provided by operating activities	
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(107,675)
Interest paid	(3,640)
Proceeds from issuance of long-term debt	104,000
Principal payments of long-term debt	(42,969)
	<u>(50,284)</u>
Net cash used in capital and related financing activities	
Net increase in cash and cash equivalents	19,838
Cash and cash equivalents, beginning of year	149,066
	<u>149,066</u>
Cash and cash equivalents, end of year	<u>\$ 168,904</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 43,747
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	21,269
(Increase) decrease in assets:	
Due from other funds	(1,002)
Pension contributions	1,577
Pension experience	3,214
Pension investment returns	(930)
Increase (decrease) in liabilities:	
Accrued absences	2,165
Net pension liability	684
Pension experience differences	(2,858)
Pension investment return differences	2,528
Pension assumption changes	(272)
	<u>(272)</u>
Net cash provided by operating activities	<u>\$ 70,122</u>

Other Reporting Sections

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INDEPENDENT AUDITORS' 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

To the Honorable Mayor and Members of the City Council
City of Locust Grove, Georgia

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the City of Locust Grove, Georgia (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Locust Grove's basic financial statements and have issued our report thereon dated July 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Locust Grove, 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 consider the following deficiencies in internal control to be material weaknesses:

Comment 2018-001

Condition: The City lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. There were 29 journal entries posted to the general ledger after the final trial balance was received from management.

Criteria: Internal controls should be in place to ensure the City can perform timely and accurate year-end close procedures in order for the City to be able to produce its annual financial statements in compliance with State statutes.

Cause: The internal controls in place at the City did not detect and prevent the errors that were included in the final trial balance, which required journal entries prepared during the audit to properly state the financial statements.

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

Recommendation: We recommend that the City's Manager and Clerk continue to develop and implement internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management's response: Management concurs with this finding. The City Manager and City Clerk have communicated with the auditor regarding this recommendation and have begun to plan changes to the month and year-end closing processes to ensure that adjustments required for accurate and timely financial reporting are recorded in a timely manner.

Comment 2018-002

Condition: Material adjustments were needed and made to the financial statements during the year end closing and the audit process.

Criteria: Internal controls should be in place to ensure the City can prevent, detect, and correct material misstatements on a timely basis and that adjustments made on a monthly basis throughout the year.

Cause: The internal controls in place at the City did not detect and prevent the errors that were included in the final trial balance, which required material adjustments prepared during the audit to properly state the financial statements.

Effect: Monthly financial statements and reporting during the fiscal year were materially misstated.

Recommendation: We recommend that the City's Manager and Clerk continue to implement and/or strengthen internal controls over reconciling the general ledger and financial statements that will ensure that the City can prevent, detect, and correct material misstatements on a timely basis and provide accurate financial reporting throughout the year.

Management Response: Management concurs with this finding. The City Manager and City Clerk have communicated with the auditor regarding this recommendation and have begun to plan changes to the month and year-end closing processes to ensure that adjustments required for accurate and timely financial reporting are recorded in a timely manner.

City of Locust Grove, Georgia's Response to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Locust Grove, 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*.

Purpose of this Report

This report is intended 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 City of Locust Grove, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Statements* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

July 30, 2019

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CITY OF LOCUST GROVE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX REPORT
DECEMBER 31, 2018

Project	Estimated cost		Expenditures		
	Original	Current	Prior years	Current year	Total
SPLOST 2014 Issue					
Roads, bridges, sidewalks and transportation facilities	\$ 1,550,000	\$ 1,550,000	\$ -	\$ 621,445	\$ 621,445
Public safety facilities and equipment	2,750,000	2,750,000	2,905,489	-	2,905,489
Construction and renovation of municipal buildings	525,000	525,000	525,000	-	525,000
Parks and recreation facilities	275,000	275,000	-	-	-
Stormwater	200,000	200,000	-	-	-
SPLOST 2008 Issue					
Roads, bridges, sidewalks and transportation facilities	2,900,000	2,900,000	1,047,623	-	1,047,623
Public safety facilities and equipment	2,000,000	2,000,000	2,000,000	-	2,000,000
Construction and renovation of municipal buildings	750,000	750,000	750,000	-	750,000
Parks and recreation facilities	500,000	500,000	572,955	-	572,955
Acquisition of property for public use	1,500,000	1,500,000	1,279,116	-	1,279,116
Total	\$ 12,950,000	\$ 12,950,000	\$ 9,080,183	\$ 621,445	\$ 9,701,628



Community Development Department

P. O. Box 900
Locust Grove, Georgia 30248
Phone: (770) 957-5043
Facsimile (770) 954-1223

Item Coversheet

Item: Approval of the preliminary plat for a proposed R-2 residential subdivision located along South Bethany Road north of Warren Holder Park.

Action Item: Yes No

Public Hearing Item: Yes No

Executive Session Item: Yes No

Advertised Date: N/A

Budget Item: No

Date Received: June 20, 2019

Workshop Date: July 15, 2019

Regular Meeting Date: August 5, 2019

Discussion:

Applicant/Developer:

David Standard (770-351-6919)

LG Partners LLC

255 Racetrack Road

McDonough, GA 30252

Project Data¹:

- **Location = South Bethany Road, north of the intersection with Mose Brown Dr.**
- **Gross Acreage = approximately 25.5 acres**
- **Property zoning = R-2 (single-family residence)**
- **Lot Count = 47**
- **Open Space = N/A**
- **Minimum Lot Size = 18,000 sq. ft.**
- **Minimum Lot Width = 100'**
- **Minimum House Size = 2,000 sq. ft. ***
 - *The minimum house size is shown incorrectly as 1,300 sq. ft. on the attached preliminary plan. By zoning condition, the minimum square footage is 2,000 sq. ft.*
- **Setbacks:**
 - **Front = 40'**
 - **Side = 15'**
 - **Rear = 40'**
- **Amenities:**
 - **No passive or active recreational amenities proposed or required.**
 - **Covered central mailbox unit proposed**

Comments:

The subject property was rezoned from RA to R-2 by the City Council on April 1, 2019. The concept plan that was filed with this rezoning application illustrated a subdivision with 50 lots and an entrance off South Bethany Road located more to the north of the subject property.

After conducting more in-depth engineering on the subject property, the Applicant has decided to relocate the subdivision entrance further south as well as reduce the lot count from 50 down to 47. The Applicant is also adding a north/south connection to the street network on the eastern side of the subdivision. This connection completes a loop which will allow for better infrastructure efficiencies.

Recommendation:

**I MOVE TO (APPROVE/DENY/TABLE) THE ORDINANCE
APPROVING THE PRELIMINARY PLAT FOR LOCUST
GROVE ESTATES LOCATED ALONG BOWDEN STREET.**

¹ Preliminary plat "David Standard" prepared by Sibley-Miller Surveying & Planning, Inc., Larry G. Sibley RLS, June 11, 2019.

ORDINANCE NO. _____

AN ORDINANCE TO AUTHORIZE THE APPROVAL OF A PRELIMINARY PLAT FOR A RESIDENTIAL SUBDIVISION FOR DAVID STANDARD/LG PARTNERS, LLC, LOCATED ALONG THE WEST SIDE OF SOUTH BETHANY, ROAD NORTH OF THE INTERSECTION WITH MOSE BROWN DRIVE; TO PROVIDE AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WITNESSETH:

WHEREAS, the Locust Grove Community Development Department received a preliminary subdivision plat prepared for LG Partners, LLC, on June 20, 2019, for property located along the west side of South Bethany Road north of the intersection with Mose Brown Drive in Land Lot 218 of the 2nd District, Locust Grove, Georgia (the “Property”); and,

WHEREAS, the current owner of the property is David Standard of LG Partners, LLC, 255 Racetrack Road, McDonough, GA 30253 (the “Owner”); and,

WHEREAS, the Property contains approximately 25.5 acres and is zoned R-2: Single-Family Residence (“R-2”); and,

WHEREAS, the Locust Grove City Council reviewed a preliminary subdivision plat of the Property, and the lots contained therein, during a Workshop Meeting held on July 15, 2019, and found it to be in accordance with the City’s R-2 zoning ordinance; and,

WHEREAS, the preliminary plat entitled “Preliminary Plat – David Standard” was prepared June 11, 2019, by Sibley-Miller Surveying & Planning, Inc., (“**Exhibit A**”); and,

WHEREAS, the final plat illustrates the Owner’s plan to subdivide the Property into forty-seven (47) single-family residential subdivision with R-2 zoning; and,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LOCUST GROVE:

SECTION 1 – The City of Locust Grove hereby accepts the preliminary plat known as “Preliminary Plat – David Standard” described in **Exhibit A**.

SECTION 2 – That this Ordinance shall be effective immediately.

SO ORDAINED by the Council of the City this 5th day of August 2019.

CITY OF LOCUST GROVE, GEORGIA

ROBERT S. PRICE, Mayor

ATTEST:

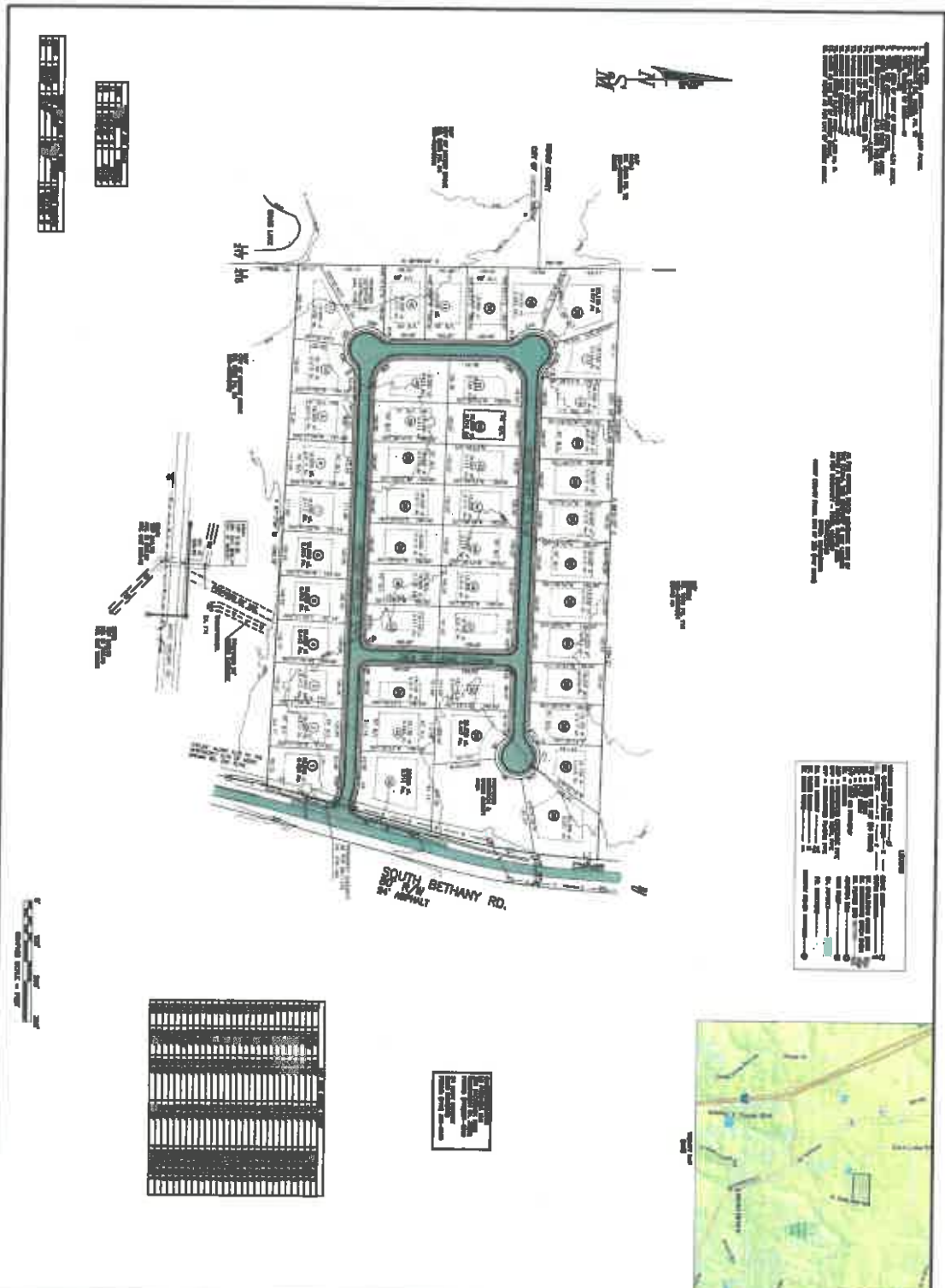
MISTY SPURLING, City Clerk

(Seal)

APPROVED AS TO FORM:

City Attorney

“EXHIBIT A”



DATE: 11.10.2008
 DRAWN BY: J. SIBLEY
 CHECKED BY: M. MILLER
 SCALE: AS SHOWN

PRELIMINARY PLAN
 DAVID STANDARD
 CITY OF LOCUST GROVE
 LAND LOT 218, 2nd DISTRICT
 HENRY COUNTY, GEORGIA

SIBLEY-MILLER
 SURVEYING & PLANNING INC.
 1000 W. BETHANY RD.
 SUITE 100
 WOODBRIDGE, GA 30188
 PHONE: 770.962.1111
 FAX: 770.962.1112
 WWW.SIBLEYMILLER.COM

NO.	DESCRIPTION
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Community Development Department

P. O. Box 900
Locust Grove, Georgia 30248
Phone: (770) 957-5043
Facsimile (770) 954-1223

Item Coversheet

Item: Resolution approving the architectural plans submitted for the Starbucks/Urgent Care facility at 4837 Bill Gardner Parkway (former Shell gas station).

Action Item: Yes No

Public Hearing Item: Yes No

Executive Session Item: Yes No

Advertised Date: NA

Budget Item: No

Date Received: July 29, 2019 – revisions
July 3, 2019

Workshop Date: July 15, 2019

Regular Meeting Date: August 5, 2019

Discussion:

Liz Taylor-Lawrence, agent for GDP Group of Akron, Ohio (“Applicant”), submitted color building elevation examples for a proposed new dual-tenant commercial building to be located at 4837 Bill Gardner Parkway (the former Cook Shell station).

As part of the requirements for building permits for new structures or major renovations, it is necessary for the Mayor and City Council, acting in their capacity as the Architectural Review Board, to review the proposed building exterior elevations for comment and approval.

The general concept is to construct a single-story rectangular building where the main entrance and vehicle access faces Bill Gardner Parkway.

Front (south) Elevation

- A flat roof with parapets of varying heights
- Majority of the elevation consists of a light-colored stucco (tan, beige, gray) with final color choice to be made by tenant.
- Clear, storefront windows with aluminum mullions serve to break-up the expanse of the stucco.
- A dark metal canopy overhangs the storefront windows
- A dark-gray colored brick veneer bump-out will be visible on the western end of the building where the drive-thru window is proposed.

Side (east & west) Elevations

- Continuation of the varying roof elevation and color schemes as found on the front elevation.
- Includes larger expanses of light stucco that have been offset by adding horizontal mullions and additional sconces along with signage that will be installed under a separate permit.

Rear (north) Elevation

- Roof elevation is constant along this elevation
- Color is primarily the lighter stucco color offset by several man doors, two of which are covered by awnings.
- Backside of the drive-thru bump-out will be visible
- The north elevation is not readily visible from public right-of-way

Comments:

Corporate logos will be added to this proposed structure. These logos will be reviewed in accordance with the City's sign ordinance. These logos, along with added horizontal architectural features and sconces will further break up the wall expanse on the side elevations.

Recommendation:

I MOVE TO (approve/deny/table) THE RESOLUTION APPROVING THE ARCHITECTURAL PLANS FOR STARBUCKS/URGENT CARE BUILDING TO BE LOCATED AT 4837 BILL GARDNER PARKWAY.

RESOLUTION NO. _____

A RESOLUTION TO APPROVE ARCHITECTURAL PLANS FOR THE PROPOSED STARBUCKS/URGENT CARE CENTER IN ACCORDANCE WITH CHAPTER 15.44 OF THE LOCUST GROVE CITY CODE; TO PROVIDE CONDITIONS FOR APPROVAL; TO IDENTIFY A PUBLIC PURPOSE; TO AUTHORIZE THE MAYOR AND CITY CLERK TO EXECUTE ANY DOCUMENTS NECESSARY TO CARRY OUT THIS RESOLUTION; TO PROVIDE FOR SEVERABILITY; TO REPEAL INCONSISTENT PROVISIONS; TO PROVIDE AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

W I T N E S S E T H :

WHEREAS, the City of Locust Grove, Georgia (“City”) adopted Chapter 15.44 (“Chapter”) entitled “Architectural Review”, and;

WHEREAS, the purpose of the Chapter is to regulate the aesthetics, quality of exterior building materials and to the promotion of health, safety, prosperity and general welfare of the citizens of Locust Grove, and;

WHEREAS, the Mayor and City Council consist of the Architectural Review Board for the City of Locust Grove (“Board”) per Section 15.44.040, and;

WHEREAS, Liz Taylor-Lawrence (“Applicant”) submitted Architectural Plans (“Proposed plans”) on July 3, 2019, entitled “Bill Gardner-I-75, Locust Grove” which were subsequently revised and resubmitted on July 29, 2019 and are attached hereto as **Exhibit “A”**; and;

WHEREAS, the Board reviewed the proposed plans during a workshop meeting held on July 15, 2019; and,

WHEREAS, the proposed plans were found to be generally consistent with the purpose and intent of Chapter 15.44 with placement of certain conditions contained herein, and;

WHEREAS, the Board in the exercise of their sound judgment and discretion, after giving thorough thought to all implications involved, and keeping in mind the public interest and welfare to the citizens of the City, have determined this request for architectural review to be in the best interests of the citizens of the City, that this Resolution be adopted.

THEREFORE, IT IS NOW RESOLVED BY THE ARCHITECTURAL REVIEW BOARD OF THE CITY OF LOCUST GROVE, GEORGIA, AS FOLLOWS:

1. **Finding.** That the Locust Grove Architectural Review Board hereby finds that the architectural plans submitted by the Applicant generally conform to the requirements of Chapter 15.44 of City of Locust Grove Code.
2. **Conditions.** That the Locust Grove Architectural Review Board finding in Item 1 above is subject to the following conditions:
 - a. That any material deviations in exterior architectural features, materials, or colors as depicted in the plans in **Exhibit “A”** require review and approval by the Architectural Review Board.

- b. That said approval shall be in effect for a period of 180 days from the date of this Resolution.
3. **Public Purpose.** The Board finds that the foregoing actions constitute a major stem in preserving the health, safety, well being and economic vitality of the community and are, therefore, consistent with its public purposes and powers.
 4. **Authority.** That the Board hereby authorizes the City Clerk to affix a stamp of the date of approval on the architectural plans in accordance with Section 15.44.060 J, to affix the City Seal if necessary to carry out this Resolution, and to place this Resolution and any related documents among the official records of the City for future reference.
 5. **Severability.** To extent any portion of this Resolution is declared to be invalid, unenforceable, or nonbinding, that shall not affect the remaining portions of this Resolution.
 6. **Repeal of Conflicting Provisions.** All Board resolutions are hereby repealed to the extent they are inconsistent with this Resolution.
 7. **Effective Date.** This Resolution shall take effect immediately.

THIS RESOLUTION adopted this 5th day of August 2019.

ROBERT S. PRICE, Mayor

ATTEST:

MISTY SPURLING, City Clerk

(seal)

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"



**BILL GARDNER, 176, LOCUST GROVE
400 BILL GARDNER HWY.
LOCUST GROVE, GEORGIA 30253**

DATE	DESCRIPTION
06/25/2011	ISSUED FOR PERMIT
06/25/2011	ISSUED FOR PERMIT
06/25/2011	ISSUED FOR PERMIT
06/25/2011	ISSUED FOR PERMIT

06355-001
A2001

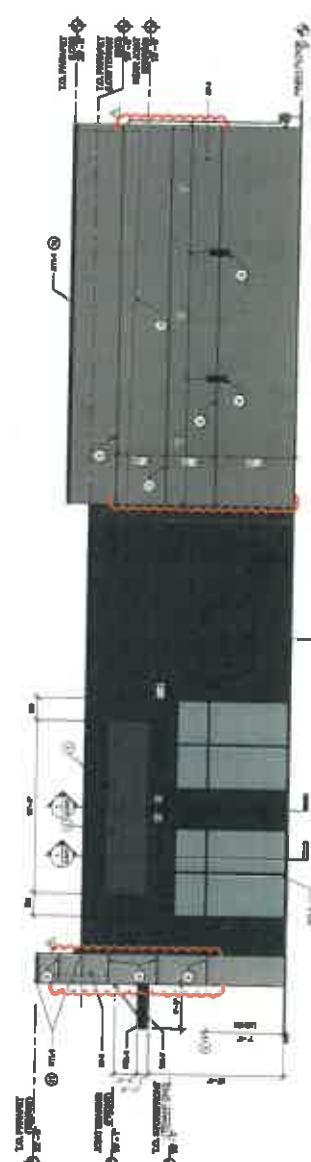
GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODES AND ALL APPLICABLE LOCAL ORDINANCES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL JURISDICTIONS.
3. ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE ARCHITECT PRIOR TO INSTALLATION.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
5. ALL UTILITIES SHALL BE PROTECTED AND MARKED PRIOR TO ANY EXCAVATION WORK.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.
7. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
8. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.
9. ALL MATERIALS SHALL BE STORED PROPERLY AND PROTECTED FROM THE ELEMENTS.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE DISPOSAL OF ALL WASTE MATERIALS.
11. ALL WORK SHALL BE COMPLETED IN ACCORDANCE WITH THE SPECIFICATIONS AND NOTES.
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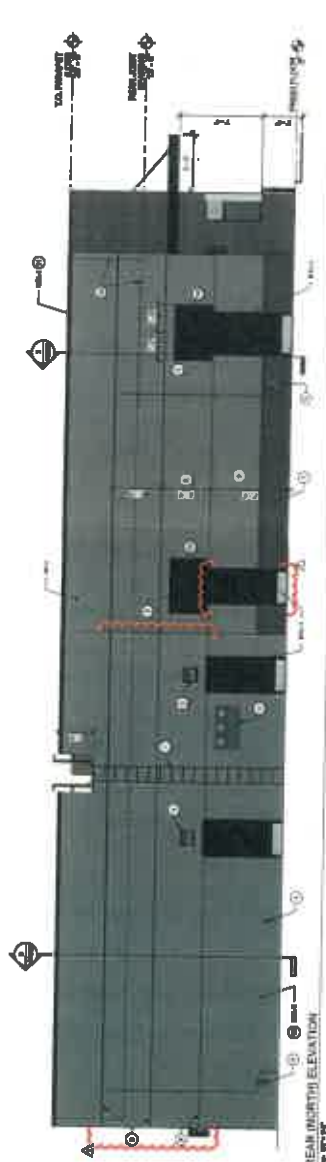
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NO.	REVISIONS	DESCRIPTION	DATE
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3	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
4	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
5	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
6	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
7	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
8	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
9	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011
10	ISSUED FOR PERMIT	ISSUED FOR PERMIT	06/25/2011



2 TENANT SIDE (EAST) ELEVATION



1 REAR (NORTH) ELEVATION



GENERAL NOTES

1. GENERAL CONTRACTOR TO VERIFY ALL DIMENSIONS AND CONDITIONS OF EXISTING STRUCTURE AND UTILITIES PRIOR TO CONSTRUCTION.
2. ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE ARCHITECT PRIOR TO INSTALLATION.
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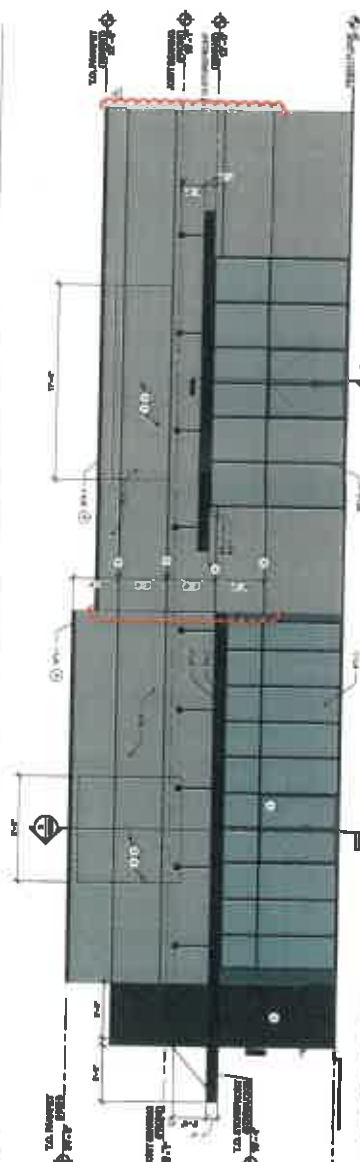
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NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMIT	10/15/2024	J. SMITH	M. JONES
2	REVISION TO MATERIALS	11/01/2024	J. SMITH	M. JONES
3	REVISION TO DIMENSIONS	11/15/2024	J. SMITH	M. JONES
4	REVISION TO FINISHES	12/01/2024	J. SMITH	M. JONES
5	REVISION TO NOTES	12/15/2024	J. SMITH	M. JONES



DRIVE THRU WEST ELEVATION



DRIVE THRU SOUTH ELEVATION

BILL GARDNER-05, LOCUST GROVE
 407 BILL GARDNER MOW
 LOCUST GROVE, BRUNSWICK, GA
 BUILDING EXTERIOR
 ELEVATIONS

NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMIT	10/15/2024	J. SMITH	M. JONES
2	REVISION TO MATERIALS	11/01/2024	J. SMITH	M. JONES
3	REVISION TO DIMENSIONS	11/15/2024	J. SMITH	M. JONES
4	REVISION TO FINISHES	12/01/2024	J. SMITH	M. JONES
5	REVISION TO NOTES	12/15/2024	J. SMITH	M. JONES

843265-001
 A2002

Hj
Hayes | James
 ARCHITECTURAL ARCHITECTURE
 4146 BRANCH BEND ROAD
 SUITE 200
 HUNTSVILLE, GEORGIA 35895
 TEL: (256) 837-2200
 FAX: (256) 832-4202

CAPITAL GROWTH
SUBSISTANCE
 500 EAST BROADWAY
 SUITE 100
 HUNTSVILLE, AL 35894
 TEL: (256) 837-2200
 FAX: (256) 832-4202
 COLUMBIA UNIVERSITY
 6800 UNIVERSITY BLVD
 CUMMINGS HALL
 HUNTSVILLE, AL 35894

FOR REVIEW ONLY
 ARCHITECTURAL ARCHITECTURE
 4146 BRANCH BEND ROAD
 SUITE 200
 HUNTSVILLE, GEORGIA 35895
 TEL: (256) 837-2200
 FAX: (256) 832-4202

SEAL TO PERMIT BELL
CAMBER PARKING SITE

Project No. _____
 Address: CAPITAL UNIVERSITY
 500 EAST BROADWAY SUITE 100
 HUNTSVILLE, AL 35894
 City: HUNTSVILLE
 State: AL
 Date: _____
 Scale: _____
 Author: _____
 Check: _____
 Title: _____

SITE PLAN

Sheet Number: **C-04**

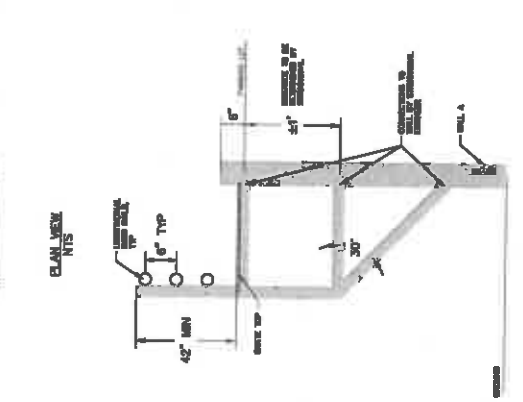
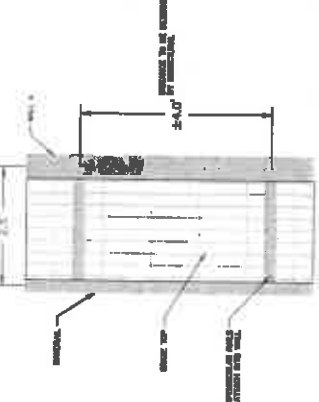
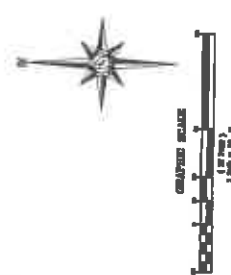
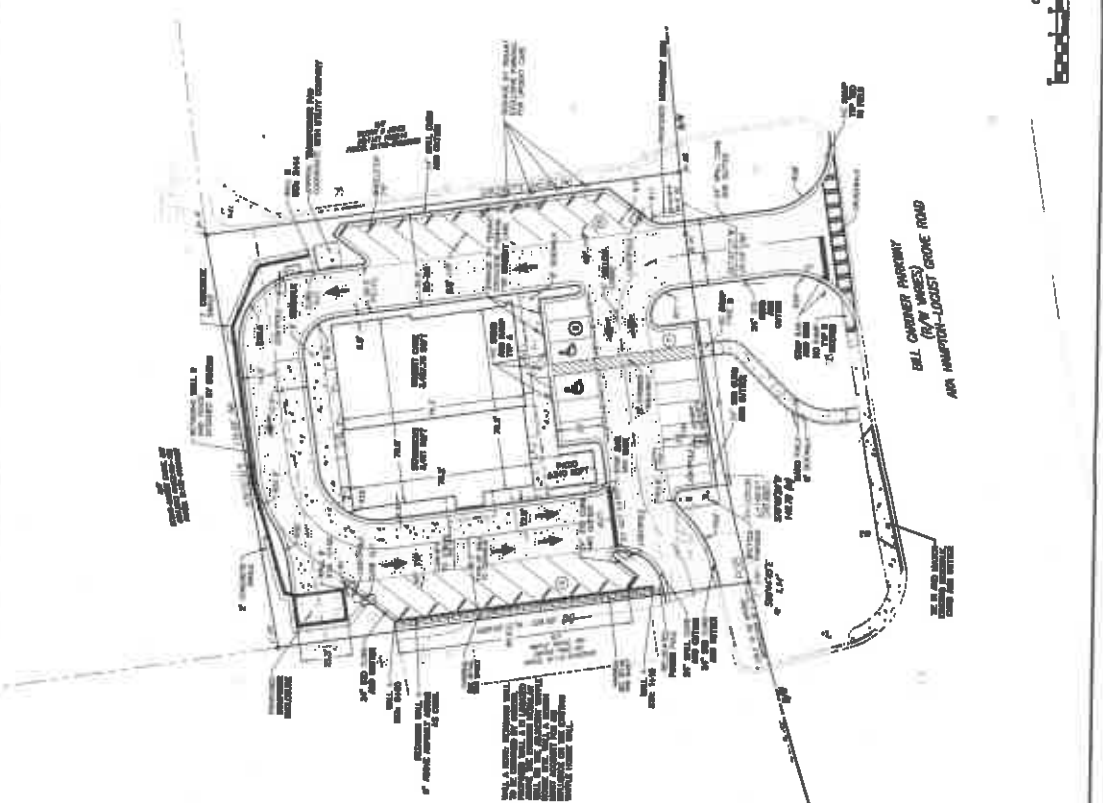
PARKING SUMMARY

TYPE	NO. OF SPACES	NO. OF SPACES	NO. OF SPACES
STANDARD	100	100	100
COMPACT	20	20	20
TOTAL	120	120	120

NOTE: ALL SPACES SHALL BE PROVIDED WITH THE FOLLOWING: 1. 10' CLEARANCE FROM ALL ADJACENT WALLS AND STRUCTURES. 2. 10' CLEARANCE FROM ALL ADJACENT DRIVEWAYS AND WALKWAYS. 3. 10' CLEARANCE FROM ALL ADJACENT UTILITIES AND STRUCTURES. 4. 10' CLEARANCE FROM ALL ADJACENT LANDSCAPING AND PLANTINGS. 5. 10' CLEARANCE FROM ALL ADJACENT SIGNAGE AND LIGHTING. 6. 10' CLEARANCE FROM ALL ADJACENT FENCES AND BARRIERS. 7. 10' CLEARANCE FROM ALL ADJACENT OBSTACLES AND ENCUMBRANCES. 8. 10' CLEARANCE FROM ALL ADJACENT EROSION CONTROL MEASURES. 9. 10' CLEARANCE FROM ALL ADJACENT DRAINAGE SYSTEMS. 10. 10' CLEARANCE FROM ALL ADJACENT RETENTION WALLS AND STRUCTURES. 11. 10' CLEARANCE FROM ALL ADJACENT ELEVATION CHANGES. 12. 10' CLEARANCE FROM ALL ADJACENT PROPERTY LINES. 13. 10' CLEARANCE FROM ALL ADJACENT PUBLIC RIGHTS-OF-WAY. 14. 10' CLEARANCE FROM ALL ADJACENT PRIVATE RIGHTS-OF-WAY. 15. 10' CLEARANCE FROM ALL ADJACENT EASEMENTS AND ENCUMBRANCES. 16. 10' CLEARANCE FROM ALL ADJACENT EROSION CONTROL 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PAVEMENT LEGEND

[Symbol]	LIGHT DUTY ASPHALT PAVEMENT
[Symbol]	HEAVY DUTY ASPHALT PAVEMENT
[Symbol]	CONCRETE PAVEMENT
[Symbol]	CONCRETE CURBING



- NOTES:**
1. WALLS CONNECTING HORIZONTAL ONTO WALLS TO BE CONSIDERED AS STRUCTURAL DETAILS PROVIDED FOR REFERENCE ONLY. ALL WALLS SHALL BE 1 1/2" DIA MIN. ROUND STAINLESS STEEL.
 - 2.



Community Development Department

P. O. Box 900
Locust Grove, Georgia 30248
Phone: (770) 957-5043
Facsimile (770) 954-1223

Item Coversheet

Item: A special event permit request for Caring for a Cause to hold a motorcycle ride/concern fundraiser on September 7, 2019.

Action Item: Yes No
Public Hearing Item: Yes No
Executive Session Item: Yes No
Advertised Date: NA
Budget Item: NA
Date Received: July 29, 2019
Workshop Date: TBD
Regular Meeting Date: August 5, 2019

Discussion:

Staff received a request for a Special Events Permit from Nikki Rogers of Caring For A Cause for a motorcycle ride/concert fundraiser benefitting the fight to end childhood cancer to be held at Claude Gray Park on September 7, 2019.

- Music and entertainment
 - 3PM until 10PM concert by Ethan Payne
- No food is to be sold without obtaining proper permits from the Health Dept.

- Event location(s)
 - **Claude Gray Park**
99 Frances Ward Drive
Locust Grove, GA 30248

- The duration of the event (including set up and break down)
 - **Saturday, September 7, 2019 from 3pm until 10pm.**

- Contact information for the person who will be onsite during the event
 - **Nikki Rogers – 404-731-1635**

- Which merchants will have booths at the event?
 - **Shane's Rib Shack**
 - **Southern Grace Hospice**
 - **Advanced Roofing and Interior**

- Permission from property owner?
 - **Applicant is seeking permission from Locust Grove City Council to use Claude Gray Park for this event.**

Comments:

The Applicant is finalizing the route for motorcycle ride. Locust Grove PD will be notified once the route is set.

Recommendation:

I MOVE TO (approve/deny/table) THE REQUEST FOR A SPECIAL EVENT PERMIT FOR A FUNDRAISER HOSTED BY CARING FOR A CAUSE ON SEPTEMBER 7, 2019 IN CLAUDE GRAY PARK.



SPECIAL EVENTS PERMIT APPLICATION

Applicant: Submittal Date: Caring for a cause 7-29-19
 Organization: Event Date(s)*: 9-7-19
 Type of Event: Event Time(s): Childhood Cancer Motorcycle Ride/ Concert
 4pm-9pm

*Please provide the following information a minimum of thirty (30) days prior to the event date.

This request will be placed on the next available City Council agenda for a hearing.

The applicant (or designated representative) must attend this hearing.

Applicant's local address: 241 Ferguson Ave Locust Grove

Applicant's e-mail address: nikkirogers03@yahoo.com

Location of the Event: Claude Gray Park

Name and telephone number of onsite contact who will be onsite for the duration of the event: Nikki Rogers 404-731-1635

Description of the nature of the special event: Tents for vendors / Families

Identify sponsors and/or merchants participating in the event: Shane's Rib Shack, Southern Graces, Advanced Roofing, Interlok

Identify types of goods to be sold*, if any
 *Additional permits may be required T-shirts

Duration of the event (including setup and take down) 3pm-10pm

Description of music/entertainment*: Ethan Payne - Singer

*City's Noise Ordinance prohibits loud music/voices after midnight.

Additional required information:

- Written permission from the property owner
- Legible copy of the applicant's driver's license (or other State issued ID)
- If the event is a road race, parade, march, running or cycling along public streets, attach a proposed route for review and approval.
 - o List number of police officers/public works staff requested – additional fees may apply
- All fees* are payable to the City of Locust Grove in the amount of \$150
 - *If the event is for a non-profit organization wishing to waive the fees, proof of the organization's non-profit status must be submitted.
- **FOR PROFIT EVENTS ONLY:** Complete the "Georgia Bureau of Investigation – Georgia Crime Information Center Consent Form" for a background check.
- **FOR PROFIT EVENTS ONLY:** Complete the attached "E-Verify Affidavit"
- **FOR PROFIT EVENTS ONLY:** Complete the attached "Affidavit Verifying Status for Receipt of Public Benefits"

Signature: Nikki Rogers

Date: 7/29/19

Revised 7/19



E-VERIFY AFFIDAVIT Locust Grove, GA

E-verify Private Employer Affidavit Pursuant to O.C.G.A. § 36-60-6(d)

By executing this affidavit, the undersigned private employer verifies its compliance with O.C.G.A. § 36-60-6(d), stating affirmatively that the individual, firm or corporation has registered with and utilizes the federal work authorization program commonly known as E-Verify, or any subsequent replacement in O.C.G.A. § 36-60-6(d). Furthermore, the undersigned applicant verifies one of the following with respect to my application for the above mentioned document: