



# Fiscal Year 2023 Audit Results

*April 17, 2024*



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# Agenda

- Engagement Team
  - Results of the 2023 Audit
  - Financial Ratios
  - Comments, Recommendations, and Other Issues
  - Questions & Comments
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# Engagement Team

- Engagement team leaders for City of Lawrenceville
  - Mauldin & Jenkins, founded in 1918, audit over 400 governments
  - Meredith Lipson, Engagement Partner
  - Matthew Strob, Engagement In-Charge



# Results of 2023 Audit

- Mauldin & Jenkins Responsibility Under Auditing Standards Generally Accepted in the United States of America (GAAS) and Government Auditing Standards (GAS)
    - Considered the internal control structure for the purpose of expressing an opinion on the City’s basic financial statements and not providing assurance on the internal control structure.
    - Audit was performed in accordance with GAAS and GAS.
    - Objective is to provide reasonable—not absolute—assurance that the basic financial statements are free of material misstatement.
    - The basic financial statements are the responsibility of the City’s management.
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# Results of 2023 Audit (Continued)

- Report on 2023 Basic Financial Statements
    - **Unmodified (“clean”) opinion on basic financial statements.**
    - Presented fairly in accordance with accounting principles generally accepted in the United States of America.
    - Responsibility does not extend beyond financial information contained in the report.
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# Results of 2023 Audit (Continued)

- Significant Accounting Policies
    - The significant accounting policies used by the City are described in Note 1 (Page 26) to the basic financial statements.
      - Details funds, accruals, substantial rules that the City adheres, etc.
    - The policies used by the City are in accordance with generally accepted accounting principles and similar government organizations.
    - In considering the qualitative aspects of its policies, the City is not involved in any controversial or emerging issues for which guidance is not available.
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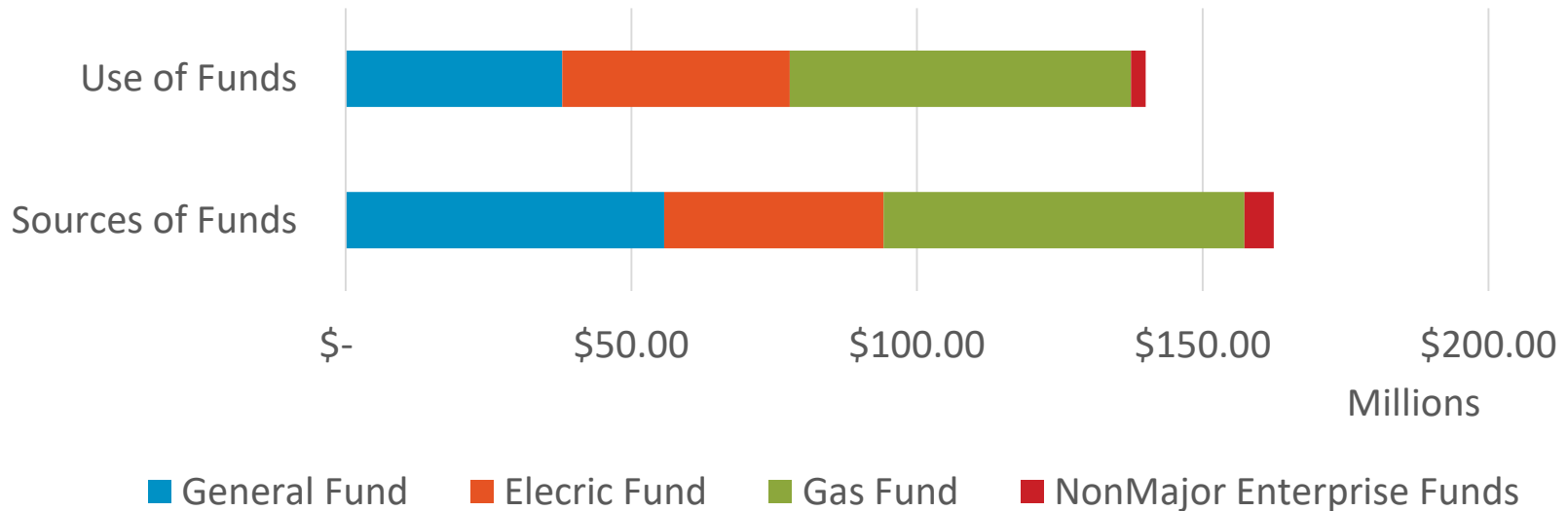


# Results of 2023 Audit (Continued)

- Consultation with Other Accountants
    - Management has not consulted with, or obtained opinions from, other independent accountants during the year, nor did Mauldin & Jenkins face any issues requiring outside consultation.
  - Significant Issues Discussed with Management
    - There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements.
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# General Fund and Enterprise Funds

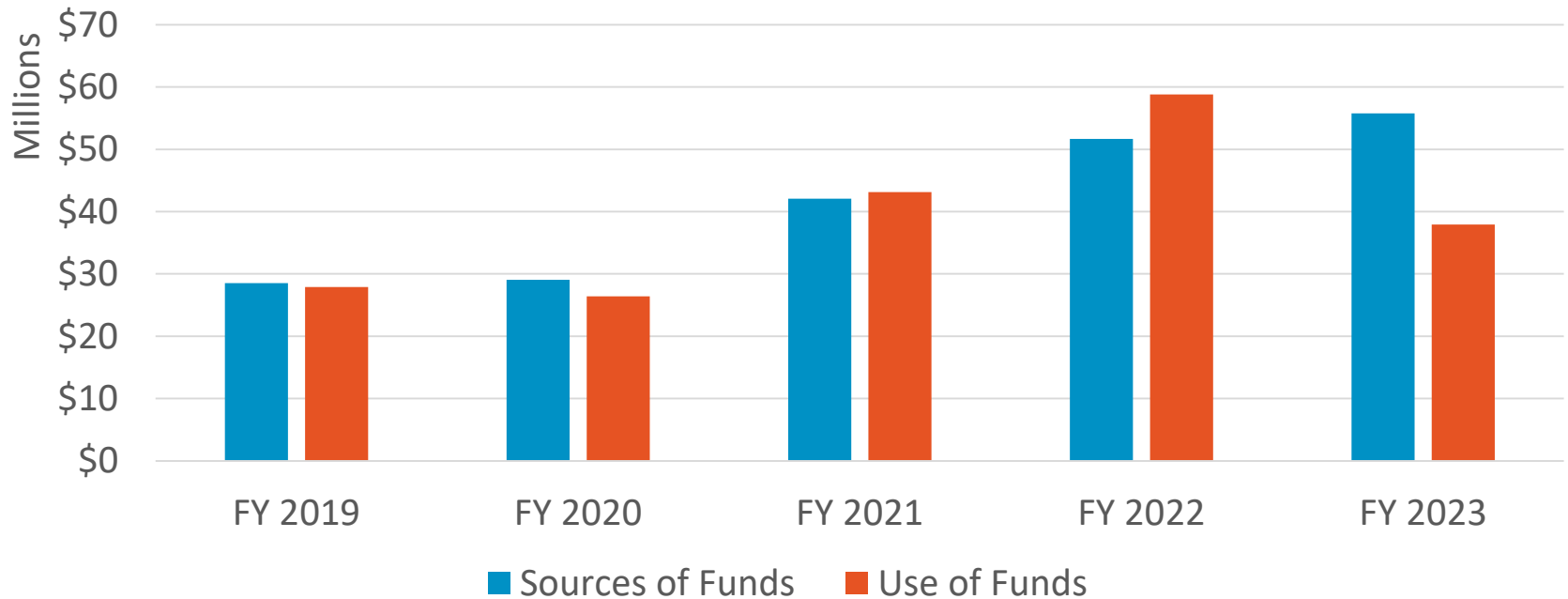


- Net Operating Gain of \$22,376,384
  - Includes Sale of Property to DDA





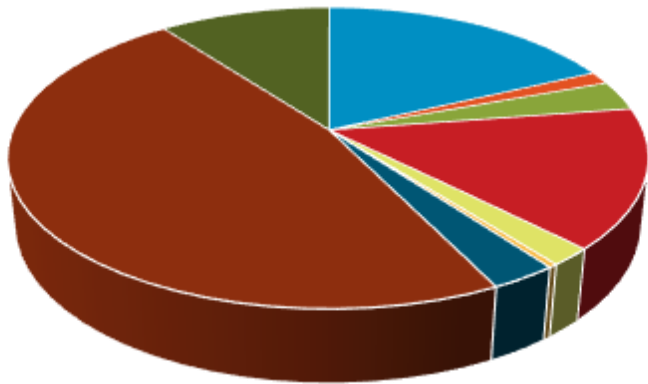
# General Fund Revenues vs Expenditures



- FY 2019 created Capital Projects Fund to segregate capital investments
- FY 2021 charged enterprise fund for the indirect costs accounted for in the General Fund
- FY 2021 received \$4M in CARES ACT Funding
- FY 2023 sold Deauville (Gwinnett Drive) to the DDA



# General Fund Source of Funds

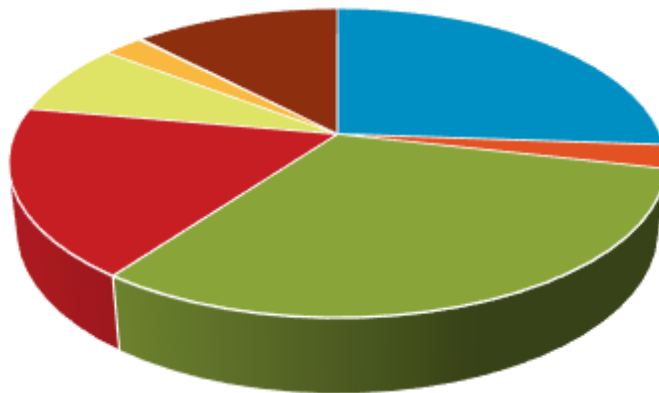


- |                         |                        |
|-------------------------|------------------------|
| ■ Taxes                 | ■ Licenses and permits |
| ■ Fines and forfeitures | ■ Charges for services |
| ■ Intergovernmental     | ■ Investment income    |
| ■ Miscellaneous         | ■ Transfers in         |
| ■ Sale of Property      |                        |

- General Fund had a \$17,824,083 change in Fund Balance
- Net Operating Transfers in of \$21,614,346
- Revenues were \$655,910 more than anticipated (Budgeted) or 2.83%



# General Fund Use of Funds

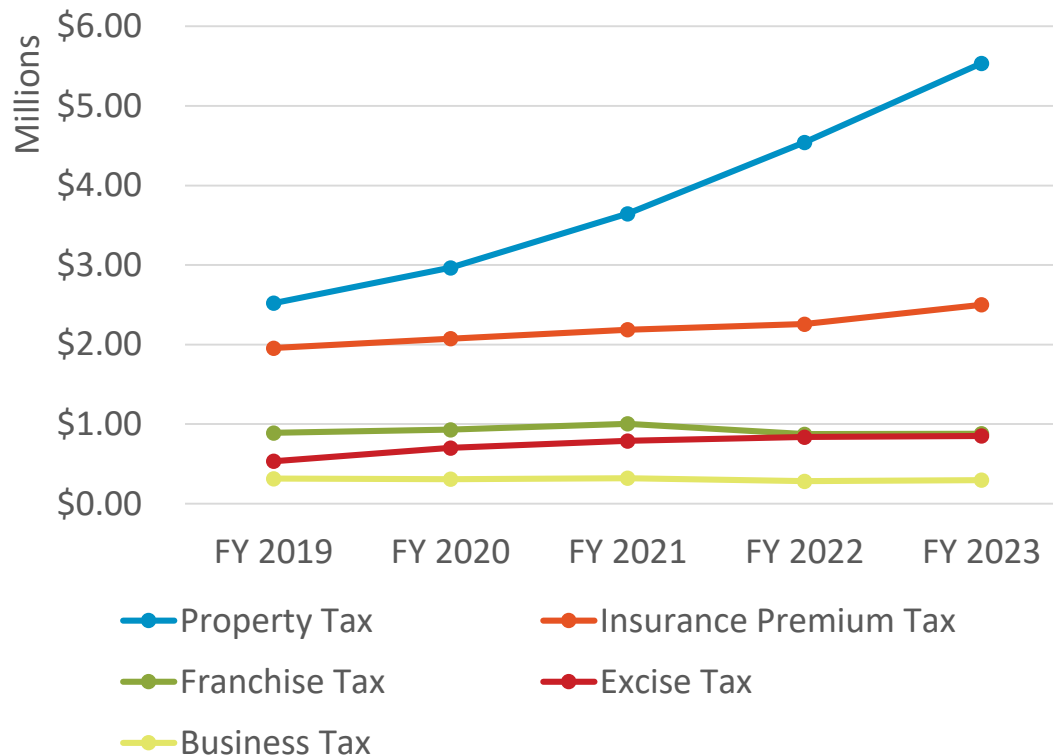


- General Government
- Court Services
- Police
- Public Works
- Housing and development
- Health and welfare
- Debt service

- \$2,997,912 below budget 8.25%
  - Police \$11,941,656
    - \$532,121 below budget 4.27%
  - General government \$9,906,524
    - \$806,707 below budget 7.53%
  - Public Works \$6,720,776
    - \$619,368 below budget 8.44%



# Trend Analysis of Taxes



- Property Taxes
  - TATV has increase \$1,173,000 since 2019 as a result in State Law changes
  - Real estate taxes have increase \$1,677,000 since 201 due to digest growth and millage increase



# Enterprise Results

	Electric	Gas	Stormwater	Solid Waste
<b>OPERATING REVENUE</b>				
Charges for sales and services	\$ 38,183,015	\$ 62,817,320	\$ 2,466,199	\$ 2,603,237
Other fees	206,598	2,137,954	12,975	7,182
Total operating revenue	38,389,613	64,955,274	2,479,174	2,610,419
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,832,409	4,864,936	346,172	1,146,583
General operating expenses	27,817,009	33,562,375	164,161	1,606,482
Depreciation and amortization	969,755	1,143,172	238,488	168,912
Total operating expenses	30,619,173	39,570,483	748,821	2,921,977
Operating income	7,770,440	25,384,791	1,730,353	(311,558)
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Gain on disposal of capital assets	-	17,854	-	-
Interest expense	-	(1,865,250)	-	-
Other	-	-	185,916	-
Investment income (loss)	(94,505)	77,940	77,653	2,689
Total non-operating revenues (expenses)	(94,505)	(1,769,456)	263,569	2,689
Net income before transfers	7,675,935	23,615,335	1,993,922	(308,869)
Transfers in	-	-	6,693	421,919
Transfers out	(9,088,763)	(20,171,613)	-	-
Total transfers	(9,088,763)	(20,171,613)	6,693	421,919
Change in net position	(1,412,828)	3,443,722	2,000,615	113,050
<b>Total net position (deficit), beginning of period</b>	60,698,482	(4,167,457)	13,178,633	1,120,579
<b>Total net position (deficit), end of period</b>	\$ 59,285,654	(\$ 723,735)	\$ 15,179,248	\$ 1,233,629

- Net Position of Enterprise Funds increased by \$4,144,559
- Total revenue was \$108,434,480
- Enterprise Funds provided \$29,260,376 in operating transfers out



# Fund Balance

		General Fund	Electric Fund	Gas Fund	Solid Waste Fund	Storm Water Fund
FY2023 Ending	Fund Balance/ Working Capital	\$15,936,283	\$6,932,160	\$9,392,111	\$751,409	\$6,186,061
FY2024 to date	Change in Fund Balance/ Working Capital	(\$5,254,559)	\$4,572,045	(\$889,766)	\$508,001	\$330,584
FY2024 Remainder of year	Projected Changes to Fund Balance/ Working Capital	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	FY2024 Projected Ending	\$10,681,724	\$11,504,205	\$8,502,345	\$1,259,410	\$6,516,645
	Policy	<u>\$10,179,143</u>	<u>\$6,877,583</u>	<u>\$8,221,515</u>	<u>\$480,065</u>	<u>\$394,471</u>
	Available / (Deficient)	\$502,581	\$4,626,622	\$280,830	\$779,345	\$6,122,174





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# Questions?

