

City of Tucker

Fiscal Year Ended June 30

2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MAULDIN & JENKINS

To the Honorable Mayor and Members of the City Council and Management of the City of Tucker, Georgia

In planning and performing our audit of the financial statements of the City of Tucker, Georgia (the "City") as of and for the year end June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the City as of and for the year ended June 30, 2018. A separate report dated December 11, 2018 contains our report on the City's internal control. This letter does not affect our report dated December 11, 2018, on the financial statements of the City.

The following items are offered as constructive suggestions to be considered as part of the ongoing process of modifying and improving the City's practices and procedures:

1) Documentation of Review and Approval of Journal Entries

During our testing of the City's manual journal entries, we noted several instances in which entries had been posted without independent approval and that there was no documented history of approving journal entries prior to being posted to the general ledger. We recommend that the City implement a policy of procedures related to the proper approval and documented authorization of all manual journal entries, prior to the entry being recorded to the City's general ledger. The review and approval of the entry should be performed by someone independent of the preparation of the entry.

2) Record Retention

During our testing of the City's franchise fee receipts, we noted that the City was not able to provide several of the original remittance documents provided by the payer. In addition, during our testing of disbursements, we noted that the City was not able to provide the original check copy and original invoice for one of the disbursements made during the year. We recommend that the City implement a retention policy for all original payments and significant financial documents to be maintained by management.

3) Cybersecurity

The Information Technology environment is characterized by rapid change and there has been no shortage of headlines about cybersecurity attacks. While breaches of large organizations have been very high profile and have received a lot of press coverage, organizations of all sizes face the same types of threats and are experiencing similar breaches. Many organizations are still struggling to effectively address cybersecurity issues; however, they are no longer ignoring them. During the performance of our audit of the financial statements of the City, we noted that the organization is lacking some elements of a Cybersecurity Framework or Cybersecurity Risk Management Program (CRMP). A functioning CRMP will assist the City with comprehensively identifying cybersecurity weaknesses, potential threats and risks, and controls used to safeguard information and systems. We recommend that the entity investigate and consider implementation of a Cybersecurity Risk Management Program covering monitoring and testing of controls in place.

Closing Thoughts

We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than those specified parties.

We appreciate serving the City of Tucker and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2018

CITY OF TUCKER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2018

Prepared by:
Finance Department

Submitted by:
Tami Hanlin
City Manager

CITY OF TUCKER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION
- Letter of Transmittal ..... i-vii
- Principal Officials viii
- Organizational Chart xiv

FINANCIAL SECTION
- Independent Auditor's Report 1-3
- Management's Discussion and Analysis 4-12
- Basic Financial Statements:
  - Government-wide Financial Statements
    - Statement of Net Position 13
    - Statement of Activities 14
  - Fund Financial Statements
    - Balance Sheet – Governmental Funds 15
    - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 16
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 17
    - Statement of Fiduciary Assets and Liabilities – Agency Fund 18
  - Notes to Financial Statements 19-30
- Required Supplementary Information:
  - General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 31
  - Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 32
- Combining and Individual Fund Financial Statements and Schedules:
  - Combining Balance Sheet – Nonmajor Governmental Funds 33
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Fund 34
  - Rental Car Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 35
  - Schedule of Expenditures of Special Purpose Local Option Sales Tax 36
  - Schedule of Changes in Assets and Liabilities – Agency Fund 37

CITY OF TUCKER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

STATISTICAL SECTION

Net Position by Component 38
Changes in Net Position 39
Fund Balance of Governmental Funds 40
Changes in Fund Balances of Governmental Funds 41
Principal Business and Occupation Taxpayers 42
Demographic and Economic Statistics 43
Principal Employers 44
Full Time Equivalent City Government Employees by Function 45
Operating Indicators by Function 46
Capital Asset Statistics by Function 47

COMPLIANCE SECTION

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* ..... 48 and 49
Schedule of Findings and Responses 50-52

INTRODUCTORY SECTION

City of Tucker

12/11/2018

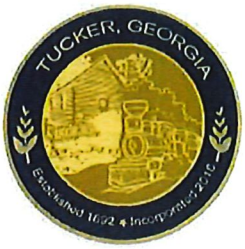
Honorable Frank Auman, Mayor,
Members of the City Council, and
Citizens of Tucker, Georgia

Ladies and Gentlemen:

Enclosed please find the Comprehensive Annual Financial Report of the City of Tucker, Georgia, for the year ended June 30, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City of Tucker. The report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain an understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tucker for the year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tucker's financial statements for the year ended June 30, 2018 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.



City of Tucker

PROFILE OF THE GOVERNMENT

The City of Tucker was incorporated in April of 2016. Positioned in northeastern DeKalb County, Tucker is situated between the City of Stone Mountain to the south, Gwinnett County to the north and Interstate 285 to the west. A city of "sevens", Tucker's downtown is seven miles from a handful of neighboring cities, as well as being home to the seven Tucker Cluster schools. Although not incorporated as a city until 2016, Tucker has been on the map and in the hearts of residents for over a century. Tucker is one of the newest cities in the state of Georgia, voted into cityhood in November of 2015 by nearly three-quarters of the voters.

The City of Tucker covers more than 20 square miles with a population of over 35,000 residents. Tucker is home to two major community improvement districts (CIDs), the Tucker-Northlake CID and Stone Mountain CID, representing hundreds of businesses ranging from sole proprietorships to multi-national corporations.These CIDs work to maintain and enhance the look of Tucker's commercial corridors, while also funding transportation improvements within their boundaries. Primary retail centers in Tucker include Briarcliff Village, Northlake Festival, Tucker Meridian and Cofer Crossing. Within Tucker there are approximately 2,500 licensed businesses.

Quest Diagnostics is one of the City's biggest employers,with over 1,000 workers on staff. The City also has a broad industrial presence boasting major employers like PepsiCo and Inland Seafood. The crown jewel of the City is Henderson Park, which consists of 125 acres and is one of the largest parks in the county. It features six soccer fields, four tennis courts, three playgrounds, two picnic pavilions, several miles of hiking trails surrounding a lake, a community garden and a native plant and wildlife walking trail.

Policymaking and legislative authority of the government is vested in the Mayor and six council members, elected by the people on a non-partisan ballot for four-year terms.Council members are elected by district, and the Mayor is elected at-large by popular vote. The Mayor and council members serve until their successors are qualified and certified. Terms of office begin after the certification of the election and swearing into office. Elections are held every two years for three of the council members, utilizing staggered terms. Two council members are elected to represent each of Tucker's three districts, while the Mayor is elected to represent the entire City. The terms for council members from District 1 Post 1, District 2 Post 1 and District 3 Post 1, as well as for the mayor, are set to expire in January 2022, while terms for District 1 Post 2, District 2 Post 2 and District 3 Post 2 will expire in January 2020.

City of Tucker

The legislative authority of the government of the City of Tucker, except as otherwise specifically provided in the City Charter, shall be vested in the City Council, of which the Mayor is a voting member and possesses all the executive powers granted to the government under the constitution and laws of the State of Georgia a the City of Tucker charter. The City Manager maintains all the administrative powers granted to the government under the constitution and laws of the State of Georgia and the City's charter.

The City is empowered to levy a property tax on both real and personal property located within its boundaries and is qualified to levy all other taxes granted to municipalities within the State of Georgia.

Deploying a non-traditional approach to government services, the City operates through a public-private partnership. The City provides a full range of services including Planning and Zoning, Code Enforcement, Business Licenses and Parks and Recreation, as well as Building and Development permitting and inspections. During the initial Two-Year transition period, services such as police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, and sanitation services continue to be provided by DeKalb County.

The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The Mayor and Council are required to adopt a final budget no later than the close of the six months. The budget is prepared by fund, function,and department. From day one, the budgeting process has included performance management initiatives as established by the Council. Amounts in this budget may be re-allocated within funds by approval of the City Manager as long as the total budgeted amounts do not exceed the approved appropriations by fund.

LOCAL ECONOMY

Tucker, one of the newest cities in the State of Georgia, is also one of its most diverse business settings. The City's resident base consists of a mix of lifelong residents, young professionals just moving to the Atlanta area and everything in between. The common thread is that they, by and large, enjoy shopping local. Whether at Main Street businesses or at one of Tucker's commercial power centers, these people support Tucker's array of retailers.

Home to more than 35,000 people, Tucker has a significant footprint in northeastern DeKalb County. Covering almost 21 square miles, Tucker's biggest businesses are the ones where residents may never walk through the doors. Inland Seafood, CSM Bakery, Ricoh, Steel Mart and many other players in the B to B community, are creators of thousands of jobs within the City of Tucker. Tucker is home to medical innovators like Emory Spine Center, large corporations like PepsiCo, and small family-owned businesses like Matthews Cafeteria.

City of Tucker

One of Tucker's biggest strengths is its location. Situated both inside and outside the Perimeter, Tucker is convenient to downtown Atlanta and surrounding areas, and just a 20-minute drive from the world's busiest airport, Hartsfield-Jackson International. The City's real estate values made a double-digit jump in 2017 and remained strong in 2018. The median income and median home value remain well above the county and state averages.

LONG TERM FINANCIAL PLANNING

The initial City budget was established utilizing the Feasibility Study from the Georgia State University School of Andrew Young as a guide to derive initial revenue and expenditure estimates . With the completion of our first 12-month fiscal year, we will look to establish a Fund Balance policy to designate a minimum fund balance reserve amount in future years. Excess fund balances over reserve requirements will be used in subsequent periods for pay-as-you-go capital projects and one-time non-recurring expenditures .

To facilitate the provision of city services, the government is committed to a consistent fee structure for business taxes and permitting. The City has not assessed a millage rate during the first two years and relies on franchise fees, business taxes and permitting fees to fund city services.

MAJOR INITIATIVES FOR THE YEAR

PARKS AND RECREATION

The City completed an IGA with DeKalb County to assume responsibility for its recreation center, as well as nearly 300 acres of parkland. Operations were overseen by a Parks and Recreation Department completely built from scratch. This included a Department Director, Recreation Center Manager and Operations Manager, as well as other full- and part-time staff.

The Parks and Recreation Department quickly executed much-needed improvements including painting and repairs at Tucker Recreation Center, rehabilitation of Kelley Cofer Park pool and beginning conversations about security cameras in Tucker's parks.

COMPREHENSIVE PLAN

Finishing a process almost a year and a half in the making, the Mayor and City Council voted unanimously in April 2018 to adopt the City of Tucker's first-ever Comprehensive Plan. The plan, which dictates public policy on issues like transportation and zoning, is designed to guide development decisions in the City for several years to come.

City of Tucker

INITIATIVES FOR FUTURE YEARS

SPLOST

The DeKalb County Special-Purpose Local-Option Sales Tax (SPLOST), an optional one percent county sales tax used to fund capital outlay projects proposed by the county government and qualified participating municipal governments, was passed by a referendum vote in the City of Tucker in November 2017. The tax is collected on items subject to the state sales tax and use tax within the County and is estimated to bring in over $600 million over 6 years into DeKalb County. Each municipality in DeKalb County will receive a pro-rated share of SPLOST revenue based on its population (2016 US Census estimate); with an estimated population of 35,000 residents, the share for the City of Tucker is estimated at $31.8 million over 6 years. The City has hired a paving contractor for road resurfacing projects and is expected to have the 24 worst roads in the City resurfaced by the end of calendar year 2018.

TRANSPORTATION MASTER PLAN

In Fall 2018,Tucker embarked upon its first-ever Transportation Master Plan. This effort,led by consultants from VHB and The Collaborative, seeks to identify opportunities for short- and long- term traffic improvement, while laying the groundwork for a safer, more efficient traffic grid in and around Tucker.

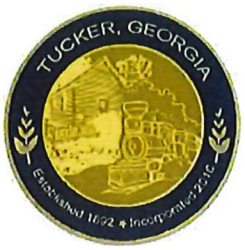
Key to this plan is an Intersection Safety Analysis, which uses traffic data to spotlight the intersections most in need of change. These recommendations are based on intersections with the most crashes, injuries and near-misses.

DOWNTOWN MASTER PLAN

The City of Tucker, in cooperation with the Tucker-Northlake Community Improvement District, launched its first-ever Downtown Master Plan process in November 2018. This plan will take a look at everything from the types of businesses in downtown to opportunities for residential growth, potential greenspace additions, and parking and how best to use alleyways. It also will include a market study to give the development community an idea of just what is needed in Tucker.

INFRASTRUCTURE UPGRADES

City Council approved funding for significant equipment upgrades that promise to improve efficiency and effectiveness of City staff. These upgrades include laying fiber for faster internet speeds and relocating the City's servers to a dedicated space inside Tucker Recreation Center. Staff is also working to implement a new reporting software, BS&A. This software will ultimately allow for more accurate record-keeping and for residents and business owners to work directly through the system on things like Code Enforcement complaints.



City of Tucker

FINANCIAL POLICIES

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safety of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and

2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Single Audit - As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and internal staff. To further enhance our internal control structure, the City will be employing an internal auditor to provide an additional layer of compliance review. For the period ended June 30, 2018 the City did not require a Single Audit.

Budgetary Controls - The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund and any special revenue funds are included in the annual appropriated budget. A project length budget will be utilized for capital project funds. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements.

OTHER INFORMATION

Awards and Achievements - To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. We are extremely proud of all the work that has gone into preparing this report in this our second year of existence.

City of Tucker

Acknowledgments - The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the entire City Hall staff and the auditors for the City. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report, and the Mayor and City Council for their unwavering support of the staff and our collective efforts to consistently maintain the highest levels of professionalism and fiscal responsibility and management.

Tami Hanlin
City Manager

Cynthia Strozier
Finance Manager

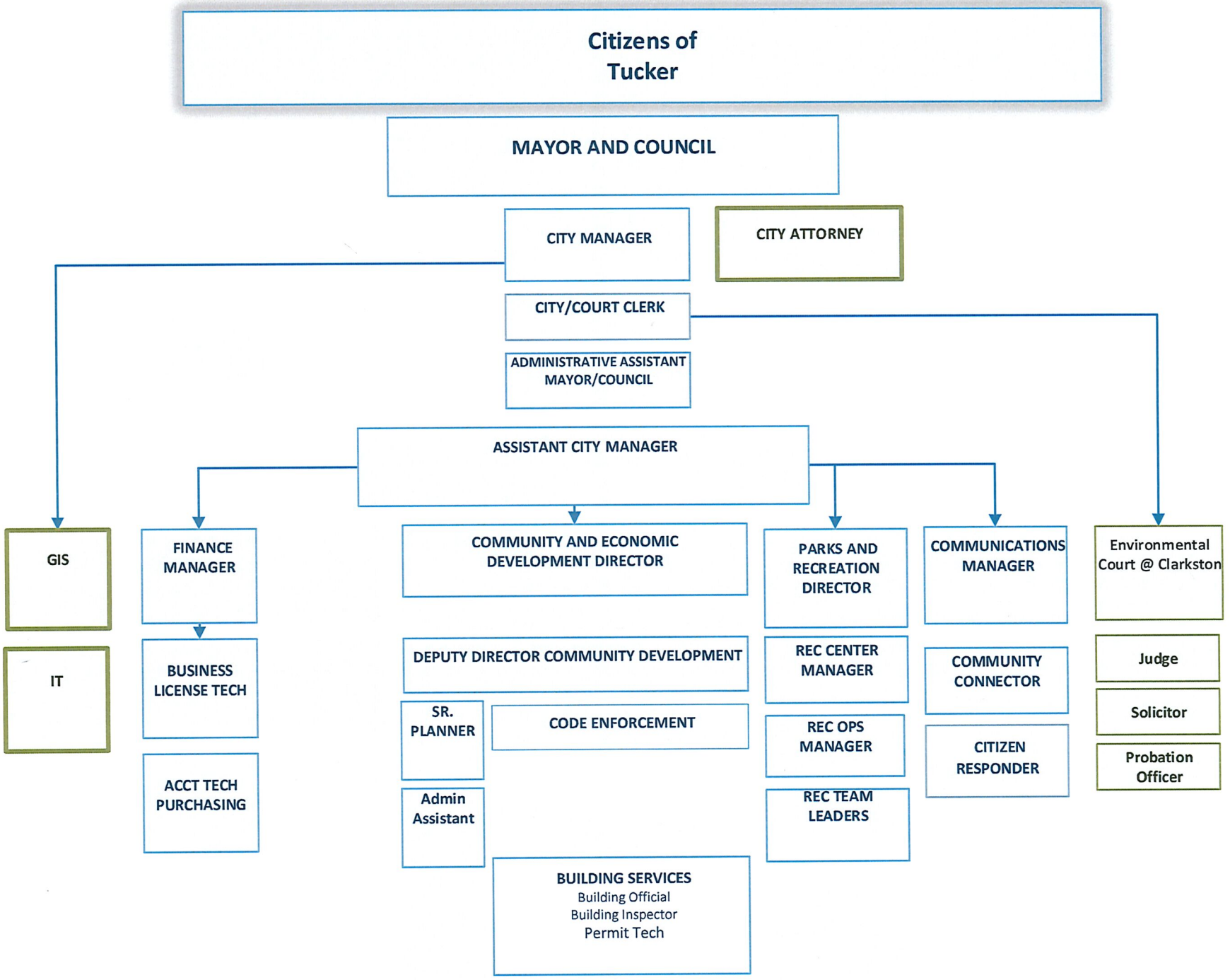
CITY OF TUCKER, GEORGIA
PRINCIPAL OFFICIALS
JUNE 30, 2018

City Council

Frank Auman	Mayor
Michelle Penkava	Mayor Pro Tem, District 3-Post 1
Anne Lerner	Council Member, District 3-Post 2
Noelle Monferdini	Council Member, District 2-Post 2
Matthew Robbins	Council Member, District 2-Post 1
William Rosenfeld	Council Member, District 1-Post 2
Patricia Soltys	Council Member, District 1-Post 1

Appointed Administrative Officials

Tami Hanlin	City Manager
Cindy Jenkins	Asst. City Manager
Bonnie Warne	City Clerk
Brian Anderson	City Attorney


Citizens of Tucker
MAYOR AND COUNCIL
CITY MANAGER
CITY ATTORNEY
CITY/COURT CLERK
ADMINISTRATIVE ASSISTANT MAYOR/COUNCIL
ASSISTANT CITY MANAGER
GIS
IT
FINANCE MANAGER
BUSINESS LICENSE TECH
ACCT TECH PURCHASING
COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
DEPUTY DIRECTOR COMMUNITY DEVELOPMENT
SR. PLANNER
CODE ENFORCEMENT
Admin Assistant
BUILDING SERVICES
Building Official
Building Inspector
Permit Tech
PARKS AND RECREATION DIRECTOR
REC CENTER MANAGER
REC OPS MANAGER
REC TEAM LEADERS
COMMUNICATIONS MANAGER
COMMUNITY CONNECTOR
CITIZEN RESPONDER
Environmental Court @ Clarkston
Judge
Solicitor
Probation Officer

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Tucker, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Tucker, Georgia** (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Tucker, Georgia as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), and Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section 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 "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018 on our consideration of the City of Tucker, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2018

As management of the City of Tucker (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

The City, which was incorporated by a voter approved referendum on November 3, 2015, commenced operations pursuant to the election of a mayor and council on March 1, 2016. The City's first fiscal period was for ten months ended December 31, 2016. Pursuant to the passage of an ordinance in May 2017, the City Council changed the City's fiscal year-end from December 31st to June 30th, and thus the year ended June 30, 2018 is the City's first full twelve (12) month fiscal year. For purposes of comparison in this discussion and analysis, certain comparisons will be between the twelve months ended June 30, 2018 and the six-month period ended June 30, 2017.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by $13,878,247 (total net position), which represents an increase of $9,056,740 or 188% from the prior year end balance. Of the total net position, $10,720,340 (unrestricted net position) is available to meet the ongoing obligations of the government.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,870,941. This represents an increase of $4,405,909 or 127% from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements report functions of the City that are principally supported by taxes (governmental activities). The governmental activities of the City include general government, judicial, public works, culture and recreation, and community development.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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

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

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

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special purpose local option sales tax (SPLOST) fund, and hotel/motel tax fund, which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds, except capital project funds for which project length budgets are adopted. A budgetary comparison statement has been provided for the general fund and each of the special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 and 16 of this report.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond related activity for municipal court.

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 19 through 30 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedules as presented on a generally accepted accounting principal basis in this section. These schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets.

The combining and individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 33 and 34 of this report. Required supplementary information can be found on pages 31 and 32 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the City's case, assets exceeded liabilities by $13,878,247, representing a $9,056,740 or 188% increase over the prior fiscal period.

The City's net position is comprised of investments in capital assets of $1,449,915, amounts restricted for tourism of $110,913, amounts restricted for capital projects of $1,493,739, and amounts restricted for Homestead Option Sales Tax (HOST) activities of $103,340. The remaining portion of the City's net position represents unrestricted net position of $10,720,340, which is available to meet the ongoing obligations of the government. This amount represents 198% of fiscal year 2018 expenses.

The table below summarizes the City's Net Position for at June 30, 2018 and 2017.

City of Tucker Net Position

	Governmental Activities		Dollar Increase	
	June 30 2018	June 30 2017	(Decrease)	Percent
Assets				
Current assets	$ 12,753,813	$ 4,849,069	$ 7,904,744	163.02 %
Capital assets, net of accumulated depreciation	1,449,915	191,475	1,258,440	657.23
Total assets	14,203,728	5,040,544	9,163,184	181.79
Liabilities				
Current liabilities	325,481	219,037	106,444	48.60
Long-term liabilities	-	-	-	-
Total liabilities	325,481	219,037	106,444	48.60
Net Position				
Investment in capital assets	1,449,915	191,475	1,258,440	657.23
Restricted	1,707,992	36,935	1,671,057	4,524.32
Unrestricted	10,720,340	4,593,097	6,127,243	133.40
Total net position	$ 13,878,247	$ 4,821,507	$ 9,056,740	187.84 %

In the current year, both the City's current assets and its capital assets, net of accumulated depreciation saw large increases. For current assets, increases in cash and receivables contributed the majority of the overall increase of $7,904,744 due to the first full year of operations and large increase in net position. For capital assets, the majority of the increase can be attributed to the City taking over $1,038,200 in park facilities assets from DeKalb County.

Revenues: Government wide revenues have increased $9,434,824, or 188%, primarily as a result of fiscal year 2018 being a full twelve months as compared to six months for the prior period. Charges for services is comprised of license and permit revenue and recreational activity fees. Charges for services increased $812,007 or 383% based on the variance of length of fiscal years and well as strong increases in building permits issued. Capital grants and contributions of $2,579,759 are comprised of SPLOST revenues, State contributions for local road maintenance and the estimated carrying value of park facilities transferred from DeKalb County to the City. These revenue sources were not available in the prior year. Homestead Option Sales Taxes (HOST) of $253,053 were recognized in fiscal year 2018 and were not available in the prior fiscal period. Franchise taxes increased $1,665,324 or 207% as a result of an additional six months of collections. Business taxes increased $875,630 or 34%, significantly less than 100%, because the majority of these taxes are collected during the January thru March time period. Hotel/motel taxes increased $808,759 or 249% due to variance in fiscal periods as well as increases in occupancy rates during fiscal year 2018.

Insurance premium taxes increased $1,995,288 or 249% based on the variance in length of fiscal years as well as lower estimate of these revenues being attributed to the prior fiscal year than was ultimately realized.

Expenses: General government expenses increased $2,749,845 or 164%; Culture and recreation increased $306,884 or 416%; Community development increased $368,458 or 283%; Public works increased $100,145. All increases can be attributed to the variance in length of fiscal years as well as ongoing increases in government services and staff as the City takes on additional responsibilities from the County.

Governmental activities: The table below reflects changes in net position for fiscal year 2018 as well as the period for the six months ended June 30, 2017:

City of Tucker Changes in Net Position

	Governmental Activities			
	Twelve Months Ended June 30, 2018	Six Months Ended June 30, 2017	Dollar Increase (Decrease)	Percent
Revenues				
Program revenues:				
Charges for services	$ 1,024,144	$ 212,137	812,007	382.77 %
Capital grants and contributions	2,579,759	-	2,579,759	-
General revenues:				
Sales taxes	355,793	-	355,793	-
Franchise taxes	2,467,828	802,504	1,665,324	207.52
Excise taxes	636,033	305,491	330,542	108.20
Business taxes	3,461,176	2,585,546	875,630	33.87
Hotel / Motel taxes	1,134,169	325,410	808,759	248.54
Insurance premium taxes	2,795,288	800,000	1,995,288	249.41
Unrestricted investment earnings	-	23	(23)	(100.00)
Miscellaneous revenues	11,838	93	11,745	12,629.03
Total revenues	14,466,028	5,031,204	9,434,824	187.53
Expenses				
General government	4,424,087	1,674,242	2,749,845	164.24
Judicial	5,750	-	5,750	-
Public works	100,145	-	100,145	-
Culture and recreation	380,684	73,800	306,884	415.83
Community development	498,622	130,164	368,458	283.07
Total expenses	5,409,288	1,878,206	3,531,082	188.00
Change in net position	9,056,740	3,152,998	5,903,742	187.24 %
Net position, beginning of year	4,821,507	1,668,509		
Net position, end of year	$ 13,878,247	$ 4,821,507		

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below summarizes governmental revenues for fiscal year 2018 and the six months ended June 30, 2017.

City of Tucker Governmental Revenues, Expenditures and Changes in Fund Balances

	Governmental Funds			
	Twelve Months Ended June 30, 2018	Six Months Ended June 30, 2017	Dollar Increase (Decrease)	Percent
Revenues:				
Franchise taxes	$ 2,123,778	$ 446,781	$ 1,676,997	375.35 %
Sales taxes	102,740	-	102,740	-
Excise taxes	641,984	305,491	336,493	110
Business taxes	3,455,225	2,585,546	869,679	34
Hotel / Motel taxes	1,134,169	325,410	808,759	249
Charges for services	110,924	36	110,888	-
Intergovernmental	1,541,559	-	1,541,559	-
Fines and forfeitures	11,244	3,940	7,304	185.38
Licenses and permits	901,976	208,161	693,815	333.31
Miscellaneous	11,838	116	11,722	-
Total revenues	10,035,437	3,875,481	6,159,956	158.95
Expenditures:				
General government	4,467,071	1,813,066	2,654,005	146.38
Judicial	5,750	-	5,750	-
Public Works	100,145	-	100,145	-
Culture and recreation	557,940	73,800	484,140	656.02
Housing and Development	498,622	130,164	368,458	283.07
Total expenditures	5,629,528	2,017,030	3,612,498	179.10
Excess of revenues over expenditures	4,405,909	1,858,451	2,547,458	137.07
Transfers in	791,888	231,681	560,207	241.80
Transfers out	(791,888)	(231,681)	(560,207)	241.80
Net change in fund balance	4,405,909	1,858,451	2,547,458	137.07
Fund balance, beginning of year	3,465,032	1,606,581	1,858,451	115.68
Fund balance, end of year	$ 7,870,941	$ 3,465,032	$ 4,405,909	127.15 %

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $7,870,941, an increase of $4,405,909 or 127%, primarily related to a full year of operations as compared to six months in the prior period. Of this balance, $1,707,992 is restricted by law or contractual agreement; and $6,114,571 is considered unassigned and can be used to meet the near term operating needs of the City.

Total governmental revenues were $10,035,437 in fiscal year 2018 compared to $3,875,481 in the six month period ended June 30, 2017. Franchise taxes increased $1,676,997 as a result of an additional six months of collections and the timing of the Georgia Power franchise payment of $1,250,242 not available in the six month period ended June 30, 2017. Homestead Option Sales Taxes (HOST) of $102,740 as well as SPLOST taxes of $1,541,559 were not available during the prior six month period.

Business taxes increased $869,679 or 34%, significantly less than 100%, because the majority of these taxes are collected during the January thru March time period. Hotel/motel taxes increased $808,759 or 249% due to variance in fiscal periods as well as increases in occupancy rates during fiscal 2018. Licenses and permits increased $693,815 or 333% due to variance in fiscal periods as well as significant increases in fees from building permits.

Total governmental expenditures have increased $3,612,498 or 179%. General government expenditures increased $2,654,005 or 146%; Culture and recreation increased $484,140 or 656%; Community development increased $368,458 or 283%; Public works increased $100,145. All increases can be attributed to the variance in length of fiscal years as well as ongoing increases in government services and staff as the City takes on additional responsibilities from the County

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $6,626,875 an increase of $3,162,343 or 91%. As a measure of the liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance at June 30, 2018 was $6,114,571 and represents 119% of total general fund expenditures.

Total General fund revenues have increased $3,996,726 or 114%. Excise taxes have increased $256,071 or 95% due to the variance in fiscal periods. Franchise taxes increased $1,676,997 as a result of an additional six months of collections and the timing of the Georgia Power franchise payment of $1,250,242 not available in the six month period ended June 30, 2017. Business taxes increased $869,679 or 34%, significantly less than 100%, because the majority of these taxes are collected during the January thru March time period. Licenses and permits increased $693,815 or 333% due to variance in fiscal periods as well as significant increases in fees from building permits. Intergovernmental revenues of $364,300 are comprised of state road maintenance grants not available in the prior fiscal period. Charges for services of $110,924 are primarily recreation activity fees and are new services offered during the current fiscal year.

Total general fund expenditures have increased $3,251,641 or 172%. General government expenditures increased $2,653,784 or 146%; Culture and recreation increased $484,140 or 656%; Community development increased $44,682; Public works increased $63,285. All increases can be attributed to the variance in length of fiscal years as well as ongoing increases in government services and staff as the City takes on additional responsibilities from the County.

City of Tucker General Fund Revenues, Expenditures and Changes in Fund Balances

	General Fund			
	Twelve Months Ended June 30, 2018	Six Months Ended June 30, 2017	Dollar Increase (Decrease)	Percent
Revenues:				
Excise taxes	$ 525,127	$ 269,056	$ 256,071	95.17 %
Franchise taxes	2,123,778	446,781	1,676,997	375.35
Business taxes	3,455,225	2,585,546	869,679	33.64
Insurance premium tax	5,950	-	5,950	-
Licenses and permits	901,976	208,161	693,815	333.31
Intergovernmental revenues	364,300	-	364,300	-
Charges for services	110,924	36	110,888	-
Fines and forfeitures	11,244	3,940	7,304	185.38
Other	11,838	116	11,722	-
Total revenues	7,510,362	3,513,636	3,996,726	113.75
Expenditures:				
General government	4,466,850	1,813,066	2,653,784	146.37
Judicial	5,750	-	5,750	-
Public works	63,285	-	63,285	-
Recreation	557,940	73,800	484,140	656.02
Community development	44,682	-	44,682	-
Total expenditures	5,138,507	1,886,866	3,251,641	172.33
Excess of revenues over expenditures	2,371,855	1,626,770	745,085	45.80
Transfers in	791,188	231,681	559,507	241.50
Transfers out	(700)	-	(700)	-
Net change in fund balance	3,162,343	1,858,451	1,303,892	70.16
Fund balance, beginning of year	3,464,532	1,606,081	1,858,451	115.71
Fund balance, end of year	$ 6,626,875	$ 3,464,532	$ 3,907,428	112.78 %

SPLOST Fund

In April 2018, the City began receiving proceeds of a sales tax levied in DeKalb County, which will be used by the City for the exclusive purpose of capital outlay projects in accordance with a voter approved sales tax referendum. For the year ended June 30, 2018, the City received a total of $1,177,259 for the months of April – June 2018, and has used $36,860 of these funds toward road resurfacing.

Hotel/Motel Tax Fund

The City levies a 5% occupancy tax from area hotels and motels. Under the applicable state statute, the City can use 60% of these taxes toward general fund activities and the remaining 40% is to be used for promoting tourism and other related economic development activities in the County. Hotel motel taxes collected were $1,134,169 for the year ended June 30, 2018 compared to $325,410 for the six month period ended June 30, 2017. The increase is attributed to a full year of revenues in 2018 compared to six months in fiscal 2017 as well as increases in occupancy rates of area hotels and motels as travel nationally as well as in Georgia has increased.

General Fund Budgetary Highlights

The General Fund budget versus actual comparison can be found on page 31. For fiscal year 2018, the City had an overall favorable budget variance of $3,162,343.

Total revenues were $829,238 more than budgeted and total expenditures were $2,331,933 less than budgeted. The City has used extremely conservative budgeting milestones including a $683,000 contingency to cover unforeseen expenditures, which did not have to be used during fiscal 2018.

Capital Asset and Debt Administration

Capital Assets The City's investment in capital assets for its governmental activities as of June 30, 2018, amounts to $1,449,915 (net of accumulated depreciation). This represents an increase of $1,258,440 or 657% over the prior year. The largest increase in fiscal year 2018 was land and improvements, which is primarily park land transferred from DeKalb County. The City recorded $1,038,200 in donated value associated with this transfer. Additional information on the City's capital assets can be found in note 6 on page 27 of this report.

City of Tucker Assets (net of depreciation)

	Governmental Activities		Dollar Increase		
	June 30 2018	June 30 2017	(Decrease)	Percent	
Land and improvements	$ 1,182,421	$ -	$ 1,182,421	-	%
Construction in progress	38,695	-	38,695	-	
Leasehold improvements	79,497	85,279	(5,782)	(6.78)	
Machinery and equipment	149,302	106,196	43,106	40.59	
	$ 1,449,915	$ 191,475	$ 1,258,440	657.23	%

Long-term Debt At June 30, 2018, the City had no outstanding debt.

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for the 2019 fiscal year.

- Sustainability of Existing Services – the City has deployed a philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the organization. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.
- Cost of government – The operating millage rate for the City will remain at 0.0 mils. The City remains committed to refraining from the imposition of any additional millage for as long as is feasible. As the scope of city services continues to expand, the government will continue to explore all viable options to ensure that the services provided remain at the highest level possible.

Requests for Information

This financial report is designed to provide a general overview of the City of Tucker' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Tucker, 4228 First Avenue, Suite 1, Tucker, Georgia, 30084, or by calling 678-597-9040.

CITY OF TUCKER, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,449,317
Investments	1,997,800
Taxes receivable	4,498,202
Due from other governments	760,116
Prepaid items	48,378
Capital assets:	
Nondepreciable	1,221,116
Depreciable, net of accumulated depreciation	228,799
Total assets	14,203,728
LIABILITIES	
Accounts payable	325,481
Total liabilities	325,481
NET POSITION	
Investment in capital assets	1,449,915
Restricted for:	
Promotion of trade and tourism	110,913
Capital projects	1,493,739
HOST activities	103,340
Unrestricted	10,720,340
Total net position	$ 13,878,247

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

CITY OF TUCKER, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Primary government:				
Governmental activities:				
General government	$ 4,424,087	$ 434,978	$ -	$ (3,989,109)
Judicial	5,750	-	-	(5,750)
Public works	100,145	-	1,541,559	1,441,414
Community development	498,622	589,166	-	90,544
Culture and recreation	380,684	-	1,038,200	657,516
Total governmental activities	5,409,288	1,024,144	2,579,759	(1,805,385)
Total primary government	$ 5,409,288	$ 1,024,144	$ 2,579,759	(1,805,385)
General revenues:				
Sales taxes				$ 355,793
Franchise taxes				2,467,828
Excise taxes				636,033
Business taxes				3,461,176
Hotel/Motel taxes				1,134,169
Insurance premium taxes				2,795,288
Miscellaneous revenues				11,838
Total general revenues				10,862,125
Change in net position				9,056,740
Net position, beginning of year				4,821,507
Net position, end of year				$ 13,878,247

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

CITY OF TUCKER, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

ASSETS	General Fund	SPLOST Fund	Hotel/Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 4,162,752	$ 1,100,476	$ 165,735	$ 20,354	$ 5,449,317
Investments	1,997,800	-	-	-	1,997,800
Taxes receivable	4,389,887	-	99,107	9,208	4,498,202
Due from other funds	590,294	-	-	-	590,294
Due from other governments	-	404,323	-	355,793	760,116
Prepaid items	48,378	-	-	-	48,378
Total assets	$ 11,189,111	$ 1,504,799	$ 264,842	$ 385,355	$ 13,344,107
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 257,898	$ -	$ 67,583	$ -	$ 325,481
Due to other funds	-	364,300	197,032	28,962	590,294
Total liabilities	257,898	364,300	264,615	28,962	915,775
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - taxes	4,304,338	-	-	253,053	4,557,391
Total deferred inflows of resources	4,304,338	-	-	253,053	4,557,391
FUND BALANCES					
Nonspendable:					
Prepaid items	48,378	-	-	-	48,378
Restricted:					
Promotion of trade and tourism	110,686	-	227	-	110,913
Capital projects	353,240	1,140,499	-	-	1,493,739
HOST activities	-	-	-	103,340	103,340
Unassigned	6,114,571	-	-	-	6,114,571
Total fund balances	6,626,875	1,140,499	227	103,340	7,870,941
Total liabilities, deferred inflows of resources, and fund balances	$ 11,189,111	$ 1,504,799	$ 264,842	$ 385,355	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.					1,449,915
Some revenues are not available in the current period and, therefore, are not reported in the funds.					4,557,391
Net position of governmental activities					$ 13,878,247

The accompanying notes are an integral part of these statements.

CITY OF TUCKER, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	SPLOST Fund	Hotel/Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 6,110,080	$ -	$ 1,134,169	$ 213,647	$ 7,457,896
Licenses and permits	901,976	-	-	-	901,976
Fines and forfeitures	11,244	-	-	-	11,244
Charges for services	110,924	-	-	-	110,924
Intergovernmental	364,300	1,177,259	-	-	1,541,559
Contributions	11,713	-	-	-	11,713
Miscellaneous	125	-	-	-	125
Total revenues	7,510,362	1,177,259	1,134,169	213,647	10,035,437
Expenditures:					
Current:					
General government	4,466,850	-	-	221	4,467,071
Judicial	5,750	-	-	-	5,750
Public works	63,285	-	-	-	63,285
Culture and recreation	557,940	-	-	-	557,940
Community development	44,682	-	453,940	-	498,622
Capital outlay	-	36,860	-	-	36,860
Total expenditures	5,138,507	36,860	453,940	221	5,629,528
Excess of revenues over expenditures	2,371,855	1,140,399	680,229	213,426	4,405,909
Other financing sources (uses):					
Transfers in	791,188	100	-	600	791,888
Transfers out	(700)	-	(680,502)	(110,686)	(791,888)
Total other financing sources (uses)	790,488	100	(680,502)	(110,086)	-
Net change in fund balances	3,162,343	1,140,499	(273)	103,340	4,405,909
Fund balances, beginning of year	3,464,532	-	500	-	3,465,032
Fund balances, end of year	$ 6,626,875	$ 1,140,499	$ 227	$ 103,340	$ 7,870,941

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

CITY OF TUCKER, 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 JUNE 30, 2018

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

Net change in fund balances - total governmental funds	$	4,405,909
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		220,240
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,392,391
Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not current financial resources.		1,038,200
Change in net position - governmental activities	$	9,056,740

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

CITY OF TUCKER, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2018

	Municipal Court Fund
ASSETS	
Cash and cash equivalents	$ 4,580
Total assets	$ 4,580
LIABILITIES	
Due to others	$ 4,580
Total liabilities	$ 4,580

The accompanying notes are an integral part of these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City, which was incorporated by a voter approved referendum on November 3, 2015, commenced operations pursuant to the election of a mayor and council on March 1, 2016. Policy-making and legislative authority are vested in the Mayor and City Council which consists of six council members and the Mayor. The government provides such services as general government administration, judicial services through its municipal court, community development, and culture and recreation. Pursuant to the passage of an ordinance in May 2017, the City Council changed the City's fiscal year-end from December 31st to June 30th, and thus the year ended June 30, 2018 is the City's first full twelve (12) month fiscal year.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Franchise taxes, sales taxes, insurance premium taxes, hotel/motel occupancy taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the proceeds of a sales tax levied in DeKalb County, which will be used by the City for the exclusive purpose of capital outlay projects in accordance with the voter approved sales tax referendum.

The **Hotel/Motel Tax Fund** is used to account for the 5% occupancy tax collected by the City from area hotels and motels. The tax revenues in this fund are restricted by O.C.G.A 48-13-51.

Additionally, the City reports the following fund types:

The **special revenue funds** account for revenues that are legally restricted to expenditures for specific purposes.

The **capital project funds** account for the acquisition and construction of major capital outlays.

The **agency fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other individuals or entities.

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund and special revenue funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and each special revenue fund each fiscal year through passage of an annual budget ordinance and amended as required. During the fiscal year ended June 30, 2018, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

The City's cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

The City's only investments are certificates of deposit which are considered nonparticipating interest earning investment contracts. Accordingly, these items are recorded at cost.

F. Receivables

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

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method in that they are recorded as expenditures/expenses when consumed by the City.

I. Capital Assets

Capital assets, which includes equipment, is reported in the applicable governmental activities column in the government-wide financial statements. All capital assets are reported at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the useful life of the asset is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Category	Useful Life
Equipment	5-10 years
Leasehold Improvements	7-10 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item, *unavailable revenue* is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from franchise taxes, insurance premium taxes and homestead option sales taxes as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

K. Fund Balance and Net Position

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

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

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of a resolution of the City Council. Only the City Council may modify or rescind the commitment through passage of a subsequent resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance and Net Position (Continued)

Fund balances are classified as follows (continued):

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through the passage of the resolution establishing the City's fund balance policy, has delegated the authority to assign fund balance to the City Manager and Finance Director.

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

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

Net Position – Net Position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

L. Use of Estimates

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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $220,240 difference are as follows:

Capital outlay	$	253,967
Depreciation expense		(33,727)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	220,240

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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

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

For the year ended June 30, 2018 expenditures exceeded final budget in the following funds and General Fund departments as follows:

General Fund		
IT/GIS	$	39,731
Hotel Motel Tax Fund		60,190
Rental Car Tax Fund		221

These expenditures in excess of appropriations were funded by greater than anticipated revenues and the use of fund balance, as applicable.

NOTE 4. DEPOSITS

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2018, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Investments: As of June 30, 2018, the City had $1,997,800 of investments, all of which were held in certificates of deposit at financial institutions as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	Six (6) month	12/20/2018	$ 199,852
Certificate of deposit	Six (6) month	12/21/2018	199,754
Certificate of deposit	Two (2) year	6/22/2020	199,792
Certificate of deposit	Two (2) year	6/29/2020	199,760
Certificate of deposit	Three (3) year	6/21/2021	200,022
Certificate of deposit	Three (3) year	6/22/2021	199,736
Certificate of deposit	Four (4) year	6/20/2022	199,842
Certificate of deposit	Four (4) year	6/21/2022	199,468
Certificate of deposit	Five (5) year	6/19/2023	199,542
Certificate of deposit	Five (5) year	6/20/2023	200,032
Total Investments			$ 1,997,800

NOTE 5. RECEIVABLES

Receivables at June 30, 2018, including any applicable allowances for uncollectible accounts, are as follows:

	General Fund	SPLOST Fund	Hotel/Motel Tax Fund	Nonmajor Governmental
Receivables:				
Taxes	4,389,887	-	99,107	9,208
Other governments	-	404,323	-	355,793
Total receivables	4,389,887	404,323	99,107	365,001
Less allowance for uncollectible	-	-	-	-
Net total receivable	$ 4,389,887	$ 404,323	$ 99,107	$ 365,001

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ -	$ 1,182,421	$ -	$ 1,182,421
Construction in progress	-	38,695	-	38,695
Total	-	1,221,116	-	1,221,116
Capital assets, being depreciated:				
Equipment	120,253	71,051	-	191,304
Leasehold Improvements	86,724	-	-	86,724
Total	206,977	71,051	-	278,028
Less accumulated depreciation for:				
Equipment	(14,057)	(27,945)	-	(42,002)
Leasehold Improvements	(1,445)	(5,782)	-	(7,227)
Total	(15,502)	(33,727)	-	(49,229)
Total capital assets being depreciated, net	191,475	37,324	-	228,799
Governmental activities capital assets, net	$ 191,475	$ 1,258,440	$ -	$ 1,449,915

Additions noted above include park land assets of $1,038,200 donated to the City from DeKalb County. Due to the relationship between DeKalb County and the City, these assets were added to the City's Statement of Net Position at estimated historical cost, which equaled carrying value. The capital contribution of these assets is recognized in the City's Statement of Activities within the culture and recreation function.

Depreciation expense was charged to the functions of the City's governmental activities as follows:

Governmental activities:	
General government	$ 30,724
Culture and recreation	3,003
Total depreciation expense - governmental activities	$ 33,727

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	SPLOST Fund	$ 364,300
General Fund	Hotel/Motel Tax Fund	197,032
General Fund	Nonmajor governmental funds	28,962
	Total	$ 590,294

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Tax Fund	$ 680,502
General Fund	Nonmajor governmental funds	110,686
SPLOST Fund	General Fund	100
Nonmajor governmental funds	General Fund	600
	Total	$ 791,888

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

NOTE 8. HOTEL/MOTEL LODGING TAX

The City has levied an occupancy tax of 8% for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(a)(3). For the year ended June 30, 2018, the City collected $1,134,169 in hotel/motel tax revenues. Of this amount, $453,940, or 40%, was used for the promotion of tourism in accordance with the provisions of O.C.G.A §48-13-51(a)(3).

NOTE 9. OPERATING LEASES

The City leases various office space and equipment items under non-cancelable operating leases. Total costs for such leases were $68,292 for the year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	
2019	$ 74,354
2020	39,021
2021	3,028
2022	1,766
	$ 118,169

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

As part of this risk pool, 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 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. The fund is to pay all cost 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.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the first two periods of operations.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments:

The City has entered into two (2) public/private contractual partnerships for outsourced services and operations. Through these contracts with private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts total approximately $3.5 million, subject to annual negotiation and appropriation.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which DeKalb County has paid on behalf of the City of Tucker. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TUCKER, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 5,651,860	$ 5,669,264	$ 6,110,080	$ 440,816
Licenses and permits	490,000	571,270	901,976	330,706
Fines and forfeitures	6,000	6,500	11,244	4,744
Charges for services	-	50,000	110,924	60,924
Intergovernmental	-	364,000	364,300	300
Contributions	-	20,000	11,713	(8,287)
Miscellaneous	-	90	125	35
Total revenues	6,147,860	6,681,124	7,510,362	829,238
Expenditures:				
Current:				
General government:				
City council	154,956	154,956	143,901	11,055
City manager	256,500	469,290	308,795	160,495
City clerk	178,000	177,045	157,914	19,131
Legal services	387,000	297,000	269,509	27,491
Facilities and buildings	267,500	267,500	200,618	66,882
Communications	63,000	83,000	66,259	16,741
IT/GIS	698,770	478,587	518,318	(39,731)
General operations	2,658,615	3,180,574	2,786,211	394,363
Finance	80,000	22,000	15,325	6,675
Contingency	1,021,269	683,672	-	683,672
Total general government	5,765,610	5,813,624	4,466,850	1,346,774
Judicial:				
Municipal court	19,000	49,000	5,750	43,250
Total judicial	19,000	49,000	5,750	43,250
Public works:				
Highways and streets	-	584,000	63,285	520,715
Total public works	-	584,000	63,285	520,715
Culture and recreation:				
Professional services	830,000	798,750	557,940	240,810
Total culture and recreation	830,000	798,750	557,940	240,810
Community development:				
General operations	10,000	10,000	5,099	4,901
Economic development	69,500	69,500	39,583	29,917
Total community development	79,500	79,500	44,682	34,818
Total expenditures	6,694,110	7,324,874	5,138,507	2,186,367
Excess (deficiency) of revenues over expenditures	(546,250)	(643,750)	2,371,855	3,015,605
Other financing sources (uses):				
Transfers in	546,250	643,750	791,188	147,438
Transfers out	-	-	(700)	(700)
Total other financing sources (uses)	546,250	643,750	790,488	146,738
Net change in fund balance	-	-	3,162,343	3,162,343
Fund balance, beginning of year	3,464,532	3,464,532	3,464,532	-
Fund balance, end of year	$ 3,464,532	$ 3,464,532	$ 6,626,875	$ 3,162,343

CITY OF TUCKER, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 900,000	$ 962,500	$ 1,134,169	$ 171,669
Total revenues	900,000	962,500	1,134,169	171,669
Expenditures:				
Community development	393,750	393,750	453,940	(60,190)
Total expenditures	393,750	393,750	453,940	(60,190)
Excess of revenues over expenditures	506,250	568,750	680,229	111,479
Other financing uses:				
Transfers out	(506,250)	(568,750)	(680,502)	(111,752)
Total other financing uses	(506,250)	(568,750)	(680,502)	(111,752)
Net change in fund balance	-	-	(273)	(273)
Fund balance, beginning of year	500	500	500	-
Fund balance, end of year	$ 500	$ 500	$ 227	$ (273)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Rental Car Tax Fund – This fund is used to account for the excise tax collected by the City from area rental car establishments. The tax revenues in this fund are restricted by O.C.G.A 48-13-93.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the City's capital assets.

Homestead Option Sales Tax Fund – This fund is used to account for locally funded acquisition and construction of major capital projects financed by homestead option sales tax funds.

CITY OF TUCKER, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Fund	Capital Projects Fund	
ASSETS	Rental Car Tax Fund	Homestead Option Sales Tax Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 19,754	$ 600	$ 20,354
Taxes receivable	9,208	-	9,208
Due from other governments	-	355,793	355,793
Total assets	$ 28,962	$ 356,393	$ 385,355
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	$ 28,962	$ -	$ 28,962
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - taxes	-	253,053	253,053
FUND BALANCES			
Restricted:			
HOST activities	-	103,340	103,340
Total fund balances	-	103,340	103,340
Total liabilities, deferred inflows of resources, and fund balances	$ 28,962	$ 356,393	$ 385,355

CITY OF TUCKER, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Fund	Capital Projects Fund	
	Rental Car Tax Fund	Homestead Option Sales Tax Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 110,907	$ 102,740	$ 213,647
Total revenues	110,907	102,740	213,647
EXPENDITURES			
Current:			
General government	221	-	221
Total expenditures	221	-	221
Excess of revenues over expenditures	110,686	102,740	213,426
OTHER FINANCING SOURCES (USES)			
Transfers in	-	600	600
Transfers out	(110,686)	-	(110,686)
Total other financing sources (uses)	(110,686)	600	(110,086)
Net change in fund balances	-	103,340	103,340
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ 103,340	$ 103,340

CITY OF TUCKER, GEORGIA

RENTAL CAR TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 40,000	$ 75,000	$ 110,907	$ 35,907
Total revenues	40,000	75,000	110,907	35,907
Expenditures:				
General government	$ -	$ -	$ 221	$ (221)
Total expenditures	-	-	221	(221)
Excess of revenues over expenditures	40,000	75,000	110,686	35,686
Other financing uses:				
Transfers out	(40,000)	(75,000)	(110,686)	(35,686)
Total other financing uses	(40,000)	(75,000)	(110,686)	(35,686)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF TUCKER, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED JUNE 30, 2018

Project	Original and Current Estimated Cost	Prior Year	Current Year	Total
SPLOST - 2017 SERIES				
Roads and drainage	$ 19,500,000	$ -	$ 36,860	$ 36,860
Multi-modal transportation consisting of, sidewalks, paths and bikeways projects	6,000,000	-	-	-
Fire facilities and citywide safety equipment	2,400,000	-	-	-
Parks and recreation system and public facilities	2,100,000	-	-	-
	$ 30,000,000	$ -	$ 36,860	$ 36,860

CITY OF TUCKER, GEORGIA

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Municipal Court Fund				
ASSETS				
Cash	$ 1,240	$ 28,084	$ (24,744)	$ 4,580
Accounts receivable	3,400	-	(3,400)	-
Total assets	$ 4,640	$ 28,084	$ (28,144)	$ 4,580
LIABILITIES				
Due to others	$ 4,640	$ 28,084	$ (28,144)	$ 4,580
Total liabilities	$ 4,640	$ 28,084	$ (28,144)	$ 4,580

STATISTICAL SECTION

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

Page

Financial Trends 38

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

Revenue Capacity 42

These schedules contain information to help the reader assess the City's most significant local revenue source, business and occupation taxes.

Because the City has a zero millage rate, no property taxes were levied or collected. Therefore, the schedules for Principal Property Taxpayers and Property Tax Levies and Collections are not applicable. Business and occupation taxes is the City's largest own-source revenue and accordingly, the City has provided information regarding that revenue base along with the principal revenue payers.

The accompanying tables do not include a schedule of the City's rates with regard to business licenses (taxes) due to the significant number of potential rates that could be charged to an applicant seeking a business license. To obtain a business license from the City, applicants must provide information on their estimated gross receipts (less allowable deductions such as sales, use, and/or excise taxes, out of state sales, etc.) which are then multiplied by the tax rate for the applicant's business as determined by the North American Industry Classification System (NAICS). The list of complete NAICS codes can be obtained from the United States Census Bureau by going to: https://www.census.gov/eos/www/naics/

Demographic and Economic Information 43

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

Operating Information 45

These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report. This is the City's first full year of financial statements. For comparison purposes, schedules presented only include information beginning with this year. Additionally, the City has no long-term debt outstanding, and, therefore, has not presented debt capacity information.

CITY OF TUCKER, GEORGIA

NET POSITION BY COMPONENT

FISCAL YEAR 2018

(accrual basis of accounting)

	2018
Governmental activities:	
Investment in capital assets	$ 1,449,915
Restricted	1,707,992
Unrestricted	10,720,340
Total governmental activities net position	$ 13,878,247

CITY OF TUCKER, GEORGIA

CHANGES IN NET POSITION
FISCAL YEAR 2018
(accrual basis of accounting)

	2018
Expenses	
Governmental activities:	
General government	$ 4,424,087
Judicial	5,750
Public works	100,145
Community development	498,622
Culture and recreation	380,684
Total governmental activities expenses	5,409,288
Program revenues	
Governmental activities:	
Charges for services:	
General government	434,978
Community development	589,166
Capital grants and contributions:	
Public works	1,541,559
Culture and recreation	1,038,200
Total governmental activities program revenues	3,603,903
Total program revenues	$ 3,603,903
Net (expense)/revenue	
Governmental activities	$ (1,805,385)
General Revenues and Other Changes in Net Position	
Governmental activities:	
Sales taxes	$ 355,793
Franchise taxes	2,467,828
Excise taxes	636,033
Business taxes	3,461,176
Hotel / Motel taxes	1,134,169
Insurance premium taxes	2,795,288
Miscellaneous revenues	11,838
Total governmental activities	10,862,125
Total primary government	$ 10,862,125
Change in Net Position	
Governmental activities	$ 9,056,740

CITY OF TUCKER, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEAR 2018
(modified accrual basis of accounting)

	2018
General Fund	
Nonspendable	$ 48,378
Restricted	463,926
Unassigned	6,114,571
Total General fund	$ 6,626,875
All other governmental funds	
Restricted	$ 1,244,066
Total all other governmental funds	$ 1,244,066

CITY OF TUCKER, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEAR 2018
(modified accrual basis of accounting)

	2018
Revenues	
Taxes	$ 7,457,896
Licenses and permits	901,976
Fines and forfeitures	11,244
Charges for services	110,924
Intergovernmental	1,541,559
Contributions	11,713
Miscellaneous	125
Total revenues	10,035,437
Expenditures	
General government	4,467,071
Judicial	5,750
Public works	63,285
Culture and recreation	557,940
Community development	498,622
Capital outlay	36,860
Total expenditures	5,629,528
Excess of revenues over expenditures	4,405,909
Other Financing Sources (Uses)	
Transfers in	791,888
Transfers out	(791,888)
Total other financing sources (uses)	-
Net change in fund balances	$ 4,405,909

CITY OF TUCKER, GEORGIA

PRINCIPAL BUSINESS AND OCCUPATION TAXPAYERS
CURRENT YEAR

	2018		
Business and Occupation Taxpayer	Revenue	Rank	Percentage of Total Revenue
Quest Diagnostics, Inc	$ 198,539	1	5.74 %
AMEC Foster Wheeler Kamtech, Inc.	102,159	2	2.95
Sam' Club	87,890	3	2.54
Williams Plant Services	78,378	4	2.26
Carolina Handling LLC	70,478	5	2.04
Williams Specialty Services, LLC	66,404	6	1.92
AMEC Foster Wheeler E&C Services, Inc.	48,203	7	1.39
LMI Systems, Inc	42,053	8	1.21
Brightview Landscape Development	39,109	9	1.13
BMC East LLC	36,688	10	1.06
Totals	$ 769,901		22.24 %

Source: City of Tucker Finance Department

CITY OF TUCKER, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
FISCAL YEAR 2018

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2018	36,653	$ 1,386,070	$ 37,816	41.5	3,426	2.0 %

(1) Source: U. S. Bureau of Labor Statistics
(2) Source: DeKalb County Board of Education
(3) Bureau of Labor Statistics July, 2018
N/A - Not Available

Note: 2018 population, per capita, and personal income are estimates based on past regional trends.
Note: School enrollment is based on beginning of school year.

CITY OF TUCKER, GEORGIA

PRINCIPAL EMPLOYERS
FISCAL YEAR 2018

Employer	Description	2018 Employees (1)	2018 Rank	2018 Percentage of Total City Employment (2)
Quest Diagnostics, Inc	Medical Laboratoires	1,000	1	12.14 %
AMEC Foster Wheeler Power & Process	Construction & Mining Machinery & Equipment	500	2	6.07
Macy's Logistic & Operations	Department Stores	450	3	5.46
Inland Seafood Inc	Fish & Seafoods	436	4	5.29
Hormel Foods Corp	Meats & Meat Products	375	5	4.55
LabCorp	Medical Laboratoires	350	6	4.25
Ricoh Americas Corp	Office Equipment	350	7	4.25
CSM Bakery Solutions, LLC	Food Preparations, Other	300	8	3.64
Emory Univ Orthopaedics & Spine Hospital	Hospitals, General Medical & Surgical	300	9	3.64
Walmart	Department Stores	300	10	3.64
Totals		4,361		52.94 %

(1) Source: 2018 individual employer's business license filing

CITY OF TUCKER, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
FISCAL YEAR 2018

Function	2018
City Manager/ Assistant City Manager	3
City Clerk/ Receptionist	1
Finance/ Licensing	3
IT/ GIS	2
Culture and Recreation	5
Economic Development	1
Communications	3
Community Development/ Planning-Zoning	3
Code Enforcement	2
Building/ Land Development	3
Total	26

Source: City of Tucker Human Resources Department

NOTE: All full-time employees work for CH2M Hill/Jacobs, either directly or through sub-contracts.

CITY OF TUCKER, GEORGIA

OPERATING INDICATORS BY FUNCTION
FISCAL YEAR 2018

Function	2018
General government	
Ordinances approved	27
Court cases	114
Police	
Calls for Service	N/A
Part 1 Crimes Reported	N/A
Traffic citation issued	N/A
Physical Arrest	N/A
Fire	
Incident responses	*
Average response time	*
Fire Safety programs conducted	*
inspection conducted	*
Public works	
Average days to repair pothole	*
Community Development	
New building permits issued	N/A
Parcels annexed	N/A
Parcels annexed	N/A
Culture and Recreation	
Annual program registrants	300 TRC/750 overall

Sources: Various City and County departments.

* - The Fire and Public Works functions are included in an intergovernmental agreement with DeKalb County.

N/A - services are not currently provided in 2018, but will be available in future years.

CITY OF TUCKER, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
FISCAL YEAR 2018

Function/Program	2018
General Government	
Land (acres)	1.4
Parks - active and passive	
Park acreage	290
Greenway and walking trails (miles)	15
Athletic fields	9
Swimming pools	1
Tennis courts	4
Recreation buildings	1
Playgrounds	6
Picnic shelters/restrooms	9

Source - City finance department.
Note: During fiscal year 2018 the City took over contributed land parcels from DeKalb County.