CITY OF LAFAYETTE, GEORGIA

FINANCIAL STATEMENTS

For The

Fiscal Year Ended September 30, 2022

David Hamilton

City Manager

By Authority Of

Mayor and Council

CITY OF LAFAYETTE, GEORGIA
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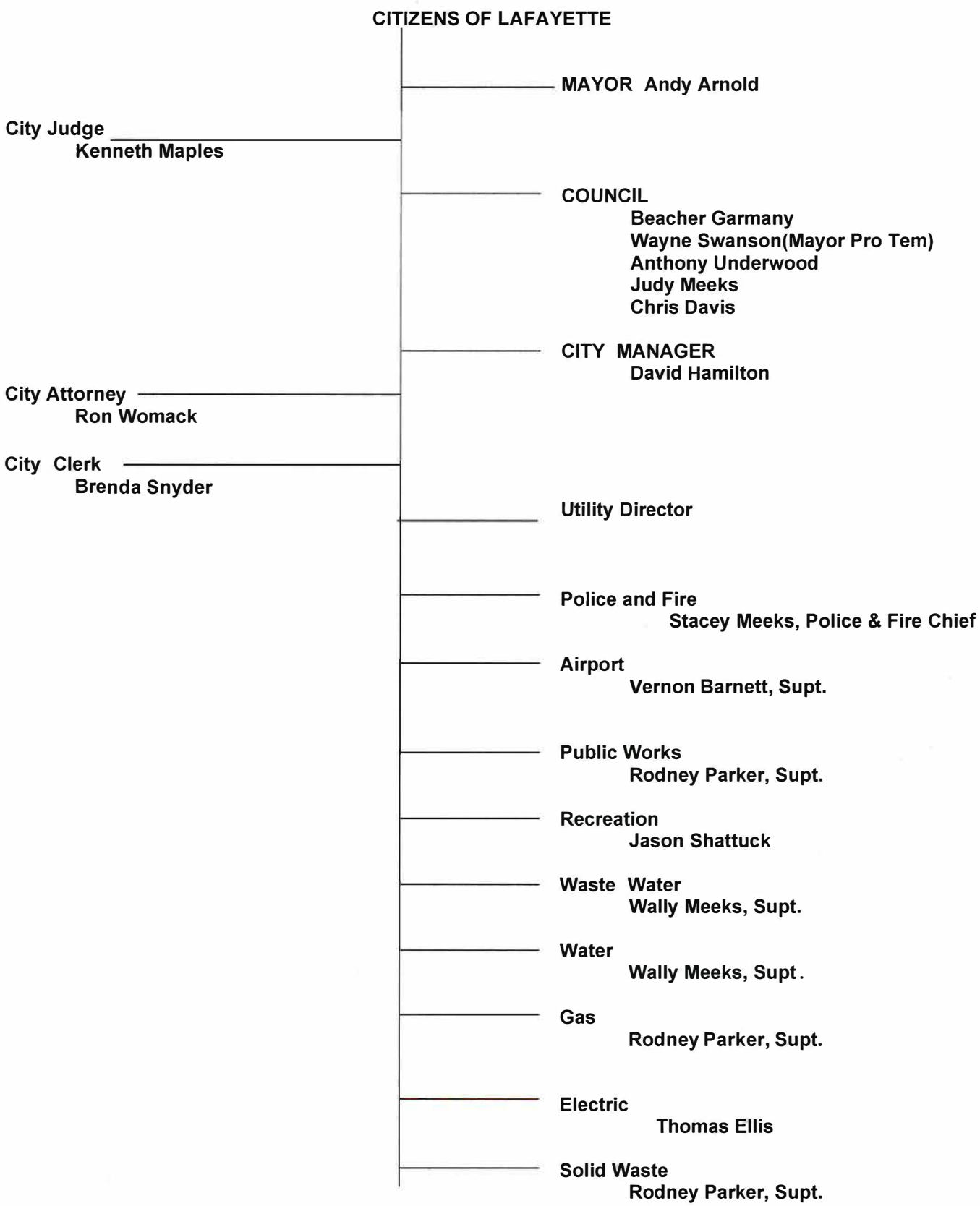
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September 30, 2022



FINANCIAL SECTION

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council
City of LaFayette
LaFayette, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of LaFayette Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of LaFayette, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of LaFayette, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of LaFayette, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of LaFayette, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, and the Schedule of Contributions – Pension Plan, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaFayette's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules, and the three schedules of special purpose local option sales tax expenditures, as required by the Official Code of Georgia 48-8-121, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the City of LaFayette, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of LaFayette, Georgia's internal control over financial reporting and compliance.

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
March 17, 2023

Management's Discussion and Analysis

This section of the City of Lafayette's annual financial report is designed to provide the reader a better understanding of the City's financial activity for the fiscal year that ended September 30, 2022. It should be read in conjunction with the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

Financial Highlights

- The City's total assets exceed liabilities by $44,133,121 at the end of the year. This amount includes $32,372,226 invested in capital assets net of accumulated depreciation and related debt, restricted net position of $4,087,251 and unrestricted net position of $7,673,644. Significant portions of restricted net position include amounts for debt service and construction.

- The City's total net position increased by $1,946,447, or 4.6% to $44,133,121. The net position for governmental activities decreased by $202,025, and the business-type net position increased by $2,148,472, or 7.6%.

- The City's revenues for governmental activities, excluding transfers were $6,603,429. Total expenses for governmental activities, excluding transfers, were $9,570,454.

- The City's business-type activities had total revenues, excluding transfers of $24,261,307

- , while expenses, excluding transfers, were $19,347,835.

- The General Fund, which is the City's primary operating fund, reported a decrease in fund balance of $1,188,038 in fiscal year 2022.

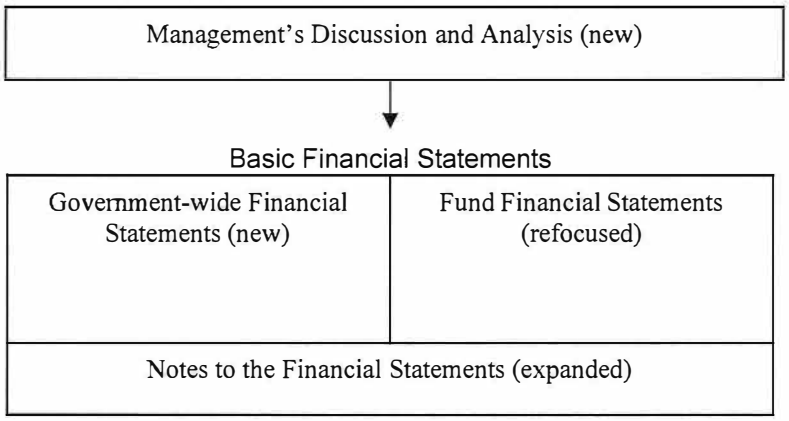
- Total cash (Note 3) at September 30, 2022 was $13,252,200.

- The capital assets (Note 6), net of accumulated depreciation, of the City at the end of the 2022 fiscal year totaled $47,227,442. This includes net capital assets for governmental activities of $9,078,106 and business-type activities of $38,149,336.

An Overview of the Financial Statements

In light of the fact that this is a different presentation from the pre-GASB Statement 34 model, the following graph is provided to assist in understanding the component parts.

Required Components of the City's Annual Financial Report



The focus of the financial statements is on both the City's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position combines all of the City's current financial resources with capital assets and long-term obligations. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health.

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities** – These include the basic services provided by the City including police, fire, parks and recreation, public works and general administration.

- **Business-type activities** – These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These include electric, gas, water and sewer services, solid waste collection, municipal airport and golf.

Governmental activities and business-type activities are consolidated and add to the total for the primary government.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's major funds rather than the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City has two types of funds as described in the chart below.

Fund Financial Statements

	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Includes the City's basic services such as police, fire, traffic control, cultural activities, and parks	Services provided by the City that are operated similar to private businesses and for which the City charges a fee	Funds for which the City is the trustee or agent for someone else's resources
Examples	Police, fire, street and sidewalks, parks, and recreational activities	Electric, Gas, Water and Sewer and Solid Waste	City's revolving loan fund
Required financial statements	- Balance Sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net position - Statement of revenues, expenses, and changes in net position - Statement of cash flows	- Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term; capital assets, if any, are included
Type of inflow / outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position for the current year. The City's net position increased by $1,946,447, or 4.6%, in fiscal year 2022. The net position of the governmental activities includes $9,063,283 net investment in capital assets. Capital assets of $9,078,106 include land, buildings, park improvements, equipment and current year infrastructure additions. Related governmental activities debt includes leases of $14,823.

The net position of the business-type activities includes $23,308,943 net investment in capital assets. Capital assets of $38,149,335 include land, utility system, building, other improvements, equipment, airport and golf course. Related debt includes notes payable and revenue bonds of $14,840,392.

For more detailed information, see the Statement of Net Position on page 15 of the financial statements and the notes to the financial statements.

Table 1

Statement of Net Position
As of September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	$ 8,588	$ 7,292	$ 9,693	$ 8,497	$ 18,281	$15,789
Capital Assets	9,078	9,247	38,149	34,780	47,227	44,027
Total Assets	17,666	16,539	47,842	43,277	65,508	59,816
Deferred Outflows of Resources						
Pension Contributions	454	503	346	383	800	886
Total Deferred Outflows of Resources	454	503	346	383	800	886
Liabilities						
Current and Other Liabilities	3,079	2,834	3,035	3,912	6,114	6,746
Long-Term Debt Outstanding	218	163	13,961	11,451	14,179	11,614
Total Liabilities	3,297	2,997	16,996	15,363	20,293	18,360
Deferred Inflows of Resources						
Changes in Pension Plan	1,069	89	814	68	1,883	157
Total Deferred Inflows of Resources	1,069	89	814	68	1,883	157
Net Position						
Net Investment in Capital Assets	9,063	9,221	23,309	22,383	32,372	31,604
Restricted	3,619	2,625	467	521	4,086	3,146
Unrestricted	1,072	2,111	6,602	5,325	7,674	7,436
Total Net Position	$13,754	$13,957	$ 30,378	$ 28,229	$ 44,132	$42,186

CHANGES IN NET POSITION

The City's total revenues before transfers were $30,865,736 in the 2022 fiscal year. Expenses before transfers were $28,918,289 during that same period. Governmental and business-type activities combined provided a $1,946,447 increase in net position.

Governmental activities revenues were $6,603,429 and included $1,677,462 for charges for services, $2,105,439 grant revenues, $636,874 property taxes, and $969,301 for sales taxes. The largest governmental activities expenses were for public safety of $3,281,840 (police, fire, and animal control), public works of $1,490,914, general government of $2,973,848 and recreation of $1,169,777. Expenses include depreciation expense as explained in the notes to the financial statements (Note 6).

Business-type activity revenues were $24,261,307 and included $23,899,569 charges for services, $359,265 for capital grants, and $2,473 interest. The largest business-type activity expenses were for purchases of energy for resale to customers such as electricity for $9,103,943 and gas for $1,634,877.

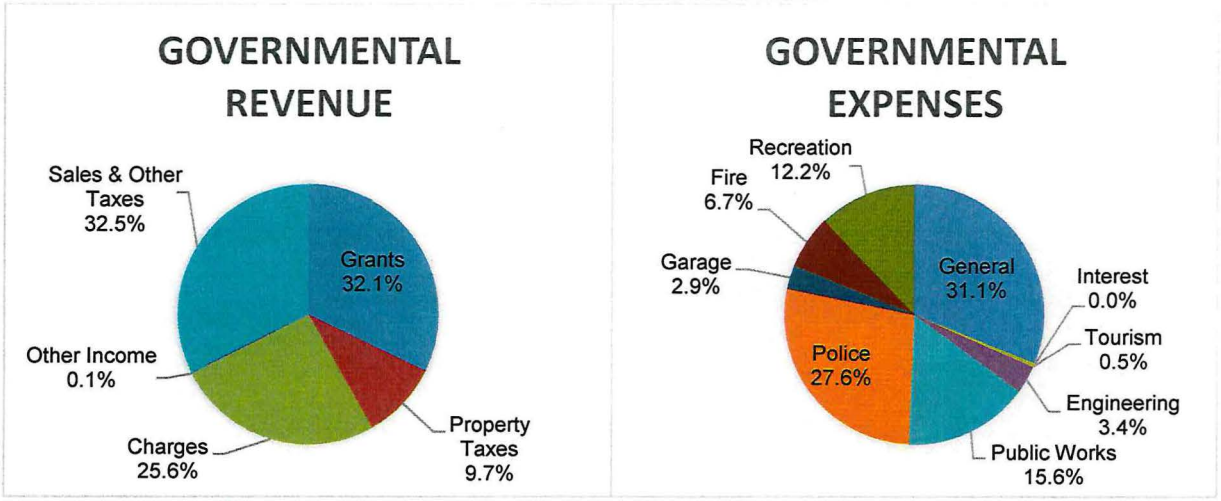
Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	$ 1,677	$ 1,553	$23,900	$ 20,452	$ 25,577	$ 22,005
Operating Grants and Contributions	299	520	-	-	299	520
Capital Grants and Contributions	1,806	1,594	359	45	2,165	1,639
General Revenues						
Property Taxes	637	653	-	-	637	653
Local Option Sales Tax	969	866	-	-	969	866
Other Taxes	1,158	1,098	-	-	1,158	1,098
Investment Income	52	52	2	2	54	54
Other Revenues	5	181	-	-	5	181
Total Revenues	6,603	6,517	24,261	20,499	30,864	27,016
Expenses						
General Government	2,974	1,832	-	-	2,974	1,832
Police	2,642	2,280	-	-	2,642	2,280
Fire	640	606	-	-	640	606
Public Works	1,491	1,119	-	-	1,491	1,119
Engineering	324	332	-	-	324	332
Recreation	1,170	992	-	-	1,170	992
Garage	277	271	-	-	277	271
Tourism & Promotion	51	33	-	-	51	33
Interest on Long-term debt	1	2	-	-	1	2
Electric	-	-	10,434	8,443	10,434	8,443
Gas	-	-	2,227	1,667	2,227	1,667
Water/Sewer	-	-	4,651	4,381	4,651	4,381
Solid Waste	-	-	714	790	714	790
Golf	-	-	870	850	870	850
Airport	-	-	451	403	451	403
Total Expenses	9,570	7,467	19,347	16,534	28,917	24,001
Excess (Deficiency) Before Transfers	(2,967)	(950)	4,914	3,965	1,947	3,015
Transfers	2,765	2,765	(2,765)	(2,765)	-	-
Increase/Decrease in Net Position	(202)	1,815	2,149	1,200	1,947	3,015
Beginning Net Position	13,956	12,141	28,229	27,029	42,185	39,170
Ending Net Postion	$13,754	$ 13,956	$30,378	$ 28,229	$ 44,132	$ 42,185

GOVERNMENTAL ACTIVITIES

See pages 15-16 of the financial statements for the net cost (total cost less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's governmental revenues and expenses.

Table 3 – Governmental Activities



Revenue Impacts

- Property taxes of $636,874 provided 9.7% of governmental revenues for general operations. The millage rate was set at 2.77 in the current year.
- Revenues from local option sales taxes were $969,301. This represents an overall increase of 11.9% from the prior year.
- The transfers from proprietary funds were $2,765,000, which was the same from the prior year.
- Charges for services include amounts charged for providing utility billing and collection services to the enterprise funds of $659,640. Municipal court fines were $178,373.

Expense Impacts

- General Government expenditures increased by $2,103,273 or 28% compared to the prior year. The increase was partly due to salary increases, healthcare costs and overall rebound of programs and operational expenses due to prior year COVID year decreases.
- Police expenditures increased by $361,554 or 15.9% from the prior year. This was largely due to an increase in salaries and benefits and equipment purchases.
- Public Works expenditures increased by $371,873 or 33% compared to the prior year. This was largely due to an increase in salaries and benefits and paving costs.
- Culture and Recreation expenditures increased by $177,411. This was primarily due to salaries and program supplies.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in thousands)

Fund	Program Revenues		Program Expenses		Excess (Deficiency) Before Transfers & Investment Earnings	
	2022	2021	2022	2021	2022	2021
Electric	$ 13,404	$ 10,661	$ 10,434	$ 8,443	$ 2,970	$ 2,218
Gas	3,255	2,512	2,226	1,667	1,029	845
Water/Sewer	5,979	5,984	4,651	4,381	1,328	1,603
Solid Waste	582	529	714	789	(132)	(260)
Golf	494	634	870	851	(376)	(217)
Airport	544	153	451	403	93	(250)
Total	$ 24,258	$ 20,473	$ 19,346	$ 16,534	$ 4,912	$ 3,939

Operating revenues for business-type activities for the fiscal year 2022 were $23,899,569, a $3,447,526 increase compared to the prior year. Operating expenses were $19,347,835 in 2022. The operating income was $4,838,954 in 2022 compared to $4,197,173 in 2021. Activities for individual business-type funds are summarized below.

- Electric program operating revenues increased by $2,743,866 from the prior year in addition to operating expenses increasing by $1,991,094. The revenue increase was primarily driven by a volume increase by the large Crypto customer that the City connected and overall rate increase. The cost of electricity increased because of volume increase, market pricing and cost of fuels. There was also an increase in salaries.

- Gas program operating revenues increased by $743,683 and operating expenses increased by $561,299. The increase in revenue was driven by an increase in the rates to coincide with the increase in natural gas supply costs. The increase in expenses was largely attributable to an increase in cost of natural gas supply.

- Water & Sewer program operating revenues remained approximately the same, while operating expenses increased by $270,699 from the prior year. Expenses increased primarily due to wage inflation, and supply chain cost increases.

- Solid Waste program operating revenues increased $52,505 from the prior year and operating expenses decreased $75,512. Revenues increased because of a rate increase in Sanitation fees. Expenses were down due a reduction in headcount in the department.

- Golf operating revenues decreased by $139,352 over the prior year. This was due to a closing of the course for several months to install new greens. Operating expenses were up by $19,617, due largely to increase in salaries and operational costs.

- Airport operating revenues increased by $$50,509 driven primarily by an increase in fuel sales and a grant of $359,265 was received for runway rehabilitation. Operating expenses increased by $48,184 from the prior year, mostly driven by increase costs of fuel.

GOVERNMENTAL FUNDS

Table 5
Financial Analysis of the City's Funds

Fund	Fund Balances 9/30/2021	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2022
General Fund	$ 2,883,085	$ 7,535,430	$ (8,723,468)	$ (1,188,038)	$ 1,695,047
Capital Projects - 2014 SPLOST	402,518	3,023	(21,585)	(18,562)	383,956
Capital Projects - 2020 SPLOST	739,362	971,553	-	971,553	1,710,915
Capital Projects - T SPLOST	1,442,319	831,125	(750,409)	80,716	1,523,035
Total	$ 5,467,284	$ 9,341,131	$ (9,495,462)	$ (154,331)	$ 5,312,953

At September 30, 2022, the City's governmental funds reported a combined fund balance of $5,314,684 (see statement on page 18), which is $192,992 less than the previous year-end. The unassigned portion of fund balance was $1,656,286. The unassigned fund balance may serve as a useful indicator of the City's ability to operate without external financing. The restricted portion represents amounts reserved for capital projects construction and for debt service payments related to the issuance of revenue bonds to finance those capital projects.

General Fund

The General Fund had a $1,188,038 decrease in fund balance, to end the fiscal year at $1,695,047. More detailed information for the general fund is presented on page 21.

Operating revenues and other financing sources increased $213,075. Property taxes, charges for services, and donations all showed increases. Intergovernmental revenues showed a decrease due to prior year receipt of the Covid Relief Funds.

Overall expenditures and other uses increased $1,262,884. Increases in salaries and related expenditures contributed to this increase.

Capital Projects Funds

The capital projects funds account for the proceeds from special purpose local option sales tax that are used to construct various improvements which benefit City residents. In June 2019 voters approved continuation of the one-percent special purpose local option sales tax. The period during which this tax is collected began October 2019 and ends September 2026. Capital outlay expenditures are to be primarily for street and road improvements, recreation, water and sewer improvements, solid waste and street equipment.

In November 2017, voters approved a one-percent transportation special purpose local option sales tax. Collections began April 1, 2018 and ends March 31, 2023.

The major sources of revenue were:

- Sales tax $971,553
- TSPLOST $830,926

The fund balance is restricted for completion of SPLOST projects as identified in the Schedules of Special Purpose Local Option Sales Tax Expenditures on pages 62-64.

GENERAL FUND BUDGETARY HIGHLIGHTS

A statement comparing the original and final budgets and the variance from the final budget to the actual results is included on page 21 of the financial statements.

In September 2021, the City Council appropriated $7,871,011 for general fund expenditures in the 2022 fiscal year budget.

Primary reasons for the differences between the final budget and actual results in the General Fund include:

Revenues:
Higher than anticipated revenues in taxes, donations, and miscellaneous income than originally budgeted.

Expenditures:
Higher than anticipated salaries, contract services and increase in capital investments than originally budgeted for.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to $47,227,442 (net of accumulated depreciation). Investment in capital assets includes land, buildings, infrastructure, improvements, and machinery and equipment. For more detailed information concerning capital assets see the notes to the financial statements.

Table 6
Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 3,796	$ 3,766	$ 2,782	$ 2,782	$ 6,578	$ 6,548
Construction in Progress	-	-	4,726	1,207	4,726	1,207
Buildings and Structures	1,652	1,682	4,327	3,799	5,979	5,481
Infrastructure	1,489	1,586	-	-	1,489	1,586
Utility Systems	-	-	24,479	25,101	24,479	25,101
Improvements	695	721	-	-	695	721
Machinery and Equipment	1,446	1,493	1,835	1,890	3,281	3,383
Total	$ 9,078	$ 9,248	$ 38,149	$ 34,779	$ 47,227	$44,027

This year's major capital asset additions included:

Governmental Activities:

• Buildings-Improvements	$	63,160
• Land	$	30,000
• Park improvements	$	17,752
• Patrol Cars	$	110,623

Business-type Activities:

• Building improvements - water	$	690,112
• Bucket Truck	$	162,108
• Building improvements – golf	$	128,531
• Runway expansion	$	259,942

LONG-TERM DEBT

At the end of the 2022 fiscal year, the City had $14,820,140 in outstanding debt. This is a net increase of $2,435,317 compared to the prior year. More detailed information about the City's long-term liabilities is included in the notes to the financial statements.

Table 7
Outstanding Debt at September 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$ -	$ -	$ -	$ -	$ -	$ -
Revenue Bonds, Net	-	-	4,470	5,015	4,470	5,015
Capital Leases	15	27	122	220	137	247
Notes Payable	-	-	10,213	7,123	10,213	7,123
Total	$ 15	$ 27	$ 14,805	$ 12,358	$ 14,820	$ 12,385

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City continues to perform stronger economically, for various reasons, we have seen an increase in investment, construction, business expansion, job creation, and it shows in several of our revenues. We have also been forced to increase rates to keep up with inflation in materials and inflation in labor. We continue to invest in our utility infrastructure, to ensure that it remains a strong asset to us. We are following our strategic plan to drive a strong quality of life, economic vibrancy and establish better housing. We have been forced to increase our wage rates in all departments of the City to keep up with the labor market, but we are making efforts to save cost where we can as well. We continue to run the City like a business, making sure that we make solid decisions that have a return on investment.

Financial Contact

This financial report is designed to provide the citizens, taxpayers, customers and creditors of the City with a general overview of the City of LaFayette finances and demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the City of LaFayette at P.O. Box 89, LaFayette, Georgia 30728.

BASIC FINANCIAL STATEMENTS

CITY OF LAFAYETTE, GEORGIA
Statement of Net Position
September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lafayette Development Authority
Assets				
Cash	$ 6,698,978	$ 6,553,222	$ 13,252,200	$ 314,324
Receivables - Net	20,658	3,453,790	3,474,448	-
Internal Balances	1,340,925	(1,340,925)	-	-
Inventory	38,761	862,825	901,586	-
Due from other governments	273,154	-	273,154	-
Net pension asset	215,625	164,137	379,762	
Capital Assets:				
Land and Construction in Progress	3,796,210	7,507,804	11,304,014	-
Other Capital Assets - Net	5,281,896	30,641,531	35,923,427	382,222
Total Capital Assets	9,078,106	38,149,335	47,227,441	382,222
Total Assets	17,666,207	47,842,384	65,508,591	696,546
Deferred Outflows of Resources				
Pension Contributions	454,285	345,810	800,095	-
Total Deferred Outflows of Resources	454,285	345,810	800,095	-
Liabilities				
Accounts Payable	206,263	1,193,311	1,399,574	-
Accrued Wages Payable and Withholdings	54,092	39,843	93,935	-
Customer Deposits	-	604,644	604,644	-
Unearned Revenue	2,740,651	-	2,740,651	-
Due to other Governments	805	-	805	-
Noncurrent Liabilities:				
Due Within One Year	77,257	1,197,875	1,275,132	-
Due In More Than One Year - Net	217,716	13,960,697	14,178,413	-
Total Liabilities	3,296,784	16,996,370	20,293,154	-
Deferred Inflows of Resources				
Pension Contributions	1,068,815	813,597	1,882,412	-
Total Deferred Inflows of Resources	1,068,815	813,597	1,882,412	-
Net Position				
Net Investment in Capital Assets	9,063,283	23,308,943	32,372,226	382,222
Restricted for:				
Capital Projects	3,617,906	467,614	4,085,520	-
Law Enforcement Activities	1,731	-	1,731	-
Unrestricted	1,071,973	6,601,671	7,673,644	314,324
Total Net Position	$ 13,754,893	$ 30,378,228	$ 44,133,121	$ 696,546

CITY OF LAFAYETTE, GEORGIA
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 2,973,848	$ 1,353,163	$ 152,127	$ 974,576
Police	2,641,862	88,585	39,613	-
Fire	639,978	-	700	-
Public Works	1,490,914	28,825	107,298	831,125
Engineering	324,198	-	-	-
Recreation	1,169,777	206,889	-	-
Garage	277,564	-	-	-
Tourism and Promotion	51,463	-	-	-
Interest on Long-term Debt	850	-	-	-
Total Governmental Activities	9,570,454	1,677,462	299,738	1,805,701
Business-type Activities:				
Airport	451,489	185,165	-	359,265
Electric	10,434,333	13,404,505	-	-
Gas	2,226,498	3,255,140	-	-
Golf	870,080	494,289	-	-
Water/Sewer	4,651,398	5,978,621	-	-
Solid Waste	714,037	581,849	-	-
Total Business-type Activities	19,347,835	23,899,569	-	359,265
Total Primary Government	$ 28,918,289	$ 25,577,031	$ 299,738	$ 2,164,966
Component Unit:				
Lafayette Development Authority	$ 11,942	$ 140,088	$ -	$ -

CITY OF LAFAYETTE, GEORGIA
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	LaFayette Development Authority
Primary Government:				
Governmental Activities:				
General Government	$ (493,982)		$ (493,982)	
Police	(2,513,664)		(2,513,664)	
Fire	(639,278)		(639,278)	
Public Works	(523,666)		(523,666)	
Engineering	(324,198)		(324,198)	
Recreation	(962,888)		(962,888)	
Garage	(277,564)		(277,564)	
Tourism and Promotion	(51,463)		(51,463)	
Interest on Long-term Debt	(850)		(850)	
Total Governmental Activities	(5,787,553)		(5,787,553)	
Business-type Activities:				
Airport	-	$ 92,941	92,941	
Electric	-	2,970,172	2,970,172	
Gas	-	1,028,642	1,028,642	
Golf	-	(375,791)	(375,791)	
Water/Sewer	-	1,327,223	1,327,223	
Solid Waste	-	(132,188)	(132,188)	
Total Business-type Activities	-	4,910,999	4,910,999	
Total Primary Government	(5,787,553)	4,910,999	(876,554)	
Component Unit				
Lafayette Development Authority				$ 128,146
General Revenues:				
Taxes:				
Property	636,874	-	636,874	-
Sales	969,301	-	969,301	-
Hotel/Motel	82,473	-	82,473	-
Insurance Premium	591,452	-	591,452	-
Malt Beverage	118,631	-	118,631	-
Franchise	249,438	-	249,438	-
Occupation	88,246	-	88,246	-
Intangible	27,517	-	27,517	-
Investment Earnings	51,721	2,473	54,194	544
Gain on Sale of Capital Assets	4,875	-	4,875	-
Miscellaneous	-	-	-	10,316
Transfers	2,765,000	(2,765,000)	-	-
Total General Revenues and Transfers	5,585,528	(2,762,527)	2,823,001	10,860
Change in Net Position	(202,025)	2,148,472	1,946,447	139,006
Net Position - Beginning	13,956,918	28,229,756	42,186,674	557,540
Net Position - Ending	$ 13,754,893	$ 30,378,228	$ 44,133,121	$ 696,546

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
Balance Sheet
Governmental Funds
September 30, 2022

	General	Capital Projects - 2014 SPLOST	Capital Projects - 2020 SPLOST	Capital Projects - T-SPLOST	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash	$ 458,741	$ 383,956	$ 1,623,247	$ 1,450,064	$ 2,740,651	$ 765	$ 6,657,424
Receivables (Net of Allowance for Uncollectibles):							
Accounts	3,219	-	-	-	-	-	3,219
Taxes	17,439	-	-	-	-	-	17,439
Inventory	38,761	-	-	-	-	-	38,761
Due from Other Funds	6,300,434	-	-	-	-	966	6,301,400
Due from Other Governments	105,502	-	87,668	72,971	-	7,013	273,154
Total Assets	$ 6,924,096	$ 383,956	$ 1,710,915	$ 1,523,035	$ 2,740,651	$ 8,744	$ 13,291,397
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable	$ 206,263	$ -	$ -	$ -	$ -	$ -	$ 206,263
Accrued Payables & Withholdings	54,092	-	-	-	-	-	54,092
Due to Other Funds	4,954,267	-	-	-	-	6,208	4,960,475
Due to Other Governments	-	-	-	-	-	805	805
Unearned Revenue	-	-	-	-	2,740,651	-	2,740,651
Total Liabilities	5,214,622	-	-	-	2,740,651	7,013	7,962,286
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	14,427	-	-	-	-	-	14,427
Total Deferred Inflows of Resources	14,427	-	-	-	-	-	14,427
Fund Balances							
Nonspendable							
Inventory	38,761	-	-	-	-	-	38,761
Restricted							
Acquisition and Construction of Capital Assets	-	383,956	1,710,915	1,523,035	-	-	3,617,906
Law Enforcement Activities	-	-	-	-	-	1,731	1,731
Unassigned	1,656,286	-	-	-	-	-	1,656,286
Total Fund Balances	1,695,047	383,956	1,710,915	1,523,035	-	1,731	5,314,684
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,924,096	$ 383,956	$ 1,710,915	$ 1,523,035	$ 2,740,651	$ 8,744	$ 13,291,397

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund Balances - Total Governmental Funds			$ 5,314,684
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.			9,078,106
An internal service fund is used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.			41,554
A portion of deferred revenue in the general fund represents property tax billed but uncollected and is eliminated in the Statement of Net Position.			14,427
A portion of pension plan contributions are for future use and are considerred deferred outflows of resources.			454,285
Differences between expected and actual returns on pension plan investments are not recognized at the fund level, yet are presented as a deferred inflow of resources in the Statement of Net Position.			(1,068,815)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Other related amounts include deferred issue costs.			
Leases Pavable		(14.823)	
Compensated Absences		(280,150)	
Net Pension(Liability) Asset		215,625	(79,348)
Net Position of Governmental Activities			$ 13,754,893

CITY OF LAFAYETTE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	General	Capital Projects - 2014 SPLOST	Capital Projects - 2020 SPLOST	Capital Projects T-SPLOST	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 2,703,890	$ -	$ -	$ -	$ -	$ 82,473	$ 2,786,363
Licenses and Permits	43,269	-	-	-	-	-	43,269
Intergovernmental	118,622	-	971,553	830,926	-	-	1,921,101
Fines and Forfeitures	178,373	-	-	-	-	-	178,373
Charges for Services	1,362,860	-	-	-	-	-	1,362,860
Contributions and Donations	192,440	-	-	-	-	-	192,440
Miscellaneous Income	81,636	-	-	-	-	-	81,636
Interest Income	51,704	3,023	-	199	-	17	54,943
Total Revenues	4,732,794	3,023	971,553	831,125	-	82,490	6,620,985
Expenditures							
Current:							
General Government	2,147,210	-	-	-	-	-	2,147,210
Police	2,512,650	-	-	-	-	36,927	2,549,577
Fire	639,055	-	-	-	-	-	639,055
Public Works	1,346,159	-	-	-	-	-	1,346,159
Engineering	336,098	-	-	-	-	-	336,098
Culture and Recreation	1,080,428	-	-	-	-	-	1,080,428
Garage	275,722	-	-	-	-	-	275,722
Tourism and Promotion	-	-	-	-	-	51,463	51,463
Capital Outlay:							
General Government	89,438	21,585	-	750,409	-	-	861,432
Police	110,623	-	-	-	-	-	110,623
Public Works	25,925	-	-	-	-	-	25,925
Recreation	27,325	-	-	-	-	-	27,325
Debt Service:							
Principal	6,985	-	-	-	-	-	6,985
Interest	850	-	-	-	-	-	850
Total Expenditures	8,598,468	21,585	-	750,409	-	88,390	9,458,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,865,674)	(18,562)	971,553	80,716	-	(5,900)	(2,837,867)
Other Financing Sources (Uses)							
Transfers - Out	(125,000)	-	-	-	-	(32,761)	(157,761)
Transfers - In	2,797,761	-	-	-	-	-	2,797,761
Sale of Capital Assets	4,875	-	-	-	-	-	4,875
Total Other Financing Sources (Uses)	2,677,636	-	-	-	-	(32,761)	2,644,875
Net Change in Fund Balances	(1,188,038)	(18,562)	971,553	80,716	-	(38,661)	(192,992)
Fund Balance (Deficit) - Beginning of Year	2,883,085	402,518	739,362	1,442,319	-	40,392	5,507,676
Fund Balance- End of Year	$ 1,695,047	$ 383,956	$ 1,710,915	$ 1,523,035	$ -	$ 1,731	$ 5,314,684

CITY OF LAFAYETTE, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances To the Statement of Activities

For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$ (192,992)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for Capital Assets	283,311	
Less Current Year Depreciation	(452,840)	(169,529)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable Deferred Property Tax Revenues		(22,431)
Issuance of long-term debt (bonds, leases) provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal Payments on Leases		11,981
Governmental funds report monthly pension plan premiums as currrent period expenditures, while governmental activities record a portion of those payments as a deferred outflow of resources.		(49,152)
Changes in the value of the pension plan are not reflected in the governmental funds. However, they are accounted for in the statement of activities.		(980,012)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in Net Pension Liability	1,275,714	
Change in Compensated Absences	(61,888)	1,213,826
The net change in net position of internal service funds is reported with governmental activities.		(13,716)
Change in Net Position of Governmental Activities		$ (202,025)

CITY OF LAFAYETTE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 2,218,500	$ 2,718,500	$ 2,703,890	$ (14,610)
Licenses and Permits	103,500	56,500	43,269	(13,231)
Intergovernmental	168,000	118,000	118,622	622
Fines and Forfeitures	190,000	190,000	178,373	(11,627)
Charges for Services	1,299,180	1,299,180	1,362,860	63,680
Contributions and Donations	115,900	145,900	192,440	46,540
Miscellaneous Income	30,000	80,000	81,636	1,636
Interest Income	45,000	45,000	51,704	6,704
Total Revenues	4,170,080	4,653,080	4,732,794	79,714
Expenditures				
Current:				
General Government	1,901,056	2,236,656	2,236,648	8
Police	2,477,192	2,627,192	2,623,273	3,919
Fire	672,106	672,106	639,055	33,051
Public Works	1,026,527	1,379,527	1,372,084	7,443
Engineering	388,902	388,902	336,098	52,804
Culture and Recreation	1,097,404	1,117,404	1,107,753	9,651
Garage	307,824	307,824	275,722	32,102
Debt Service:				
Principal	-	-	6,985	(6,985)
Interest	-	-	850	(850)
Total Expenditures	7,871,011	8,729,611	8,598,468	131,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,700,931)	(4,076,531)	(3,865,674)	210,857
Other Financing Sources (Uses)				
Transfers - In	3,710,000	3,710,000	2,797,761	(912,239)
Transfers - out	-	-	(125,000)	(125,000)
Sale of Capital Assets	-	-	4,875	4,875
Total Other Financing Sources (Uses)	3,710,000	3,710,000	2,677,636	(1,032,364)
Net Change in Fund Balance	9,069	(366,531)	(1,188,038)	(821,507)
Fund Balance - Beginning of Year	-	-	2,883,085	2,883,085
Fund Balance - End of Year	$ 9,069	$ (366,531)	$ 1,695,047	$ 2,061,578

CITY OF LAFAYETTE, GEORGIA
Statement of Net Position
Proprietary Funds
September 30, 2022

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities Internal Service Fund
Assets								
Current Assets:								
Cash and Cash Equivalents	$ -	$ 1,571,774	$ 345,648	$ -	$ 4,635,800	$ -	$ 6,553,222	$ 41,554
Accounts Receivable - Net	-	2,133,471	351,642	-	865,427	103,250	3,453,790	-
Due From Other Funds	-	5,553,809	1,351,716	-	-	-	6,905,525	-
Inventory	31,558	583,426	74,642	9,399	163,800	-	862,825	-
Total Current Assets	31,558	9,842,480	2,123,648	9,399	5,665,027	103,250	17,775,362	41,554
Non-Current Assets:								
Net Pension Asset	4,430	28,947	17,284	24,296	72,460	16,720	164,137	-
Capital Assets:								
Land	508,822	9,000	7,000	1,340,395	843,741	73,052	2,782,010	-
Construction in Process	259,942	34,804	148,174	-	4,282,874	-	4,725,794	-
Equipment	182,476	1,261,536	367,627	627,995	2,251,796	1,375,564	6,066,994	-
Buildings	5,302,530	374,373	19,701	2,498,085	1,163,962	5,206	9,363,857	-
Utility Systems	-	4,020,154	1,147,075	-	44,794,778	-	49,962,007	-
Less Accumulated Depreciation	(3,515,069)	(4,353,733)	(780,071)	(1,594,931)	(23,673,701)	(833,822)	(34,751,327)	-
Total Non-Current Assets	2,738,701	1,346,134	909,506	2,871,544	29,663,450	620,000	38,149,335	-
Total Assets	2,774,689	11,217,561	3,050,438	2,905,239	35,400,937	739,970	56,088,834	41,554
Deferred Outflows of Resources								
Deferred Resources Related to Pension	9,334	60,987	36,415	51,188	152,661	35,225	345,810	-
Total Deferred Outflows	$ 9,334	$ 60,987	$ 36,415	$ 51,188	$ 152,661	$ 35,225	$ 345,810	$ -
Liabilities								
Current Liabilities:								
Accounts Payable	$ 1,652	$ 770,663	$ 219,536	$ 14,390	$ 164,955	$ 22,115	$ 1,193,311	$ -
Accrued Wages and Withholdings Payable	782	16,247	2,988	5,178	12,368	2,280	39,843	-
Compensated Absences Payable	9,072	26,050	17,955	24,234	59,926	17,298	154,535	-
Due to Other Funds	1,318,392	-	-	3,633,718	1,277,540	2,016,800	8,246,450	-
Customer Deposits	-	353,476	90,417	-	160,751	-	604,644	-
Notes Payable - Current	-	-	-	-	331,718	-	331,718	-
Capital Leases Payable - Current	-	-	-	41,508	-	66,006	107,514	-
Revenue Bonds Payable	-	-	-	-	480,000	-	480,000	-
Total Current Liabilities	1,329,898	1,166,436	330,896	3,719,028	2,487,258	2,124,499	11,158,015	-
Noncurrent Liabilities:								
Accrued Landfill Closure/Postclosure Costs	-	-	-	-	-	163,644	163,644	-
Notes Payable	-	-	-	-	9,881,772	-	9,881,772	-
Capital Leases Payable	-	-	-	14,313	-	-	14,313	-
Revenue Bonds Payable (Net)	-	-	-	-	4,025,076	-	4,025,076	-
Total Noncurrent Liabilities	-	-	-	14,313	13,906,848	163,644	14,084,805	-
Total Liabilities	1,329,898	1,166,436	330,896	3,733,341	16,394,106	2,288,143	25,242,820	-
Deferred Inflows of Resources								
Deferred Resources Related to Pension	21,959	143,486	85,674	120,431	359,171	82,876	813,597	-
Total Deferred Inflows	21,959	143,486	85,674	120,431	359,171	82,876	813,597	-
Net Position								
Net Investment in Capital Assets	2,734,271	1,317,187	892,222	2,791,427	14,872,424	537,274	23,144,805	-
Restricted								
Renewal and Replacement	-	467,614	-	-	-	-	467,614	-
Unrestricted	(1,302,105)	8,183,825	1,778,061	(3,688,772)	3,927,897	(2,133,097)	6,765,809	41,554
Total Net Position	$ 1,432,166	$ 9,968,626	$ 2,670,283	$ (897,345)	$ 18,800,321	$ (1,595,823)	$ 30,378,228	$ 41,554

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities Internal Service Fund
Operating Revenues								
Charges for Services	$ 185,165	$ 12,928,107	$ 3,113,651	$ 494,289	$ 5,349,477	$ 571,236	$ 22,641,925	$ 1,860,662
Fees	-	156,075	40,331	-	626,013	10,613	833,032	-
Other Revenues	-	320,323	101,158	-	3,131	-	424,612	-
Total Operating Revenues	185,165	13,404,505	3,255,140	494,289	5,978,621	581,849	23,899,569	1,860,662
Operating Expenses								
Costs of Sales and Services	233,106	1,109,348	457,533	732,654	2,355,499	561,518	5,449,658	1,999,460
Administrative Expense	-	128,566	81,453	-	358,394	91,227	659,640	-
Cost of Water	-	-	-	-	577,147	-	577,147	-
Cost of Gas	-	-	1,634,877	-	-	-	1,634,877	-
Cost of Electricity	-	9,103,943	-	-	-	-	9,103,943	-
Depreciation Expense	218,383	92,476	52,635	133,953	1,080,060	57,843	1,635,350	-
Total Operating Expenses	451,489	10,434,333	2,226,498	866,607	4,371,100	710,588	19,060,615	1,999,460
Operating Income (Loss)	(266,324)	2,970,172	1,028,642	(372,318)	1,607,521	(128,739)	4,838,954	(138,798)
Nonoperating Revenues (Expenses)								
Interest Revenue	-	-	51	-	2,422	-	2,473	82
Interest Expense	-	-	-	(3,473)	(280,298)	(3,449)	(287,220)	-
Grant Revenue	359,265	-	-	-	-	-	359,265	-
Total Nonoperating Revenues (Expenses)	359,265	-	51	(3,473)	(277,876)	(3,449)	74,518	82
Income Before Transfers	92,941	2,970,172	1,028,693	(375,791)	1,329,645	(132,188)	4,913,472	(138,716)
Transfers	1,072	(1,401,460)	(704,270)	-	(661,922)	1,580	(2,765,000)	125,000
Total Transfers	1,072	(1,401,460)	(704,270)	-	(661,922)	1,580	(2,765,000)	125,000
Change in Net Position	94,013	1,568,712	324,423	(375,791)	667,723	(130,608)	2,148,472	(13,716)
Net Position - Beginning	1,338,153	8,399,914	2,345,860	(521,554)	18,132,598	(1,465,215)	28,229,756	55,270
Net Position - Ending	$ 1,432,166	$ 9,968,626	$ 2,670,283	$ (897,345)	$ 18,800,321	$ (1,595,823)	$ 30,378,228	$ 41,554

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities Internal Service Fund
Cash Flows From Operations								
Receipts from Customers and Users	$ 185,165	$ 12,871,815	$ 3,146,103	$ 494,289	$ 6,039,965	$ 568,822	$ 23,306,159	$ -
Receipts from Interfund Charges for Healthcare	-	-	-	-	-	-	-	1,860,662
Payments to Suppliers	(177,005)	(10,018,629)	(1,794,225)	(378,500)	(2,277,601)	(503,704)	(15,149,664)	(1,999,460)
Payments to/for Employees	(63,694)	(432,101)	(254,151)	(408,472)	(1,070,062)	(158,185)	(2,386,665)	-
Net Cash Provided by (Used in) Operating Activities	(55,534)	2,421,085	1,097,727	(292,683)	2,692,302	(93,067)	5,769,830	(138,798)
Cash Flows from Noncapital Financing Activities								
Transfers to Other Funds	(34,717)	(3,485,224)	(710,037)	-	(664,677)	-	(4,894,655)	-
Transfers from Other Funds	1,072	-	-	464,378	-	155,253	620,703	125,000
Net Cash from Noncapital Financing Activities	(33,645)	(3,485,224)	(710,037)	464,378	(664,677)	155,253	(4,273,952)	125,000
Cash Flows from Capital and Related Financing Activities								
Principal Payments - Bonds	-	-	-	-	(545,000)	-	(545,000)	-
Principal Payments - Notes	-	-	-	-	(324,811)	-	(324,811)	-
Principal Payments - Leases	-	-	-	(39,691)	-	(58,737)	(98,428)	-
Proceeds from loan	-	-	-	-	3,415,537	-	3,415,537	-
Capital Contributions	359,265	-	-	-	-	-	359,265	-
Acquisition and Construction of Capital Assets	(270,086)	(232,134)	(148,174)	(128,531)	(4,226,009)	-	(5,004,934)	-
Interest Paid	-	-	-	(3,473)	(283,806)	(3,449)	(290,728)	-
Net Cash from Capital and Related Financing Activities	89,179	(232,134)	(148,174)	(171,695)	(1,964,089)	(62,186)	(2,489,099)	-
Interest Received	-	-	51	-	2,422	-	2,473	82
Net Increase (Decrease) in Cash	-	(1,296,273)	239,567	-	65,958	-	(990,748)	(13,716)
Cash - October 1, 2021	-	2,868,047	106,081	-	4,569,842	-	7,543,970	55,270
Cash - September 30, 2022	$ -	$ 1,571,774	$ 345,648	$ -	$ 4,635,800	$ -	$ 6,553,222	$ 41,554
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	$ (266,324)	$ 2,970,172	$ 1,028,642	$ (372,318)	$ 1,607,521	$ (128,739)	$ 4,838,954	$ (138,798)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities								
Depreciation	218,383	92,476	52,635	133,953	1,080,060	57,843	1,635,350	-
(Increase) Decrease in Assets:								
Accounts Receivable	-	(408,637)	(108,252)	-	62,429	(13,027)	(467,487)	-
Inventory	(3,757)	(74,404)	7,009	(2,393)	27,642	-	(45,903)	-
Deferred Outflows	1,009	6,598	3,940	5,538	16,517	3,812	37,414	-
Increase (Decrease) in Liabilities:								-
Accounts Payable	1,158	(27,055)	138,882	(12,632)	(7,941)	8,700	101,112	-
Compensated Absences Payable	129	13,509	976	(11,642)	11,397	2,342	16,711	-
Salaries and Wages Payable	(56)	12,177	(1,617)	130	(4,868)	(1,068)	4,698	-
Customer Deposits	-	(124,053)	(785)	-	(1,085)	-	(125,923)	-
Deferred Inflows	20,134	131,564	78,556	110,425	329,329	75,990	745,998	-
Net Pension Liability	(26,210)	(171,262)	(102,259)	(143,744)	(428,699)	(98,920)	(971,094)	-
Net Cash Provided by (Used in) Operating Activities	$ (55,534)	$ 2,421,085	$ 1,097,727	$ (292,683)	$ 2,692,302	$ (93,067)	$ 5,769,830	$ (138,798)

The accompanying notes are an integral part of this financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaFayette was incorporated September 30, 1835. The City operates under an elected mayor and council who appoint a city manager. The City provides the following services as authorized by its charter or statues: culture and recreation, streets and roads, public utilities (electric, gas, water/sewer, sanitation), public safety (police and fire), community development, cemetery, garage, airport, golf and general and administrative services.

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

A. Reporting Entity

The financial statements of the reporting entity include those of the City (the primary government) and its component units. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, certain potential component units are considered for inclusion in the reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely Presented Component Unit: The Downtown Development Authority (DDA), an entity legally separate from the City, is governed by a board appointed by the City Council and the Mayor. The Development Authority was created for the purpose of administering activities with regard to revitalization of downtown LaFayette. The Authority is financially dependent on the City for funding. For financial reporting purposes, the DDA is reported as a discretely presented component unit in the Statement of Net Position and the Statement of Activities as determined by the State of Georgia Department of Audits and Accounts.

Related Organization: The LaFayette Housing Authority is a related organization that has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Authority's Board consists of five members that are appointed by the Mayor of LaFayette. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund financial statements emphasize major funds in either the governmental or proprietary funds. Non-major funds (if any) are reported as a separate column in the fund financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

Taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, non-exchange transactions are recognized in accordance with GASB Statement 33.

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 fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned. Only the City Council may modify or rescind a committed fund balance. Intent to assign fund balance would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.

D. Fund Types and Major Funds

Governmental Funds

The General Fund, Capital Project Funds and American Rescue Plan Fund are the major governmental funds that the City reports. The General Fund is the primary fund of the City and accounts for all financial resources not reported in other funds. The Capital Projects fund accounts for the acquisition and construction of major capital assets other than those accounted for by proprietary funds. The American Rescue Plan Fund accounts for the City's American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Fund Types and Major Funds - continued

Proprietary Funds

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting. The City reports the airport, electric, gas, golf, water and sewer, and solid waste funds as major funds. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. These funds recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds

The Self Insurance internal service fund accounts for risk management activities of the City on a cost reimbursement basis. The internal service fund is presented with the proprietary funds within the fund level financial statements and with governmental activities in the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. General revenues include all taxes.

E. Assets, Liabilities, Net Position or Equity

1. **Cash.** Cash includes amounts in demand and time deposits that by law must be insured or collateralized. Investments, if any, are limited by law and bond ordinances to federal and state securities.

2. **Receivables.** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise funds are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

3. **Due To and Due From Other Funds/Internal Balances.** During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. Interfund transactions are recorded by all funds affected in the period in which transactions are executed. In the government-wide financial statements, these balances are reported as internal balances.

4. **Interest Receivable**. Interest on investments and certain receivables is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

5. **Inventories**. On the basic financial statements, inventories of supplies and materials are reported at cost using the first-in, first-out method. The City uses the consumption method to account for the inventories whereby items are recorded as an asset when purchased and expenses are recorded when the item is put into use.

6. **Prepaids.** Prepaids represent the amount paid in advance for Georgia sales tax on sales of electricity and gas.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Assets, Liabilities, Net Position or Equity - continued

7. **Other Assets.** Other assets held are recorded and accounted for at cost.

8. **Restricted Assets.** The Water and Sewer Fund, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt or for construction. The "bond debt service and reserve cash" accounts are used to segregate resources accumulated for debt service payments and to report resources set aside to cover the highest debt service requirement in any subsequent year. The "renewal and replacement cash" account is used to report resources set aside to meet unexpected contingencies or for asset replacement. The "construction cash" account is used to report resources set aside to fund construction projects.

9. **Capital Assets.** The City's property, buildings, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage systems, lighting system, etc.) with useful lives of more than one year and a cost greater than two thousand dollars are capitalized and depreciated. These assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets and capital assets received in a service concession arrangement are valued at acquisition costs. Interest expense (net of related income) incurred during the construction phase of business-type capital assets is capitalized as part of the assets' cost.

   Capital assets are depreciated using the straight-line method. When these assets are disposed, the cost and related accumulated depreciation are removed from the accounts and the resulting gain/loss is recorded.

10. **Long-term Debt, Bond Discounts/Premiums, and Issuance Costs.** Outstanding debt and other obligations are reported as a liability in the government-wide and proprietary financial statements. Bond discounts/premiums for proprietary funds are deferred and amortized over the term of the respective bonds using a method that approximates the effective interest method. Bond discounts are presented as a reduction in the face amount of bonds payable, while premiums are presented as an increase of the face amount of bonds payable. Issuance costs are reported as debt service expenditures in the year of debt issuance.

    In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses.

11. **Pensions**. The provision for pension cost is recorded on the accrual basis, and the City's policy is to fund pension costs as they accrue.

12. **Compensated Absences.** Full-time, permanent employees are granted vacation and sick leave benefits. Vested or accumulated vacation leave is accrued in the government-wide and proprietary financial statements and governmental funds report only the portion expected to be liquidated within the current year. Governmental funds report compensated absences only when employees are no longer employed with the City. For governmental activities, compensated absences are liquidated by the General Fund. No liability is reported for non-vesting accumulating rights to receive sick leave.

13. **Fund Equity/Net Position.** Fund equity at the governmental fund reporting level financial statements is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Assets, Liabilities, Net Position or Equity - continued

Fund Balance - represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications based on the extent to which the City is bound to honor constraints on the specific purposes 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 (for example, 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or 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 formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- 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. Intent would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.

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

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 fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

Net Position – represents the different between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any unspent borrowings for the acquisition and/or construction of capital assets. Net position may be reported as restricted or unrestricted.

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.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data. Formal budgetary accounting is employed as management control for all governmental funds of the City. Department heads submit their annual budget requests to the City Manager, who in turn compiles and submits the budget to the City Council. Public hearings are conducted to obtain taxpayer comments. By September 1, an annual operating budget is adopted for the General Fund through passage of an annual budget ordinance and amended as required. The budget uses the same basis of accounting to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting basis. The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgeting control is the department level. The governing council made several supplemental budgetary appropriations throughout the year but they were not considered material. All appropriations lapse at the end of each fiscal year.

The capital projects fund has a project length budget which was adopted when voters approved the SPLOST referendum. This budget is prepared for the projected total SPLOST revenues and capital outlays.

Compliance with Bond Covenants. The City complied with its bond covenants in all material respects.

Deposits with Financial Institutions. State statutes require that the City's deposits be collateralized by securities held in the name of the City by the trust department of a bank that does not hold the collateralized deposits.

NOTE 3. CASH AND INVESTMENTS

Cash balances as of September 30, 2022 are classified in the financial statements as follows:

Statement of Net Position:	
Cash	$ 6,768,072
Restricted Cash	6,484,128
Total Cash	$ 13,252,200

Cash balances consist of the following:

Cash on Hand	$ 7,162
Cash Deposits in Financial Institutions	12,777,423
MEAG	467,615
Total Cash	$ 13,252,200

All deposits with financial institutions are fully insured or collateralized by securities held in the City's name.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit. Investments are stated at fair value (the City has no investments other than cash.)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This can be measured by the assignment of a rating by a rating organization. The City does not have a formal policy that addresses credit risk.

NOTE 3. CASH AND INVESTMENTS - continued

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City has no investments that meet the criteria for concentration of credit risk disclosure. The City does not have a formal policy that addresses concentration of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the City may not be able to recover the value of its investments. There is no custodial credit risk exposure for the City's investments because they are either insured or held in the City's name by the custodian. The City does not have a formal policy that addresses custodial credit risk.

NOTE 4. RECEIVABLES

Accounts receivable consists of amounts due from customers for charges related to providing electric, gas, water/sewer and sanitation services. Taxes due consist of property tax and local option sales tax. Amounts due as of September 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Sewer Fund	Electric Fund	Gas Fund	Solid Waste Fund
Receivables:					
Accounts	$ 3,219	$ 865,427	$ 2,133,471	$ 351,642	$ 103,250
Taxes	73,910	-	-	-	-
Total	77,129	865,427	2,133,471	351,642	103,250
Less: Allowance for Uncollectibles	(56,471)	-	-	-	-
Net Total Receivables	$ 20,658	$ 865,427	$ 2,133,471	$ 351,642	$ 103,250

Property Tax

Property tax is levied upon receipt of the digest from Walker County and based upon the assessed value at January 1. Taxes were levied October 20, 2021 and due by December 20, 2021. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Assessed values are established by the Walker County Board of Tax Assessors and are currently calculated at 40% of market value.

All property taxes are recognized in compliance with NCGAI-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of September 30, 2022, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water/Sewer	$ 1,277,540
General Fund	Golf	2,640,540
General Fund	Airport	1,281,658
General Fund	Hotel/Motel	6,208
General Fund	Solid Waste	1,094,488
		$ 6,300,434
Forfeiture	General Fund	$ 966
Electric	General Fund	$ 3,601,585
Electric	Solid Waste	$ 922,312
Electric	Airport	36,734
Electric	Golf	993,178
		$ 5,553,809
Gas	General Fund	$ 1,351,716

The interfund balances related to working capital loans between funds. No significant portion of the outstanding balances is expected to be repaid in the subsequent year.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – continued

As of September 30, 2022, interfund transfers were as follows:

Transfer in:	General	Water/ Sewer	Electric	Gas	Solid Waste	Hotel/Motel	Drug Task Force	Total
General Fund	$ -	$ 665,000	$1,390,000	$ 710,000	$ -	$ 31,010	$ 1,751	$ 2,797,761
Internal Service Fund	125,000	-	-	-	-	-	-	125,000
Water/Sewer	-	-	5,730	-	-	-	-	5,730
Gas	-	-	5,730	-	-	-	-	5,730
Solid Waste	-	2,652	-	-	-	-	-	2,652
Airport	-	-	-	-	1,072	-	-	1,072
Total	$ 125,000	$ 667,652	$1,401,460	$ 710,000	$ 1,072	$ 31,010	$ 1,751	$ 2,937,945

Routine transfers and payments between funds are to subsidize operations, fund capital projects and asset acquisition.

NOTE 6. CAPITAL ASSETS

The following tables provides a summary of the City's capital asset activity:

Governmental Activities	Beginning Balance	Additions	Deletions	Transfers In/(Out)	Ending Balance
Nondepreciable Capital Assets					
Land	$ 3,766,210	$ 30,000	$ -	$ -	$ 3,796,210
Total Nondepreciable Capital Assets	3,766,210	30,000	-	-	3,796,210
Depreciable Capital Assets					
Buildings and Improvements	3,081,426	63,160	-	-	3,144,586
Park Improvements	2,686,388	19,752	-	-	2,706,140
Machinery and Equipment	3,799,993	170,399	78,547	-	3,891,845
Infrastructure	2,708,245	-	-	-	2,708,245
Total Depreciable Capital Assets	12,276,052	253,311	78,547	-	12,450,816
Less Accumulated Depreciation For:					
Buildings and Improvements	(1,399,869)	93,032	-	-	(1,492,901)
Park Improvements	(1,965,000)	46,133	-	-	(2,011,133)
Machinery and Equipment	(2,307,113)	217,006	78,547	-	(2,445,572)
Infrastructure	(1,122,645)	96,669	-	-	(1,219,314)
Total Accumulated Depreciation	(6,794,627)	452,840	78,547	-	(7,168,920)
Total Depreciable Capital Assets, Net	5,481,425	(199,529)	-	-	5,281,896
Total Capital Assets, Net	$ 9,247,635	$ (169,529)	$ -	$ -	$ 9,078,106

NOTE 6. CAPITAL ASSETS – continued

Business-Type Activities	*Restated Beginning Balance	Additions	Deletions	Transfers In/(Out)	Ending Balance
Nondepreciable Capital Assets					
Land	$ 2,782,010	$ -	$ -	$ -	$ 2,782,010
Construction in Progress	1,207,229	3,518,565	-	-	4,725,794
Total Nondepreciable Capital Assets	3,989,239	3,518,565	-	-	7,507,804
Depreciable Capital Assets					
Buildings and Improvements	8,545,214	818,644	-	-	9,363,858
Machinery and Equipment	5,866,671	207,474	60,741	53,590	6,066,994
Distribution and Collection Systems	49,562,714	460,251	7,368	(53,590)	49,962,007
Total Depreciable Capital Assets	63,974,599	1,486,369	68,109	-	65,392,859
Less Accumulated Depreciation For:					
Buildings and Improvements	(4,731,636)	(304,850)	-	-	(5,036,486)
Machinery and Equipment	(3,977,171)	(261,560)	7,150	-	(4,231,581)
Distribution and Collection Systems	(24,475,279)	(1,068,940)	60,959	-	(25,483,260)
Total Accumulated Depreciation	(33,184,086)	(1,635,350)	68,109	-	(34,751,327)
Total Depreciable Capital Assets, Net	30,790,513	(148,981)	-	-	30,641,532
Total Capital Assets, Net	$ 34,779,752	$ 3,369,584	$ -	$ -	$ 38,149,336

Governmental Activities:

General Government	$ 63,589
Police	75,835
Fire	11,801
Public Works	177,901
Engineering	428
Garage	9,450
Recreation	113,836
Total	$ 452,840

Business-Type Activities

Airport	$ 218,383
Electric	92,476
Gas	52,635
Golf	133,953
Water/Sewer	1,080,060
Solid Waste	57,843
Total	$ 1,635,350

* Beginning numbers were restated to correct allocation between asset groups

NOTE 7. LEASES

Fire Truck - Governmental-type Capital Lease: During fiscal year 2020, the City entered into a lease agreement with USDA as lessee for financing a portion of the acquisition of a truck for the fire department for $35,000. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Depreciation expense on the leased equipment for the fiscal period was $3,333. The interest rate on this lease is 3.9%.

The historical cost of the leased asset and the related accumulated depreciation are as follows:

	Business-Type Activities
Fire Truck	$ 50,000
Less: Accumulated Depreciation	(13,333)
Total Net Book Value	$ 36,667

Golf Carts - Business-type Capital Lease: During fiscal year 2020, the City entered into a lease agreement with Yamaha Financial Services as lessee for financing a portion of the acquisition of 60 golf carts for $257,323 for the golf course. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Depreciation expense on the leased equipment for the fiscal period was $51,465. The interest rate on this lease is 4.68%.

The historical cost of the leased asset and the related accumulated depreciation are as follows:

	Business-Type Activities
Golf Carts	$ 257,323
Less: Accumulated Depreciation	(154,394)
Total Net Book Value	$ 102,929

Garbage Truck - Business-type Capital Lease: During fiscal year 2020, the City entered into a lease agreement with GMA Finance as lessee for financing the acquisition of a 2020 Peterbilt Garbage Truck for the solid waste department. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Depreciation expense on the leased equipment for the fiscal period was $18,593. The interest rate on this lease is 3.52%.

The historical cost of the leased asset and the related accumulated depreciation are as follows:

	Business-Type Activities
Garbage Truck	$ 278,891
Less: Accumulated Depreciation	(37,185)
Total Net Book Value	$ 241,706

NOTE 7. LEASES - continued

These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date the equipment is acquired.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, are as follows:

Year Ending September 30	Governmental Activities	Business-Type Activities
2023	$ 7,835	$ 110,489
2024	7,861	14,448
Total Minimum Lease Payments	15,696	124,937
Less Amount Representing Interest	(873)	(3,110)
Present Value of Future Minimum Lease Payments	$ 14,823	$ 121,827

NOTE 8. LONG-TERM DEBT

Debt outstanding as of September 30, 2022 is composed of the following:

Revenue Bonds

The City has also issued revenue bonds for the purpose of capital infrastructure improvements to the Water-Sewer system. These bonds will be repaid with Water-Sewer Fund revenues from users of the system. The bonds mature in fiscal 2032.

	Interest Rate	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
Business-Type Activities:					
Water/Sewer Bonds	2.00%	2/19/2013	9/30/2032	$ 9,200,000	$ 4,470,000

NOTE 8. LONG-TERM DEBT - continued

The following schedule presents debt service requirements to maturity for revenue bonds:

Year Ending September 30	Business-Type Activites	
	Principal	Interest
2023	$ 480,000	$ 117,680
2024	415,000	106,880
2025	425,000	97,024
2026	435,000	86,399
2027	445,000	75,524
2028-2032	2,270,000	189,772
Total	$ 4,470,000	$ 673,279

Notes Payable

	Interest Rate	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
Business-Type Activities:					
Water/Sewer System	3.00%	11/1/2010	7/1/2032	$ 473,000	$ 267,774
Water/Sewer System	2.40%	9/17/2014	9/17/2036	1,600,000	1,185,655
Water/Sewer System	2.27%	9/4/2015	3/1/3032	825,000	554,522
Water/Sewer System	1.25%	12/10/2018	1/1/2040	1,250,000	1,100,818
Water/Sewer System	2.09%	9/1/2021	8/1/2041	3,000,000	2,861,470
Water/Sewer System*				4,600,000	4,243,250
				$ 11,748,000	$ 10,213,489

* Water system loan was issued in May of 2020, with draws beginning December of 2020. The balance of the draws at September 30, 2022 was $4,243,250. The loan will close in 2023 with payments beginning at that time.

Notes payable debt service requirements to maturity are presented below:

Year Ending September 30	Business-Type Activities	
	Principal	Interest
2023	$ 331,718	$ 119,451
2024	338,779	112,387
2025	345,999	105,170
2026	353,379	97,789
2027	360,923	90,244
2028-2032	1,885,947	332,172
2033-2037	1,267,291	153,666
2038-2041	851,051	31,633
Total	$ 5,970,239	$ 1,042,512

NOTE 8. LONG-TERM DEBT - continued

On May 12, 2020 the Georgia Environmental Finance Authority (GEFA) approved a Drinking Water State Revolving Loan in the amount of $4,600,000 with a potential forgiveness of $750,000. This loan is for a new water treatment plant at Dixon Springs. Construction began in 2021 and will continue in 2023.

The following is a summary of the City's long-term debt transactions for the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capitalization Leases	$ 26,804	$ -	$ (11,981)	$ 14,823	$ 7,257
Compensated Absences	218,262	61,888	-	280,150	70,000
Total Governmental Activities	$ 245,066	$ 61,888	$ (11,981)	$ 294,973	$ 77,257
Business- Type Activites:					
Note Payable	$ 7,122,763	$ 3,415,537	$ (324,811)	$ 10,213,489	$ 331,718
Revenue Bonds	5,015,000	-	(545,000)	4,470,000	480,000
Unamortized Bond Premium	38,583	-	(3,508)	35,075	-
Landfill Closure/Post Closure	163,644	163,644	(163,644)	163,644	163,644
Capitalized Leases	220,256	-	(98,428)	121,828	107,513
Compensated Absences	137,824	16,712	-	154,536	115,000
Total Business-Type Activities	$ 12,698,070	$ 3,595,893	$ (1,135,391)	$ 15,158,572	$ 1,197,875

NOTE 9. OTHER COMMITMENTS

Under the terms of a power sales contract dated October 1, 1975 and for a period not to exceed 50 years, the City agrees to purchase its electric power and energy through the Municipal Electric Authority of Georgia (MEAG). This energy is priced to cover MEAG's cost of operating the system and to retire any debt incurred by MEAG. In return, MEAG agrees to purchase or provide the generating capacity necessary for reliable and economical power output for the City to operate its electric system. In the event that the operating revenues of the City's electric system are insufficient to cover its obligation to MEAG, or the City does not purchase the required amount of electric power and energy as specified in the contract (calculated annually), the City has agreed to assess and collect property tax sufficient to make all remaining payments due under this contract. At September 30, 2022, the outstanding debt of MEAG was $7,773,979,809. The City's guarantee varies by individual project and totals $81,622,912.

NOTE 10. PENSION PLAN

Plan Description. The City has a non-contributory defined benefit plan covering all full-time employees. The plan, the City of LaFayette Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan. GMEBS policy direction and oversight for the fund is provided by a 15-member board comprised of elected and appointed officials from the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The City established the plan effective April 1, 1985, and the authority to establish, amend or discontinue the plan remains with the City. The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire at 65 years of age with 5 years of service. Early retirement is possible at age 55 with 10 years of service. Benefits are calculated at up to 1.75% of the average monthly earnings for the period of the five highest years prior to retirement.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Funding Policy and Annual Contributions. The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for changes to plan provisions and 30 years for actuarial assumptions and cost methods. These amortization periods, if applicable, are closed for this plan year.

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10). According to the latest actuarial valuation, dated January 1, 2022, the estimated minimum annual contribution under these funding standards is $404,651.

According to the plan's actuarial valuation dated January 1, 2022, the recommended contribution to the plan for the coming year is $460,413 ($0 employee and $460,413 employer; 0% employee and 9.60% employer of covered payroll respectively), and for the prior year was $474,490 ($0 employee and $474,490 employer; 0% employee and 9.88% employer of covered payroll respectively). Covered payroll for 2022 and 2021 is $4,718,340 and $4,720,877 respectively.

Net Pension Liability

The City's net pension liability (NPL) was measured as of January 1, 2022, along with the total pension liability (TPL) and fiduciary net position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of September 30, 2021.

Changes in Net Pension Liability	(a) (TPL) Total Pension Liability	(b) (FNP) Fiduciary Net Position	(a) - (b) (NPL) Net Pension Liability
Balances at September 30, 2020	$ 15,899,713	$ 14,032,668	$ 1,867,045
Changes for the Year			
Service Cost	187,465	-	187,465
Interest	1,154,119	-	1,154,119
Differences Between Expected and Actual Experience	163,965	-	163,965
Changes of Assumptions	-	-	-
Contributions - Employer	-	406,697	(406,697)
Contributions - Employees	-	-	-
Net Investment Income	-	3,375,062	(3,375,062)
Benefit Payments, Including Refunds of Employee Contributions	(876,207)	(876,207)	-
Administrative Expense	-	(29,403)	29,403
Other	-	-	-
Net Changes	629,342	2,876,149	(2,246,807)
Balances at September 30, 2021	$ 16,529,055	$ 16,908,817	$ (379,762)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.375%) or 1% point higher (8.375%) than the current rate.

Sensitivity of the NPL to Changes in Discount Rate

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Total Net Pension Liability	$ 3,715,311	$ 1,867,045	$ 308,283

As of January 1, 2022, employee membership data related to the current plan membership was as follows:

Number of retirees and beneficiaries currently receiving benefits	113
Number of terminated employees entitled to benefits, but not yet receiving them	75
Number of Active Plan Participants	
Vested	96
Nonvested	18
Total	302

NOTE 10. PENSION PLAN - continued

Significant Actuarial Assumptions

Actuarial Assumptions:

Net Investment Rate of Return	7.375% per year
Projected Salary Increase	2.25% plus service based merit increases
Cost of Living Adjustment	0.00%
Post Retirement Benefit Increase	N/A

Actuarial Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 16 years
Actuarial Value of Assets	Sum of the actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Mortality & Economic Assumptions	The mortality and economic assumptions are based on the Pri-2012 head-count weighted Healthy Retiree mortality tables with reates multiplied by 1.25. Based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019.
Discount Rate	The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarily determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10. PENSION PLAN - continued

For the year ended September 30, 2022, the City recognized pension expense of $25,266. At September 30, 2022, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions for future periods	$ 395,173	$ -
Differences between expected and actual experience	363,186	-
Changes of assumptions	41,735	-
Net differences between projected and actual earnings on pension plan investments and changes in assumptions	-	(1,882,414)
	$ 800,094	$ (1,882,414)

Pension contributions subsequent to the measurement date of $ 395,173 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Amount
2023	$ (191,627)
2024	(324,718)
2025	(489,438)
2026	(471,710)

Net Investment Return

On-going basis: 7.375% - On-going basis, based on long-term expected rate of return on pension plan investments.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset collection as of March 31, 2020 are as summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	45.00%	6.55%
International Equity	20.00%	7.30%
Real Estate	10.00%	3.65%
Global Fixed Income	5.00%	0.50%
Domestic Fixed Income	20.00%	0.40%
Cash	0.00%	
Total	100.00%	

Payable to the Pension Plan

There were no outstanding amounts of contributions to the pension plan required for the year ended September 30, 2022.

NOTE 11. SPECIAL LOCAL OPTION SALES TAX

In November 2019 voters approved a referendum to continue collection of a 1% Special Local Option Sales Tax. Collections began on October 1, 2020 and are scheduled to end September 2026. The City's distributive share of this tax is projected to be $6,600,000. The proceeds from this sales tax are to be used for road, street, and bridge purposes, Smart grid technology for broadband internet, various recreation facilities and projects, Main street improvements and facility improvements.

In November 2017, voters approved a referendum to collect a 1% Transportation Special Purpose Local Option Sales Tax. Collections began April 1, 2018 and are scheduled to end March 31, 2023. The City's distributive share of this tax is projected to be $2,917,500 or 11.67%. The proceeds from this sales tax are to be used for utility/sewer relocation for street projects.

NOTE 12. RISK MANAGEMENT

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

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's Compensation Self-Insurance Fund (WCSIF) for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, cooperate with the pools' agents and attorneys, follow loss reduction procedures established by the funds and to promptly report all incidents which could results in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made again the City within the scope of loss protection furnished by the funds.

NOTE 12. RISK MANAGEMENT - continued

The funds are to defend and protect its members against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

During the past three fiscal years the cost of any settlements have not exceeded insurance coverage.

NOTE 13. RESTRICTED ASSETS

At September 30, 2022, the restricted assets account balances are comprised of the following:

Governmental Activities:	General	Capital Projects	Other Governmental Funds
Cash - Perpetual Care	$ 230,117	$ -	$ -
Cash - Shop with a Cop	11,292	-	-
Cash - Capital Projects	-	3,457,267	-
Cash - Police Funds	33,032	-	765
Cash - ARPA	-		2,740,651
Cash - Bond Debt Service	11,004	-	-
Total Restricted Assets	$ 285,445	$ 3,457,267	$ 2,741,416

Business-Type Activities:	Water/Sewer	Electric
Cash - MEAG	$ -	$ 467,615
Cash - Construction Cash	83,443	-
Cash - GEFA loan account	403,616	-
Total Restricted Assets	$ 487,059	$ 467,615

NOTE 14. FUND BALANCE/NET POSITION

Restricted amounts are used to indicate that a portion of the fund balance/net position is not available for appropriation or is legally segregated for specific future use. The following restricted amounts are used by the City:

Capital Projects Fund and Police Special Revenue Funds:

Restricted for Capital Projects - restricted for completion of construction projects financed by SPLOST proceeds and debt retirement

Restricted for Law Enforcement Activities – confiscated funds which must, by law, be utilized for specific activities/programs.

NOTE 15. LANDFILL CLOSURE/POSTCLOSURE COSTS

The City of LaFayette operates a municipal solid waste landfill for City use only and does not accept waste from any outside parties. State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions for a period of 30 years after closure. While the City has immaterial operating costs related to the current activity at the landfill, an expense provision and related liability are being recognized based on projected future closure and post closure care costs that will be incurred.

The recognition of these costs is based on the amount of landfill space used to date. The liability for landfill closure and post closure costs at September 30, 2022 is $601,324. Estimated total current cost of closure and post closure care remaining to be recognized is $163,644. However, the actual cost of closure and post closure care may be higher due to the effects of inflation, changes in technology, or changes in landfill laws and regulations. The City currently meets applicable financial assurance requirements. According to the most recent study, the landfill capacity used to date is approximately 25% and at the current usage rate, the estimated remaining life of the landfill is 43 years.

NOTE 16. HOTEL/MOTEL TAX REVENUES AND TOURISM EXPENDITURES

The City of LaFayette levies an 8% hotel/motel tax in accordance with provisions of the Official Code of Georgia section §48-13-51. This code section requires that the City expend an amount equal to the amount by which the total taxes collected under this section exceed the taxes that would be collected at a rate of 3%. For the year ended September 30, 2022, the amount the City collected was $82,474. In accordance with a contractual agreement, 100% of the 2% difference in collections have been paid to the Walker County Chamber of Commerce and was to be used for the promotion of tourism.

NOTE 17. JOINT VENTURE

The City of LaFayette is a member of the Northwest Georgia Regional Commission (RC). The RC was created under the laws of the State of Georgia and cities and counties in the area served by the RC are required to be members. The membership of the RC includes 15 counties and 49 municipalities. The City has no equity interest in the RC nor does the City materially contribute to the continued existence of the RC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RC ceases operation, the membership can be assessed for any debt or obligation of the RC. Separate financial statements may be obtained from: Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAFAYETTE, GEORGIA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

For the Previous Ten Fiscal Periods

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	$ 187,465	$ 175,291	$ 214,397	$ 160,290	$ 187,639	$ 183,261	$ 199,245	$ 165,910	*	*
Interest	1,154,119	1,109,471	1,044,537	1,005,986	995,682	981,250	907,702	850,512	*	*
Benefit Changes	-	-	-	-	-	-	-	-	*	*
Differences Between Expected and Actual Experience	163,965	175,460	609,932	97,017	(262,375)	(321,087)	495,739	425,825	*	*
Changes of Assumptions	-	-	147,019	-	-	-	-	(92,127)	*	*
Benefit Payments, Including Refunds	(876,207)	(857,773)	(862,781)	(743,977)	(682,652)	(631,747)	(675,620)	(548,747)	*	*
Other	-	-	-	-	197,708	-	-	-		
Net Change in Total Pension Liability	629,342	602,449	1,153,104	519,316	436,002	211,677	927,066	801,373	*	*
Total Pension Liability - Beginning	15,899,713	15,297,264	14,144,160	13,624,844	13,188,842	12,977,165	12,050,099	11,248,726	*	*
Total Pension Liability - Ending	$ 16,529,055	$ 15,899,713	$ 15,297,264	$ 14,144,160	$ 13,624,844	$ 13,188,842	$ 12,977,165	$ 12,050,099	*	*
Plan Net Position										
Contributions - Employer	$ 406,697	$ 389,793	$ 359,931	$ 391,282	$ 430,901	$ 373,892	$ 327,777	$ 418,853	*	*
Contributions - Member	-	-	-	-	-	-	-	-	*	*
Net Investment Income	3,375,062	1,254,370	382,551	1,233,952	1,665,002	1,139,625	134,281	1,092,710	*	*
Benefit Payments, Including Refunds	(876,207)	(857,773)	(862,781)	(743,977)	(682,652)	(631,747)	(675,620)	(548,747)	*	*
Administrative Expense	(29,403)	(30,300)	(24,505)	(27,564)	(28,484)	(15,878)	(18,213)	(14,476)	*	*
Other	-	-	-	-	-	-	-	-	*	*
Net Change in Plan Net Position	2,876,149	756,090	(144,804)	853,693	1,384,767	865,892	(231,775)	948,340	*	*
Plan Net Position - Beginning	14,032,668	13,276,578	13,421,382	12,567,689	11,182,922	10,317,030	10,548,805	9,600,465	*	*
Plan Net Position - Ending	$ 16,908,817	$ 14,032,668	$ 13,276,578	$ 13,421,382	$ 12,567,689	$ 11,182,922	$ 10,317,030	$ 10,548,805	*	*
Net Pension Liability - Ending	$ (379,762)	$ 1,867,045	$ 2,020,686	$ 722,778	$ 1,057,155	$ 2,005,920	$ 2,660,135	$ 2,428,360	*	*
Total Pension Liability	$ 16,529,055	$ 15,899,713	$ 15,297,264	$ 14,144,160	$ 13,624,844	$ 13,188,842	$ 12,977,165	$ 12,977,165	*	*
Plan Net Position	16,908,817	14,032,668	13,276,578	13,421,382	12,567,689	11,182,922	10,317,030	10,548,805	*	*
Net Pension Liability	$ (379,762)	$ 1,867,045	$ 2,020,686	$ 722,778	$ 1,057,155	$ 2,005,920	$ 2,660,135	$ 2,428,360	*	*
Ratio of Plan Net Position to Total Pension Liability	102.30%	88.26%	86.79%	94.89%	92.24%	84.79%	79.50%	81.29%	*	*
Covered Employee Payroll	$ 4,718,340	$ 4,720,877	$ 4,489,336	$ 4,720,392	$ 3,889,463	$ 4,301,277	$ 4,470,429	$ 4,408,649	*	*
Net Pension Liability as a Percentage of Covered Employee Payroll	-8.05%	39.55%	45.01%	15.31%	27.18%	46.64%	59.51%	55.08%	*	*

This schedule is to be built prospectively. Historical information prior to 2015 is not required.

CITY OF LAFAYETTE, GEORGIA
Required Supplementary Information
Schedule of Contributions - Pension Plan
For the Previous Ten Fiscal Periods

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	**	$ 443,669	$ 386,093	$ 359,931	390,157	430,901	373,892	327,777	*	*
Contributions in Relation to the Actuarially Determined Contribution	**	406,697	389,793	359,931	391,282	430,901	373,892	327,777	*	*
Contribution Deficiency (Excess)	**	$ 36,972	$ 3,700	$ -	1,125	-	-	*	*	*
Covered Employee Payroll	**	4,720,877	$ 4,489,336	$ 4,720,392	3,889,463	4,301,277	4,408,649	3,521,904	*	*
Contributions As a Percentage of Covered Employee Payroll	**	8.61%	8.68%	7.63%	10.06%	10.02%	8.48%	9.31%	*	*

* Historical information prior to implementation of GASB 67/68 not required.
** 2022 information will be determined after fiscal year end and will be included in 2023 valuation report

Notes to Schedule of Contributions:

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 16 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Projected Salary Increases	2.25% plus age and service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Normal - 65; Early - 55
Mortality	The mortality and economic actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019.
Other Information	This schedule is presented to illustrate the requirement to show information for 10 years. However, a full 10 year trend is not available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF LAFAYETTE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue				
	Drug Task Force	Police Forfeiture	Federal Asset Forfeiture	Hotel/Motel	Total Nonmajor Governmental Funds
Assets					
Cash	$ -	$ 765	$ -	$ -	$ 765
Due from Other Governments	-	-	-	7,013	7,013
Due from Other Funds	-	966	-	-	966
Total Assets	$ -	$ 1,731	$ -	$ 7,013	$ 8,744
Liabilities and Fund Balances					
Liabilities:					
Unreleased Confiscations	$ -	$ -	$ -	$ -	$ -
Due to Other Funds	-	-	-	6,208	6,208
Due to Other Governments	-	-	-	805	805
Total Liabilities	-	-	-	7,013	7,013
Fund Balance:					
Restricted for:					
Law Enforcement Activities	-	1,731	-	-	1,731
Total Fund Balances	-	1,731	-	-	1,731
Total Liabilities and Fund Balances	$ -	$ 1,731	$ -	$ 7,013	$ 8,744

CITY OF LAFAYETTE, GEORGIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue				
	Drug Task Force	Police Forfeiture	Federal Asset Forfeiture	Hotel/Motel	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ -	$ -	$ -	$ 82,473	$ 82,473
Intergovernmental Revenue	-	-	-	-	-
Interest Income	1	1	15	-	17
Total Revenues	1	1	15	82,473	82,490
Expenditures					
Current:					
Police	1,383	4,938	30,606	-	36,927
Tourism and Promotion	-	-	-	51,463	51,463
Total Expenditures	1,383	4,938	30,606	51,463	88,390
Excess (Deficit) of Revenues Over (Under) Expenditures	(1,382)	(4,937)	(30,591)	31,010	(5,900)
Other Financing Sources (Uses)					
Transfers - In(Out)	(1,751)	-	-	(31,010)	(32,761)
Total Other Financing Sources (Uses)	(1,751)	-	-	(31,010)	(32,761)
Net Change in Fund Balances	(3,133)	(4,937)	(30,591)	-	(38,661)
Fund Balance - Beginning of Year	3,133	6,668	30,591	-	40,392
Fund Balance - End of Year	$ -	$ 1,731	$ -	$ -	$ 1,731

CITY OF LAFAYETTE, GEORGIA

Schedule of Revenues, Expenditures, and Change in Fund Balance
2014 SPLOST Capital Projects Fund - Budget and Actual
For the Year Ended September 30, 2022

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ -	$ -
Interest Income	-	-	3,023	3,023
Total Revenues	-	-	3,023	3,023
Expenditures				
Current:				
General Government	30,000	30,000	-	30,000
Public Works	193,949	193,949	-	193,949
Capital Outlays:				
Public Works	1,386,051	1,386,051	-	1,386,051
Recreation	75,818	75,818	-	75,818
Other Capital Outlays	840,191	840,191	21,585	818,606
Debt Service:				-
Principal	340,000	340,000	-	340,000
Interest	13,991	13,991	-	13,991
Total Expenditures	2,880,000	2,880,000	21,585	2,858,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,880,000)	(2,880,000)	(18,562)	2,861,438
Net Change in Fund Balance	(2,880,000)	(2,880,000)	(18,562)	2,861,438
Fund Balance - Beginning of Year			402,518	
Fund Balance - End of Year			$ 383,956	

CITY OF LAFAYETTE, GEORGIA

Schedule of Revenues, Expenditures, and Change in Fund Balance
TSPLOST Capital Projects Fund - Budget and Actual
For the Year Ended September 30, 2022

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 830,926	$ 830,926
Interest Income	-	-	199	199
Total Revenues	-	-	831,125	831,125
Expenditures				
Current:				
Public Works	2,500,000	2,500,000	750,409	1,749,591
Total Expenditures	2,500,000	2,500,000	750,409	1,749,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500,000)	(2,500,000)	80,716	2,580,716
Net Change in Fund Balance	(2,500,000)	(2,500,000)	80,716	2,580,716
Fund Balance - Beginning of Year			1,442,319	
Fund Balance - End of Year			$ 1,523,035	

CITY OF LAFAYETTE, GEORGIA

Schedule of Revenues, Expenditures, and Change in Fund Balance
2020 SPLOST Capital Projects Fund - Budget and Actual
For the Year Ended September 30, 2022

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 971,553	$ 971,553
Interest Income	-	-	-	-
Total Revenues	-	-	971,553	971,553
Expenditures				
Current:				
General Government	-	-	-	-
Capital Outlays:				
General Government	-	-	-	-
Public Works	1,100,000	1,100,000	-	1,100,000
Recreation	-	-	-	-
Other Capital Outlays	-	-	-	-
Other Projects	5,500,000	5,500,000	-	5,500,000
Total Expenditures	6,600,000	6,600,000	-	6,600,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,600,000)	(6,600,000)	971,553	7,571,553
Net Change in Fund Balance	(6,600,000)	(6,600,000)	971,553	7,571,553
Fund Balance - Beginning of Year			739,362	
Fund Balance - End of Year			$ 1,710,915	

COMPLIANCE SECTION

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

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

To the Honorable Mayor and City Council
City of LaFayette, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia, as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the City of LaFayette, Georgia's basic financial statements and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies described as 22-01 and 22-02.

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Report on Compliance and Other Matters

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

City of LaFayette, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of LaFayette's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of LaFayette's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
March 17, 2023

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and Council
City of Lafayette, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lafayette, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Lafayette, Georgia's major federal programs for the year ended September 30, 2022. City of Lafayette, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Lafayette, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of compliance section of our report.

We are required to be independent of City of Lafayette, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Lafayette, Georgia's compliance with the compliance requirements referred to above. .

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Lafayette, Georgia's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Lafayette, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Lafayette, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Lafayette, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Lafayette, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Lafayette, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Dalton, Georgia
March 17, 2023

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:
- Material weakness(es) identified? **No**
- Significant deficiencies identified that are not considered to be material weakness(es)? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over major programs:
- Material weakness(es) identified: **No**
- Significant deficiencies identified that are not considered to be material weakness(es)? **None reported**

Type of Auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) : **No**

Major program:

U.S. Environmental Protection Agency
Clean Water State Revolving Fund
CFDA #66.468

Dollar threshold used to distinguish between Type A and Type B programs: **$750,000**

Auditee qualified as a low-risk auditee? **No**

Financial Statement Findings

FS22-01 **Criteria:** Segregation of employee's duties is a common practice in an effective internal control structure. Policies should be in place requiring the segregation of certain duties, timely reconciliations, reviews, and monitoring. Regarding segregation of duties, critical duties can be categorized in four types of functions: 1) authorization; 2) custody; 3) record keeping; and 4) reconciliation. In a perfect system, no one person should handle more than one type of function.

When duties cannot be separated, compensating controls should be in place. Compensating controls is an internal control that is intended to reduce the risk of an existing or potential control weakness.

Condition: Internal controls should be in place which provides reasonable assurance that an individual cannot misappropriate funds without such actions be detected during the normal course of business.

Cause: The limited number of employees in the City and the resulting overlapping of duties causes segregation of duties to be difficult.

Effect: Without the implementation of the above internal control functions, there is an increased risk of the misappropriation of funds and error going undetected. The size of the City's staff precluded certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

Recommendation: When duties cannot be separated, compensating controls should be in place. Compensating controls are internal controls that are intended to reduce the risk of an existing control weakness. We recommend oversight of the office staff and close review of accounting records.

Response: We agree with the finding. We have implemented procedures to improve our accounting system as well as separating duties of our employees when possible. We have implemented a system to properly reconcile, report, review, and monitor our procedures. We will ensure that procedures are clearly conveyed to all employees.

Financial Statement Findings

FS22-02 **Criteria:** Monitoring and reviews are common practices in an effective internal control structure. Policies should be in place requiring the monitoring and reviews of certain duties and timely reconciliations. Regarding monitoring and reviews, there should be a person over these functions who has the level of knowledge to perform these functions.

Condition: There is lack of personnel to perform reviews and monitoring of the accounting of the city. Various accounts in the general ledgers are not being reconciled and balanced to support documents to ensure account is properly reflected in the correct department or fund. This includes cash reconciliations and monitoring of revenues. Several invoices were included in accounts payable and expenses, and several checks were written and held in the safe for items and services not received. Also, voided checks had been reissued and both checks cleared the bank.

Cause: An employee needed in the accounting function is not in place nor is there policies and procedures in place to review and monitor accounting data. Cash reconciliations are not being balanced to the accounting records.

Effect: Without the implementation of the above internal control functions, there is an increased risk of material misstatement to the financial statements. There were no procedures in place for routine reviews or monitoring of the accounting records on a daily, monthly, or annual basis. Timely reconciliations are not being made or the duplicated disbursements would have been detected in a timely manner. .Therefore, in combination, the financial records were not correct and went undetected and required adjustments.

Recommendation: We recommend procedures be implemented which would provide for improved internal controls in the above areas. We recommend training to be provided for current employees or hiring of someone with the level of knowledge needed. We also recommend procedures be implemented to require reviews and monitoring be done at least monthly. Also, timely reconciliations need to be made for all accounts on at least a monthly basis and procedures implemented to ensure the accounting records reflect these balances.

Response: We agree with the finding. We have implemented procedures to improve our accounting system as well as separating duties of our employees when possible. We have implemented a system to properly reconcile, report, review, and monitor our procedures. We will ensure that procedures are clearly conveyed to all employees. Issues with our software prevented us from reconciling certain accounts. We are currently working to remedy. We have recently hired someone with an accounting degree and hope they will be able to help with these issues.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2022

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURE
U.S.Department of Transportation			
Passed through Georgia Department of Transportation			
Airport Improvement Program	20.106	T007837	32,000
Airport Improvement Program	20.106	T006980	314,614
Total U.S. Department of Transportation			346,614
U.S. Environmental Protection Agency			
Passed Through Georgia Environmental Finance Authority -			
Drinking Water State Revolving Fund	66.468	DW2019025	3,415,537
Total U.S. Environmental Protection Agency			3,415,537
Total Federal Awards			$ 3,762,151

NOTE 1. BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

Federal grant programs which are administered through State agencies(pass-through awards) have been included in this report.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the financial statements.

The City elected not to utilize the 10% deminimus indirect cost rate.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2014
SEPTEMBER 30, 2022

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	$ 1,580,000	$ 1,580,000	$ 397,960	$ -	$ 397,960
Other Projects					
Admin					
Buildings	-	-	32,660	5,947	38,607
Equipment	-	-	170,290	15,638	185,928
Public Safety					-
Equipment	-	-	12,574	-	12,574
Solid Waste					-
Equipment	-	-	-	-	-
Public Works					-
Equipment	-	-	105,000	-	105,000
Improvements	-	-	551,780	-	551,780
Recreation					-
Equipment	-	-	57,990	-	57,990
Site Improvements	-	-	174,391	-	174,391
Airport					
Buildings	-	-	-	-	-
Site Improvements	-	-	-	-	-
Water and Sewer					
Equipment	-	-	-	-	-
Improvements	-	-	769,103	-	769,103
Gas					
Equipment	-	-	-	-	-
Improvements	-	-	-	-	-
Electric					
Equipment	-	-	-	-	-
Improvements	-	-	-	-	-
Golf					
Equipment	-	-	-	-	-
Improvements	-	-	-	-	-
Total Other Projects	1,300,000	1,300,000	1,873,788	21,585	1,895,373
Total for all Projects	$ 2,880,000	$ 2,880,000	$ 2,271,748	$ 21,585	$ 2,293,333

Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances:

Principal and interest payments on long-term liabilities used to fund previous SPLOST outlays	-
	$ 21,585

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - TSPLOST
SEPTEMBER 30, 2022

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets					
Utility Relocation/Sewer	$ 2,500,000	$ 2,917,500	$ 845,100	$ 750,409	$ 1,595,509
Total	$ 2,500,000	$ 2,917,500	$ 845,100	$ 750,409	$ 1,595,509

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2020
SEPTEMBER 30, 2022

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	$ 1,100,000	$ 1,100,000	$ -	$ -	$ -
Other Projects					
Admin	-	-	91,125	-	91,125
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Water and Sewer	-	-	-	-	-
Total Other Projects	5,500,000	5,500,000	91,125	-	91,125
Total for all Projects	$ 6,600,000	$ 6,600,000	$ 91,125	$ -	$ 91,125