CITY OF LAFAYETTE, GEORGIA

FINANCIAL STATEMENTS

For The

Fiscal Year Ended September 30, 2024

David Hamilton

City Manager

By Authority Of

Mayor and Council

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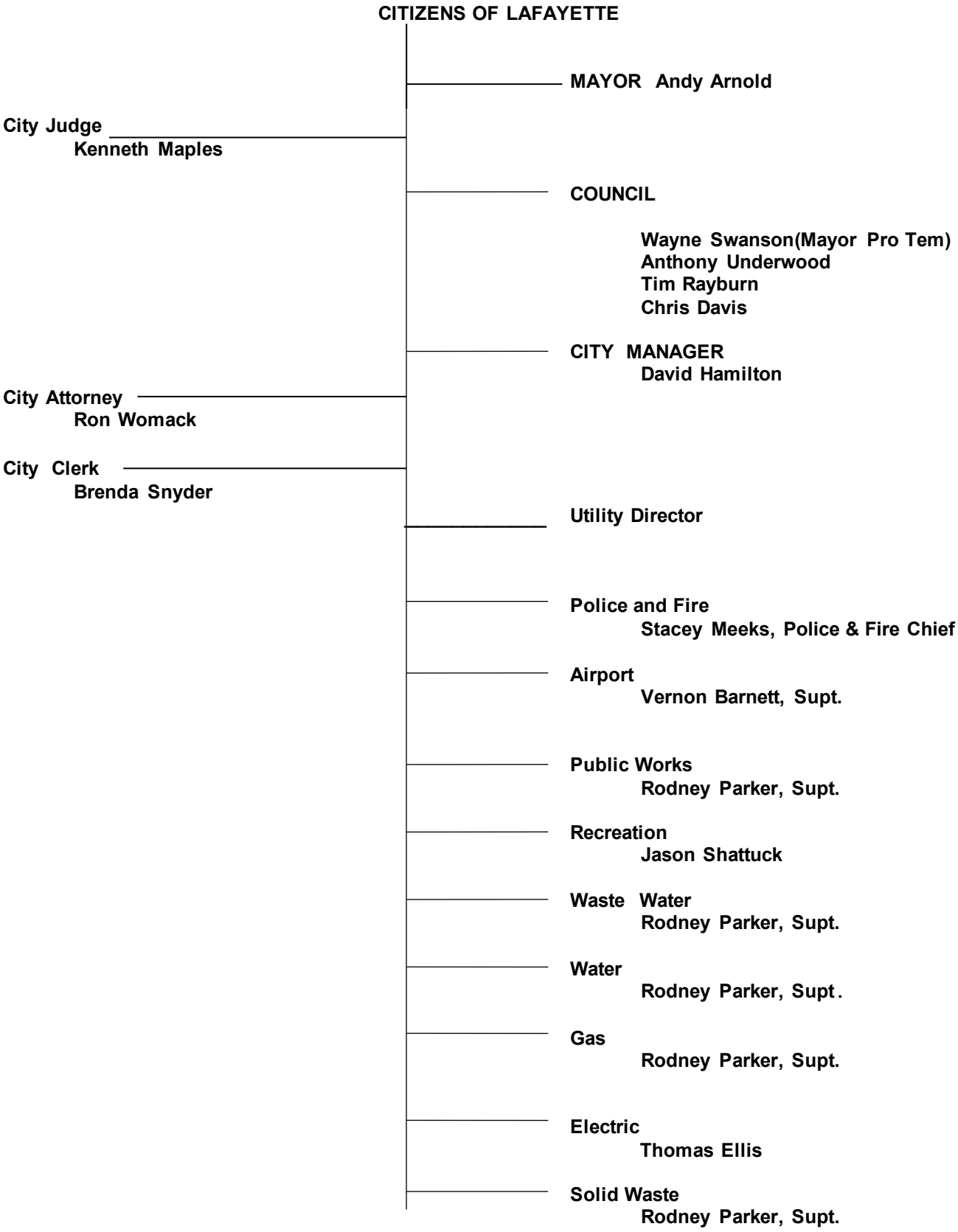
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September 30, 2024



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, 2024, 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, 2024, 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, the schedule of expenditures of federal awards, the schedules of special purpose local option sales expenditures, and the transportation special purpose local option sales expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025 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
July 31, 2025

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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, 2024. 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 $56,927,611 at the end of the year. This amount includes $44,811,627 invested in capital assets net of accumulated depreciation and related debt, restricted net position of $5,571,994 and unrestricted net position of $6,543,990. Significant portions of restricted net position include amounts for construction.

- The City's total net position increased by $12,107,557, or 27% to $56,927,611. The net position for governmental activities increased by $1,440,074, or 10% and the business-type net position increased by $10,667,483 or 35%.

- The City's revenues for governmental activities, excluding transfers were $10,996,927. Total expenses for governmental activities, excluding transfers, were $10,774,096.

- The City's business-type activities had total revenues, excluding transfers of $35,094,424 while expenses, excluding transfers, were $23,209,698.

- The General Fund, which is the City's primary operating fund, reported a decrease in fund balance of $1,019,783 in fiscal year 2024.

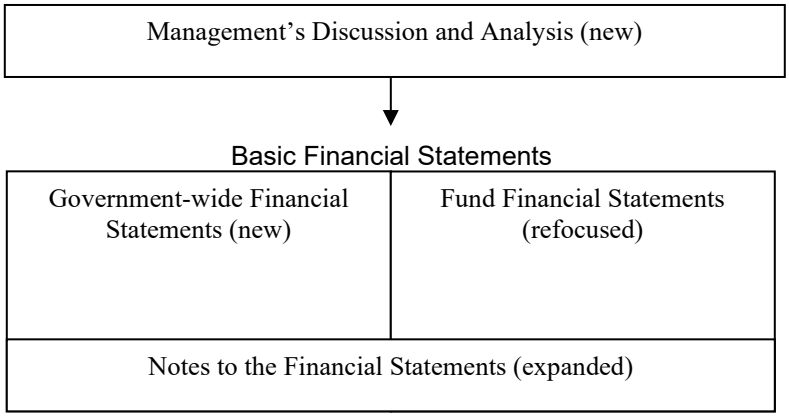
- Total cash (Note 3) at September 30, 2024 was $11,763,924.

- The capital assets (Note 6), net of accumulated depreciation, of the City at the end of the 2024 fiscal year totaled $61,210,765. This includes net capital assets for governmental activities of $10,867,145 and business-type activities of $50,343,620.

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, fiber optics, 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 $1,440,074, or 10%, in fiscal year 2024. The net position of the governmental activities includes $10,867,145 net investment in capital assets. Capital assets of $10,867,145 include land, buildings, park improvements, equipment and current year infrastructure additions.
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The net position of the business-type activities includes $33,944,482 net investment in capital assets. Capital assets of $50,343,620 include land, utility system, building, other improvements, equipment, airport and golf course. Related debt includes notes payable and revenue bonds of $16,399,141.

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	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	$ 6,175	$ 8,169	$ 12,474	$ 9,612	$ 18,649	$ 17,781
Capital Assets	10,868	9,769	50,343	39,819	61,211	49,588
Total Assets	17,043	17,938	62,817	49,431	79,860	67,369
Deferred Outflows of Resources						
Pension Contributions	538	1,264	413	955	951	2,219
Total Deferred Outflows of Resources	538	1,264	413	955	951	2,219
Liabilities						
Current and Other Liabilities	1,643	4,816	5,678	5,454	7,321	10,270
Long-Term Debt Outstanding	253	214	16,207	14,251	16,460	14,465
Total Liabilities	1,896	5,030	21,885	19,705	23,781	24,735
Deferred Inflows of Resources						
Lease	-	-	10	-	10	-
Changes in Pension Plan	52	72	40	54	92	126
Total Deferred Inflows of Resources	52	72	50	54	102	126
Net Position						
Net Investment in Capital Assets	10,867	9,761	33,945	24,835	44,812	34,596
Restricted	5,055	4,069	517	480	5,572	4,549
Unrestricted	(289)	363	6,833	5,312	6,544	5,675
Total Net Position	$15,633	$14,193	$ 41,295	$ 30,627	$ 56,928	$ 44,820

CHANGES IN NET POSITION

The City's total revenues before transfers were $46,091,351 in the 2024 fiscal year. Expenses before transfers were $33,983,791 during that same period. Governmental and business-type activities combined provided a $12,107,557 increase in net position.

Governmental activities revenues were $10,996,917 and included $1,986,121 for charges for services, $5,207,292 grant revenues, $1,112,905 property taxes, and $1,380,042 for sales taxes. The largest governmental activities expenses were for public safety of $3,629,898 (police, fire, and animal control), public works of $2,018,080, general government of $2,862,554 and recreation of $1,499,949. Expenses include depreciation expense as explained in the notes to the financial statements (Note 6).

Business-type activity revenues were $35,094,424 and included $25,879,769 charges for services, $9,169,700 for capital grants, and $44,955 interest. The largest business-type activity expenses were for purchases of energy for resale to customers such as electricity for $10,070,357 and gas for $1,039,028.

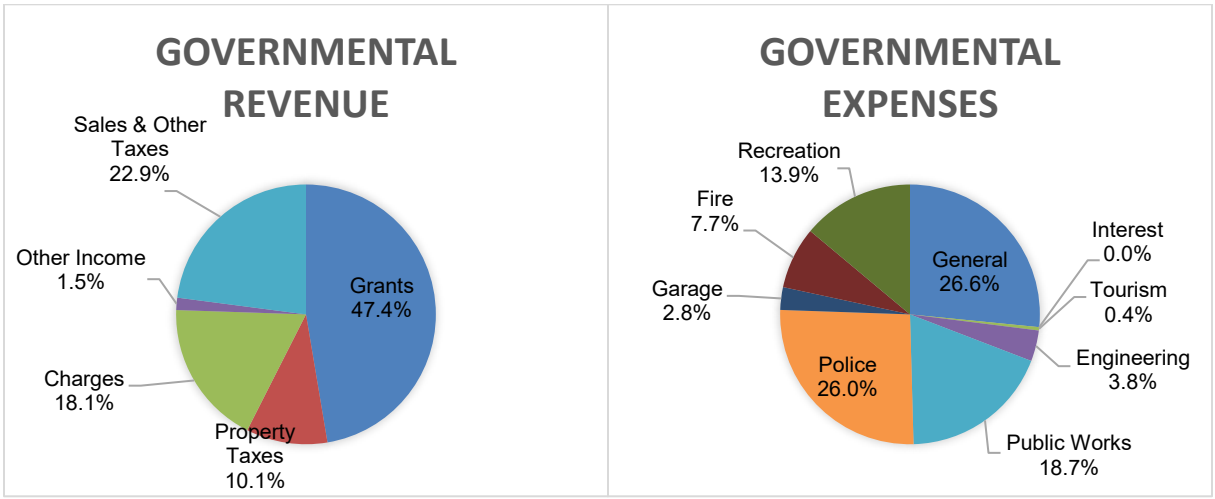
Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 1,986	$ 1,793	$ 25,880	$ 22,367	$ 27,866	$ 24,160
Operating Grants and Contributions	469	269	-	2	469	271
Capital Grants and Contributions	4,738	1,610	9,170	284	13,908	1,894
General Revenues						
Property Taxes	1,113	634	-	-	1,113	634
Local Option Sales Tax	1,380	1,247	-	-	1,380	1,247
Other Taxes	1,142	1,121	-	-	1,142	1,121
Investment Income	118	126	45	4	163	130
Other Revenues	50	3	-	-	50	3
Total Revenues	10,996	6,803	35,095	22,657	46,091	29,460
Expenses						
General Government	2,862	2,869	-	-	2,862	2,869
Police	2,799	2,796	-	-	2,799	2,796
Fire	830	767	-	-	830	767
Public Works	2,018	1,483	-	-	2,018	1,483
Engineering	414	366	-	-	414	366
Recreation	1,500	1,282	-	-	1,500	1,282
Garage	304	299	-	-	304	299
Tourism & Promotion	45	46	-	-	45	46
Interest on Long-term debt	1	1	-	-	1	1
Electric	-	-	12,001	9,612	12,001	9,612
Gas	-	-	1,787	1,935	1,787	1,935
Water/Sewer	-	-	6,564	5,150	6,564	5,150
Solid Waste	-	-	1,251	780	1,251	780
Golf	-	-	1,186	1,045	1,186	1,045
Airport	-	-	421	434	421	434
Total Expenses	10,773	9,909	23,210	18,956	33,983	28,865
Excess (Deficiency) Before Transfers	223	(3,106)	11,885	3,701	12,108	595
Transfers	1,217	3,452	(1,217)	(3,452)	-	-
Increase/Decrease in Net Position	1,440	346	10,668	249	12,108	595
Beginning Net Position	14,193	13,847	30,627	30,378	44,820	44,225
Ending Net Postion	$15,633	$ 14,193	$ 41,295	$ 30,627	$ 56,928	$ 44,820

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 $1,112,905 provided 10.1% of governmental revenues for general operations. The millage rate was set at 2.175 in the current year.
- Revenues from local option sales taxes were $1,380,042. This represents an overall increase of $133,400 from the prior year.
- The transfers from proprietary funds were $1,217,243.
- Charges for services include amounts charged for providing utility billing and collection services to the enterprise funds of $765,081. Municipal court fines were $188,269.

Expense Impacts

- General Government and Police expenditures remained consistent compared to the prior year.
- Public works expenditures increased $535,264 due to an increase in salaries and an increase in paving partially funded by state LMIG funds.
- Culture and Recreation expenditures increased by $217,232. This was primarily due to salaries and repairs and maintenance.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in thousands)

Fund	Program Revenues		Program Expenses		Excess (Deficiency) Before Transfers & Investment Earnings	
	2024	2023	2024	2023	2024	2023
Electric	$ 14,531	$ 11,446	$ 12,001	$ 9,613	$ 2,530	$ 1,833
Gas	2,559	2,668	1,787	1,935	772	733
Water/Sewer	7,578	6,900	6,564	5,150	1,014	1,750
Solid Waste	746	729	1,251	780	(505)	(51)
Golf	970	742	1,186	1,045	(216)	(303)
Fiber Optics	1	-	-	-	1	-
Airport	8,664	167	421	433	8,243	(266)
Total	$ 35,049	$ 22,652	$ 23,210	$ 18,956	$ 11,839	$ 3,696

Operating revenues for business-type activities for the fiscal year 2024 were $25,879,769, a $3,512,533 increase compared to the prior year. Operating expenses were $23,209,698 in 2024. The operating income was $3,022,982 in 2024 compared to $3,724,419 in 2023. Activities for individual business-type funds are summarized below.

- Electric program operating revenues increased by $3,085,867 from the prior year in addition to operating expenses increasing by $2,382,455. The revenue increase was primarily driven by the addition of a large electric customer. Expenses were primarily driven by an increase in purchased power to supply the large customer, somewhat driven by material and labor inflation.

- Gas program operating revenues decreased by $108,609 and operating expenses decreased by $148,000. The decrease in revenue was driven by a decrease in volume due to a milder winter. The decrease in expenses was largely attributable to a decrease in volume of natural gas purchased. Customer base was similar for both years.

- Water & Sewer program operating revenues increased by $678,000 while operating expenses increased by $1,382,100 from the prior year. Water & Sewer revenue increased primarily due to an increase in customer base and larger volume. Expenses increased primarily due to an wage inflation and supply chain cost increases.

- Solid Waste program operating revenues remained consistent with the prior year and operating expenses increased $472,000. Expenses increased due to a change in estimates in calculating the landfill closure costs.

- Golf operating revenues increased by $227,400 over the prior year. This was due to higher volume of rounds of golf with the new greens, and a rate increase. Operating expenses were up by $137,700, due largely to increase in maintenance, repairs to driving range net and other operational costs.

- Airport operating revenues decreased by $35,265 due to runway closures while a major construction project was ongoing. Grant revenues of $8,500,000 were received to assist in this project.

GOVERNMENTAL FUNDS

Table 5
Financial Analysis of the City's Funds

Fund	Fund Balances 9/30/2023	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2024
General Fund	$ 1,076,432	$ 9,968,655	$ (10,988,438)	$ (1,019,783)	$ 56,649
Capital Projects - 2014 SPLOST	250,388	2,272	(201,781)	(199,509)	50,879
Capital Projects - 2020 SPLOST	2,337,626	1,215,034	(186,695)	1,028,339	3,365,965
Capital Projects - T SPLOST	1,513,568	513,906	(394,289)	119,617	1,633,185
American Rescue Fund Plan	57,374	2,535,383	(2,592,757)	(57,374)	-
Total	$ 5,235,388	$ 14,235,250	$ (14,363,960)	$ (128,710)	$ 5,106,678

At September 30, 2024, the City's governmental funds reported a combined fund balance of $5,111,871 (see statement on page 18), which is $126,449 less than the previous year-end. The unassigned portion of fund balance was $34,395. 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 $1,019,783 decrease in fund balance, to end the fiscal year at $56,649. More detailed information for the general fund is presented on page 21.

Operating revenues and other financing sources increased $1,113,284. Sales taxes increased due to an increase in the City's apportionment from the County and growth in online sales, also charges for services, fines, and donations all showed increases.

Overall expenditures and other uses increased $1,514,452. Wage inflation, material inflation and capital outlay 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 August 2023, the city entered into an agreement with Walker County for a one-percent transportation special purpose local option sales tax referendum. Collections began April 1, 2024 and will end March 31, 2028.

The major sources of revenue were:

- Sales tax $1,157,363
- TSPLOST $478,571

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 2023, the City Council appropriated $8,347,022 for general fund expenditures in the 2024 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, grant revenues, and donations than originally budgeted.

Expenditures:
Higher than anticipated salaries and benefits and increase in capital investments than originally budgeted.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to $61,210,765 (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	
	2024	2023	2024	2023	2024	2023
Land	$ 4,011	$ 3,796	$ 2,782	$ 2,782	$ 6,793	$ 6,578
Construction in Progress	926	190	18,779	7,195	19,705	7,385
Buildings and Structures	1,535	1,587	3,840	4,051	5,375	5,638
Infrastructure	1,298	1,393	-	-	1,298	1,393
Utility Systems	-	-	22,789	23,869	22,789	23,869
Improvements	1,260	1,013	-	-	1,260	1,013
Machinery and Equipment	1,837	1,790	2,154	1,921	3,991	3,711
Total	$ 10,867	$ 9,769	$ 50,344	$ 39,818	$ 61,211	$49,587

This year's major capital asset additions included:

Governmental Activities:

• Land – Greenway Park	$	180,929
• Greenway Park in process	$	611,099
• Park Improvements – Pool Reno	$	241,824
• Park Improvements – Splash Pad	$	76,276
• Police Vehicles	$	215,859

Business-type Activities:

• Freightliner- Electric	$	261,485
• Fiber Optic Building	$	47,872
• Vermeer Van Trailer – Water	$	97,127
• Golf course improvements (driving range net, golf carts)	$	198,200

LONG-TERM DEBT

At the end of the 2024 fiscal year, the City had $16,371,080 in outstanding debt. This is a net increase of $1,411,818 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, 2024

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue Bonds, Net	$ -	$ -	$ 3,575	$ 3,990	$ 3,575	$ 3,990
Capital Leases	-	8	351	19	351	27
Notes Payable	-	-	12,445	10,942	12,445	10,942
Total	$ -	$ 8	$ 16,371	$ 14,951	$ 16,371	$ 14,959

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City continues to perform stronger economically, we have seen a continued increase in private investment, construction, business expansion, job creation, and it shows in several of our revenues. We have seen investment in new housing and substantial new commercial development. We have 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 invested in a fiber optic network across our electric grid to offer fiber to the home connectivity and prepare the infrastructure for Advanced Metering infrastructure for our Utility departments. The investments we are making in quality of life and infrastructure are showing benefits in increased revenues. 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 costs 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.

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BASIC FINANCIAL STATEMENTS

CITY OF LAFAYETTE, GEORGIA
Statement of Net Position
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Lafayette Development Authority
Assets				
Cash	$ 5,349,317	$ 6,414,607	$ 11,763,924	$ 266,023
Receivables - Net	510,021	3,598,201	4,108,222	-
Internal Balances	(121,136)	121,136	-	-
Inventory	22,254	1,034,363	1,056,617	-
Due from other governments	415,430	1,305,405	1,720,835	-
Capital Assets:				
Land and Construction in Progress	4,937,831	21,560,885	26,498,716	-
Other Capital Assets - Net	5,929,314	28,782,735	34,712,049	359,808
Total Capital Assets	10,867,145	50,343,620	61,210,765	359,808
Total Assets	17,043,031	62,817,332	79,860,363	625,831
Deferred Outflows of Resources				
Pension Contributions	538,124	412,745	950,869	-
Total Deferred Outflows of Resources	538,124	412,745	950,869	-
Liabilities				
Accounts Payable	212,786	3,068,842	3,281,628	-
Accrued Wages Payable and Withholdings	84,506	60,996	145,502	-
Customer Deposits	-	610,490	610,490	-
Due to other Governments	4,123	-	4,123	-
Net Pension Liability	1,272,145	975,746	2,247,891	-
Noncurrent Liabilities:				
Due Within One Year	70,000	961,686	1,031,686	-
Due In More Than One Year - Net	252,737	16,207,471	16,460,208	-
Total Liabilities	1,896,297	21,885,231	23,781,528	-
Deferred Inflows of Resources				
Pension Contributions	51,840	39,762	91,602	
Lease	-	10,492	10,492	-
Total Deferred Inflows of Resources	51,840	50,254	102,094	-
	-			
Net Position				
Net Investment in Capital Assets	10,867,145	33,944,482	44,811,627	359,808
Restricted for:				
Capital Projects	5,050,029	516,772	5,566,801	-
Law Enforcement Activities	5,193	-	5,193	-
Unrestricted	(289,350)	6,833,340	6,543,990	266,023
Total Net Position	$ 15,633,017	$ 41,294,594	$ 56,927,611	$ 625,831

CITY OF LAFAYETTE, GEORGIA
Statement of Activities
For the Year Ended September 30, 2024

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	$ 2,862,554	$ 1,569,136	$ 201,608	$ 3,752,689
Police	2,799,377	113,222	12,290	-
Fire	830,521	-	-	-
Public Works	2,018,080	50,655	255,567	513,906
Engineering	414,466	-	-	-
Recreation	1,499,949	253,108	-	471,232
Garage	303,931	-	-	-
Tourism and Promotion	44,949	-	-	-
Interest on Long-term Debt	269	-	-	-
Total Governmental Activities	10,774,096	1,986,121	469,465	4,737,827
Business-type Activities:				
Airport	421,474	130,354	-	8,533,386
Electric	12,000,875	14,531,530	-	-
Gas	1,786,602	2,559,175	-	-
Golf	1,185,978	969,670	-	-
Water/Sewer	6,563,574	6,941,984	-	636,314
Fiber Optics	-	1,464	-	-
Solid Waste	1,251,195	745,592	-	-
Total Business-type Activities	23,209,698	25,879,769	-	9,169,700
Total Primary Government	$ 33,983,794	$ 27,865,890	$ 469,465	$ 13,907,527
Component Unit:				
Lafayette Development Authority	$ 336,207	$ 130,097	$ -	$ -

CITY OF LAFAYETTE, GEORGIA
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Governmental Activities	Business-type Activities	Totals	LaFayette Development Authority
	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
Primary Government:				
Governmental Activities:				
General Government	$ 2,660,879		$ 2,660,879	
Police	(2,673,865)		(2,673,865)	
Fire	(830,521)		(830,521)	
Public Works	(1,197,952)		(1,197,952)	
Engineering	(414,466)		(414,466)	
Recreation	(775,609)		(775,609)	
Garage	(303,931)		(303,931)	
Tourism and Promotion	(44,949)		(44,949)	
Interest on Long-term Debt	(269)		(269)	
Total Governmental Activities	(3,580,683)		(3,580,683)	
Business-type Activities:				
Airport	-	$ 8,242,266	8,242,266	
Electric	-	2,530,655	2,530,655	
Gas	-	772,573	772,573	
Golf	-	(216,308)	(216,308)	
Water/Sewer		1,014,724	1,014,724	
Fiber Optics	-	1,464	1,464	
Solid Waste	-	(505,603)	(505,603)	
Total Business-type Activities	-	11,839,771	11,839,771	
Total Primary Government	(3,580,683)	11,839,771	8,259,088	
Component Unit				
Lafayette Development Authority				$ (206,110)
General Revenues:				
Taxes:				
Property	1,112,905	-	1,112,905	-
Sales	1,380,042	-	1,380,042	-
Hotel/Motel	72,106	-	72,106	-
Insurance Premium	611,334	-	611,334	-
Malt Beverage	102,873	-	102,873	-
Franchise	254,782	-	254,782	-
Occupation	71,489	-	71,489	-
Intangible	29,885	-	29,885	-
Investment Earnings	117,749	44,955	162,704	3,555
Gain on Sale of Capital Assets	680	-	680	-
Miscellaneous	49,669	-	49,669	-
Transfers	1,217,243	(1,217,243)	-	-
Total General Revenues and Transfers	5,020,757	(1,172,288)	3,848,469	3,555
Change in Net Position	1,440,074	10,667,483	12,107,557	(202,555)
Net Position - Beginning, restated	14,192,943	30,627,111	44,820,054	828,386
Net Position - Ending	$ 15,633,017	$ 41,294,594	$ 56,927,611	$ 625,831

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

CITY OF LAFAYETTE, GEORGIA
Balance Sheet
Governmental Funds
September 30, 2024

	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	$ 307,788	$ 50,879	$ 3,169,918	$ 1,554,904	$ -	$ 8,422	$ 5,091,911
Receivables (Net of Allowance for Uncollectibles):							
Accounts	494	-	-	-	-	-	494
Taxes	509,527	-	-	-	-	-	509,527
Inventory	22,254	-	-	-	-	-	22,254
Due from Other Funds	6,294,226	-	-	-	-	966	6,295,192
Due from Other Governments	131,148	-	199,473	78,281	-	6,528	415,430
Total Assets	$ 7,265,437	$ 50,879	$ 3,369,391	$ 1,633,185	$ -	$ 15,916	$ 12,334,808
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable	$ 205,165	$ -	$ 3,426	$ -	$ -	$ 4,195	$ 212,786
Accrued Payables & Withholdings	84,506	-	-	-	-	-	84,506
Due to Other Funds	6,413,924	-	-	-	-	2,405	6,416,329
Due to Other Governments	-	-	-	-	-	4,123	4,123
Total Liabilities	6,703,595	-	3,426	-	-	10,723	6,717,744
Deferred Inflows of Resources							
Unavailable Revenue - Property Taxes	505,193	-	-	-	-	-	505,193
Total Deferred Inflows of Resources	505,193	-	-	-	-	-	505,193
Fund Balances							
Nonspendable							
Inventory	22,254	-	-	-	-	-	22,254
Restricted							
Acquisition and Construction of Capital Assets	-	50,879	3,365,965	1,633,185	-	-	5,050,029
Law Enforcement Activities	-	-	-	-	-	5,193	5,193
Unassigned	34,395	-	-	-	-	-	34,395
Total Fund Balances	56,649	50,879	3,365,965	1,633,185	-	5,193	5,111,871
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,265,437	$ 50,879	$ 3,369,391	$ 1,633,185	$ -	$ 15,916	$ 12,334,808

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund Balances - Total Governmental Funds		$ 5,111,871
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.		10,867,145
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.		257,406
A portion of deferred revenue in the general fund represents property tax billed but uncollected and is eliminated in the Statement of Net Position.		505,193
A portion of pension plan contributions are for future use and are considerred deferred outflows of resources.		538,124
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.		(51,840)
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.		
Compensated Absences	(322,737)	
Net Pension(Liability) Asset	(1,272,145)	(1,594,882)
Net Position of Governmental Activities		$ 15,633,017

CITY OF LAFAYETTE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	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	$ 3,073,114	$ -	$ -	$ -	$ -	$ 72,106	$ 3,145,220
Licenses and Permits	93,223	-	-	-	-	-	93,223
Intergovernmental	758,916	-	1,157,363	478,571	2,483,029	-	4,877,879
Fines and Forfeitures	188,269	-	-	-	-	-	188,269
Charges for Services	1,594,968	-	-	-	-	-	1,594,968
Contributions and Donations	257,171	-	-	-	-	-	257,171
Miscellaneous Income	48,092	-	-	-	4,792	2,257	55,141
Interest Income	117,745	2,272	57,671	35,335	47,562	4	260,589
Total Revenues	6,131,498	2,272	1,215,034	513,906	2,535,383	74,367	10,472,460
Expenditures							
Current:							
General Government	2,481,813	1,812	-	-	-	-	2,483,625
Police	2,650,762	-	-	-	-	-	2,650,762
Fire	767,901	-	-	-	-	-	767,901
Public Works	1,850,298	-	-	-	-	-	1,850,298
Engineering	412,941	-	-	-	-	-	412,941
Culture and Recreation	1,314,794	-	-	-	-	-	1,314,794
Garage	293,557	-	-	-	-	-	293,557
Tourism and Promotion	-	-	-	-	-	44,949	44,949
Capital Outlay:							
General Government	29,743	-	-	394,289	-	-	424,032
Police	257,329	-	-	-	-	-	257,329
Public Works	51,030	-	22,934	-	-	-	73,964
Engineering	18,128	-	-	-	-	-	18,128
Recreation	852,307	199,969	163,761	-	-	-	1,216,037
Debt Service:							
Principal	7,566	-	-	-	-	-	7,566
Interest	269	-	-	-	-	-	269
Total Expenditures	10,988,438	201,781	186,695	394,289	-	44,949	11,816,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,856,940)	(199,509)	1,028,339	119,617	2,535,383	29,418	(1,343,692)
Other Financing Sources (Uses)							
Transfers - Out	-	-	-	-	(2,592,757)	(27,157)	(2,619,914)
Transfers - In	3,837,157	-	-	-	-	-	3,837,157
Total Other Financing Sources (Uses)	3,837,157	-	-	-	(2,592,757)	(27,157)	1,217,243
Net Change in Fund Balances	(1,019,783)	(199,509)	1,028,339	119,617	(57,374)	2,261	(126,449)
Fund Balance - Beginning of Year, restated	1,076,432	250,388	2,337,626	1,513,568	57,374	2,932	5,238,320
Fund Balance- End of Year	$ 56,649	$ 50,879	$ 3,365,965	$ 1,633,185	$ -	$ 5,193	$ 5,111,871

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, 2024

Net Change in Fund Balances - Total Governmental Funds		$ (126,449)
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	1,606,136	
Less Current Year Depreciation	(508,069)	1,098,067
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		490,198
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		7,566
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.		(726,085)
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.		19,919
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	480,025	
Change in Compensated Absences	(39,115)	440,910
The net change in net position of internal service funds is reported with governmental activities.		235,948
Change in Net Position of Governmental Activities		$ 1,440,074

CITY OF LAFAYETTE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

General Fund - Budget and Actual

For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 2,491,500	$ 3,076,500	$ 3,073,114	$ (3,386)
Licenses and Permits	85,500	85,500	93,223	7,723
Intergovernmental	117,000	761,000	758,916	(2,084)
Fines and Forfeitures	190,000	190,000	188,269	(1,731)
Charges for Services	1,512,497	1,623,497	1,594,968	(28,529)
Contributions and Donations	115,900	260,900	257,171	(3,729)
Miscellaneous Income	30,000	40,000	48,092	8,092
Interest Income	95,000	118,000	117,745	(255)
Total Revenues	4,637,397	6,155,397	6,131,498	(23,899)
Expenditures				
Current:				
General Government	1,840,191	2,563,191	2,561,556	1,635
Police	2,558,704	2,910,704	2,908,091	2,613
Fire	786,155	786,155	767,901	18,254
Public Works	1,290,375	1,901,375	1,901,328	47
Engineering	379,602	431,602	431,069	533
Culture and Recreation	1,168,575	2,121,575	2,117,101	4,474
Garage	315,585	315,585	293,557	22,028
Debt Service:				
Principal	7,835	7,835	7,566	269
Interest	-	-	269	(269)
Total Expenditures	8,347,022	11,038,022	10,988,438	49,584
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,709,625)	(4,882,625)	(4,856,940)	25,685
Other Financing Sources (Uses)				
Transfers - In	3,710,000	3,810,000	3,837,157	27,157
Total Other Financing Sources (Uses)	3,710,000	3,810,000	3,837,157	27,157
Net Change in Fund Balance	375	(1,072,625)	(1,019,783)	52,842
Fund Balance - Beginning of Year	1,076,432	1,076,432	1,076,432	
Fund Balance - End of Year	$ 1,076,807	$ 3,807	$ 56,649	

CITY OF LAFAYETTE, GEORGIA
Statement of Net Position
Proprietary Funds
September 30, 2024

	Airport	Electric	Gas	Golf	Water and Sewer	Fiber Optics	Solid Waste	Total	Governmental Activities Internal Service Fund
Assets									
Current Assets:									
Cash and Cash Equivalents	$ -	$ 1,144,618	$ 530,598	$ -	$ 3,613,143	$ 1,126,248	$ -	$ 6,414,607	$ 257,406
Accounts Receivable - Net	-	2,055,697	175,224	-	1,221,151	11,956	134,173	3,598,201	-
Due From Other Funds	-	6,320,828	1,351,716	-	182,117	-	-	7,854,661	-
Due From Other Governments	1,203,388	-	-	-	102,017			1,305,405	-
Inventory	22,185	683,277	69,951	8,268	250,682	-	-	1,034,363	-
Total Current Assets	1,225,573	10,204,420	2,127,489	8,268	5,369,110	1,138,204	134,173	20,207,237	257,406
Non-Current Assets:									
Capital Assets:									
Land	508,822	9,000	7,000	1,340,395	843,741	-	73,052	2,782,010	-
Construction in Process	8,925,862	-	196,868	-	7,979,886	1,676,259	-	18,778,875	-
Equipment	182,476	1,533,115	377,922	638,438	2,617,031	-	1,375,564	6,724,546	-
Buildings	5,302,530	410,894	19,701	2,593,520	1,116,962	47,872	5,206	9,496,685	-
Utility Systems	-	3,850,471	1,138,926	-	45,193,466	-	-	50,182,863	-
Less Accumulated Depreciation	(3,950,583)	(4,360,840)	(871,786)	(1,649,113)	(25,840,037)	-	(949,000)	(37,621,359)	-
Total Non-Current Assets	10,969,107	1,442,640	868,631	2,923,240	31,911,049	1,724,131	504,822	50,343,620	-
Total Assets	12,194,680	11,647,060	2,996,120	2,931,508	37,280,159	2,862,335	638,995	70,550,857	257,406
Deferred Outflows of Resources									
Deferred Resources Related to Pension	11,187	72,086	42,994	60,973	182,034	-	43,471	412,745	-
Total Deferred Outflows	$ 11,187	$ 72,086	$ 42,994	$ 60,973	$ 182,034	$ -	$ 43,471	$ 412,745	$ -
Liabilities									
Current Liabilities:									
Accounts Payable	$ 1,186,312	$ 1,022,283	$ 49,446	$ 27,946	$ 738,199	$ -	$ 44,656	$ 3,068,842	$ -
Accrued Wages and Withholdings Payable	1,597	9,806	7,574	8,034	29,137	-	4,848	60,996	-
Compensated Absences Payable	15,641	37,455	25,005	21,563	66,243	-	16,179	182,086	-
Due to Other Funds	1,566,744	-	-	4,092,176	-	-	2,074,605	7,733,525	-
Customer Deposits	-	360,413	94,763	-	155,314	-	-	610,490	-
Notes Payable - Current	-	-	-	-	345,999	-	-	345,999	-
Capital Leases Payable - Current	-	47,809	-	27,878	-	-	-	75,687	-
Revenue Bonds Payable	-	-	-	-	425,000	-	-	425,000	-
Total Current Liabilities	2,770,294	1,477,766	176,788	4,177,597	1,759,892	-	2,140,288	12,502,625	-
Noncurrent Liabilities:									
Net Pension Liability	26,447	170,414	101,639	144,143	430,335	-	102,768	975,746	-
Accrued Landfill Closure/Postclosure Costs	-	-	-	-	-	-	587,932	587,932	-
Notes Payable	-	-	-	-	12,098,928	-	-	12,098,928	-
Capital Leases Payable	-	194,516	-	80,948	-	-	-	275,464	-
Revenue Bonds Payable (Net)	-	-	-	-	3,178,061	-	-	3,178,061	-
Total Noncurrent Liabilities	26,447	364,930	101,639	225,091	15,707,324	-	690,700	17,116,131	-
Total Liabilities	2,796,741	1,842,696	278,427	4,402,688	17,467,216	-	2,830,988	29,618,756	-
Deferred Inflows of Resources									
Deferred Resources Related to Pension	1,078	6,944	4,142	5,874	17,536	-	4,188	39,762	
Deferred Resources Related to Lease	-	-	-	-	-	10,492	-	10,492	-
Total Deferred Inflows	1,078	6,944	4,142	5,874	17,536	10,492	4,188	50,254	-
Net Position									
Net Investment in Capital Assets	10,969,107	1,200,315	868,631	2,814,415	15,863,061	1,724,131	504,822	33,944,482	-
Restricted									
Renewal and Replacement	-	516,772	-	-	-	-	-	516,772	-
Unrestricted	(1,561,059)	8,152,419	1,887,914	(4,230,495)	4,114,381	1,127,712	(2,657,532)	6,833,340	257,406
Total Net Position	$ 9,408,048	$ 9,869,506	$ 2,756,545	$ (1,416,080)	$ 19,977,442	$ 2,851,843	$ (2,152,710)	$ 41,294,594	$ 257,406

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, 2024

	Airport	Electric	Gas	Golf	Water and Sewer	Fiber Optics	Solid Waste	Total	Governmental Activities Internal Service Fund
Operating Revenues									
Charges for Services	$ 130,354	$ 13,817,196	$ 2,346,664	$ 969,670	$ 6,237,687	$ -	$ 731,872	$ 24,233,443	$ 2,296,988
Fees	-	172,521	36,998	-	666,785	-	13,720	890,024	-
Other Revenues	-	541,813	175,513	-	37,512	1,464	-	756,302	-
Total Operating Revenues	130,354	14,531,530	2,559,175	969,670	6,941,984	1,464	745,592	25,879,769	2,296,988
Operating Expenses									
Costs of Sales and Services	203,717	1,640,565	602,826	996,584	3,667,351	-	1,081,545	8,192,588	2,061,327
Administrative Expense	-	149,116	94,473	-	415,682	-	112,300	771,571	-
Cost of Water	-	-	-	-	1,006,811	-	-	1,006,811	-
Cost of Gas	-	-	1,039,028	-	-	-	-	1,039,028	-
Cost of Electricity	-	10,070,357	-	-	-	-	-	10,070,357	-
Depreciation Expense	217,757	135,034	50,275	184,140	1,131,891	-	57,335	1,776,432	-
Total Operating Expenses	421,474	11,995,072	1,786,602	1,180,724	6,221,735	-	1,251,180	22,856,787	2,061,327
Operating Income (Loss)	(291,120)	2,536,458	772,573	(211,054)	720,249	1,464	(505,588)	3,022,982	235,661
Nonoperating Revenues (Expenses)									
Interest Revenue	-	10,988	510	-	7,266	-	-	18,764	287
Interest Expense	-	(5,803)	-	(5,254)	(341,839)	-	(15)	(352,911)	-
Grant Revenue	8,533,386	-	-	-	636,314	-	-	9,169,700	-
Gain on investments	-	26,191	-	-	-	-	-	26,191	-
Total Nonoperating Revenues (Expens	8,533,386	31,376	510	(5,254)	301,741	-	(15)	8,861,744	287
Income Before Transfers	8,242,266	2,567,834	773,083	(216,308)	1,021,990	1,464	(505,603)	11,884,726	235,948
Transfers	-	(2,300,000)	(710,000)	-	(800,000)	2,592,757	-	(1,217,243)	-
Total Transfers	-	(2,300,000)	(710,000)	-	(800,000)	2,592,757	-	(1,217,243)	-
Change in Net Position	8,242,266	267,834	63,083	(216,308)	221,990	2,594,221	(505,603)	10,667,483	235,948
Net Position - Beginning	1,165,782	9,601,672	2,693,462	(1,199,772)	19,755,452	257,622	(1,647,107)	30,627,111	21,458
Net Position - Ending	$ 9,408,048	$ 9,869,506	$ 2,756,545	$ (1,416,080)	$ 19,977,442	$ 2,851,843	$ (2,152,710)	$ 41,294,594	$ 257,406

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, 2024

	Airport	Electric	Gas	Golf	Water and Sewer	Fiber Optics	Solid Waste	Total	Governmental Activities Internal Service Fund
Cash Flows From Operations									
Receipts from Customers and Users	$ 130,354	$ 14,313,746	$ 2,582,121	$ 969,670	$ 6,699,451	$ 1,464	$ 732,031	$ 25,428,837	$ -
Receipts from Interfund Charges for Healthcare	-	-	-	-	-	-	-	-	2,296,988
Payments to Suppliers	(152,205)	(11,286,795)	(1,441,019)	(713,463)	(4,292,723)	-	(605,696)	(18,491,901)	(2,061,327)
Payments to/for Employees	(57,612)	(485,816)	(271,060)	(367,707)	(1,178,599)	-	(133,798)	(2,494,592)	-
Net Cash Provided by (Used in) Operating Activities	(79,463)	2,541,135	870,042	(111,500)	1,228,129	1,464	(7,463)	4,442,344	235,661
Cash Flows from Noncapital Financing Activities									
Gain on Investments	-	26,191	-	-	-	-	-	26,191	-
Transfers to Other Funds	-	(2,373,714)	(710,000)	-	(2,259,657)	-	-	(5,343,371)	-
Transfers from Other Funds	154,850	-	-	248,530	-	2,592,757	12,645	3,008,782	-
Net Cash from Noncapital Financing Activities	154,850	(2,347,523)	(710,000)	248,530	(2,259,657)	2,592,757	12,645	(2,308,398)	-
Cash Flows from Capital and Related Financing Activities									
Principal Payments - Bonds	-	-	-	-	(415,000)	-	-	(415,000)	-
Principal Payments - Notes	-	-	-	-	(338,935)	-	-	(338,935)	-
Principal Payments - Leases	-	(19,160)	-	(25,362)	-	-	(5,167)	(49,689)	-
Proceeds from loan	-	261,485	-	119,872	1,841,648	-	-	2,223,005	-
Grant Revenues	7,329,998	-	-	-	534,296	-	-	7,864,294	-
Acquisition and Construction of Capital Assets	(7,405,385)	(271,579)	(8,760)	(226,286)	(1,956,719)	(1,467,973)	-	(11,336,702)	-
Interest Paid	-	(5,803)	-	(5,254)	(345,354)	-	(15)	(356,426)	-
Net Cash from Capital and Related Financing Activities	(75,387)	(35,057)	(8,760)	(137,030)	(680,064)	(1,467,973)	(5,182)	(2,409,453)	-
Interest Received	-	10,988	510	-	7,266	-	-	18,764	287
Net Increase (Decrease) in Cash	-	169,543	151,792	-	(1,704,326)	1,126,248	-	(256,743)	235,948
Cash - October 1, 2023	-	975,075	378,806	-	5,317,469	-	-	6,671,350	21,458
Cash - September 30, 2024	$ -	$ 1,144,618	$ 530,598	$ -	$ 3,613,143	$ 1,126,248	$ -	$ 6,414,607	$ 257,406
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Operating Income (Loss)	$ (291,120)	$ 2,536,458	$ 772,573	$ (211,054)	$ 720,249	$ 1,464	$ (505,588)	$ 3,022,982	$ 235,661
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities									
Depreciation	217,757	135,034	50,275	184,140	1,131,891	-	57,335	1,776,432	-
(Increase) Decrease in Assets:									
Accounts Receivable	-	(229,269)	15,398	-	(236,977)	-	(13,561)	(464,409)	-
Inventory	(12,883)	(26,580)	1,965	861	(53,582)	-	-	(90,219)	-
Deferred Outflows	14,701	94,725	56,496	80,122	239,204	-	57,125	542,373	-
Increase (Decrease) in Liabilities:									-
Accounts Payable	(6,433)	77,173	(4,809)	(109,563)	(423,737)	-	18,958	(448,411)	-
Accrued Landfill Closure/Postclosure Costs	-	-	-	-	-	-	413,901	413,901	-
Compensated Absences Payable	7,871	5,941	6,108	(2,626)	8,146	-	291	25,731	-
Salaries and Wages Payable	469	(526)	2,246	166	8,358	-	2,255	12,968	-
Customer Deposits	-	11,485	7,548	-	(5,556)	-	-	13,477	-
Deferred Inflows	(391)	(2,524)	(1,505)	(2,135)	(6,374)	-	(1,522)	(14,451)	-
Net Pension Liability	(9,434)	(60,782)	(36,253)	(51,411)	(153,493)	-	(36,657)	(348,030)	-
Net Cash Provided by (Used in) Operating Activities	$ (79,463)	$ 2,541,135	$ 870,042	$ (111,500)	$ 1,228,129	$ 1,464	$ (7,463)	$ 4,442,344	$ 235,661

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, fiber optics 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, 2024 are classified in the financial statements as follows:

Statement of Net Position:	
Cash	$ 5,037,024
Restricted Cash	6,726,900
Total Cash	11,763,924

Cash balances consist of the following:

Cash on Hand	8,800
Cash Deposits in Financial Institutions	11,275,595
MEAG	479,529
Total Cash	$ 11,763,924

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, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Sewer Fund	Electric Fund	Gas Fund	Solid Waste Fund	Fiber Optic Fund
Receivables:						
Accounts	$ 494	$ 1,547,334	$ 2,630,515	$ 274,674	$ 178,764	$ 11,956
Taxes	569,997	-	-	-	-	-
Total	570,491	1,547,334	2,630,515	274,674	178,764	11,956
Less: Allowance for Uncollectibles	(60,470)	(326,183)	(574,818)	(99,450)	(44,591)	-
Net Total Receivables	$ 510,021	$ 1,221,151	$ 2,055,697	$ 175,224	$ 134,173	$ 11,956

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, 2023 and due by December 20, 2023. 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, 2024, 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	Solid Waste	1,094,488
		$ 6,294,226
Forfeiture	General Fund	$ 966
Electric	General Fund	3,601,585
Electric	Solid Waste	980,117
Electric	Golf	1,451,635
Electric	Hotel/Motel	2,405
Electric	Airport	285,086
		$ 6,320,828
Gas	General Fund	$ 1,351,716
Water/Sewer	General Fund	$ 182,117

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, 2024, interfund transfers were as follows:

Transfer in:	Water/ Sewer	Electric	Gas	American Rescue Plan	Hotel/Motel	Total
General Fund	$ 800,000	$2,300,000	$ 710,000	$ -	$ 27,157	$ 3,837,157
Fiber Optics	-	-	-	2,592,757	-	2,592,757
Total	$ 800,000	$2,300,000	$ 710,000	$2,592,757	$ 27,157	$ 6,429,914

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	$ 3,796,210	$ 215,199	$ -	$ -	$ 4,011,409
Construction in Progress	190,350	1,054,172	318,100	-	926,422
Total Nondepreciable Capital Assets	3,986,560	1,269,371	318,100	-	4,937,831
Depreciable Capital Assets					
Buildings and Improvements	3,144,586	13,000	-	-	3,157,586
Park Improvements	3,070,764	318,099	-	-	3,388,863
Machinery and Equipment	4,338,206	323,766	-	-	4,661,972
Infrastructure	2,708,245	-	-	-	2,708,245
Total Depreciable Capital Assets	13,261,801	654,865	-	-	13,916,666
Less Accumulated Depreciation For:					
Buildings and Improvements	(1,557,421)	65,387	-	-	(1,622,808)
Park Improvements	(2,057,817)	70,842	-	-	(2,128,659)
Marchinery and Equipment	(2,548,062)	277,608	-	-	(2,825,670)
Infrastructure	(1,315,983)	94,232	-	-	(1,410,215)
Total Accumulated Depreciation	(7,479,283)	508,069	-	-	(7,987,352)
Total Depreciable Capital Assets, Net	5,782,518	146,796	-	-	5,929,314
Total Capital Assets, Net	$ 9,769,078	$ 1,416,167	$ 318,100	$ -	$ 10,867,145

NOTE 6. CAPITAL ASSETS – continued

Business-Type Activities	Beginning Balance	Additions	Deletions	Transfers In/(Out)	Ending Balance
Nondepreciable Capital Assets					
Land	$ 2,782,010	$ -	$ -	$ -	$ 2,782,010
Construction in Progress	7,195,333	11,583,542	-	-	18,778,875
Total Nondepreciable Capital Assets	9,977,343	11,583,542	-	-	21,560,885
Depreciable Capital Assets					
Buildings and Improvements	9,370,479	126,207	-	-	9,496,686
Machinery and Equipment	6,390,194	591,675	257,323	-	6,724,546
Distribution and Collection Systems	50,182,863	-	-	-	50,182,863
Total Depreciable Capital Assets	65,943,536	717,882	257,323	-	66,404,095
Less Accumulated Depreciation For:					
Buildings and Improvements	(5,319,075)	(337,508)	-	-	(5,656,583)
Machinery and Equipment	(4,469,160)	(358,597)	257,323	-	(4,570,434)
Distribution and Collection Systems	(26,314,016)	(1,080,329)	-	-	(27,394,345)
Total Accumulated Depreciation	(36,102,251)	(1,776,434)	257,323	-	(37,621,362)
Total Depreciable Capital Assets, Net	29,841,285	(1,058,552)	-	-	28,782,733
Total Capital Assets, Net	$ 39,818,628	$ 10,524,990	$ -	$ -	$ 50,343,618

Governmental Activities:

General Government	$ 75,364
Police	120,370
Fire	11,801
Public Works	181,702
Engineering	1,472
Garage	7,738
Recreation	109,622
Total	$ 508,069

Business-Type Activities

Airport	$ 217,757
Electric	135,034
Gas	50,275
Golf	184,140
Water/Sewer	1,131,893
Solid Waste	57,335
Total	$ 1,776,434

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:

	Governmental Activities
Fire Truck	$ 50,000
Less: Accumulated Depreciation	(20,000)
Total Net Book Value	$ 30,000

Golf Carts - Business-type Capital Lease: During fiscal year 2024, the City entered into a lease agreement with Yamaha Financial Services as lessee for financing a portion of the acquisition of 60 golf carts and GPS equipment for $119,872 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 $29,968. The interest rate on this lease is 6.08% and 7.60%.

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

	Business-Type Activities
Golf Carts	$ 119,872
Less: Accumulated Depreciation	(29,968)
Total Net Book Value	$ 89,904

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	(74,371)
Total Net Book Value	$ 204,520

NOTE 7. LEASES - continued

Freightliner Utility Truck - Business-type Capital Lease: During fiscal year 2024, the City entered into a lease agreement with GMA Finance as lessee for financing the acquisition of a 2025 Freightliner Truck for the electric 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 $26,149. The interest rate on this lease is 5.49%.

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

	Business-Type Activities
Electric Utility Truck	$ 261,485.00
Less: Accumulated Depreciation	(26,149)
Total Net Book Value	$ 235,336.00

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, 2024, are as follows:

Year Ending September 30	Business-Type Activities
2025	$ 104,953
2026	104,961
2027	104,962
2028	88,796
2029	34,954
Total Minimum Lease Payments	438,626
Less Amount Representing Interest	(87,475)
Present Value of Future Minimum Lease Payments	$ 351,151

NOTE 8. LONG-TERM DEBT

Debt outstanding as of September 30, 2024 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	$ 3,575,000

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

Year Ending September 30	Business-Type Activites	
	Principal	Interest
2025	$ 425,000	$ 97,024
2026	435,000	86,399
2027	445,000	75,524
2028	460,000	63,843
2029	470,000	51,423
2030-2032	1,340,000	74,506
Total	$ 3,575,000	$ 448,719

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	$ 219,510
Water/Sewer System	2.40%	9/17/2014	9/17/2036	1,600,000	1,037,571
Water/Sewer System	2.27%	9/4/2015	3/1/3032	825,000	447.402
Water/Sewer System	1.25%	12/10/2018	1/1/2040	1,250,000	985,564
Water/Sewer System	2.09%	9/1/2021	8/1/2041	3,000,000	2,609,541
Water/Sewer System*				5,566,000	5,544,591
Water/Sewer System**				1,350,000	1,222,924
Water/Sewer System***				1,667,000	377,826
				$ 15,731,000	$ 12,444,929

NOTE 8. LONG-TERM DEBT - continued

* Water system loan was issued in May of 2020, with draws beginning December of 2020. The balance of the draws at September 30, 2024 was $5,544,591. The loan will close in 2025 with payments beginning at that time.

** Water system loan was issued in March of 2023, with draws beginning July of 2023. The balance of the draws at September 30, 2024 was $1,222,924. The loan will close in 2025 with payments beginning at that time.

***Water system loan was issued in August of 2023, with draws beginning October of 2023. The balance of the draws at September 30, 2024 was $377,826. The loan will close in 2025 with payments beginning at that time.

Notes payable debt service requirements to maturity are presented below:

Year Ending September 30		Business-Type Activites Principal	Interest
2025		$ 345,999	$ 105,170
2026		353,379	97,789
2027		360,923	90,244
2028		368,637	82,530
2029		376,522	74,647
2030-2034		1,769,856	255,320
2035-2039		1,356,815	97,676
2040-2041		367,458	7,297
	Total	$ 5,299,589	$ 810,673

The following is a summary of the City's long-term debt transactions for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capitalization Leases	$ 7,566	$ -	$ (7,566)	$ -	$ -
Compensated Absences	283,622	39,115	-	322,737	70,000
Total Governmental Activities	$ 291,188	$ 39,115	$ (7,566)	$ 322,737	$ 70,000
Business- Type Activites:					
Note Payable	$ 10,942,216	$ 1,841,648	$ (338,935)	$ 12,444,929	$ 345,999
Revenue Bonds	3,990,000	-	(415,000)	3,575,000	425,000
Unamortized Bond Premium	31,568	-	(3,507)	28,061	-
Landfill Closure/Post Closure	174,031	413,901	-	587,932	-
Capitalized Leases	19,480	381,357	(49,686)	351,151	75,687
Compensated Absences	156,355	25,731	-	182,086	115,000
Total Business-Type Activities	$ 15,313,650	$ 2,662,637	$ (807,128)	$ 17,169,159	$ 961,686

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, 2024, the outstanding debt of MEAG was $8,195,323,494. The City's guarantee varies by individual project and totals $84,607,982.

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, 2024, the estimated minimum annual contribution under these funding standards is $404,298.

According to the plan's actuarial valuation dated January 1, 2024, the recommended contribution to the plan for the coming year is $452,076 ($0 employee and $452,076 employer; 0% employee and 8.37% employer of covered payroll respectively), and for the prior year was $449,078 ($0 employee and $449,078 employer; 0% employee and 8.21% employer of covered payroll respectively). Covered payroll for 2024 and 2023 is $5,312,262 and $5,379,949 respectively.

Net Pension Liability

The City's net pension liability (NPL) was measured as of January 1, 2024, 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, 2023.

NOTE 10. PENSION PLAN - continued

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, 2022	$ 16,831,385	$ 13,755,440	$ 3,075,945
Changes for the Year			
Service Cost	207,049	-	207,049
Interest	1,220,708	-	1,220,708
Differences Between Expected and Actual Experience	(10,159)	-	(10,159)
Changes of Assumptions	-	-	-
Contributions - Employer	-	422,045	(422,045)
Contributions - Employees	-	-	-
Net Investment Income	-	1,851,492	(1,851,492)
Benefit Payments, Including Refunds of Employee Contributions	(972,912)	(972,912)	-
Administrative Expense	-	(27,885)	27,885
Other	-	-	-
Net Changes	444,686	1,272,740	(828,054)
Balances at September 30, 2023	$ 17,276,071	$ 15,028,180	$ 2,247,891

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	$ 4,256,596	$ 2,247,891	$ 555,965

As of January 1, 2024, employee membership data related to the current plan membership was as follows:

Number of retirees and beneficiaries currently receiving benefits	106
Number of terminated employees entitled to benefits, but not yet receiving them	83
Number of Active Plan Participants	
Vested	94
Nonvested	27
Total	310

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	Project 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 14 years
Actuarial Value of Assets	
Mortality & Economic Assumptions	The mortality and economic assumptions are based on the Pri-2012 head-count weighted Healthy Retiree mortality tables with rates 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, 2024, the City recognized pension expense of $711,534. At September 30, 2024, 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	$ 228,906	$ -
Differences between expected and actual experience	40,991	(91,602)
Changes of assumptions	-	-
Net differences between projected and actual earnings on pension plan investments and changes in assumptions	680,973	-
	$ 950,870	$ (91,602)

Pension contributions subsequent to the measurement date of $ 228,906 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, 2025. 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
2025	$ 84,293
2026	102,021
2027	615,722
2028	(171,674)

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, 2023 are as summarized in the following table:

NOTE 10. PENSION PLAN – continued

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	45.00%	6.91%
International Equity	20.00%	7.21%
Real Estate	10.00%	3.61%
Global Fixed Income	5.00%	1.67%
Domestic Fixed Income	20.00%	1.61%
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, 2024.

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.

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, 2024, the restricted assets account balances are comprised of the following:

Governmental Activities:	General	Capital Projects	Other Governmental Funds
Cash - Perpetual Care	$ 259,887	$ -	$ -
Cash - Shop with a Cop	15,138	-	-
Cash - Capital Projects	-	4,775,701	-
Cash - Police Funds	12,955	-	8,422
Cash - Bond Debt Service	11,003	-	-
Total Restricted Assets	$ 298,983	$ 4,775,701	$ 8,422

Business-Type Activities:	Water/Sewer	Electric
Cash - MEAG	$ -	$ 516,772
Cash - Debt Service	49,809	-
Cash - Construction Cash	128,718	-
Cash - GEFA loan account	948,495	-
Total Restricted Assets	$ 1,127,022	$ 516,772

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, 2024 is $666,580. Estimated total current cost of closure and post closure care remaining to be recognized is $78,648. 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 where capacity adjustments were made, the landfill capacity used to date is approximately 88% and at the current usage rate, the estimated remaining life of the landfill is 375 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, 2024, the amount the City collected was $72,106. 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.

NOTE 18. FUND BALANCE RESTATEMENT

The City of Lafayette restated the beginning fund balance for the Capital Projects Fund – 2020 SPLOST. The restatement was due to a correction in the receivable from the state to account for the difference in timing to collect and remit to the government for a month of collections.

Governmental fund statement:	
Beginning fund balance, as previously reported	$ 2,245,066
Adjustment due to error correction	92,560
Beginning fund balance, restated	$ 2,337,626
Government-wide statement:	
Beginning Net Position, as previously reported	$ 14,100,383
Adjustment due to error correction	92,560
Beginning Net Position, restated	$ 14,192,943

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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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 207,049	$ 190,370	$ 187,465	$ 175,291	$ 214,397	$ 160,290	$ 187,639	$ 183,261	$ 199,245	$ 165,910
Interest	1,220,708	1,199,161	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	(10,159)	(167,963)	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	(972,912)	(919,238)	(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	444,686	302,330	629,342	602,449	1,153,104	519,316	436,002	211,677	927,066	801,373
Total Pension Liability - Beginning	16,831,385	16,529,055	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	$ 17,276,071	$ 16,831,385	$ 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	$ 422,045	$ 511,462	$ 406,697	$ 389,793	$ 359,931	$ 391,282	$ 430,901	$ 373,892	$ 327,777	$ 418,853
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net Investment Income	1,851,492	(2,718,682)	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	(972,912)	(919,238)	(876,207)	(857,773)	(862,781)	(743,977)	(682,652)	(631,747)	(675,620)	(548,747)
Administrative Expense	(27,885)	(26,919)	(29,403)	(30,300)	(24,505)	(27,564)	(28,484)	(15,878)	(18,213)	(14,476)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Net Position	1,272,740	(3,153,377)	2,876,149	756,090	(144,804)	853,693	1,384,767	865,892	(231,775)	948,340
Plan Net Position - Beginning	13,755,440	16,908,817	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	$ 15,028,180	$ 13,755,440	$ 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	$ 2,247,891	$ 3,075,945	$ (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	$ 17,276,071	$ 16,831,385	$ 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	15,028,180	13,755,440	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	$ 2,247,891	$ 3,075,945	$ (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	86.99%	81.72%	102.30%	88.26%	86.79%	94.89%	92.24%	84.79%	79.50%	81.29%
Covered Employee Payroll	$ 5,312,262	$ 5,379,949	$ 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	42.32%	57.17%	-8.05%	39.55%	45.01%	15.31%	27.18%	46.64%	59.51%	55.08%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	*	$ 460,413	$ 474,490	$ 443,669	$ 386,093	$ 359,931	390,157	430,901	373,892	327,777
Contributions in Relation to the Actuarially Determined Contribution	*	422,045	511,462	406,697	389,793	359,931	391,282	430,901	373,892	327,777
Contribution Deficiency (Excess)	*	$ 38,368	$ (36,972)	$ 36,972	$ 3,700	$ -	1,125	-	-	-
Covered Employee Payroll	*	5,379,949	4,718,340	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	*	7.84%	10.84%	8.61%	8.68%	7.63%	10.06%	10.02%	8.48%	9.31%

* 2024 information will be determined after fiscal year end and will be included in 2025 valuation report

Notes to Schedule of Contributions:

Valuation Date: The actuarially determined contribution rate was determined as of January 1, 2024, 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 14 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, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019.

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

Special Revenue Funds

These operating funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or major capital projects) that are legally restricted as to use by the Federal or State Government and special purpose funds established by the City Council.

Police Forfeiture Fund – accounts for revenues and expenditures associated with seized property through court ordered forfeitures for the purpose of enhancing law enforcement.

Hotel/Motel Fund – accounts for revenues and expenditures associated with the city's hotel/motel room tax.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF LAFAYETTE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue		
	Police Forfeiture	Hotel/Motel	Total Nonmajor Governmental Funds
Assets			
Cash	$ 8,422	$ -	$ 8,422
Due from Other Governments	-	6,528	6,528
Due from Other Funds	966	-	966
Total Assets	$ 9,388	$ 6,528	$ 15,916
Liabilities and Fund Balances			
Liabilities:			
Unreleased Confiscations	$ 4,195	$ -	$ 4,195
Due to Other Funds	-	2,405	2,405
Due to Other Governments	-	4,123	4,123
Total Liabilities	4,195	6,528	10,723
Fund Balance:			
Restricted for:			
Law Enforcement Activities	5,193	-	5,193
Total Fund Balances	5,193	-	5,193
Total Liabilities and Fund Balances	$ 9,388	$ 6,528	$ 15,916

CITY OF LAFAYETTE, GEORGIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue		
	Police Forfeiture	Hotel/Motel	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ -	$ 72,106	$ 72,106
Miscellaneous Income	2,257	-	2,257
Interest Income	4	-	4
Total Revenues	2,261	72,106	74,367
Expenditures			
Current:			
Police	-	-	-
Tourism and Promotion	-	44,949	44,949
Total Expenditures	-	44,949	44,949
Excess (Deficit) of Revenues Over (Under) Expenditures	2,261	27,157	29,418
Other Financing Sources (Uses)			
Transfers - In(Out)	-	(27,157)	(27,157)
Total Other Financing Sources (Uses)	-	(27,157)	(27,157)
Net Change in Fund Balances	2,261	-	2,261
Fund Balance - Beginning of Year	2,932	-	2,932
Fund Balance - End of Year	$ 5,193	$ -	$ 5,193

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, 2024

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ -	$ -
Interest Income	-	-	2,272	2,272
Total Revenues	-	-	2,272	2,272
Expenditures				
Current:				
General Government	30,000	30,000	1,812	28,188
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	199,969	640,222
Debt Service:				-
Principal	340,000	340,000	-	340,000
Interest	13,991	13,991	-	13,991
Total Expenditures	2,880,000	2,880,000	201,781	2,678,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,880,000)	(2,880,000)	(199,509)	2,680,491
Net Change in Fund Balance	(2,880,000)	(2,880,000)	(199,509)	2,680,491
Fund Balance - Beginning of Year			250,388	
Fund Balance - End of Year			$ 50,879	

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, 2024

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 478,571	$ 478,571
Interest Income	-	-	35,335	35,335
Total Revenues	-	-	513,906	513,906
Expenditures				
Current:				
Public Works	2,500,000	2,500,000	394,289	2,105,711
Total Expenditures	2,500,000	2,500,000	394,289	2,105,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500,000)	(2,500,000)	119,617	2,619,617
Net Change in Fund Balance	(2,500,000)	(2,500,000)	119,617	2,619,617
Fund Balance - Beginning of Year			1,513,568	
Fund Balance - End of Year			$ 1,633,185	

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, 2024

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 1,157,363	$ 1,157,363
Interest Income	-	-	57,671	57,671
Total Revenues	-	-	1,215,034	1,215,034
Expenditures				
Current:				
General Government	-	-	-	-
Capital Outlays:				
General Government	275,000	275,000	-	275,000
Public Works	1,350,000	1,350,000	22,934	1,327,066
Recreation	1,175,000	1,175,000	163,761	1,011,239
Other Capital Outlays	-	3,800,000	-	3,800,000
Other Projects	3,800,000	-	-	-
Total Expenditures	6,600,000	6,600,000	186,695	6,413,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,600,000)	(6,600,000)	1,028,339	7,628,339
Net Change in Fund Balance	(6,600,000)	(6,600,000)	1,028,339	7,628,339
Fund Balance - Beginning of Year			2,337,626	
Fund Balance - End of Year			$ 3,365,965	

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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, 2024 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 July 31, 2025.

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 a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency described as 24-01.

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
July 31, 2025

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, 2024. 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, 2024.

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.

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
July 31, 2025

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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 programs:

U.S. Department of Transportation
Airport Improvement Program
CFDA #20.106

U.S. Department of Treasury
Coronavirus State and Local Recovery Funds
CFDA #21.027

U.S. Environmental Protection Agency
Drinking Water State Revolving Fund
CFDA #66.458

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

FS24-01 **Criteria:** Monitoring and reviews are common practices in an effective internal control structure. Policies should be in place requiring monitoring and reviews of accounting transactions and timely reconciliations. There should be a person who has the level of knowledge to perform these functions to detect errors and omissions that may have occurred.

Condition: 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, revenues and disbursements. Also, proper support for receipts and disbursements are not always being maintained where they can be located easily.

Cause: There is no level of oversight or policies and procedures in place to review and monitor accounting data. There is no one person performing review functions.

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 errors would have been detected in a timely manner.

Recommendation: We recommend procedures be implemented which would provide for improved internal controls in the above areas. We recommend training be provided for current employees. We also recommend procedures be implemented to require reviews and monitoring to be done at least monthly. Also, timely reconciliations need to be made for all accounts on at least a monthly basis, and procedures are implemented to ensure the accounting records reflect these balances. The city should establish a good filing system which requires all support and documentation to be included.

Response: We agree with the finding. We hired an accountant to assist with implementing procedures to improve our accounting system. The combined responsibilities of the accounting function and the general operations of the finance department of the city are now shared with the clerk and the new hire to incorporate monitoring and reviews. 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.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024

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	T007776	8,323,341
U.S.Department of Treasury			
Coronavirus State and Local Recovery Funds	21.027	SLFRP	1,385,213
Passed Through Governor's Office of Planning and Budget			
Improving Neighborhoods Grant	21.027	GA-0000000262	373,023
Total U.S. Department of Treasury			1,758,236
Appalachian Regional Commission			
Passed Through Georgia Environmental Finance Authority -			
Appalachian Regional Commission	23.001	GA-21052-2023	321,086
Appalachian Regional Commission	23.001	GA-21028-2023	315,228
Total Appalachian Regional Commission			636,314
U.S. Environmental Protection Agency			
Passed Through Georgia Environmental Finance Authority -			
Clean Water State Revolving Fund	66.458	CW2020027	798,776
Drinking Water State Revolving Fund	66.468	DW2019025	599,372
Total U.S. Environmental Protection Agency			1,398,148
Total Federal Awards			$ 12,116,039

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, 2024

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	-	-	38,607	1,812	40,419
Equipment	-	-	188,435	-	188,435
Public Safety					
Equipment	-	-	12,574	-	12,574
Solid Waste					
Equipment	-	-	-	-	-
Public Works					
Equipment	-	-	105,000	-	105,000
Improvements	-	-	551,780	-	551,780
Recreation					
Equipment	-	-	195,487	199,969	395,456
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	2,035,377	201,781	2,237,158
Total for all Projects	$ 2,880,000	$ 2,880,000	$ 2,433,337	$ 201,781	$ 2,635,118

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - TSPLOST
SEPTEMBER 30, 2024

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets					
Utility Relocation/Sewer	$ 2,500,000	$ 2,917,500	$ 1,644,167	$ 394,289	$ 2,038,456
Total	$ 2,500,000	$ 2,917,500	$ 1,644,167	$ 394,289	$ 2,038,456

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2020
SEPTEMBER 30, 2024

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	**$ 1,850,000**	**$ 1,850,000**			
Roads, Bridges/ Sidewalk	1,250,000	1,250,000	$ -	$ -	$ -
Main Street improvements	350,000	350,000	-	-	-
Streetscapes improvements	250,000	250,000	47,429	22,934	70,363
Other Projects					
Admin - Remote Learning	**500,000**	**500,000**	91,125	-	91,125
Police/Fire/911 Communications	**275,000**	**275,000**	250,000	-	250,000
Public Works - Downtown Dev.	**750,000**	**750,000**	-	-	-
Public Works - Train Depot	**75,000**	**75,000**	-	-	-
Utilities - Broadband/Smart grid	**800,000**	**800,000**	-	-	-
Water and Sewer	**165,000**	**165,000**	-	-	-
Recreation	**2,185,000**	**2,185,000**			
Facilities and improvements	1,400,000	1,400,000	308,914	163,761	472,675
City Lake improvements	150,000	150,000	-	-	-
Walking/biking trails	275,000	275,000	-	-	-
Sidewalks	300,000	300,000	-	-	-
Library	60,000	60,000	-	-	-
Total Other Projects	**5,500,000**	**5,500,000**	**650,039**	**163,761**	**813,800**
Total for all Projects	**$ 6,600,000**	**$ 6,600,000**	**$ 697,468**	**$ 186,695**	**$ 884,163**